GENERAL INFORMATION DOCUMENT
(FOR PRIVATE PLACEMENT)
by

BELSTAR MICROFINANCE LIMITED
(the "Company" or the "Issuer")

A public limited company incorporated under the Companies Act, 1956
Registered Office: No 33, 48th Street ,9th Avenue, Ashok Nagar, Chennai- 600083
Corporate Office: M V Square, No 4/14, Soundarapandian Street Ashok Nagar- Chennai-600083
Telephone No.: 044-43414567; **Email:** cs@belstar.in
Corporate Identification Number (CIN): U06599TN1988PLC081652; **Permanent Account Number (PAN):** AAACB5855H
Date of Incorporation: January 11,1988; **Place of Incorporation:** Bangalore, India,
Registration/identification number issued by the relevant regulator: B-07.00792
Website: https://belstar.in/

General Information Document for issue of Debentures on a private placement basis dated June 05, 2025

ISSUE OF LISTED, RATED, SECURED / UNSECURED / SUBORDINATED, REDEEMABLE, PRINCIPLE PROTECTED OR NOT, MARKET LINKED OR NOT, NON-CONVERTIBLE DEBENTURES (INCLUDING IN THE FORM OF ZERO COUPON BONDS) (THE "ISSUE") ON A PRIVATE PLACEMENT BASIS TO BE ISSUED AS PER THE TERMS OF EACH ISSUE / SERIES OF DEBENTURES WITH THE AGGREGATE ISSUE SIZE FOR EACH OFFER / ISSUE / SERIES OF DEBENTURES TO BE SET OUT IN THE RELEVANT KEY INFORMATION DOCUMENT ISSUED / TO BE ISSUED BY THE COMPANY FOR EACH ISSUE / SERIES OF DEBENTURES FROM TIME TO TIME.

BACKGROUND

This General Information Document is related to all tranches/series of Debentures to be issued by Belstar Microfinance Limited (the "**Issuer**" or "**Company**") on a private placement basis during the validity period of this General Information Document and contains relevant information and disclosures required in accordance with the Debt Listing Regulations. The issue of the Debentures comprised in the Issue and described under this General Information Document has been/shall be authorised by the Issuer through resolutions passed by the shareholders of the Issuer on the date(s) set out in the Key Information Document for the relevant issuance of Debentures and the Board of Directors of the Issuer on the date(s) set out in the Key Information Document for the relevant issuance of Debentures read with the resolution passed by the Borrowing Committee of the Board of Directors on the date(s) set out in the Key Information Document for the relevant issuance of Debentures and the Memorandum and Articles of Association of the Company.

Period of Validity of General Information Document: This General Information Document shall be valid for a period of one (1) year from the Issue Opening Date of the first offer of Debentures made by the Company under this General Information Document. In respect of the offer of Debentures during the period of validity of this General Information Document, the Company shall file with the Stock Exchange, a Key Information Document with respect to each offer of Debentures , containing *inter alia* details of the private placement and material changes, if any, in the information including the financial information provided in this General Information Document, or any material developments, as applicable.

Key Information Document: Investors to note that each Issue offered pursuant to this General Information Document shall be subject to the terms and conditions pertaining to the Debentures outlined hereunder as modified/ supplemented by the terms of the respective Key Information Documents filed with the Stock Exchange in relation to such Series and other documents in relation to such issuance including the Private Placement Offer cum Application Letter(s), if applicable. The terms and conditions contained in this General Information Document shall be read in conjunction with the provisions (as may be mutually agreed between the Issuer and respective Debentures Holders from time to time) contained in the respective Key Information Documents, and in case of any repugnancy, inconsistency or where there is a conflict between the terms and conditions as are stipulated in the respective Key Information Documents on one hand, and the terms and conditions in the General Information Document on the other, the provisions contained in the Key Information Documents shall prevail over and override the provisions of this General Information Documents for all intents and purposes.

Part A: Disclosures as per SEBI NCS Regulations:

Please refer pages 1-5 for all information required to be placed on the front page of a general information document as per Schedule I of the SEBI NCS Regulations, as amended from time to time.

Please see below the disclosures as required under the terms of the SEBI NCS Regulations (as defined below):

Sl.	Particulars	Relevant Disclosures
1	Issuer	Belstar Microfinance Limited
2	CIN of the Issuer:	U06599TN1988PLC081652
3	PAN of the Issuer:	AAACB5855H
4	Date and place of Incorporation of the Issuer:	January 11,1988, Bangalore

Sl.	Particulars	Relevant Disclosures
5	Latest registration / identification number issued by any regulatory authority which regulates the Issuer (in this case Reserve Bank of India):	RBI Registration No.: B-07.00792
6	Registered Office of the Issuer	No 33, 48th Street ,9th Avenue, Ashok Nagar, Chennai- 600083
7	Corporate Office of the Issuer	M V Square, No 4/14, Soundarapandian Street Ashok Nagar- Chennai-600083
8	Telephone No. of the Issuer:	044-43414567
9	Email of the Issuer	cs@belstar.in
10	Details of the Promoter of the Issuer	• Muthoot Finance Limited (**Tel:** (+91 484) 239 4712; **Fax:** (+91 484) 239 6506, Email:ncd@muthootgroup.com • Dr. Kalpanaa Sankar (Tel: 044-43414503; Email: kalpana.sankar@belstar.in) • Sarvam Financial Inclusion Trust (Tel:044-67276077; Email: sfit@hihseed.org
11	Details of the Chief Financial Officer of the Issuer	Name: L Muralidharan Telephone Number: 04443414505 Email Address: muralidharan.l@belstar.in
12	Details of the Compliance Officer of the Issuer	Name: Mr. Sunil Kumar Sahu Telephone Number: 04443414503 Email Address: sunilkumar.k@belstar.in
13	Details of the Company Secretary of the Issuer	Name: Mr. Sunil Kumar Sahu Telephone Number: 04443414503 Email Address: sunilkumar.k@belstar.in
14	Website of the Issuer	https://belstar.in/
15	Details of the Debenture Trustee of the Issue	Logo: VARDHMAN TRUSTEESHIP PVT LTD Nurturing & Protecting your Trust **Name :Vardhman Trusteeship Private Limited** **Address**: The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. **Tel**.: +91 22 4264 8335/ 22 4014 0832 **Contact person**: Mr Rushabh Desai **Email**: corporate@vardhmantrustee.com Website: https://vardhmantrustee.com In case of any change, the same shall be disclosed in the relevant Key Information Document issued for the said tranche/ series
16	Details of the Registrar & Share Transfer Agent of the Issue	Logo MUFG Name: **MUFG Intime India Private Limited** Address: **C-101, 1st Floor, 247 Park L.B.S. Marg Vikhroli (West), Mumbai 400 083, Maharashtra, India** **Tel: +91 810 811 4949** Email: debtca@in.mpms.mufg.com Contact Person: Mr Ganesh Jadhav In case of any change, the same shall be disclosed in the relevant Key Information Document issued for the said tranche/ series
17	Details of credit rating agency for the Issue	As per Key Information Document for each issuance / Series.
18	Details of the Arranger to the Issue	As per Key Information Document for each issuance / Series.
19	Details of the Statutory Auditor	SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS Offices: Chennai - Mumbai - Bangalore - Madurai Name: Sundaram and Srinivasan, Chartered Accountant Address: 23, CP Ramaswamy Iyer Rd, Sriram Colony, Abiramapuram, Chennai - 600018 Website: https://sundaramandsrinivasan.com Tel.: 044-24988762/24988463/ /42106952 Contact Person: Mr. K S. Radhakrishnan Peer Review No. 018255
20	Date of General Information Document	June 05,2025
21	Type of issue document / General Information Document	This General Information Document is being issued in relation to the private placement of Debentures The Company shall issue a Key Information Document for each Issue / Series of Debentures issued / to be issued by the Company on a private placement basis, on

Sl.	Particulars	Relevant Disclosures
		or prior to the date falling on the expiry of 1 (One) year from the date of first offer / first Issue made under the terms of this General Information Document.
22	The nature, number, price and amount of securities offered and issue size (base issue or green shoe), as may be applicable	The nature, number, price and amount of securities offered and issue size of each issuance / Series shall be specified in the relevant Key Information Document issued / to be issued by the Company.
23	Issue Schedule	Date of opening of the Issue: The same shall be specified in the relevant Key Information Document issued / to be issued for each Issue / Series by the Company. Date of closing of the Issue: The same shall be specified in the relevant Key Information Document issued / to be issued for each Issue / Series by the Company. Date of earliest closing of the Issue (if any): The same shall be specified in the relevant Key Information Document issued / to be issued for each Issue / Series of Company.
24	Credit Rating of the Issuer & All rating obtained for the private placement of Issue	The details of the credit rating agency for each Issue / Series of Debentures shall be specified in the relevant Key Information Document issued / to be issued for each such Issue / Series by the Company.
25	Listing	The Debentures are proposed to be listed on the wholesale debt market of the BSE Limited ("**BSE**") and/or National Stock Exchange of India Limited (**"NSE"**), as shall be more particularly set out in the relevant Key Information Document to be issued for each Issue.
26	Eligible Investors	The following class of Investors (except government undertaking) are eligible to participate in the offer (being "**Eligible Investors**"): a) Qualified Institutional Buyers (QIBs) as defined under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 dated September 11, 2018, "Qualified Institutional Buyers" means: i. A mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with SEBI. ii. Foreign portfolio investor other than individuals, corporate bodies and family offices. iii. a public financial institution. iv. a scheduled commercial bank. v. a multilateral and bi-lateral development financial institution. vi. a state industrial development corporation. vii. an insurance bank registered with Insurance Regulatory and Development Authority of India. viii. a provident fund with minimum corpus of Rs.25 Crore Rupees; ix. A Pension Fund with minimum corpus of Rs. 25 Crores registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 x. National Investment Fund set up by resolution No: F.No.2/3/2005-DDII dated November 23, 2005, of the Government of India published in the Gazette of India. xi. insurance funds set up and managed by army, navy or air force of the Union of India. xii. Insurance funds set up and managed by the Department of Posts, India; and xiii. Systemically important Non- Banking Financial Companies b) Any Non-QIB person/ entity who is eligible to invest in the Debentures as per the concerned guidelines and regulations and permitted under Applicable Laws (and in the event the private placement of Debentures is pursuant to an EBP platform, then those non-QIBs who/ which has been authorized by the Issuer, to participate in a particular issue / Series on the EBP platform). Note: Participation by Eligible Investors in the Issue / Series may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

<table>
<tr><th>Sl.</th><th>Particulars</th><th>Relevant Disclosures</th></tr>
<tr><td></td><td></td><td>**Please note that the Issuer shall have the option to access EBP Platform for the issuance of each Series of Debentures, depending on the size of such Series.

In case there are any additions / modifications to the list of eligible investors in respect of an issuance / Series, as set out in this General Information Document, the same shall also be set out in the relevant Key Information Document to be issued by the Company for each Issue / Series.</td></tr>
<tr><td>27</td><td>Coupon / dividend rate, coupon / dividend payment frequency, redemption date, redemption amount and details of debenture trustee</td><td>The details of the Coupon Rate, the Coupon Payment Frequency, the Redemption Date and Redemption Amount in respect of each Issue / Series shall be specified in the relevant Key Information Document issued / to be issued for each Issue / Series by the Company.

The details of Debenture Trustee are provided under S. No. 16 above.</td></tr>
<tr><td>28</td><td>Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable</td><td>As per Key Information Document for each issuance / Series.</td></tr>
<tr><td>29</td><td>Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters:</td><td>Not applicable.</td></tr>
<tr><td>30</td><td>A disclosure that a copy of the issue document has been delivered for filing to the Registrar of Companies as required under sub-section (4) of Section 26 of Companies Act, 2013 (18 of 2013)</td><td>Not applicable as the Debentures under this General Information Document are being / shall be issued on private placement basis under Section 42 of Companies Act, 2013.</td></tr>
<tr><td>31</td><td>Inclusion of a compliance clause in relation to electronic book mechanism and details pertaining to the uploading of the General Information Document on the Electronic Provider Platform.</td><td>**Please note that the Issuer shall have the option to access EBP Platform for the issuance of each Series / issuance, depending on the size of such Series.

This Issue, offer and subscription to the Debentures constituting the relevant Series may be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI and BSE and/or NSE under the EBP Guidelines (as defined below) by placing bids on the EBP Platform during the period of the Issue. The Eligible Investors should also refer to the operational guidelines of the EBP in this respect. The disclosures required pursuant to the EBP Guidelines (as defined below) are set out herein below:

<table>
<tr><td>Issue composition – Details of size of the Issue including green shoe option, if any</td><td>As per Key Information Document for each issuance / Series</td></tr>
<tr><td>Interest Rate Parameter</td><td>As per Key Information Document for each issuance / Series.</td></tr>
<tr><td>Bid opening and closing date</td><td>As per Key Information Document for each issuance / Series.</td></tr>
<tr><td>Minimum Bid lot</td><td>As per Key Information Document for each issuance / Series.</td></tr>
<tr><td>Manner of bidding in the Issue</td><td>As per Key Information Document for each issuance / Series.</td></tr>
<tr><td>Manner of allotment in the Issue</td><td>As per Key Information Document for each issuance / Series.</td></tr>
<tr><td>Manner of Settlement in the Issue</td><td>As per Key Information Document for each issuance / Series.</td></tr>
<tr><td>Trading Lot Size</td><td>As per Key Information Document for each issuance / Series.</td></tr>
<tr><td>Settlement cycle [T+1/ T+2] where T refers to the date of bidding/ issue day</td><td>As per Key Information Document for each issuance / Series.</td></tr>
</table>
Please also refer to the relevant Key Information Document for the detailed process in respect of the subscription of an Issue / Series.</td></tr>
<tr><td>32</td><td>Specific declaration requested by BSE/NSE: non-equity regulatory capital</td><td>As per Key Information Document for each issuance / Series.</td></tr>
<tr><td>33</td><td>Anchor portion and Anchor Investors</td><td>In case the Issuer opts for the anchor portion in accordance with Chapter VI of the applicable Master Circular, the details of such anchor portion and anchor investors shall be disclosed in the relevant Key Information Document for each issuance /</td></tr>
</table>

Sl.	Particulars	Relevant Disclosures
		Series.
34	Face value of the Debentures	(a) The Debentures issued under the terms of this General Information Document shall be issued at a face value of INR 1,00,000/- (Indian Rupees One Lakh only) each; and (b) The perpetual debt instrument / bonds issued under the terms of this General Information Document shall be issued at a face value of INR 1,00,00,000/- (Indian Rupees One Crore only) each; For any other securities, the same shall be specified in the relevant Key Information Document issued by the Company for such Issue. Please also note that on the event there is any change in the face value / nominal value of the securities which are issued pursuant to this General Information Document vis-à-vis the face value set out above, the same will be more particularly set out in the relevant Key Information Document issued by the Company for such Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Issue document contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in the Issue Document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

GENERAL RISK

Investment in non-convertible securities is risky, and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 3 of this issue document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

LISTING

The Debentures are proposed to be listed on the wholesale debt market of the BSE and/or NSE. The designated stock exchange for each issuance / Series shall be as per Key Information Document for each issuance / Series.

CHAPTER V- NON-APPLICABILITY DISCLAIMER

As per Key Information Document for each issuance / Series.

KEY ISSUE DETAILS

ISSUE SCHEDULE

Issue Opening Date	Issue Closing Date	Pay In Date	Deemed Date of Allotment
As per Key Information Document for each issuance / Series.	As per Key Information Document for each issuance / Series.	As per Key Information Document for each issuance / Series.	As per Key Information Document for each issuance / Series.

The Issuer reserves the right to change the Issue programme including the Deemed Date of Allotment (as defined hereinafter) at its sole discretion in accordance with the timelines specified in the operational guidelines of the EBP without giving any reasons or prior notice. In the event any Issue / Series is made through the electronic book platform in accordance with the EBP Guidelines, the Issue / Series will be open for bidding as per bidding window that would be communicated through BSE BOND-EBP Platform/ NSE EBP Platform.

Coupon	Coupon Payment Frequency	Redemption Date	Redemption Amount
As per Key Information Document for each issuance / Series.	As per Key Information Document for each issuance / Series.	As per Key Information Document for each issuance / Series.	As per Key Information Document for each issuance / Series.

DISCLAIMER

THIS DISCLOSURE DOCUMENTS CONTAIN NO UNSUBSTANTIATED FORWARD-LOOKING STATEMENTS. TO THE EXTENT THERE ARE ANY UNSUBSTANTIATED FORWARD-LOOKING STATEMENTS UNDER THIS GENERAL INFORMATION DOCUMENT, SUCH STATEMENTS SHALL BE CONSIDERED TO BE NULL AND VOID.

THIS GENERAL INFORMATION DOCUMENT DOES NOT INCLUDE ANY STATEMENT PURPORTING TO BE MADE BY AN EXPERT OTHER THAN IF THE EXPERT IS A PERSON WHO IS NOT, AND HAS NOT BEEN, ENGAGED OR INTERESTED IN THE FORMATION OR PROMOTION OR MANAGEMENT, OF THE ISSUER AND HAS GIVEN THEIR WRITTEN CONSENT TO THIS ISSUE OF THIS GENERAL INFORMATION DOCUMENT AND HAS NOT WITHDRAWN SUCH CONSENT BEFORE THE DELIVERY OF A COPY OF THIS GENERAL INFORMATION DOCUMENT TO THE REGISTRAR (AS APPLICABLE) FOR REGISTRATION.

THE PROVISIONS OF THIS GENERAL INFORMATION DOCUMENT APPLY TO EACH ISSUANCE OF A TRANCHE/SERIES OF DEBENTURES ISSUED PURSUANT TO THIS GENERAL INFORMATION DOCUMENT DURING THE VALIDITY PERIOD OF THIS GENERAL INFORMATION DOCUMENT AND THE KEY INFORMATION DOCUMENT FOR THE RELEVANT ISSUANCE OF DEBENTURES, AND ALL REFERENCES AND PROVISIONS SET OUT BELOW SHALL BE CONSTRUED AND INTERPRETED ACCORDINGLY.

THIS GENERAL INFORMATION DOCUMENT SHALL BE VALID FOR A PERIOD OF ONE (1) YEAR FROM THE ISSUE OPENING DATE

OF THE FIRST OFFER OF DEBENTURES AND MADE BY THE COMPANY UNDER THIS GENERAL INFORMATION DOCUMENT. IN RESPECT OF THE OFFER OF DEBENTURES DURING THE PERIOD OF VALIDITY OF THIS GENERAL INFORMATION DOCUMENT, THE COMPANY SHALL FILE WITH THE STOCK EXCHANGE, A KEY INFORMATION DOCUMENT WITH RESPECT TO EACH OFFER OF DEBENTURES, CONTAINING INTER ALIA DETAILS OF THE PRIVATE PLACEMENT AND MATERIAL CHANGES, IF ANY, IN THE INFORMATION INCLUDING THE FINANCIAL INFORMATION PROVIDED IN THIS GENERAL INFORMATION DOCUMENT, OR ANY MATERIAL DEVELOPMENTS, AS APPLICABLE.

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(This General Information Document is neither a prospectus nor a statement in lieu of a prospectus)

SECTION 1: DEFINITIONS AND ABBREVIATIONS

Capitalised terms used herein and not defined shall have the meanings given to them in the Transaction Documents. Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this General Information Document.

Act/Companies Act	means the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to each Issue / Series of Debentures
Applicable Accounting Standards	means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable, and includes Indian Accounting Standards (IND-AS).
Applicant	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, a person who has submitted a completed Application Form to the Issuer, and "Applicants" shall be construed accordingly.
Applicable Law	means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Application Form	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the application form for subscription of the Debentures annexed to Key Information Document for the relevant issuance of Debentures.
Application Money	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the subscription amounts paid by the Debenture Holders at the time of submitting the Application Form.
Articles of Association / AoA	Articles of Association of Belstar Microfinance Limited
Beneficial Owners	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the holders of the Debentures in dematerialised form whose names are recorded as such with the Depository(ies) in the Register of Beneficial Owners, and "Beneficial Owner" shall be construed accordingly.
Board / Board of Directors	means the Board of Directors of the Issuer.
BSE	means BSE Limited
Business Day	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures: (a) subject to (b) and (c) below, means any day on which commercial banks at the location set out in the relevant Key Information Document are open for business; (b) for the period commencing on the Issue Opening Date until the Issue Closing Date, any day (other than a Sunday or a public holiday under Section 25 of the Negotiable Instruments Act, 1881), on which commercial banks at the location set out in the relevant Key Information Document are open for business; and (c) for the period commencing on the Issue Closing Date until the listing of the Debentures in accordance with this Deed, any trading day of BSE, other than a Saturday, Sunday or a bank holiday, as specified by SEBI, and "Business Days" shall be construed accordingly
CDSL	Central Depository Services (India) Limited.
CERSAI	means Central Registry of Securitisation Asset Reconstruction and Security Interest of India.
Company/Issuer/Belstar	means Belstar Microfinance Limited
Conditions Precedent	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the conditions precedent set out under the Key Information Document for the relevant issuance of Debentures.
Conditions Subsequent	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the conditions subsequent set out under the Key

	Information Document for the relevant issuance of Debentures.
Constitutional Documents	means the certificate of incorporation of the Issuer, the memorandum of association and articles of association of the Issuer and the certificate of registration issued by the RBI to the Issuer.
Coupon	In relation to any Series / Issue, the coupon payable on the Debentures constituting that Series / Issue, on the Coupon Payment Dates, at the Coupon Rate.
Coupon Payment Date(s)	In respect of any Series / Issue, means the payment dates as specified in the Key Information Document issued in respect of that Series / Issue, on which Coupon is payable, commencing after the Deemed Date of Allotment.
Coupon Rate	In respect of a Series / Issue, means the rate at which Coupon is payable on the Debentures belonging to such Series / Issue and shall be as specified in the Key Information Document issued by the Issuer in respect of that Series / Issue.
Crore / Cr. / Crs.	Ten Million
Debentures/NCDs	means any tranche/series of rated, listed, taxable, redeemable, transferable, non-convertible debentures denominated in INR, having such face value as may be set out in the Key Information Document for the relevant issuance of Debentures and an aggregate face value as may be set out in the Key Information Document for the relevant issuance of Debentures issued under this General Information Document.
Debenture Holders/ Investors	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, each person who is: (a) registered as a Beneficial Owner; and (b) registered as a debenture holder in the Register of Debenture Holders. (a) and (b) above shall be deemed to include transferees of the Debentures registered with the Issuer and the Depository(ies) from time to time, and in the event of any inconsistency between (a) and (b) above, (a) shall prevail, and "Debenture Holder" or "Investor" shall be construed accordingly.
Debenture Trustee	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the debenture trustee appointed in respect of the relevant issuance of Debentures and as more particularly set out in the Key Information Document for the relevant issuance of Debentures.
Debenture Trustee Agreement	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the agreement executed / to be executed by and between the Debenture Trustee and the Issuer *inter alia* for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trustees Regulations / SEBI Debenture Trustees Regulations	means the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended, modified, supplemented or restated from time to time.
Debenture Trust Deed/DTD	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the debenture trust deed executed / to be executed by and between the Debenture Trustee and the Issuer *inter alia* recording the terms and conditions upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Debt Disclosure Documents	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, collectively, this General Information Document, the relevant Key Information Document for the relevant issuance of Debentures and the relevant PPOA for the relevant issuance of Debentures, and "Debt Disclosure Document" means any one of them.
Deemed Date of Allotment	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the deemed date of allotment set out in the Key Information Document for the relevant issuance of Debentures.
Demat	means the dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	means the Depositories Act, 1996, as amended from time to time.
Depositories	means the depositories with whom the Issuer has made arrangements for

	dematerialising the Debentures, being NSDL and CDSL, and "Depository" means any one of them.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	means the director(s) of the Issuer.
DP ID	Depository Participant Identification Number.
DRR	has the meaning given to it in Section 6.36 (*Other details*) of this General Information Document.
Due Dates	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the dates on which any interest, any principal amounts, any additional interest, any liquidated damages, any premature redemption amount and/or any other amounts payable are due and payable, as more particularly set out in the Key Information Document for the relevant issuance of Debentures, and "Due Date" shall be construed accordingly.
EBP Platform	has the meaning given to it under the EBP Requirements.
EBP Guidelines	The guidelines issued by SEBI with respect to electronic book mechanism including under the terms of the Master Circular (as applicable), the SEBI circular dated October 10, 2022 (bearing reference number: SEBI/HO/DDHS/ DDHS_Div1/P/CIR/2022/00139) and November 30, 2022 (bearing reference number: SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/167), each as amended from time to time read together with the SEBI Master Circular for issue and listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper" (updated as on May 22, 2024) (bearing reference number: SEBI/HO/DDHS/PoD1/P/CIR/2024/54), as amended from time to time to the extent applicable in respect of the private placement of debt securities, as amended, modified, or restated from time to time.
Electronic Book Provider / EBP	has the meaning given to it under the EBP Requirements.
Effective Date	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the date of execution of the DTD for the relevant issuance of Debentures.
EFT	Electronic Fund Transfer
Eligible Investors	means the eligible investors set out in Section 9.15 of the General Information Document read with the Key Information Document for the relevant issuance of Debentures.
Events of Default	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the events of default set out in the Key Information Document for the relevant issuance of Debentures.
Financial Year/ FY	means each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year.
General Information Document/GID	means this general information document issued by the Issuer in respect of all tranches/series of Debentures.
Governmental Authority	means any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organisation, established under any Applicable Law, and "Governmental Authorities" shall be construed accordingly.
ICCL	means the Indian Clearing Corporation Limited.
INR/Rs.	means Indian Rupees.
Issue	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the issue of the relevant series of Debentures on a private placement basis pursuant to this General Information Document and the relevant Key Information Document.
Issuer	Belstar Microfinance Limited
Issue Closing Date	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the issue closing date set out in the Key Information Document for the relevant issuance of Debentures.
Issue Opening Date	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the issue opening date set out in the Key Information Document for the relevant issuance of Debentures.

ISIN	International Securities Identification Number
Key Information Document	means the key information document issued/to be issued by the Issuer in accordance with the Debt Listing Regulations in respect of any tranche/series of Debentures issued pursuant to this General Information Document.
Listed NCDs Master Circular	means the master circular issued by SEBI bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 on "*Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*", as amended, modified, supplemented or restated from time to time.
Listing Period	has the meaning given to it under Section 8.1 (*Summary Terms*) below.
LODR Regulations/SEBI LODR Regulations	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, modified, supplemented or restated from time to time.
N.A.	Not Applicable
NBFC	Non-banking financial company
NBFC-MFI	Non-banking financial company - micro finance institution
NSDL	National Securities Depository Limited
NSE	Means National Stock Exchange of India Limited
NCL	NSE Clearing Limited
PAN	Permanent Account Number
Private Placement Offer cum Application Letter/PPOA	means the private placement offer cum application letter issued/to be issued by the Issuer in accordance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of any tranche/series of Debentures issued pursuant to this General Information Document.
Promoters	has the meaning given to it in the SEBI Debt Listing Regulations.
Promoter Group	has the meaning given to it in the SEBI Debt Listing Regulations.
Rating	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the credit rating for the Debentures set out in the relevant Key Information Document.
Rating Agency	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the rating agency for the Debentures set out in the relevant Key Information Document.
RBI	Reserve Bank of India.
Record Date	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be set out in the relevant Key Information Document.
Recovery Expense Fund	means the recovery expense fund established/to be established and maintained by the Company in accordance with the provisions of Chapter IV (*Recovery Expenses Fund*) of the SEBI Debenture Trustees Operational Circular.
Register of Beneficial Owners	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the register of beneficial owners of the Debentures maintained in the records of the Depositories.
Register of Debenture Holders	means the register maintained by the Issuer in accordance with Section 88 of the Act.
R&T Agent/Registrar	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the registrar and transfer agent appointed for the issue of Debentures and as set out in the relevant Key Information Document.
ROC	means the jurisdictional registrar of companies.
Rs. / INR	Indian National Rupees.
RTGS	Real Time Gross Settlement.
SEBI	means the Securities and Exchange Board of India.
SEBI Debt Listing Regulations/Debt Listing Regulations	means the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, modified, supplemented, or restated from time to time.
SEBI Debenture Trustees Master Circular	means the master circular issued by SEBI bearing reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated March 31, 2023 on "*Master Circular for Debenture Trustees*", as amended, modified, supplemented or restated from time to time.
SEBI LODR Master Circular	means the master circular issued by SEBI bearing reference number

	SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 on "*Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities*", as amended, modified, or restated from time to time.
SEBI NCS Regulations	means the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, modified, supplemented or restated from time to time.
Series	Any series of Debentures and/or Commercial Papers issued under the Issue pursuant to the issue of a Key Information Document and Private Placement Offer cum Application Letter.
Security Cover	has the meaning given to it in the relevant Key Disclosure Document issued / to be issued for each Issue / Series.
Stock Exchange	BSE Limited / NSE Limited
Stressed Assets Framework	means the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019, on "*Prudential Framework for Resolution of Stressed Assets*", as may be amended, modified, supplemented or restated from time to time.
Tax	means any present or future tax (direct or indirect), levy, duty, charge, fees, deductions, withholdings, surcharges, cess, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter, imposed pursuant to any Applicable Law or by any Governmental Authority.
Tax Deduction	means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.
TDS	Tax Deducted at Source.
Transaction Documents	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the transaction documents executed for the relevant issuance of Debentures (including without limitation, the the Debenture Trust Deed, the Debenture Trustee Agreement, the Debt Disclosure Documents, and any other document that may be designated as a Transaction Document by the Debenture Trustee), and "Transaction Document" means any of them.
WDM	Wholesale Debt Market
Wilful Defaulter	means an issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such.

Undefined terms if any, in the Disclosure Documents shall have the same meaning as provided to the term in the Transaction Documents.

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. This General Information Document (and any Key Information Document issued pursuant thereto) is not an offer or invitation under Section 42 of the Companies Act 2013. An offer will be made to identified Eligible Investors acceptable to the Issuer pursuant to a serially numbered and specifically addressed PPOA.

The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) to be filed or submitted to the SEBI for its review and/or approval. This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and applicable laws governing private placements of debentures. This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) has been prepared solely to provide general information about the Issuer to Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) does not purport to contain all the information that any Eligible Investor may require. Further, this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this General Information Document or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having being authorized by the Issuer. The Issuer certifies that the disclosures made in this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) are adequate and in conformity with the SEBI Debt Listing Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, the Issuer accepts no responsibility for statements made otherwise than in the General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) would be doing so at its own risk.

This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) and the respective contents hereof respectively, are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) are intended to be used

only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom Application Forms along with this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) have been sent. Any application by a person to whom the General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) have not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this General Information Document (and any Key Information Document issued pursuant thereto and/or PPOA issued pursuant thereto)) without retaining any copies hereof. If any recipient of this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) decide not to participate in the Issue, that recipient must promptly return this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) to reflect subsequent events after the date of General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) do not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) in any jurisdiction where such action is required. Persons into whose possession this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) come are required to inform themselves of, and to observe, any such restrictions. The General Information Document (and any Key Information Document issued pursuant thereto and/or PPOA issued pursuant thereto) is made available to potential Investors in the Issue on the strict understanding that it is confidential.

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE DEBT DISCLOSURE DOCUMENT/ GENERAL INFORMATION DOCUMENT (AND ANY KEY INFORMATION DOCUMENT ISSUED PURSUANT THERETO AND/OR PPOA ISSUED PURSUANT THERETO) OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE ISSUER AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this General Information Document has been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this General Information Document to the BSE should not in any way be deemed or construed to mean that this General Information Document has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this General Information Document, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.3 DISCLAIMER CLAUSE OF RBI

The Issuer is having a valid certificate of registration issued by the Reserve Bank of India under the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/ discharge of liability by the company.

2.4 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) has to be filed with or submitted to the SEBI for its review / approval.

It is to be distinctly understood that this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto).

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE ISSUE DOCUMENT/GENERAL INFORMATION DOCUMENT (AND ANY KEY INFORMATION DOCUMENT ISSUED PURSUANT THERETO) TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DEBT DISCLOSURE DOCUMENT/ GENERAL INFORMATION DOCUMENT (AND ANY KEY INFORMATION DOCUMENT ISSUED PURSUANT THERETO). THE LEAD MANAGER(S) (IF ANY) HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE DOCUMENT/GENERAL INFORMATION DOCUMENT (AND ANY KEY INFORMATION DOCUMENT ISSUED PURSUANT THERETO) ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to the "Eligible Investors" set out this General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto), who shall be/have been identified upfront by the Issuer. This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at the location set out in Section 8.1 (*Summary Terms*). This General Information Document (and any Key Information Document issued pursuant thereto and/or any PPOA issued pursuant thereto) does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCY

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.7 DISCLAIMER CLAUSE OF THE SOLE ARRANGER

The issuer hereby declares that it has exercised due diligence to ensure complete compliance with prescribed disclosure norms in the disclosure documents. The only role of the sole arranger with respect to the debentures is confined to arranging the placement of the debentures on the basis of the disclosure documents as prepared by the issuer. Without limiting the foregoing, the sole arranger is not acting, and has not been engaged to act, as an underwriter, merchant banker or other intermediary with respect to debentures. The issuer is solely responsible for

the truth, accuracy and completeness of all the information provided in the disclosure documents. Neither is the sole arranger responsible for preparing, clearing, approving, scrutinizing or vetting the disclosure documents, nor it is responsible for doing any due diligence for verification of the truth, correctness or completeness of the contents of the disclosure documents. The sole arranger shall be entitled to rely on the truth, correctness and completeness of the disclosure documents. It is to be distinctly understood that the aforesaid use of the disclosure documents by the sole arranger should not in any way be deemed or construed to mean that the disclosure documents have been prepared, cleared, approved, scrutinized or vetted by the sole arranger. Nor should the contents of the disclosure documents in any manner be deemed to have been warranted, certified or endorsed by the sole arranger as to the truth, correctness or completeness thereof. Each recipient must satisfy itself as to the accuracy, reliability, adequacy, reasonableness or completeness of the disclosure documents.

Each recipient of the disclosure documents acknowledges that:

i. Each recipient has been afforded an opportunity to request and to review and has received all additional information considered by the recipient to be necessary to verify the accuracy of or to supplement the information contained herein; and
ii. Such recipient has not relied on the sole arranger in connection with its investigation of the accuracy of such information or its investment decision.

2.8 DISCLAIMER OF DEBENTURE TRUSTEE

i. The Debenture Trustee or its agents or advisers associated with the Issue / Series do not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this General Information Document and do not have any responsibility to advise any Applicant / Eligible Investors or prospective Applicant / Eligible Investors in the Issue / Series of any information available with or subsequently coming to the attention of the Debenture Trustee, its agents or advisors except as specifically provided for in the relevant Debenture Trust Deed executed / to be executed for each Issue / Series.

ii. The Debenture Trustee does not guarantee the terms of payment regarding the issue / Series as stated in this General Information Document and shall not be held liable for any default in the same.

iii. The Debenture Trustee or its agents or advisers associated with the Issue / Series have not separately verified the information contained in this General Information Document. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by Debenture Trustee as to the accuracy or any other information provided by the Issuer. Accordingly, the Debenture Trustee associated with the Issue / Series shall have no liability in relation to the information contained in this General Information Document or any other information provided by the Issuer in connection with the Issue.

iv. The Debenture Trustee is neither a principal debtor nor a guarantor of the Issue / Series.

2.9 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investors with their respective depositary participant. The Issuer will make the Allotment to the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

SECTION 3: DETAILS OF PROMOTERS OF THE ISSUER

The details of the Promoters of the Issuer are set out below:

1.

Particular	Details
Name	Muthoot Finance Limited ("**MFL**").
Photo/logo	Muthoot Finance
Date of Birth/incorporation	March 14,1997
Age	NA
Registered address:	2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi 682 018, India.
Educational Qualifications:	NA
Experience in the business or employment:	NA
Positions/posts held in the past:	NA
Directorships held	NA
Other ventures of the promoter	NA
Special achievements:	NA
Their business and financial activities	Muthoot Finance Ltd is an Upper Layer Non-Banking Financial Company, registered with the Reserve Bank of India under Section 45-IA of the RBI Act, 1934 having registration no.N.16.00167 dated December 12, 2008 and is engaged in the business of providing personal loans and business loans secured by gold jewelry, or gold loans, primarily to individuals who possess gold jewelry but are not able to access formal credit within a reasonable time, or to whom credit may not be available at all, to meet unanticipated or other short-term liquidity requirements. There has been no change in business activities of Muthoot Finance Limited.
Permanent Account Number	AXXXXXXX3B
Other details	N.A.

2.

Particular	Details
Name	Dr. Kalpanaa Sankar
Photo/logo	
Date of Birth	07-03-1964
Age	59
Personal Address:	No 2/226 Second Street, Karpagambal Nagar, Kottivakkam Chennai – 600 041
Educational Qualifications:	Double doctorate in Physical Sciences and in Women's Studies and Self-Help Groups. Executive MBA from TRIUM (LSE, HEC Paris and NYU Stern).
Experience in the business or employment:	She has been involved in the self-help group movement for 21 years and has specialized in participatory assessment, and gender-differentiated impact and monitoring tools.
Positions/posts held in the past:	Managing Director at Belstar Microfinance Ltd
Directorships held	1.Hand in Hand Consulting Services Private Limited 2.Nabard Consultancy Services Private Limited
Other ventures of the promoter	NA
Special achievements:	She is the recipient of the 'Princess Sabeeka Bint Ibrahim AI- Khalifa Global Award for Women Empowerment under the Individuals Champions category', an award given in partnership with the Kingdom of Bahrain and UN Women in New York in 2019. She has also received the 'Nari Shakti Puraskar-2016' for her contribution to the empowerment of vulnerable and marginalized women from the Hon'ble President of India and Ministry of Women & Child. Under her committed leadership, her organization, Hand in Hand India has won the 'Pradhan Mantri Bal Kalyan Puraskar' for its dedicated work towards child welfare and education
Their business and financial activities	She is managing Director of Belstar Microfinance Ltd and also the co-founder and Managing Trustee of Hand in Hand India
Permanent Account Number:	AXXXXXXX1E
Other details	N.A.

3.

Particular	Details
Name	Saravam Financial Inclusion Trust
Photo/logo	
Date of Incorporation	12-06-2009
Age	NA
Registered office address:	90A,Nasarathpettai Village, Opp Pachayappa's College Llittle Kancheepuram, TN-631503
Educational Qualifications:	NA
Experience in the business or employment:	NA
Positions/posts held in the past:	NA
Directorships held	NA
Other ventures of the promoter	NA
Special achievements:	NA
Their business and financial activities	The object of Sarvam Financial Inclusion Trust is to give training on account of financial literacy and women empowerment to the women including focus on Activity Based Group training and Farmer producer companies and their members for their overall improvement in the livelihood
Permanent Account Number:	AXXXXXXX0P
Other details	N.A.

The company hereby confirms and declares that, to the extent applicable, Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to BSE, at the time of filing the draft General Information Document.

SECTION 4: GENERAL RISKS

DISCLAIMER: PLEASE NOTE THAT ONLY THOSE PERSONS TO WHOM THE DISCLOSURE DOCUMENTS HAVE BEEN SPECIFICALLY ADDRESSED ARE ELIGIBLE TO APPLY. HOWEVER, AN APPLICATION, EVEN IF COMPLETE IN ALL RESPECTS, IS LIABLE TO BE REJECTED WITHOUT ASSIGNING ANY REASON FOR THE SAME. THE LIST OF DOCUMENTS PROVIDED ABOVE IS ONLY INDICATIVE, AND AN INVESTOR IS REQUIRED TO PROVIDE ALL THOSE DOCUMENTS / AUTHORIZATIONS / INFORMATION, WHICH ARE LIKELY TO BE REQUIRED BY THE ISSUER. THE ISSUER MAY BUT IS NOT BOUND TO REVERT TO ANY INVESTOR FOR ANY ADDITIONAL DOCUMENTS / INFORMATION, AND CAN ACCEPT OR REJECT AN APPLICATION AS IT DEEMS FIT. INVESTMENT BY INVESTORS FALLING IN THE CATEGORIES MENTIONED ABOVE ARE MERELY INDICATIVE AND THE ISSUER DOES NOT WARRANT THAT THEY ARE PERMITTED TO INVEST AS PER EXTANT LAWS, REGULATIONS, ETC. EACH OF THE ABOVE CATEGORIES OF INVESTORS IS REQUIRED TO CHECK AND COMPLY WITH EXTANT RULES/REGULATIONS/ GUIDELINES, ETC. GOVERNING OR REGULATING THEIR INVESTMENTS AS APPLICABLE TO THEM AND THE ISSUER IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY ANY INVESTOR, NEITHER IS THE ISSUER REQUIRED TO CHECK OR CONFIRM THE SAME.

The following are the risks relating to the Issuer, the Debentures and/or Commercial Papers and the market in general envisaged by the management of the Issuer. Potential Investors should carefully consider all the risk factors stated in the Disclosure Documents for evaluating the Issuer and its business and the Debentures and/or Commercial Papers before making any investment decision relating to the Debentures and/or Commercial Papers. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Debentures and/or Commercial Papers. Potential Investors should also read the detailed information set out elsewhere in the Disclosure Documents and reach their own views prior to making any investment decision.

If any of the following stated risks actually occur, the Issuer's business, financial conditions and results of operations could suffer and, therefore, the value of the Debentures and/or Commercial Papers could decline and/or the Issuer's ability to meet its obligations in respect of the Debentures and/or Commercial Papers could be affected. More than one risk factor may have simultaneous effect with regard to the Debentures and/or Commercial Papers such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Debentures and/or Commercial Papers and/or the Issuer's ability to meet its obligations in respect of the Debentures and/or Commercial Papers. Potential Investors should perform their own independent investigation of the financial condition and affairs of the Issuer, and their own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations with respect to the Debentures and/or Commercial Papers. Eligible Investors should thereafter reach their own views prior to making any investment decision.

These risks and uncertainties are not the only issues that the Issuer faces. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Issuer is not in a position to quantify the financial or other implications of any risk mentioned herein below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Debentures and/or Commercial Papers, but the inability of the Issuer, as the case may be, to pay principal or other amounts on or in connection with any Debentures and/or Commercial Papers may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Debentures and/or Commercial Papers are exhaustive.

Please note that unless specified or quantified in the relevant risk factors, the Issuer is not in a position to quantify the financial or other implications of any risk mentioned herein below:

4.1 REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.

Potential Investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer whereby the Investors may or may not recover all or part of the funds in case of default by the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

4.2 RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES; THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID; LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON THE STOCK EXCHANGES.

It is not possible to predict if and to what extent a secondary market may develop in the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. As specified in the Disclosure Document, an application has been made to list or quote or admit to trading the Debentures on the Wholesale Debt Market (WDM) of the BSE and an in-principle approval has been obtained. If the Debentures are so listed or quoted or admitted to trading on the BSE no assurance is given that any such listing or quotation or admission to trading will be maintained. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

The Issuer may, but is not obliged to, at any time purchase the Debentures at any price in the open market or by tender or private agreement. Any Debentures so purchased may be resold or surrendered for cancellation. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realize value for the Debentures prior to redemption of the Debentures.

The Debentures may be very illiquid, and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

4.3 CREDIT RISK & RATING DOWNGRADE RISK

In the event of deterioration in the financial health of the Issuer, there is a possibility that the relevant rating agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

4.4 CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF DEBENTURES.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

4.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

4.6 ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

4.7 RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBT SECURITIES, IF ANY; SECURITY MAY BE INSUFFICIENT TO REDEEM THE DEBENTURES; RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT

In the event that the Issuer is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the security in respect of the Debentures as per the terms of security documents, and other related documents. The Debenture Holder(s)' recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the transaction security at a price sufficient to repay the Debenture Holder(s)' amounts outstanding under the Debentures. The value realised from the enforcement of the transaction security may be insufficient to redeem the Debentures.

Fluctuations in the market values of the assets over which security has been provided in respect of loans provided by the Issuer could affect the Issuer's liquidity and reduce the Issuer's ability to enforce the security, which could adversely affect the Issuer's result of operations and financial condition. The Issuer may not

accurately identify changes in the value of assets over which security has been provided caused by changes in market prices, and the Issuer's assessments, assumptions or estimates may prove inaccurate.

Further, while the Debentures are secured against a charge to the tune of at least 100% (one hundred percent) of the principal and interest amount in favour of the Debenture Trustee, and it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the possibility of recovery of 100% (one hundred percent) of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

4.8 MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

4.9 LEGALITY OF PURCHASE

Potential Investors in the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

4.10 POLITICAL AND ECONOMIC RISK IN INDIA

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

4.11 RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBT SECURITIES. FURTHER, ANY RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF SECURITY IN CASE OF ENFORCEMENT

a. Security maybe insufficient to Redeem the Debentures:

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. The Investor's recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the potential Investors amounts outstanding under the Debentures. The value realized from the enforcement of the Security may be insufficient to redeem the Debentures.

b. No security created in relation to the Commercial Papers

Since, the Commercial Papers are an unsecured money market instrument, in the event the Issuer is unable to meet its payment and other obligations towards investors under the terms of the Commercial Papers, the Applicant / Investor do not have any recourse in the form of a security to recover their dues. Eligible Investors / Applicant may also have to assess and take into consideration that an investment in the issue of Commercial Papers will be bound by and subject to any market risks associated with investing in short term money market instruments

c. Refusal in listing of any security of the issuer during last three years by any of the stock exchanges in India or Abroad:

As of date, the Issuer has not been refused in listing of any security during the last 3 years by any of the stock exchanges in India or abroad and therefore, this would not be applicable.

d. Limited or sporadic trading of non-convertible securities of the issuer on stock exchanges:

The Issuer intends to list the Debentures and/or Commercial Papers on the wholesale debt segment of the BSE and/or NSE. The Issuer cannot provide any guarantee that the Debentures and/or Commercial Papers will be frequently traded on the stock exchange and that there would be any market for the Debentures and/or Commercial Papers. It is not possible to predict if and to what extent a secondary market may develop for the Debentures or at what price the Debentures and/or Commercial Papers will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the Debentures and/or Commercial Papers may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading. Further, the Issuer may not be able to issue any further Debentures and/or Commercial Papers, in case of any disruptions in the securities market.

e. In case of outstanding debt instruments or deposits or borrowings, any default in compliance with the material covenants such as creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, non-creation of debenture redemption reserve, default in payment of penal interest wherever applicable:

As of date, the Issuer has not defaulted in compliance with any material covenants agreed to by the Issuer and therefore, this would not be applicable.

f. If secured, any risks in relation to maintenance of security cover or full recovery of the security in case of enforcement

As of date, the Issuer is maintaining security cover of all its existing issue as required in as per the terms of the respective Debenture trust deed executed for such issues from time to time.

4.12 RISKS RELATED TO THE BUSINESS OF THE ISSUER

a. The Issuer provides both secured and unsecured loans to the clients and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.

A majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high risk category. There is uncertainty on the client's ability to fulfil its loan obligations it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact the Issuer's results of operations.

The Issuer has various procedures and process controls in place to mitigate the risk.

The Asset under management as at March 31, 2025 was Rs 7969. 48 CR, the gross NPA was 4.98% and Net NPA 0.43%

The Issuer cannot assure that it will be able to effectively control and reduce the level of the NPAs of its Client Loans. The amount of its reported NPAs may increase in the future as a result of growth of Client Loans. If the Issuer is unable to manage NPAs or adequately recover its loans, the results of its operations will be adversely affected.

The current loan loss reserves of the Issuer may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of Client Loans. As a result, if the quality of its total loan portfolio deteriorates the Issuer may be required to increase its loan loss reserves, which will adversely affect its financial condition and results of operations.

The clients are from different industries spread across several geographies with limited access to finance and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that it's monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer are unable to control or reduce the level of its NPAs or poor credit quality loans, its financial condition and results of its operations could be materially and adversely affected.

b. Lending to small businesses poses unique risks not generally associated with other forms of lending in India, and, as a result, the Issuer may experience increased levels of NPAs and related provisions and write-off that negatively impact results of operations.

Issuer's core business is to provide loans to Micro, Small and Medium Enterprise ("MSME") segments primarily in the urban and semi-urban areas. Any downturn in the area of activity by borrowers could adversely affect the ability of borrowers to make loan repayment on time and in turn negatively impact the Issuer's operation. Due

to the precarious circumstances of borrowers and non-traditional lending practices the Issuer may, in the future experience increased level of non-performing loans and related provisions and write-offs that negatively impact its business and results of operations.

The Issuer has separated sales from credit risk department. This helps in better credit evaluation of the customer. A credit enhancement happens by the way of hypothecation of stocks/machineries and or mortgage of immovable property. The ability to repay the loan is taken care of by the internal credit evaluation and intention to repay is taken care of by the collaterals obtained.

c. The Issuer's business operates through a large number of rural and semi urban branches and is exposed to operational risks including fraud

The Issuer is exposed to operational risks, including fraud, petty theft and embezzlement, as it handles a large amount of cash due to high volume of small transactions. This could harm its operations and its financial position.

As the Issuer handles a large amount of cash through a high volume of small transactions taking place in its network, the Issuer is exposed to the risk of fraud or other misconduct by its employees or outsiders. These risks are further compounded due to the high level of delegation of power and responsibilities that the Issuer's business model requires. Given the high volume of transactions processed by the Issuer, certain instances of fraud and misconduct may go unnoticed before they are discovered and successfully rectified. Even when the Issuer discovers such instances of fraud or theft and pursue them to the full extent of the law or with its insurance carriers, there can be no assurance
that the Issuer will recover any such amounts. In addition, the Issuer's dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

The Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a strong MIS system that has a wide range of data that can be used to monitor financial and operational performance.

To mitigate the above risk, the Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a MIS system able to generate data analysis that can be used to monitor financial and operational performance.

d. The Issuer is exposed to certain political, regulatory and concentration of risks

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

e. Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the microfinance, banking and financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

f. The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

g. The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds it's available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

h. The Issuer requires certain statutory and regulatory approvals for conducting its business and the failure to obtain or retain them in a timely manner, or at all, may adversely affect operations

NBFCs in India are subject to strict regulation and supervision by the RBI. Pursuant to guidelines issued by the RBI, the Issuer is required to maintain its status as a NBFC. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC-ND. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change, and the Issuer may not be aware of or comply with all requirements all of the time. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-ND that is subject to numerous conditions.

i. Competition from banks and financial institutions, as well as state-sponsored programs, may adversely affect the Issuer's profitability and position in the Indian NBFC lending industry

The Issuer faces most significant competition from other NBFCs and banks in India. Many of the institutions with which Issuer competes can have greater assets and better access to, and lower cost of, funding than the issuer. In certain areas, they may also have better name recognition and larger member bases than Issuer. Issuer anticipates that it may encounter greater competition as they continue expanding the operations in India, which may result in an adverse effect on the business, results of operations and financial condition.

4.13 TRADING OF THE NCDS MAY BE LIMITED BY TEMPORARY EXCHANGE CLOSURES, BROKER DEFAULTS, SETTLEMENT DELAYS, STRIKES BY BROKERAGE FIRM EMPLOYEES AND DISPUTES.

The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time-to-time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

4.14 REFUSAL OF LISTING OF ANY SECURITY OF THE ISSUER DURING PRECEDING THREE FINANCIAL YEARS AND CURRENT FINANCIAL YEAR BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD

As on the date of this General Information Document, no stock exchange in India or abroad has refused listing of any equity or debt security issued by the Issuer.

4.15 IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS:

ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED: As on the date of this General Information Document, the Issuer has not committed any default in compliance with the material covenants such as creation of security as per terms agreed in respect of any outstanding borrowings.

DEFAULT IN PAYMENT OF INTEREST: As on the date of this General Information Document, the Issuer has not committed any default in payment of interest in respect of any outstanding borrowings.

DEFAULT IN REDEMPTION OR REPAYMENT: As on the date of this General Information Document, the Issuer has not committed any default in redemption or repayment in respect of any outstanding borrowings.

NON-CREATION OF DEBENTURE REDEMPTION RESERVE: Pursuant to the Companies (Share Capital and Debentures) Rules, 2014, a non-banking financial company is not required to maintain debenture redemption reserve for debentures issued on a private placement basis.

DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE: As on the date of this General Information Document, the Issuer has not committed any default in payment of interest penal in respect of any outstanding borrowings.

OTHERS: A failure to observe the covenants under the Issuer's financing arrangements or to obtain necessary consents required thereunder may lead to the termination of the Issuer's credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under the Issuer's other financing agreements. If the obligations under any of the Issuer's financing documents are accelerated, the Issuer may have to dedicate a substantial portion of the Issuer's cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for the Issuer's working capital requirements and other general corporate purposes. Further, during any period in which the Issuer is in default, the Issuer may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect the Issuer's business, credit rating and financial condition, cash flows and results of operations. If the Issuer fails to meet its debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare the Issuer to be in default under the terms of the Issuer's agreements or accelerate the maturity of the Issuer's obligations. the Issuer cannot assure the Investors that, in the event of any such acceleration, the Issuer will have sufficient resources to repay the borrowings.

4.16 ALL COVENANTS INCLUDING THE ACCELERATED PAYMENT COVENANTS GIVEN BY WAY OF SIDE LETTERS SHALL BE INCORPORATED IN THE ISSUE DOCUMENT BY THE ISSUER

The Issuer has no side letter with any debt securities holder except the one(s) disclosed in this General Information Document and the relevant Key Disclosure Document.

SECTION 5: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the Financial Year ended March 31, 2023, March 31, 2024, and March 31, 2025, are set out in Annexure I hereto.

SECTION 6: REGULATORY DISCLOSURES

This General Information Document is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this Section 6, the Issuer has set out the details required as per the SEBI Debt Listing Regulations (including Schedule I thereof).

6.1 **The Issuer shall file the following documents along with the listing application to the stock exchange and with the Debenture Trustee:**

The following documents have been / shall be submitted to the BSE and the Debenture Trustee:

(a) The relevant Debt Disclosure Documents.
(b) Memorandum of Association and Articles of Association.
(c) Copy of the requisite board/ committee resolutions authorizing the borrowing and list of authorised signatories for the allotment of securities.
(d) Copy of last three years Annual Reports.
(e) Statement containing particulars of, dates of, and parties to all material contracts and agreements.
(f) An undertaking from the issuer stating that the necessary documents for creation of the charge, wherever applicable, including the Trust Deed has been executed within the time frame prescribed in the relevant regulations/Act/rules etc. and the same would be uploaded on the website of the designated stock exchange, where such securities have been proposed to be listed.
(g) In case of debt securities, an undertaking that permission / consent from the prior creditor for a second or pari passu charge being created, wherever applicable, in favour of the debenture trustee to the proposed issue has been obtained;
(h) Any other particulars or documents that the recognized stock exchange may call for as it deems fit;
(i) Due diligence certificate from the Debenture Trustee as per the format specified in the SEBI Debt Listing Regulations; and
(j) Due diligence certificate from the Debenture Trustee as per the format specified in the SEBI Debenture Trustees Master Circular.

6.2 **Documents Submitted to the Debenture Trustee**

List of disclosures to be submitted to the Debenture Trustee in electronic form (soft copy) at the time of allotment of the debt securities:

a. Memorandum and Articles of Association and necessary resolution(s) for the issue and allotment of the debt securities.
b. The Debenture Trust Deed.
c. The Debenture Trustee Agreement.
d. Copy of the last three years audited Annual Reports.
e. Statement containing particulars of, dates of, and parties to all material contracts and agreements.
f. Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (Profit & Loss statement, Balance Sheet and Cash Flow statement) and auditor qualifications, if any;
g. An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in the SEBI LODR Regulations. Further, the Issuer shall promptly submit to the Debenture Trustee all the other documents/ intimations as required to be submitted under the provisions of the SEBI LODR Regulations and other SEBI Regulations as amended from time to time. Further, the Issuer shall, as per the timelines provide in the SEBI LODR Regulations and other Applicable Laws, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within two working days of their specific request.
h. This General Information Document.
i. The relevant Key Information Document

6.3 **The following documents have been / shall be submitted to BSE/NSE at the time of filing the draft of this General Information Document:**

Due diligence certificates from the Debenture Trustee as per the format specified in the SEBI Debenture Trustees Master Circular and the format as specified in the SEBI Debt Listing Regulations.

6.4 **Details of credit rating, along with the latest press release of the Credit Rating Agency in relation to the issue, and a declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue.**

To be set out in the Key Information Document for the relevant issuance of Debentures.

6.5 **Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s). If non-convertible securities are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue. The issuer shall specify the stock exchange where the recovery expense fund is being or has been created, as specified by the Board.**

Each tranche/series of Debentures are proposed to be listed on the WDM segment of BSE within the time period prescribed under the SEBI Listing Timelines Requirements. The Debentures are not proposed to be listed on more than one stock exchange.

The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

In respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the Recovery Expense Fund shall be created by the Issuer with BSE in accordance with Chapter IV of the SEBI Debenture Trustees Master Circular.

The in-principle approval from BSE in respect of this General Information Document is provided in Annexure III.

6.6 **Issue Schedule:**

PARTICULARS	DATE
Issue Opening Date	To be set out in the Key Information Document for the relevant issuance of Debentures.
Issue Closing Date	To be set out in the Key Information Document for the relevant issuance of Debentures.
Pay In Date	To be set out in the Key Information Document for the relevant issuance of Debentures.
Deemed Date of Allotment	To be set out in the Key Information Document for the relevant issuance of Debentures.

6.7 **Name, logo, addresses, website URL, email address, telephone number and contact person of:**

(a) **Legal Counsel**

The details of the legal counsel for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.

(b) **Merchant Banker and co-managers to the issues**

The details of the merchant banker and co-managers for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.

(c) **Guarantor**

The details of the guarantor for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.

(d) **Arrangers**

The details of the arranger for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.

(e) **Debenture Trustee to the Issue**

The details of the debenture trustee for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.

(f) **Credit Rating Agency for the Issue**

The details of the rating agency for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.

(g) **Registrar the Issue**

The details of the registrar and transfer agent for any tranche/series of Debentures issued pursuant to this General Information Document shall be set out in the Key Information Document for the relevant issuance of Debentures.

(h) **Statutory Auditors**

Name	**Sundaram and Srinivasan, Chartered Accountant**
Logo	SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS Offices: Chennai - Mumbai - Bangalore - Madurai
Address	23, CP Ramaswamy Iyer Rd, Sriram Colony, Abiramapuram, Chennai -600018
Website	https://sundaramandsrinivasan.com
E-mail address	yessendes@sundaramandsrinivasan.com
Telephone Number	044-24988762/24988463/ /42106952
Contact Person Details	Mr. KS. Radhakrishnan

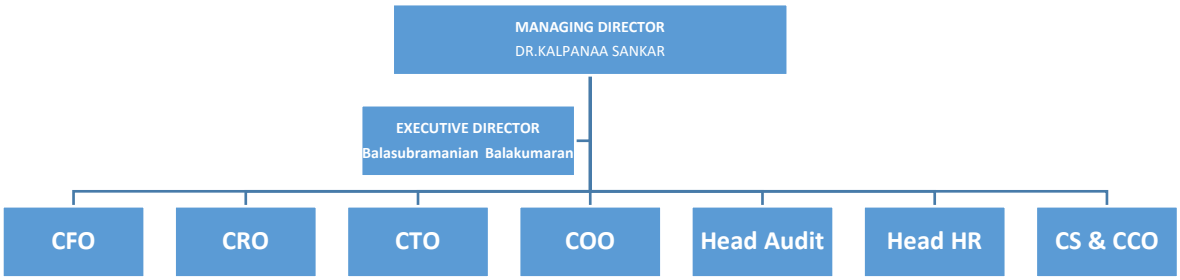
6.8 **About the Issuer**

The following details pertaining to the issuer:

(a) **Overview and a brief summary of the business activities of the issuer**

Belstar Microfinance Limited (Formerly known as Belstar Investment and Finance Private Limited (Belstar) is Systemically Important Non -Deposit Non -Banking Financial Companies) and a subsidiary of Muthoot Finance Limited. Guided by an expert Board member team and an able leadership, the company has successfully transitioned into a profitable and high-potential Microfinance Institution (MFI) with low credit risk. Belstar's business model is unique as it pursues a double bottom line focusing on both financial performance as well as social performance with the assistance of the Hand in Hand India in alleviating poverty coupled with community development. The Company is having a "AA" rating of Ncds and Bank loan. This has helped Belstar focus on diversification of the funding profile, expansion in operational states and making inroads into newer geographies. Belstar was incorporated in January 11, 1988, at Bangalore and being an NBFC, was registered with the RBI. The Company has been reclassified as an "NBFC-MFI" by RBI effective 11th December 2013 and fall under Middle layer as per scale-based regulation.

(b) *Structure of the group/Issuer*



(c) ***A brief summary of the business activities of the subsidiaries of the issuer***

As on the date of this General Information Document, the Issuer has no subsidiaries.

(d) ***Details of branches or units where the issuer carries on its business activities, if any***

As on March 31, 2025, the Issuer operates in branches across 21 states/union territories.

(e) ***Project cost and means of financing, in case of funding of new projects:*** To be set out in the Key Information Document for the relevant issuance of Debentures.

6.9 **Expenses of the Issue: Expenses of the issue along with a break up for each item of expense, including details of the fees payable to separately as under (in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size), as applicable:**

S. NO	PARTICULARS	#FEE/EXPENSE AMOUNT	% OF TOTAL ISSUE EXPENSES	% OF TOTAL ISSUE SIZE
1.	Lead Manager(s) fees	To be set out in the Key Information Document for the relevant issuance of Debentures.	--	--
2.	Underwriting commission	To be set out in the Key Information Document for the relevant issuance of Debentures.	--	--
3.	Brokerage, selling commission and upload fees	To be set out in the Key Information Document for the relevant issuance of Debentures.	--	--
4.	Fees payable to the registrars to the issue	To be set out in the Key Information Document for the relevant issuance of Debentures.	--	--
5.	Fees payable to the legal advisors	To be set out in the Key Information Document for the relevant issuance of Debentures.	--	--
6.	Advertising and marketing expenses	To be set out in the Key Information Document for the relevant issuance of Debentures.*	--	--
7.	Fees payable to the regulators including stock	To be set out in the Key Information	--	--

	exchanges	Document for the relevant issuance of Debentures.		
8.	Expenses incurred on printing and distribution of issue stationary	To be set out in the Key Information Document for the relevant issuance of Debentures.**	--	--
9.	Any other fees, commission and payments under whatever nomenclature	To be set out in the Key Information Document for the relevant issuance of Debentures.	--	--

#The Issue expenses are calculated on the Base Issue Size. The Taxes as applicable on the expenses mentioned above shall be remitted by the Issuer separately.

*As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific advertising and marketing expenses are envisaged to be payable in respect of such issue of Debentures.

** As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific expenses are envisaged to be incurred on printing and distribution of issue stationary in respect of such issue of Debentures.

Note: Issuer may remit Issue related expenses including but not limited to the fees/ charges / Incentives payable as arrangers fees/ advisory fees/ brokerage / selling commission / marketing/ advertising fees, distribution fees/ any other miscellaneous fees directly or indirectly to any intermediary (ies) appointed by the Issuer or any other representative/s / agent/s as may be appointed by the intermediary (ies) who may further utilize the same, for marketing purposes, including distributor payouts, either in full or part. Such fees may be finalised depending upon number of factors including but not limited to issue subscription, market conditions, terms of the issue, nature and scope of assignment, profile of counter party etc.

6.10 **Financial Information**

(a) **The audited financial statements (i.e. profit and loss statement, balance sheet and cash flow statement) both on a standalone and consolidated basis for a period of three completed years, which shall not be more than six months old from the date of the issue document or issue opening date, as applicable. Such financial statements should be audited and certified by the statutory auditor(s) who holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India ("ICAI").**

However, if the issuer, being a listed REIT/listed InvIT, has been in existence for a period of less than three completed years, and historical financial statements of such REIT/InvIT are not available for some portion or the entire portion of the reporting period of three years and the interim period, the combined financial statements shall be disclosed for the periods for which such historical financial statements are not available.- Not Applicable

Please refer Annexure I for the audited financial statements of the Issuer for the Financial Years ended March 31, 2023, March 31, 2024, and March 31, 2025.

Provided that, issuers whose non-convertible securities are listed as on the date of filing of the offer document or placement memorandum, may provide only a web-link and a static quick response code of the audited financial statements in the offer document or placement memorandum subject to the following conditions:

(i) Such listed issuers shall disclose a comparative key operational and financial parameter on a standalone and consolidated basis, certified by the statutory auditor(s) who holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India, for the last three completed years in the offer document.

(ii) The scanning of such static quick response code or clicking on the web-link, shall display the audited financial statements for last three financial years of such issuer on the website of the stock exchange where such data is hosted.

(b) **Listed issuers (whose debt securities or specified securities are listed on recognised stock exchange(s)) in compliance with the listing regulations, may disclose unaudited financial information for the interim period in the format as specified therein with limited review report in the issue document, as filed with the stock exchanges, instead of audited financial statements for the interim period, subject to making necessary disclosures in this regard in issue document including risk factors.**

Not applicable as the audited financial statements of the Issuer for the Financial Years ended March 31, 2023, March 31, 2024, and March 31, 2025 are being disclosed. Please refer Annexure I.

(c) **Issuers other than REITs/ InvITs desirous of issuing debt securities on private placement basis and who are in existence for less than three years may disclose financial statements mentioned at (a) above for such period of existence, subject to the following conditions:**

(i) The issue is made on the Electronic Book Platform of the stock exchange, irrespective of the issue size; and

(ii) In case of issue of securities on a private placement basis, the issue is open for subscription only to qualified institutional buyers

Not applicable. The Issuer has been in existence for more than 3 (three) years.

(d) **The above financial statements shall be accompanied with the auditor's report along with the requisite schedules, footnotes, summary etc.**

Please refer Annexure I for the audited financial statements of the Issuer for the Financial Years ended March 31, 2023, March 31, 2024, and March 31, 2025 along with the auditor's report along with the requisite schedules, footnotes, summary etc.

(e) **Key Operational and Financial Parameters on a consolidated basis and on a standalone basis:**

Standalone Basis (in INR, in Millions)

PARTICULARS	March 31, 2023	March 31, 2024	March 31, 2025
	Audited	Audited	Audited
Assets			
Property, Plant and Equipment	53.60	49.58	47.35
Financial Assets	61391.4	92190.31	74078.67
Non-financial Assets excluding property, plant and equipment	824	1351.23	1757.78
Total Assets	**62269.00**	**93591.12**	**75883.80**
Liabilities			
Financial Liabilities			
- Derivative financial instruments	29.32	-	-
- Trade Payables	31.75	430.88	358.65
- Debt Securities	6215.71	7413.59	541.67
- Borrowings (other than Debt Securities)	40399.64	62515.85	52816.59
- Subordinated liabilities	1649.51	2806.78	2812.91
- Other financial liabilities	2748.85	3016.14	1457.98
Non-Financial Liabilities			
- Current tax liabilities (net)	-	-	
- Provisions	81.86	43.73	83.56
- Deferred tax liabilities (net)	-	-	-
- Other non-financial liabilities	189.36	76.02	100.74
Equity (Equity Share Capital and Other Equity)	**10922.99**	**17288.14**	**17711.68**
Non-controlling interest	**-**		

PARTICULARS	March 31, 2023	March 31, 2024	March 31, 2025
	Audited	Audited	Audited
Total Liabilities and Equity	**62269.00**	**93,591.12**	**75,883.80**
PROFIT AND LOSS			
Revenue from operations	1,0312.61	18326.75	21016.84
Other Income	6.65	187.09	233.04
Total Income	**10379.15**	**18513.83**	**21249.88**
Total Expenses	**8686.07**	**14095.37**	**20741.07**
Profit after tax for the year	1303.26	3398.54	463.87
Other Comprehensive income	(12.61)	(4.09)	0.80
Total Comprehensive Income	**1290.65**	**3394.45**	**464.67**
Earnings per equity share (Basic)	27.12	69.30	8.46
Earnings per equity share (Diluted)	27.12	69.30	8.46
CASH FLOW			
Net cash from / used in (-) operating activities	-8685.54	-33952.45	15084.88
Net cash from / used in (-) investing activities	509.29	603.53	-72.98
Net cash from / used in (-) financing activities	1,3770.34	27479.47	-16799.79
Net increase / decrease (-) in cash and cash equivalents	5,594.09	-5869.45	-1787.89
Cash and cash equivalents as per Cash Flow Statement as at the end of Half Year	1,2812.45	6943.00	5155.11
Net Worth	1,0923.99	17288.14	17711.68
Cash and cash equivalents	1,28124.45	6943.00	4155.11
Loans			
Loans (Principal Amount)	4,6275.36	83,274.92	67289.21
Total Debts to Total Assets	77.51%	77.72%	74.02%
Interest Income	8817.73	16,617.88	20029.00
Interest Expense	3654.44	5,840.48	6913.33
Impairment on Financial Instruments	1445.79	3,199.70	8190.81
Bad Debts to Loans			
% Stage 3 Loans on Loans (Principal Amount)	2.42%	1.82%	4.98%
% Net Stage 3 Loans on Loans (Principal Amount)	0.66%	0.17%	0.43%
Tier I Capital Adequacy Ratio (%)	20.30%	17.78%	22.40%
Tier II Capital Adequacy Ratio (%)	1.67%	2.86%	2.57%

Consolidated Basis:

The above information is not available on a consolidated basis as this is not applicable to the Company.

(f) **Details of any other contingent liabilities of the Issuer based on the latest audited financial statements including amount and nature of liability:**

Rs (in Million)

Name of the Statute	Nature of dues	Amount (Rs. In Million)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	73.15	AY 2017-18	National Faceless Appeal Centre
Income Tax Act, 1961	Income Tax	32.96	FY 2018-19	National Faceless Appeal Centre

Name of the Statute	Nature of dues	Amount (Rs. In Million)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2.5	FY 2020-21	National Faceless Appeal Centre
Income Tax Act, 1961	Income Tax	0.35	FY 2022-23	National Faceless Appeal Centre

(g) **The amount of corporate guarantee or letter of comfort issued by the issuer along with details of the counterparty (viz. name and nature of the counterparty, whether a subsidiary, joint venture entity, group company etc.) on behalf of whom it has been issued**

S. No.	Name Of Counterparty	Nature Of/Relationship With Counyterparty	Whether Corporate Guarantee Or Letter Of Comfort	Amount Of Corporate Guarantee Or Letter Of Comfort (In Inr)
NIL				

6.11 **A brief history of the Issuer since its incorporation giving details of its following activities:**

(a) ***Details of Share Capital as on last quarter ended March 31 , 2025:***

Share capital	Amount
Authorised Share Capital	
10,00,00,000 Equity Shares of Rs. 10/-each	Rs. 100,00,00,000
TOTAL	Rs. 100,00,00,000
Issued, Subscribed and Fully Paid- up Share Capital	
5,48,44,055 Equity Shares of Rs. 10/-each	Rs.54,84,40,550
TOTAL	Rs. 54,84,40,550

(b) ***Changes in its capital structure as at March 31, 2024, for the preceding three financial years and current financial year:***

DATE OF CHANGE (ANNUAL GENERAL MEETING/ EXTRAORDINARY GENERAL MEETING)	AUTHORISED CAPITAL IN RS.	PARTICULARS
NIL		

(c) ***Details of the equity share capital for the preceding three financial years [and current financial year:***

Date Of Allotment	No. Of Equity Shares	Face Value (In INR)	Issue Price (In INR)	Consideration (Cash, Other Than Cash, Etc)	Nature Of Allotment	Cumulative			Remarks
						No. Of Equity Shares	Equity Share Capital	Equity Share Premium	
As at March 31,2022						3,75,20,524	37,52,05,240	238,49,86,802	--
29.03.2022	8088236	10	340	CASH	Preferential allotment on private placement basis	4,56,08,760	45,60,87,600	5,05,,41,04,682	--
#Adjustment of Premium amount								(3,38,58,999)	--
29.06.2022	3235295	10	340	CASH	Preferential allotment on private placement basis	4,88,44,055	48,84,40,550	6,08,78,93,033	--
#Adjustment of Premium amount								(1,32,98,000)	--
As at March 31,2023						4,88,44,055	48,84,40,550	6074595033	--
20.03.2024	6000000	10	590	CASH	Right issue	5,48,44,055	54,84,40,550	9,01,45,95,033	--

(d) ***Details of any acquisition of or amalgamation with any entity in the preceding one year:***

NIL

(e) ***Details of any Reorganization or Reconstruction in the preceding one year:***

NIL

(f) ***Details of the shareholding of the Company as at the latest quarter end, as per the format specified under the listing regulations:*** The shareholding pattern of the Issuer as of the last quarter end, i.e March 31, 2025, prepared in accordance with the LODR Regulations is set out in Annexure IV.

(g) ***List of top ten holders of equity shares of the Company as on the latest quarter end, i.e March 31, 2025:***

S. No.	Name Of The Shareholders	Total Number Of Equity Shares	Number Of Shares In Demat Form	Total Shareholding As Percentage (%) Of Total No. Of Equity Shares
1	Muthoot Finance Limited	36267608	36267608	66.13
2	Kalpana Sankar	9,066	9,066	0.02
3	Sarvam Financial Inclusion Trust	3921079	3921079	7.15
4	Cv Sankar	100	100	0.00
5	Maj Invest Financial Inclusion Fund Ii K/S	4793260	4793260	8.74
6	Arum Holdings Limited	7647059	7647059	13.94
7	Augusta Investments Zero Pte Ltd	2205883	2205883	4.02

6.12 **Following details regarding the directors of the Company:**

(a) ***Details of the current directors of the Company:***

This table sets out the details regarding the Company's Board of Directors as on date of this General Information Document:

Name	Designation	DIN	Age (in years)	Address	Date of Appointment	Details of Other Directorships	Whether Willful Defaulter
Kalpanaa Sankar	Managing Director	01926545	61	No. 2/226, Second street, Karpagambal Nagar, Kottivakkam, Chennai-600041	11-02-2009	1. Hand in Hand consulting services Private Limited 2.Nabard Consultancy Services Private Limited	NO
Balasubramanian Balakumaran	Wholetime Director	09099182	62	No3/1135, G2,JKB Sri Arul flats Madha nagar,2nd mainroad, Mugalivakkam Madhananthapuram, Chennai - 600125	29-04-2021	NIL	NO
Venkataraman Krishnamoorthy	Independent Director	02443410	72	No 4/18, Sri Sakthi Vijayalakshmi Nagar 1st Streetoff 100 Feet Bypass Road, Velacherry Chennai-60042	23-09-2019	Coastal Local Area Bank Limited	NO
Vadakkakara Antony George	Independent Director	01493737	75	Flat T-3, Shireen no.2, Karpagam Avenue,R A Puram, Chennai, Tamil Nadu,600028	18-08-2018	1.Thejo Engineering Limited 2.Muthoot Finance Limited	NO
Chinnasamy Ganesan	Independent Director	07615862	62	Flat No.1, SPA Mount 99, LDG Road, Little Mount, Saidapet Chennai 600015	14-03-2020	The Karur Vysya Bank Limited	NO

Name	Designation	DIN	Age (in years)	Address	Date of Appointment	Details of Other Directorships	Whether Willful Defaulter
Rajeswari Karthigeyan	Independent Director	10051618	54	G406, Casagrand Bellissimo, Kannan Colony, Alandur, Chennai-600016	19-12-2023	1.Craftsman Automation Limited 2.Happy Forgings Limited 3.Sunbeam Lightweighting Solutions Private Limited	
Mr. V A Prasanth	Independent Director	07583586	66	AG-1," Navaratna"286 Anna Street Rajiv Gandhi Salai Kottivakkam, Chennai,-600 041	28-04-2025	1.Indbank Merchant Banking Services Limited	NO
Kuttickattu Rajappan Bijimon	Investor Director	00023071	55	Kuttikattu House,36/943-B,East of lissie Hospital, journalist road, Ernakulam North,Ernakulam 682018	27-06-2016	1. Muthoot Money Limited; 2. Muthoot Homefin (India) Limited 3. Muthoot Securities Limited; 4. Muthoot Commodities Limited; and 5. Muthoot Forex Limited 6. Backdrop Advertising Private Limited; 7. Emgee Board and Paper Mills (P) Limited; 8. Emsyne Technologies Private Limited; 9. MJBR Marketing and Financial Services Private Limited; and 10. Muthoot Royalex Forex Services Private Limited;	NO
George Alexander	Investor Director	00018384	41	Muthoot House, G-343 Panampilly Nagar Ernakulam Kerala-682036	29-03-2017	1. Muthoot Finance Limited. 2. Muthoot Securities Limited; and 3. Venus Diagnostics Limited 4. Amboli Rubber & Plantations Private Limited; 5. Emsyne Technologies Private Limited; 6. Maneri Rubber & Plantations Private Limited; 7. Muthoot Infopark Private Limited; 8. Muthoot Insurance Brokers Private Limited; 9. Muthoot Royalex Forex Services Private Limited; 10. Nuevo Cap Fintech Private Limited; 11. Pangrad Plantations Private Limited; 12. Rangana Rubber & Plantations Private Limited; 13. Sawanthavadi Rubber and Plantation	NO

Name	Designation	DIN	Age (in years)	Address	Date of Appointment	Details of Other Directorships	Whether Willful Defaulter
						Private Limited; 14. Unix Properties Private Limited; 15. Vagade Plantations Private Limited; 16. Vaghotam Plantations Private Limited; 17. Varavade Plantations Private Limited; and 18. Xandari Heritage Resorts Private Limited.	
George Muthoot Jacob	Investor Director	00018955	41	Muthoot House, H NO: TC 4/2515 Marappalam, Pattom .PO Trivandrum, Kerla -695004	29-03-20117	1.Emgee Muthoot Nidhi Limited; 2. Muthoot Finance Limited; 3. Muthoot Money Limited; 4. Muthoot Securities Limited; 5. Muthoot Vehicle & Asset Finance Limited; 6. Venus Diagnostics Limited; 7. V Guard Industries Limited 8.Emsyne Technologies Private Limited; 9. Geobros Properties and Realtors Private Limited; 10. Green Guardians Organic Farms and Exports Private Limited; 11 Halaval Rubber & Plantations Private Limited; 12. Kasal Rubber & Plantations Private Limited; 13. MMG Credit Marketing Services Private Limited; 14. Muthoot Aurum Private Limited; 15. Muthoot Broadcasting Private Limited; 16. Udeli Rubber and Plantations Private Limited; 17. Vatul Plantations Private Limited; and 18. Xandari Hospitality Services Private Limited. 19. Sunflame Eterprises Private Limited	NO
Vijay Nallan Chakravarthi	Investor Director	08020248	49	2401,Planet Goderaj Tower-1 K.K Marg , Mahalaxmi Mumbai-400011	29-03-2022	1. Northern Arc Capital Limited 2. Pragati Finserv Private Limited	NO

Name	Designation	DIN	Age (in years)	Address	Date of Appointment	Details of Other Directorships	Whether Willful Defaulter
						3. Affirma Capital Investment Adviser India Private Limited	
Siva Chidambaram Vadivel Alagan	Investor Director	08242283	33	HIG 1685, TNHB Layout, Avadi, Chennai (600054), Tamil Nadu , India	09-05-2023	1.Save Solutions Private Limited 2.Save Microfinance Private Limited 3.Save Financial Services Private Limited 4.Berar Finance limited	NO

(b) ***Details of change in directors in the preceding three financial years and current financial year:***

Name	Designation	Din	Date Of Appointment	Date Of Cessation, If Applicable	Date Of Resignation, If Applicable	Remarks
David Arturo Paradiso	Director	08181832			09-05-2023	Resigned due to pre occupation
Siva Chidambaram Vadivel Alagan	Director	08242283	09-05-2023			Appointment as additional Director
			03-08-2023			Regularised as Director
Mr. Vadakkakara Antony George	Director	01493737				Reappointed as Independent Director for second Consecutive time
A. Subramanian	Director	01777552		-	19-12-2023	Retired due to completion of his tenure
Rajeswari Karthigeyan	Director	10051618	19-12-2023			Appointment as Additional Director (Independent)
			06-03-2024			regularised as Director(Independent)
Krishnamoorthy Venkataraman	Director	02443410	26-07-2024			Reappointed as Independent Director for second Consecutive time
Mr. Chinnasamy Ganesan	Director	07615862	13-03-2025			Reappointed as Independent Director for second Consecutive time
Mr. V A Prasanth	Director	07583586	28-04-2025			Appointment as Additional Director (Independent)

(c) ***Details of directors' remuneration, and such particulars of the nature and extent of their interests in the issuer (during the current year and preceding three financial years):***

(i) Remuneration payable or paid to a director by the issuer, its subsidiary or associate company; shareholding of the director in the company, its subsidiaries and associate companies on a fully diluted basis;

By/in the Issuer:

Sno	NAME OF THE DIRECTOR	REMUNERATION PAYABLE/PAID BY THE ISSUER			SHAREHOLDING/NO. OF SHARES IN THE ISSUER (ON A FULLY DILUTED BASIS)
		FY 2022-23	FY 2023-24	FY 2024-25	
1.	V A George	11,00,000	11,00,000	20,50,000	-

2.	K Venkatraman	11,70,000	14,00,000	24,50,000	-
3.	Chinnasamy Ganesan	10,40,000	14,50,000	20,00,000	-
4.	Rajeswari Karthigeyan	NA	2,00,000	18,50,000	
5.	K R Bijimon	9,80,000	13,00,000	18,50,000	-
6.	George Alexander	7,10,000	7,00,000	12,00,000	-
7.	George Muthoot Jacob	6,90,000	9,50,000	9,50,000	-
8.	Vijay Nallan Chakravarthi	6,60,000	10,50,000	13,00,000	-
9.	Kalpanaa Sankar	1,47,33,250	2,42,50,000	21021600	0.02%
10.	B. Balakumaran	32,75,000	41,53,750	4338407	-
11.	Siva Chidambaram Vadivel Alagan	NA	NIL	NIL	-

By/in the subsidiaries of the Issuer:

S. NO.	NAME OF THE DIRECTOR	REMUNERATION PAYABLE/PAID BY THE SUBSIDIARIES OF THE ISSUER				SHAREHOLDING IN THE SUBSIDIARIES OF THE ISSUER (ON A FULLY DILUTED BASIS)
		FY 2021-22	FY 2022-23	FY 2023-24	FY2024-25	
NIL						

By/in the associate of the Issuer:

S. NO.	NAME OF THE DIRECTOR	REMUNERATION PAYABLE/PAID BY THE ASSOCIATE COMPANIES OF THE ISSUER				SHAREHOLDING IN THE ASSOCIATE COMPANIES OF THE ISSUER (ON A FULLY DILUTED BASIS)
		FY 2021-22	FY 2022-23	FY 2023-24	FY2024-25	
NIL						

(ii) Appointment of any relatives to an office or place of profit of the issuer, its subsidiary or associate company;

Of the Issuer:

S. NO.	NAME OF THE DIRECTOR	DETAILS OF THE RELATIVE	DETAILS OF APPOINTMENT OF THE RELATIVE TO AN OFFICE OR PLACE OF PROFIT
NIL			

Of the subsidiaries of the Issuer:

S. NO.	NAME OF THE DIRECTOR	DETAILS OF THE RELATIVE	DETAILS OF APPOINTMENT OF THE RELATIVE TO AN OFFICE OR PLACE OF PROFIT OF THE SUBSIDIARIES OF THE ISSUER
NIL			

Of the associate companies of the Issuer:

S. NO.	NAME OF THE DIRECTOR	DETAILS OF THE RELATIVE	DETAILS OF APPOINTMENT OF THE RELATIVE TO AN OFFICE OR PLACE OF PROFIT OF THE ASSOCIATE COMPANIES OF THE ISSUER
NIL			

(iii) Full particulars of the nature and extent of interest, if any, of every director:

A. in the promotion of the issuer company; or

Dr. Kalpanaa Sankar Managing Director and Mr Balasubramanian Balakumaran is the wholetime Director of the Issuer. The terms of the engagement of the Managing Director and Wholetime Director include day to day management of the Issuer, and therefore the promotion of the objects and business of the Issuer

B. in any immoveable property acquired by the issuer company in the two years preceding the date of the issue document or any immoveable property proposed to be acquired by it; or

NIL

C. where the interest of such a director consists in being a member of a firm or company, the nature and extent of his interest in the firm or company, with a statement of all sums paid or agreed to be paid to him or to the firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a director, or otherwise for services rendered by him or by the firm or company, in connection with the promotion or formation of the issuer company shall be disclosed.

NIL

(d) *Contribution being made by the directors as part of the offer or separately in furtherance of such objects.*

NIL

6.13 **Any financial or other material interest of the directors, promoters, key managerial personnel or senior management in the offer and the effect of such interest in so far as it is different from the interests of other persons**

NIL

6.14 **Following details regarding the auditors of the Issuer:**

(a) *Details of the auditor of the Issuer:*

Name of the auditor	Address	Date of appointment
Sundaram and Srinivasan, Chartered Accountant	CP Ramaswamy Iyer Rd, Sriram Colony, Abiramapuram, Chennai -600018	13-09-2024

(b) *Details of change in auditor for preceding three financial years and current financial year:*

Name Of The Auditor	Address	Date Of Appointment	Date Of Cessation, If Applicable	Date Of Resignation, If Applicable	Remark
Varma & Varma Chartered Accountant	Sreela Terrace",Level-4,Unit-D, No:105, First Main Road, Gandhinagar, Adyar, Chennai 600020	29-12-2021	NA	13-09-2024	Pursuant to the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by the Reserve Bank of India vide its Circular RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, the the tenure of the Audit firm completed and hence vacated wef 13-09-2024

6.15 **Details of the following liabilities of the Issuer, as at the end of the preceding quarter, or if available, a later date:**

(a) ***Details of outstanding secured loan facilities as at the end of the last quarter, i.e. March 31, 2025*:**

Name Of Lender	Type Of Facility	Amount Sanctioned (In INR)	Principal Amount Outstanding (In INR)	Repayment Date/Schedule	Security	Credit Rating, If Applicable	Asset Classification
AXIS BANK LTD	Term Loan	5000000000	2253058530	Monthly	(BOOK DEBTS/	CRISIL AA/Stable	Standard Asset
AXIS BANK LTD	Term Loan	1500000000	875000000	Monthly			
BAJAJ FINANCE LTD	Term Loan	3500000000	957422289	Monthly			
BANDHAN BANK LTD	Term Loan	400000000	250000000	Quarterly			
Bank Of Bahrain & Kuwait B. S. C	Term Loan	7500000000	3791666662	Quarterly			
BANK OF BARODA	Term Loan	2000000000	1999977531	Quarterly			
BANK OF INDIA	Term Loan	400000000	400000000	Quarterly			
CANARA BANK	Term Loan	4500000000	2822916665	Monthly			
DBS BANK INDIA LTD	Term Loan	2000000000	1000000000	Monthly			
HDFC BANK LTD	Term Loan	2500000000	520833333.7	Monthly			
HONGKONG AND SHANGHAI BANKING CORPORATION LTD	Term Loan	10000000000	2166250000	Monthly			
ICICI BANK LTD	Term Loan	1500000000	608317387	Monthly			
IDBI BANK LTD	Term Loan	6250000000	2187500000	Monthly			
IDFC FIRST BANK LTD	Cash Credit	5000000	0	On Demand			
IDFC FIRST BANK LTD	Term Loan	2000000000	863548430	Quarterly			
INDIAN BANK	Term Loan	1000000000	999990081	Quarterly			
KARNATAKA BANK LTD	Term Loan	2750000000	1266166708	Monthly			
KOTAK MAHINDRA BANK LTD	Cash Credit	2,00,00,000	0	On Demand			
KOTAK MAHINDRA BANK LTD	Term Loan	500000000	375000000	Quarterly			
KOOKMIN BANK	Term Loan	700000000	466506335.8	Quarterly			
NABKISAN FINANCE LTD	Term Loan	3450000000	1244532134	Quarterly			
PUNJAB NATIONAL BANK	Term Loan	250000000	166486553.1	Quarterly			
PUNJAB AND SIND BANK	Term Loan	4000000000	1143750000	Quarterly			
RBL BANK LTD	Term Loan	500000000	249991896.7	Quarterly			
SBM BANK (INDIA) LTD	Term Loan	8500000000	5270384993	Monthly			
SIDBI LTD	Term Loan	2300000000	1250000000	Quarterly			
STANDARD CHARTERED BANK	Term Loan	15000000000	6744418847	Quarterly			
STATE BANK OF INDIA	Cash Credit	1000000000	0	On Demand			

Name Of Lender	Type Of Facility	Amount Sanctioned (In INR)	Principal Amount Outstanding (In INR)	Repayment Date/Schedule	Security	Credit Rating, If Applicable	Asset Classification
STATE BANK OF INDIA	Term Loan	500000000	62500000	Quarterly			
SUMITOMO MITSUI BANKING CORPORATION	Term Loan	1500000000	749571016	Quarterly			
THE FEDERAL BANK LTD	Term Loan	3500000000	1746356547	Quarterly			
UCO BANK	Term Loan	750000000	82525636.3	Quarterly			
UNION BANK	Term Loan	16000000000	9403333333	Monthly			
YES BANK LTD	Cash Credit	20000000	0	On Demand			

(b) ***Details of outstanding unsecured loan facilities as at the end of the last quarter, i.e., March 31, 2025*:**

Name Of Lender	Type Of Facility	Amount Sanctioned (In INR)	Principal Amount Outstanding (In Inr)	Repayment Date/Schedule	Credit Rating, If Applicable
Maanaveeya Development & Finance Private Limited	Sub debts	25,00,00,000	25,00,00,000	23-12-2025	CRISIL AA-/Positive

(c) ***Details of outstanding non-convertible securities as at the end of the last quarter, i.e., March 31,2025***

Series Of NCS/ ISIN	Tenor / Period Of Maturity (In Months)	Coupon %	Amount (In INR)	Date Of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
INE443L08107	72	14.5	24,00,00,000	03-12-2019	03-12-2025	CARE AA-	Unsecured	NA
INE443L08115	73	14.5	15,00,00,000	30-03-2020	15-05-2026	CARE AA-	Unsecured	NA
INE443L08123	60	14	20,00,00,000	11-09-2020	11-09-2025	CARE AA-	Unsecured	NA
INE443L08131	84	14.5	50,00,00,000	30-09-2020	30-09-2027	CARE AA-	Unsecured	NA
INE443L08149	72	11.00	150,00,00,000	19-06-2023	19-07-2029	CRSIL AA	Unsecured	NA
INE443L08156	24	10.00	54,25,00,000	01-08-2023	01-08-2025	CRSIL AA	Unsecured	NA

(d) ***Details of commercial paper issuances as at the end of the last quarter, i.e., March 31, 2025, in the following format:***

Series Of Ncs	Isin	Tenor / Period Of Maturity	Coupon	Amount Outstanding (In Inr)	Date Of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security	Other Details Viz. Details Of Issuing And Paying Agent, Details Of Credit Rating Agencies
NIL										

(e) ***List of top ten holders of non-convertible securities in terms of value (in cumulative basis) as the end of the last quarter, i.e., March 31, 2025***

Sr.No.	Name Of Holders	Category Of Holder	Face Value Of Holding (In Inr)	Holding As A % Of Total Outstanding Non-Convertible Securities Of The Issuer
1	Northern Arc Capital Limited	Corporate Body	447000000	24.25
2	Punjab State Cooperative Bank Ltd	Corporate Body	226625000	12.29
3	George Alexander Muthoot	Individual	223325000	12.11
4	George Jacob	Individual	223325000	12.11
5	George Thomas	Individual	223350000	12.11
6	Muthoot Securities Limited Proprietary Account	Corporate Body	300000000	16.27
7	Sundaram Finance Ltd	Corporate Body	62500000	3.39
8	George M George	Individual	56250000	3.05
9	Alexander George	Individual	56250000	3.05
10	DSP Credit Risk Fund	Mutual Fund	25000000	1.36

(f) ***List of top ten holders of Commercial paper in terms of value (in cumulative basis) as at the end of the last quarter, i.e., March 31, 2025:***

SR. NO.	NAME OF HOLDER	CATEGORY OF HOLDER	FACE VALUE OF HOLDING	HOLDING AS A % OF TOTAL COMMERCIAL PAPER OUTSTANDING OF THE ISSUER
NIL				

(g) ***Details of the bank fund based facilities/ rest of the borrowing (if any, including hybrid debt like Foreign Currency Convertible Bonds (FCCB), Optionally Convertible Debentures/ Preference Shares) from financial institutions or financial creditors as at the end of the last quarter, i.e., March 31, 2025:***

NAME OF PARTY (IN CASE OF FACILITY)/ NAME OF INSTRUMENT	TYPE OF FACILITY / INSTRUMENT	AMOUNT SANCTIONED/ ISSUED	PRINCIPAL AMOUNT OUTSTANDING	DATE OF REPAYMENT/ SCHEDULE	CREDIT RATING	SECURED/ UNSECURED	SECURITY
NIL							

6.16 **The amount of corporate guarantee or letter of comfort issued by the issuer along with name of the counterparty (like name of the subsidiary, joint venture entity, group company, etc.) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc.**

NIL

6.17 **Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued:**

- **in whole or part,**
- **at a premium or discount, or**
- **in pursuance of an option or not.**

NIL

6.18 **Where the Issuer is a non-banking finance company or housing finance company, the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:**

sl.	Particulars Of Disclosure	Details
1.	Details with regard to lending done out of	Lending Policy: Please refer to Section 10.

	the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by issuer	Classification of Loans given to associates or entities related to Board, Senior management, promoters, etc.: Please refer to Section 10. Classification of loans into several maturity profile denominations: Please refer to Section 10. Aggregated exposure to top 20 borrowers: Please refer Section 10. Details of loans, overdue and classified as non-performing assets (NPA): Please refer Section 10.
2.	Details of borrowings granted by issuer	Portfolio Summary of borrowings made by issuer: Please refer Section 10. Quantum and percentage of Secured vs. Unsecured borrowings: Please refer Section 10.
3.	Details of change in shareholding	Any change in promoters' shareholding in the Issuer during preceding financial year beyond the threshold prescribed by Reserve Bank of India: Please refer Section 10.
4.	Disclosure of Assets under management	Segment wise break up and type of loans: Please refer Section 10.
5.	Details of borrowers	Geographical location wise: Please refer Section 10.
6.	Details of Gross NPA	Segment wise: Please refer Section 10.
7.	Details of Assets and Liabilities	Residual maturity profile wise into several bucket: Please refer Section 10.
8.	Additional details of loans made by, Housing Finance Company	N.A.
9.	Disclosure of latest ALM statements to stock exchange	Please refer Section 10.

6.19 **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company, in the preceding three years and the current financial year:**

NIL

6.20 **Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities/ commercial paper.**

NIL

6.21 **Any litigation or legal action pending or taken by a Government Department or a statutory body or regulatory body during the three years immediately preceding the year of the issue of the issue document against the promoter of the company:**

NIL

6.22 **Details of default and non-payment of statutory dues for the preceding three financial years and current financial year**

NIL

6.23 **Details of pending litigation involving the issuer, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the issuer, which may affect the issue or the investor's decision to invest / continue to invest in the debt securities and/ or non-convertible redeemable preference shares**

NIL

6.24 **Details of acts of material frauds committed against the issuer in the preceding three financial years and current financial year, if any, and if so, the action taken by the issuer**

NIL

6.25 **Details of pending proceedings initiated against the issuer for economic offences, if any**

NIL

6.26 **Related party transactions entered during the preceding three financial years and current financial year with regard to loans made or, guarantees given or securities provided**

NIL

6.27 **In case the issuer is a Non-Banking Finance Company (NBFC) and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:**

S. NO.	NAME OF THE BORROWER (A)	AMOUNT OF ADVANCES /EXPOSURES TO SUCH BORROWER (GROUP) (RS. CRORE) (B)	PERCENTAGE OF EXPOSURE (C)= B/TOTAL ASSETS UNDER MANAGEMENT
To be set out in the Key Information Document for the relevant issuance of Debentures.			

6.28 **In order to allow investors to better assess the issue, the following additional disclosures shall be made by the issuer in the issue documents: (i) A portfolio summary with regards to industries/ sectors to which borrowings have been granted by NBFCs. (ii) Quantum and percentage of secured vis-à-vis unsecured borrowings granted by NBFCs. (iii) Any change in promoters' holdings in NBFCs during the preceding financial year beyond the threshold specified by the Reserve Bank of India from time to time.**

Please refer Section 10.

6.29 **Consent of directors, auditors, bankers to issue, trustees, solicitors or advocates to the issue, legal advisors to the issue, lead managers to the issue, Registrar to the Issue, and lenders (if required, as per the terms of the agreement) and experts.**

Particulars	Referencing
Directors	To be set out in the Key Information Document for the relevant issuance of NCDs.
Auditors	To be set out in the Key Information Document for the relevant issuance of NCDs.
Bankers to issue	To be set out in the Key Information Document for the relevant issuance of NCDs.
Trustees	To be set out in the Key Information Document for the relevant issuance of NCDs.
Solicitors /Advocates	To be set out in the Key Information Document for the relevant issuance of NCDs.
Legal Advisors	To be set out in the Key Information Document for the relevant issuance of NCDs.
Lead Manager	To be set out in the Key Information Document for the relevant issuance of NCDs.
Registrar	To be set out in the Key Information Document for the relevant issuance of NCDs.
Lenders of the Issuer	To be set out in the Key Information Document for the relevant issuance of NCDs.
Experts	To be set out in the Key Information Document for the relevant issuance of NCDs.

6.30 **The name(s) of the debentures trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with copy of the consent letter from the debenture trustee.**

The details of the Debenture Trustee and the consent letter from Debenture Trustee shall be set out in the Key Information Document for the relevant issuance of Debentures.

6.31 **If the security is backed by a guarantee or letter of comfort or any other document of a similar nature, a copy of the same shall be disclosed. In case such document does not contain the detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the issue document.**

To be set out in the Key Information Document for the relevant issuance of Debentures.

6.32 **Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention.**

(a) *The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made, should be disclosed:* To be set out in the Key Information Document for the relevant issuance of Debentures.

(b) *Procedure and time schedule for allotment and issue of securities should be disclosed:* Please refer Section 9 and the Key Information Document for the relevant issuance of Debentures.

(c) *Cash flows emanating from the non-convertible securities shall be mentioned in the offer document, by way of an illustration:* To be set out in the Key Information Document for the relevant issuance of Debentures.

6.33 **Disclosures pertaining to wilful defaulter:**

(a) **The following disclosures shall be made if the issuer or its promoter or director is declared wilful defaulter**:

(i) *Name of the bank declaring as a wilful defaulter:* NIL

(ii) *The year in which it was declared as a wilful defaulter:* NA

(iii) *Outstanding amount when declared as a wilful defaulter:* NA

(iv) *Name of the entity declared as a wilful defaulter:* NA

(v) *Steps taken, if any, for the removal from the list of wilful defaulters:* NA

(vi) *Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions:* NA

(vii) *Any other disclosure as specified by the Board*: NA

(b) **The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages**: NA

6.34 **Undertaking by the Issuer**: Please refer Section 7.1 and the Key Information Document for the relevant issuance of Debentures.

6.35 **Risk Factors**: Please refer to Section 4 and the Key Information Document for the relevant issuance of Debentures.

6.36 **Attestation by Directors**: Please refer Section 7.3 and the Key Information Document for the relevant issuance of Debentures.

6.37 **Other details:**

(a) *Creation of Debenture Redemption Reserve (DRR) / Capital Redemption Reserve (CRR) - relevant legislations and applicability:*

(i) It is hereby clarified that as on the Effective Date, pursuant to the Companies (Share Capital and Debenture Rules) 2014, non-banking financial companies registered with the RBI are exempted from the requirement to maintain a debenture redemption reserve ("**DRR**") in case of privately placed debentures.

(ii) The Issuer hereby agrees and undertakes that, if required under Applicable Law, it will create a DRR in accordance with the provisions of the Act (and the rules and regulations made thereunder) and the guidelines issued by the relevant Governmental Authorities.

(iii) If during the tenor of the Debentures, any guidelines are formulated (or modified or revised) by any Governmental Authority in respect of creation of the DRR, the Issuer

shall abide by such guidelines and shall do all deeds, acts and things as may be required by the Debenture Trustee.

(iv) In addition to the foregoing, to the extent required by Applicable Law, the Issuer shall invest or deposit amounts up to such thresholds, and in such form and manner and within the time periods, as may be prescribed by Applicable Law, in respect of any amounts of the Debentures maturing in any Financial Year.

(b) ***Issue/instrument specific regulations - relevant details (Companies Act, 2013, guidelines issued by the Reserve Bank of India, etc.):***

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing Regulations, the LODR Regulations, the Debenture Trustees Regulations, the SEBI Listed Debentures Circulars, and other RBI guidelines and SEBI guidelines applicable to issuance of non-convertible debentures by NBFCs on a private placement basis.

(c) ***Default in Payment:***

Please refer the sub-sections named "*Default Interest Rate*" and "*Additional Disclosures (Default in Payment)*" of Section 8.1 (*Summary Terms*).

To be more particularly set out in the Key Information Document for the relevant issuance of Debentures.

(d) ***Delay in Listing:***

Please refer the section named "*Listing (name of stock Exchange(s) where it will be listed and timeline for listing)*" of Section 8.1 (*Summary Terms*) in relation to the listing requirements in respect of the Debentures and section named "*Additional Disclosures (Delay in Listing)*" of Section 8.1 (*Summary Terms*) in respect of the default interest in the event of delay in listing.

To be more particularly set out in the Key Information Document for the relevant issuance of Debentures.

(e) ***Delay in allotment of securities:***

(i) The Company shall ensure that the Debentures are allotted to the respective Debenture Holders and are credited into the demat accounts of the relevant Debenture Holders within the timelines prescribed under the SEBI Listing Timelines Requirements**.**

(ii) Without prejudice to, and in supplement of, any other provision of this Deed, if the Company fails to allot the Debentures to the Applicants following the date of receipt of the Application Money within the time period prescribed under the Companies Act ("**Allotment Period**"), it shall repay the Application Money to the Applicants within 15 (fifteen) calendar days from the expiry of the Allotment Period ("**Repayment Period**").

(iii) If the Company fails to repay the Application Money within the Repayment Period, then Company shall be liable to repay the Application Money along with interest at 12% (twelve percent) per annum, gross of withholding taxes, from the expiry of the Allotment Period.

(f) ***Issue details*****:** Please refer Section 8.

(g) **Application process:** The application process for the Issue is as provided in Section 9 of this General Information Document read with the Key Information Document for the relevant issuance of Debentures.

(h) **Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 but not contained in this schedule, if any:** The finalised form of the PPOA prepared in accordance with the Form PAS 4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014 shall be set out in the Key Information Document for the relevant issuance of Debentures.

(i) **Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project**: To be set out in the Key Information Document for the relevant issuance of Debentures.

6.38 **Other matters and reports**

(a) **If the proceeds, or any part of the proceeds, of the issue of the debt securities are or is to be applied directly or indirectly:**

(i) in the purchase of any business; or

(ii) in the purchase of an interest in any business and by reason of that purchase, or anything to be done in consequence thereof, or in connection therewith,

the company shall become entitled to an interest in either the capital or profits and losses or both, in such business exceeding fifty per cent. thereof, a report made by a chartered accountant (who shall be named in the issue document) upon -

(A) the profits or losses of the business for each of the three financial years immediately preceding the date of the issue of the issue document; and

(B) the assets and liabilities of the business as on the latest date to which the accounts of the business were made up, being a date not more than one hundred and twenty days before the date of the issue of the issue document.

To be set out in the Key Information Document for the relevant issuance of Debentures.

(b) **In purchase or acquisition of any immoveable property including indirect acquisition of immoveable property for which advances have been paid to third parties, disclosures regarding**

(i) **the names, addresses, descriptions and occupations of the vendors;**

(ii) **the amount paid or payable in cash, to the vendor and where there is more than one vendor, or the company is a sub-purchaser, the amount so paid or payable to each vendor, specifying separately the amount, if any, paid or payable for goodwill;**

(iii) **the nature of the title or interest in such property proposed to be acquired by the company; and**

(iv) **the particulars of every transaction relating to the property completed within the two preceding years, in which any vendor of the property or any person who is or was at the time of the transaction, a promoter or a director or proposed director of the company, had any interest, direct or indirect, specifying the date of the transaction and the name of such promoter, director or proposed director and stating the amount payable by or to such vendor, promoter, director or proposed director in respect of the transaction:**

Provided that if the number of vendors is more than five, then the disclosures as required above shall be on an aggregated basis, specifying the immoveable property being acquired on a contiguous basis with mention of the location/total area and the number of vendors from whom it is being acquired and the aggregate value being paid. Details of minimum amount, the maximum amount and the average amount paid/ payable should also be disclosed for each immovable property.

To be set out in the Key Information Document for the relevant issuance of Debentures.

(c) **If:**

(i) the proceeds, or any part of the proceeds, of the issue of the debt securities are or are to be applied directly or indirectly and in any manner resulting in the acquisition by the company of shares in any other body corporate; and -

(ii) by reason of that acquisition or anything to be done in consequence thereof or in connection therewith, that body corporate shall become a subsidiary of the company, a report shall be made by a Chartered Accountant (who shall be named in the issue document) upon –

A. the profits or losses of the other body corporate for each of the three financial years immediately preceding the issue of the issue document; and

B. the assets and liabilities of the other body corporate as on the latest date to which its accounts were made up.

To be set out in the Key Information Document for the relevant issuance of Debentures.

(d) **The said report shall:**

(i) indicate how the profits or losses of the other body corporate dealt with by the report would, in respect of the shares to be acquired, have concerned members of the issuer company and what allowance would have been required to be made, in relation to assets and liabilities so dealt with for the holders of the balance shares, if the issuer company had at all material times held the shares proposed to be acquired; and

(ii) where the other body corporate has subsidiaries, deal with the profits or losses and the assets and liabilities of the body corporate and its subsidiaries in the manner as provided in Section 6.37(c)(ii) above.

To be set out in the Key Information Document for the relevant issuance of Debentures.

(e) **The broad lending and borrowing policy including summary of the key terms and conditions of the term loans such as re-scheduling, prepayment, penalty, default; and where such lending or borrowing is between the issuer and its subsidiaries or associates, matters relating to terms and conditions of the term loans including re-scheduling, prepayment, penalty, default shall be disclosed**.

Please refer Section 10

(f) **The aggregate number of securities of the issuer company and its subsidiary companies purchased or sold by the promoter group, and by the directors of the company which is a promoter of the issuer company, and by the directors of the issuer company and their relatives, within six months immediately preceding the date of filing the issue document with the Registrar of Companies are as follows**.

NIL

(g) **The matters relating to: (i) Material contracts; (ii) Time and place at which the contracts together with documents will be available for inspection from the date of issue document until the date of closing of subscription list**

The contracts and documents that are material in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures shall be set out in the Key Information Document for the relevant issuance of Debentures. Such material contracts may be inspected at the registered office of the Company between 10.00 am to 4.00 pm on Business Days.

(h) **Reference to the relevant page number of the audit report which sets out the details of the related party transactions entered during the three financial years immediately preceding the issue of issue document**.

Please refer note no 48 (page 73) of the audit report for the Financial Year ended March 31, 2023, note no 48 (page 67)) of the audit report for the Financial Year ended March 31, 2024,and

note no 47 (page 68) of the audit report for the Financial Year ended March 31, 2025,which sets out the details of the related party transactions entered into by the Issuer.

(i) **The summary of reservations or qualifications or adverse remarks of auditors in the three financial years immediately preceding the year of issue of issue document, and of their impact on the financial statements and financial position of the company, and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks**.

NIL

(j) **The details of:**

- **any inquiry, inspections or investigations initiated or conducted under the securities laws or Companies Act, 2013 (18 of 2013) or any previous companies law;**
- **prosecutions filed, if any (whether pending or not); and**
- **fines imposed or offences compounded,**

in the three years immediately preceding the year of issue of issue document in the case of the issuer being a company and all of its subsidiaries.

NIL

(k) **The details of acts of material frauds committed against the issuer in the preceding three financial years and current financial year, if any, and actions taken by the issuer**

NIL

6.39 **Summary Terms**: Please refer Section 8.1.

SECTION 7: UNDERTAKINGS AND DISCLOSURES BY THE ISSUER AND DIRECTORS

7.1 UNDERTAKING BY THE ISSUER

(a) Investors are advised to read the risk factors (set out in Section 4) carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities/Debentures have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

Specific attention of investors is invited to the statement of 'Risk factors' given on page number 19 under the section 'General Risks'.

(b) The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this issue document/General Information Document contains all information with regard to the Issuer and the Issue, that the information contained in the issue document/General Information Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this issue document/General Information Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

(c) The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/General Information Document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

7.2 UNDERTAKING ON SECURITY

To be set out in the Key Information Document for the relevant issuance of Debentures.

7.3 ATTESTATION BY DIRECTORS

The directors of the Issuer hereby attest as follows:

(a) The Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules and regulations made thereunder.

(b) The compliance with the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government.

(c) The monies received under the offer shall be used only for the purposes and objects indicated in the issue document/General Information Document.

(d) Whatever is stated in this form/General Information Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form/General Information Document has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

(e) General Risk:

Investment in non-convertible securities is risky, and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 4 of this General Information Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

(f) The contents of this General Information Document have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein lies with the Board of Directors.

SECTION 8: TERMS OF THE ISSUE

8.1 SUMMARY TERMS

Security Name (Name of the non-convertible securities which includes (Coupon / dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.	To be set out in the Key Information Document for the relevant issuance of NCDs.
Issuer	Belstar Microfinance Limited
Type of Instrument	To be set out in the Key Information Document for the relevant issuance of NCDs.
Nature of Instrument (Secured or Unsecured)	To be set out in the Key Information Document for the relevant issuance of NCDs.
Seniority (Senior or Subordinated)	To be set out in the Key Information Document for the relevant issuance of NCDs.
Eligible Investors	As specified in Section 9.15 (*Eligible Investors*) read with the relevant Key Disclosure Document.
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	In respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures: (a) the Issuer shall submit all duly completed documents to the BSE, SEBI, ROC or any other Governmental Authority, as are required under Applicable Law and obtain the listing of the Debentures within the timelines prescribed under the SEBI Listing Timelines Requirements ("**Listing Period**"); (b) the Issuer shall ensure that the Debentures continue to be listed on the wholesale debt market segment of the BSE; and (c) in the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the interest rate in respect of the Debentures set out in the Key Information Document for the relevant issuance of Debentures from the Deemed Date of Allotment until the listing of the Debentures is completed.
Rating of the Instrument	To be set out in the Key Information Document for the relevant issuance of NCDs.
Issue Size	To be set out in the Key Information Document for the relevant issuance of NCDs.
Minimum Subscription	To be set out in the Key Information Document for the relevant issuance of NCDs.
Option to retain oversubscription (Amount)	To be set out in the Key Information Document for the relevant issuance of NCDs.
Objects of the Issue / Purpose for which there is requirement of funds	To be set out in the Key Information Document for the relevant issuance of NCDs.
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	To be set out in the Key Information Document for the relevant issuance of NCDs.
Details of the utilization of the Proceeds	To be set out in the Key Information Document for the relevant issuance of NCDs.
Coupon/Dividend Rate	To be set out in the Key Information Document for the relevant issuance of NCDs.
Step Up/Step Down Coupon Rate	To be set out in the Key Information Document for the relevant issuance of NCDs.
Coupon/Dividend Payment Frequency	To be set out in the Key Information Document for the relevant issuance of NCDs.
Coupon/Dividend Payment Dates	To be set out in the Key Information Document for the relevant issuance of NCDs.

Cumulative / non cumulative, in case of dividend	To be set out in the Key Information Document for the relevant issuance of NCDs.
Coupon Type (Fixed, floating or other structure)	To be set out in the Key Information Document for the relevant issuance of NCDs.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	To be set out in the Key Information Document for the relevant issuance of NCDs.
Day Count Basis (Actual/Actual)	To be set out in the Key Information Document for the relevant issuance of NCDs.
Interest on Application Money	To be set out in the Key Information Document for the relevant issuance of NCDs.
Default Interest Rate	To be set out in the Key Information Document for the relevant issuance of NCDs.
Tenor	To be set out in the Key Information Document for the relevant issuance of NCDs.
Redemption Date	To be set out in the Key Information Document for the relevant issuance of NCDs.
Redemption Amount	To be set out in the Key Information Document for the relevant issuance of NCDs.
Redemption Premium/Discount	To be set out in the Key Information Document for the relevant issuance of NCDs.
Issue Price	To be set out in the Key Information Document for the relevant issuance of NCDs.
Discount at which security is issued and the effective yield as result of such discount	To be set out in the Key Information Document for the relevant issuance of NCDs.
Premium/Discount at which security is redeemed and the effective yield as a result of such premium/discount	To be set out in the Key Information Document for the relevant issuance of NCDs.
Put Date	To be set out in the Key Information Document for the relevant issuance of NCDs.
Put Price	To be set out in the Key Information Document for the relevant issuance of NCDs.
Call Date	To be set out in the Key Information Document for the relevant issuance of NCDs.
Call Price	To be set out in the Key Information Document for the relevant issuance of NCDs.
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	To be set out in the Key Information Document for the relevant issuance of NCDs.
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	To be set out in the Key Information Document for the relevant issuance of NCDs.
Face Value	To be set out in the Key Information Document for the relevant issuance of NCDs.
Minimum subscription amount and in multiples thereafter	To be set out in the Key Information Document for the relevant issuance of NCDs.
Issue Timing	
1. Issue Opening Date	To be set out in the Key Information Document for the relevant issuance of NCDs.
2. Issue Closing Date	To be set out in the Key Information Document for the relevant issuance of NCDs.
3. Date of earliest closing of the issue, if any.	N.A.
4. Pay-in Date	To be set out in the Key Information Document for the relevant issuance of NCDs.
5. Deemed Date of Allotment	To be set out in the Key Information Document for the relevant issuance of NCDs.
Settlement Mode of the Instrument	Please refer Section 9 below along with the Key Information Document for the relevant issuance of Debentures.
Depository	NSDL and CDSL
Disclosure of Interest/Dividend/ redemption dates	To be set out in the Key Information Document for the relevant issuance of NCDs.
Record Date	To be set out in the Key Information Document for the relevant issuance of NCDs.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	To be set out in the Key Information Document for the relevant issuance of NCDs.
Description regarding	I. **SECURITY**

Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the General Information Document	To be set out in the Key Information Document for the relevant issuance of Debentures. II. **SPECIFIC DISCLOSURES** (a) **Type of security**: To be set out in the Key Information Document for the relevant issuance of Debentures. (b) **Type of charge**: To be set out in the Key Information Document for the relevant issuance of Debentures. (c) **Date of creation of security/ likely date of creation of security**: To be set out in the Key Information Document for the relevant issuance of Debentures. (d) **Minimum security cover**: To be set out in the Key Information Document for the relevant issuance of Debentures. (e) **Revaluation**: To be set out in the Key Information Document for the relevant issuance of Debentures. (f) **Replacement of security**: To be set out in the Key Information Document for the relevant issuance of Debentures. (g) **Interest over and above the coupon rate**: To be set out in the Key Information Document for the relevant issuance of Debentures.
Transaction Documents	means, in respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, the transaction documents executed for the relevant issuance of Debentures (including without limitation, the Debenture Trust Deed, the Debenture Trustee Agreement, the Debt Disclosure Documents, and any other document that may be designated as a Transaction Document by the Debenture Trustee), and "Transaction Document" means any of them.
Conditions precedent to Disbursement	To be set out in the Key Information Document for the relevant issuance of Debentures.
Conditions Subsequent to Disbursement	To be set out in the Key Information Document for the relevant issuance of Debentures.
Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	Please refer Section 8.2.6 below.
Creation of recovery expense fund	The Issuer hereby undertakes and confirms that it shall, within the time period prescribed under Chapter IV of the SEBI Debenture Trustees Master Circular, establish and maintain the Recovery Expense Fund in such manner/mode as is prescribed under Chapter IV of the SEBI Debenture Trustees Master Circular.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Please refer sections named "*Default Interest Rate*" and the Key Information Document for the relevant issuance of Debentures.
Provisions related to Cross Default	To be set out in the Key Information Document for the relevant issuance of Debentures.
Roles and Responsibilities of the Debenture Trustee	To be set out in the Key Information Document for the relevant issuance of Debentures.
Risk factors pertaining to the issue	Please refer Section 4 (*Risk Factors*).
Governing Law & Jurisdiction	To be set out in the Key Information Document for the relevant issuance of NCDs.
Business Day Convention	To be set out in the Key Information Document for the relevant issuance of NCDs.
Additional Disclosures (Security Creation)	To be set out in the Key Information Document for the relevant issuance of NCDs.
Additional Disclosures	To be set out in the Key Information Document for the relevant issuance of NCDs.

(Default in Payment)	
Additional Disclosures (Delay in Listing)	In respect of any tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, if there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the interest rate in respect of the Debentures set out in the Key Information Document for the relevant issuance of Debentures from the Deemed Date of Allotment until the listing of the Debentures is completed.

Note:

a. If there is any change in coupon rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and events which lead to such change should be disclosed.

b. The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.

c. While the debt securities are secured to the extent of hundred per cent. of the amount of principal and interest or as per the terms of issue document, in favour of debenture trustee, it is the duty of the debenture trustee to monitor that the security is maintained.

d. The issuer shall provide granular disclosures in their General Information Document, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".

8.2 **TERMS OF THE TRANSACTION DOCUMENTS**

8.2.1. **Representations and Warranties of the Issuer**

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.2. **Financial Covenants**

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.3. **Reporting Covenants**

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.4. **Affirmative Covenants**

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.5. **Negative Covenants**

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.6. **Events of Default**

8.2.6.1. *Consequences and Remedies of an Event of Default*

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.6.2. *Events of Default*

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.6.3. *Notice on the Occurrence of an Event of Default*

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.6.4. *Additional obligations of the Debenture Trustee*

To be set out in the Key Information Document for the relevant issuance of Debentures.

8.2.7. **Listing and Monitoring Requirements**

To be set out in the Key Information Document for the relevant issuance of Debentures.

SECTION 9: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this General Information Document, Application Form and other terms and conditions as may be incorporated in the Transaction Documents. The details of the application process set out in this Section 9 are applicable for each issuance of a tranche/series of Debentures issued pursuant to this General Information Document and the Key Information Document for the relevant issuance of Debentures, and shall be read with the relevant Key Information Document.

9.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely, however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

9.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

9.3 Debenture Trustee for the Debenture Holder(s)

The Issuer has appointed the Debenture Trustee to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have entered/intend to enter into the Debenture Trustee Agreement and the Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

9.4 Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

9.5 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

9.6 **Modification of Debentures**

Any Transaction Document may be modified or amended in accordance with the terms of the relevant Transaction Documents.

9.7 **Right to accept or reject Applications**

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

9.8 **Notices**

Any notice, in respect of the Debentures, may be served by the Issuer upon the Debenture Trustee/Debenture Holders in accordance with the terms of the Transaction Documents.

9.9 **Issue Procedure**

Only Eligible Investors as given hereunder may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the Applicant's bank, type of account and account number must be duly completed by the Applicant. This is required for the Applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

The Applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account as per the details mentioned in the Application Form.

The subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the EBP Requirements by placing bids on the EBP Platform during the Issue period. The Issuer will make the bidding announcement on the EBP Platform at least 1 (one) Business Day before initiating the bidding process in accordance with the EBP Requirements. In case the Eligible Investors are not registered on the EBP Platform, they will have to register themselves as an "investor" on the EBP Platform (as a one-time exercise) and also complete the mandatory "know your customer" verification process. The Eligible Investors should also refer to the operational guidelines of the relevant EBP in this respect. The disclosures required pursuant to the EBP Requirements are set out herein below:

Details of size of issue including green shoe option, if any and a range within which green shoe may be retained (if applicable)	To be set out in the Key Information Document for the relevant issuance of NCDs.
Interest Rate Parameter	To be set out in the Key Information Document for the relevant issuance of NCDs.
Bid opening and closing date	To be set out in the Key Information Document for the relevant issuance of NCDs.
Minimum Bid Lot	To be set out in the Key Information Document for the relevant issuance of NCDs.
Manner of bidding in the Issue	To be set out in the Key Information Document for the relevant issuance of NCDs.
Manner of allotment in the Issue	To be set out in the Key Information Document for the relevant issuance of NCDs.
Manner of settlement in the Issue	To be set out in the Key Information Document for the relevant issuance of NCDs.
Settlement Cycle	To be set out in the Key Information Document for the relevant issuance of NCDs.
Bid Start Time and End Time	To be set out in the Key Information Document for the relevant issuance of NCDs.
Pay-in date	To be set out in the Key Information Document for the relevant issuance of NCDs.
Anchor Portion Details (if any)	To be set out in the Key Information Document for the relevant issuance of NCDs.

Process flow of settlement:

The Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Placement Memorandum along with the PPOA have been issued by the Issuer and who have submitted/shall submit the Application Form ("**Successful Bidders**"), shall make the payments in respect of the Application Money in respect of the Debentures towards the allocation made to them, into the bank account of the ICCL, the details of which are

as set out in the section named "INSTRUCTIONS" of the Application Form, on or before 10:30 hours on the pay-in date.

The pay-in of the Application Money by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by them in the EBP system. Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Upon the transfer of funds into the aforesaid account of ICCL and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Successful Bidders to the ICCL, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the R&T Agent, the R&T Agent shall provide corporate action file along with all requisite documents to the relevant Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into the Issuer's bank account set out in the Key Information Document for the relevant issuance of Debentures.

It must be noted that all funds pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties will be applicable as specified by the EBP Requirements and other Applicable Law.

9.10 **Eligible Investors should refer to the Operational Guidelines.**

The details of the Issue shall be entered on the EBP Platform by the Issuer in accordance with the EBP Requirements and the operational guidelines of the relevant EBP. The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the EBP Platform.

9.11 **Application Procedure**

The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule, and the procedure will be subject to the EBP Requirements. Where an Eligible Investor (as defined below) is participating/bidding on the EBP Platform through an arranger or a custodian, such Eligible Investor must follow, and must ensure that the arranger or a custodian representing it, follows, the procedure and the bidding threshold requirements prescribed under the EBP Requirements.

Potential Investors may also be invited to subscribe by way of the Application Form prescribed in the Placement Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons.

9.12 **Fictitious Applications**

All fictitious applications will be rejected. Each Eligible Investor shall provide a confirmation to the EBP that it is not using any software, algorithm, "Bots" or other automation tools, which would give unfair access for placing bids on the EBP Platform.

9.13 **Basis of Allotment**

Notwithstanding anything stated elsewhere, the Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. The allotment and settlement amount for the bidders shall be determined in accordance with the EBP Requirements and the operational guidelines issued by the relevant EBP. The bids for the purposes allotment and settlement shall be arranged on a "price time priority" basis in accordance with the EBP Requirements. If two or more bids made by Eligible Investors have the same coupon/ price/spread and time, then allotment shall be done on a "pro rata" basis. The investors will be required to remit the funds in the account of the ICCL as well as submit the duly completed Application Form along with other necessary documents to the Issuer by the Deemed Date of Allotment.

If so required by the Issuer, within 1 (one) Business Day of completion of the allotment, to enable the Issuer to comply with the requirements applicable to it under the EBP Requirements, successful Applicants shall provide the following details (in the form specified below) to the Issuer:

Details of Investors to whom allotment has been made			
Name	**QIB/ Non-QIB**	**Category i.e. Scheduled Commercial Banks, MF, Insurance Company, Pension Fund, Provident Fund, FPI, PFI, Corporate, Others**	**Amount invested (in Rs. Crore)**

9.14 **Payment Instructions**

The Application Form should be submitted directly. The entire amount in respect of the Debentures is payable along with the making of an application. Applicants can remit the application amount on the Pay-in Date in the account of ICCL mentioned under Section 9.9 above.

9.15 **Eligible Investors**

As prescribed in the EBP Requirements, "Qualified Institutional Buyers" or "QIBs" (as defined in the EBP Requirements) and non-QIBs authorized by an issuer to participate on an issuer on the EBP Platform are eligible participants (i.e., bidders) on an EBP Platform to participate in a particular issue on the EBP Platform. In furtherance of the above, to the extent applicable, the categories of Investors set out in the Key Information Document for the relevant issuance of Debentures ("**Eligible Investors**"), when specifically approached, and identified upfront by the Issuer, shall be eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them and by completing the participation/nodding requirements prescribed for the EBP Platform and/or by submitting all the relevant documents along with the Application Form.

By participating/bidding in the EBP Platform, each Eligible Investor represents and confirms that it has completed all enrollment and "know-your-customer" verification and other requirements prescribed under the EBP Requirements in the manner prescribed in the EBP Requirements. Where an Eligible Investor (as defined below) is participating/bidding on the EBP Platform through an arranger or a custodian, such Eligible Investor must follow, and must ensure that the arranger or a custodian representing it, follows, the procedure and the bidding threshold requirements prescribed under the EBP Requirements.

Investors, who are registered on the EBP Platform and are eligible to make bids for the Debentures of the Issuer and to whom allocation is to be made by Issuer pursuant to selection under the electronic book mechanism for issuance of securities on private placement basis in terms of the EBP Requirements and the Electronic Book Providers shall be considered as "identified persons" for the purposes of Section 42(2) of the Companies Act, 2013, to whom the Issuer shall make private placement of the Debentures and only such "identified persons" shall receive a direct communication from the Issuer with offer to subscribe to the Debentures and only such "identified persons" shall be entitled to subscribe to the Debentures.

Additionally, those arrangers/brokers/intermediaries etc. (as per the defined limits under the EBP Requirements) specifically mapped by the Issuer on the EBP Platform are also eligible to bid/apply/invest for this Issue.

All Eligible Investors are required to check and comply with Applicable Law(s) including the relevant rules / regulations / guidelines applicable to them for investing in this Issue of Debentures. The Issuer, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, nor is the Issuer required to check or confirm the above.

Hosting of this Placement Memorandum on the website of the BSE/EBP should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the Placement Memorandum has been hosted only as this is stipulated under the SEBI Debt Listing Regulations read with the EBP Requirements. Eligible Investors should check their eligibility before making any investment.

All Eligible Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

9.16 **Post-Allocation Disclosures by the EBP**

Upon final allocation by the Issuer, the Issuer shall disclose the relevant details (such as Issue Size, coupon rate, ISIN, number of successful bidders, category of the successful bidder(s), etc.), in accordance with the EBP Requirements and the operational guidelines of the relevant EBP. The EBP shall upload such data, as provided by the Issuer, on its website to make it available to the public.

9.17 **Procedure for Applying for Dematerialised Facility**

(a) The applicant must have at least one beneficiary account with any of the DP's of NSDL/CDSL prior to making the application.

(b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".

(c) Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.

(d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.

(e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.

(f) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.

(g) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.

(h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

9.18 **Depository Arrangements**

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture in dematerialised form.

9.19 **List of Beneficiaries**

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

9.20 **Application under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor(s) and the tax exemption certificate/document of the Investor(s), if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

9.21 **Procedure for application by Mutual Funds and Multiple Applications**

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management

company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The Application Forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

(a) SEBI registration certificate
(b) Resolution authorizing investment and containing operating instructions
(c) Specimen signature of authorized signatories

9.22 **Documents to be provided by Investors**

Investors need to submit the following documents, as applicable:

(a) Memorandum and Articles of Association or other constitutional documents
(b) Resolution authorising investment
(c) Certified true copy of the Power of Attorney to custodian
(d) Specimen signatures of the authorised signatories
(e) SEBI registration certificate (for Mutual Funds)
(f) Copy of PAN card
(g) Application Form (including EFT/RTGS details)

9.23 **Applications to be accompanied with Bank Account Details**

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through cheque/EFT/RTGS.

9.24 **Succession**

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such legal representative as having title to the Debenture(s), unless they obtain legal representation, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such legal representation, in order to recognise any person as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on the production of sufficient documentary proof and an indemnity.

9.25 **Mode of Payment**

All payments must be made through cheque(s) demand draft(s), EFT/RTGS as set out in the Application Form.

9.26 **Effect of Holidays**

Please refer Section 8.1 (*Summary Terms*).

9.27 **Tax Deduction at Source**

To be set out in the Key Information Document for the relevant issuance of Debentures.

9.28 **Allotment**

The Issuer shall ensure that the Debentures are allotted to the respective Debenture Holders and are credited into the demat accounts of the relevant Debenture Holders within the timelines prescribed under the SEBI Listing Timelines Requirements.

9.29 **Deemed Date of Allotment**

All the benefits under the Debentures will accrue to the Investors from the specified Deemed Date of Allotment. The Deemed Date of Allotment will be set out in the Key Information Document for the relevant issuance of Debentures.

9.30 **Record Date**

The Record Date will be set out in the Key Information Document for the relevant issuance of Debentures.

9.31 **Refunds**

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

9.32 **Interest on Application Money**

Please refer Section 8.1 (*Summary Terms*).

9.33 **PAN Number**

Every applicant should mention its Permanent Account Number ("**PAN**") allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

9.34 **Payment on Redemption**

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL/CDSL and accordingly the account of the Debenture Holder(s) with NSDL/CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

Disclaimer: Please note that only those persons to whom this General Information Document has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to, revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Provisions in respect of investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

SECTION 10: SPECIFIC DISCLOSURES REQUIRED FROM NBFCs

10.1 **Details with regard to the lending done by the Issuer out of the issue proceeds of debt securities in last three years, including details regarding the following:**

10.1.1. **Lending policy: Should contain overview of origination, risk management, monitoring and collections:**

The Issuer follows the model for group lending, under which, women are organised into 5 or 10 or upto 20 members under the Self Help Group Model and Joint Liability Group Model depending upon the area and geography the Company operates. A well-defined process of group identification, formation and regularisation is followed. An initial survey is conducted for the selection of the village. The Issuer has a policy of working only with women are in the bottom of the pyramid and economically weaker section, who are identified using various indexes and parameter. The groups formed are subjected to a various training program called the compulsory group training ("CGT"). The area manager conducts a final group verification program ("GVP ") to revaluate the eligibility of the formed groups. The groups that pass the GVP are formalized as groups. Various controls exist in different stages to ensure right selection of the borrower

Risk Management Strategies

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The following management strategies and policies are adopted by the Issuer to manage the various key risks.

Political Risk mitigation measures:

- Low cost operations and branch based collection model
- Low pricing for customers.
- Customer centric approach, high customer retention.
- Rural focus.
- Systematic customer awareness activities.
- High social focused activities.
- Adherence to client protection guidelines.
- Robust grievance redressal mechanism.
- Adherence to regulatory guidelines in letter and spirit.

Operational & HR Risk mitigation measures:

- Stringent customer enrolment process.
- Multiple product to meet customer need
- Proper recruitment policy and appraisal system.
- Adequately trained field force.
- Monthly collection model at branch with high customer touch, lower amount instalments.
- Multilevel monitoring framework.
- Strong, Independent and fully automated Internal Audit function.
- Strong and Independent Risk Team to have checks and Balances
- Strong IT system with access to real time client and loan data.

Liquidity risk mitigation measures:

- Diversified funding resources.
- Effective Asset liability management.
- Effective fund management.
- Maximum cash holding cap.

Expansion risk mitigation measures:

- Contiguous growth.
- District centric concentration approach
- Rural focus.
- Branch selection based on census data & credit bureau data.
- Three level survey of the location selected

10.1.2. **Classification of loans/ advances given to associates, entities/ person relating to board, senior management, promoters, others, etc.:**

No Loans / advances has been given to associates, entities/ person relating to board, senior management, promoters, others

10.1.3. **Classification of loans/ advances given, according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc.:**

Please refer Section 10.3.

10.1.4. **Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time: (as on March 31,2025)**

Sr. No.	Name of the Borrower	Total Sanctioned Loan Amount	Disbursed Loan Amount	Total Principal Outstanding Amount
1	TAMILARASI RAJA	6,00,000.00	6,00,000.00	4,89,780.00
2	PONNIYAMMAL MANIVANNAN	7,00,000.00	7,00,000.00	5,36,600.00
3	USHA MANICKAM	6,00,000.00	6,00,000.00	5,16,690.00
4	SUSEELA ARUNACHALAM	7,00,000.00	7,00,000.00	5,07,530.00
5	SANTHANA MUTHUMARI MUTHURAMALINGAM	7,00,000.00	7,00,000.00	5,75,130.00
6	RATHIKA S	6,30,000.00	6,30,000.00	5,35,980.00
7	SELVARANI VIJENDRAN	8,00,000.00	8,00,000.00	5,67,150.00
8	Ayyammal Ashokan	8,00,000.00	8,00,000.00	6,13,710.00
9	Hemapriya Parthasarathy	7,00,000.00	7,00,000.00	5,99,300.00
10	YOGAMMAL THANGADURAI	8,00,000.00	8,00,000.00	5,82,430.00
11	KALAIYARASI MUNISAMY	8,00,000.00	8,00,000.00	6,26,020.00
12	VANEESWARI KUMAR	7,00,000.00	7,00,000.00	5,92,800.00
13	UMA VELUMANI	8,00,000.00	8,00,000.00	6,54,100.00
14	UDAIAMMAL CHELLAIAH	6,00,000.00	6,00,000.00	4,96,520.00
15	PETCHIAMMAL MURUGAN	6,00,000.00	6,00,000.00	5,02,610.00
16	THANGAM KIRUSHNAN	8,00,000.00	8,00,000.00	5,93,800.00
17	VIJAYALAKSHMI K	7,75,000.00	7,75,000.00	5,30,670.00
18	DEVI BALA KRISHNAN	7,00,000.00	7,00,000.00	5,92,800.00
19	NAGAJOTHI GANESAN	7,00,000.00	7,00,000.00	5,99,300.00
20	DIVYA M	8,00,000.00	8,00,000.00	5,79,150.00

10.2 **NPA exposures of the issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer: (Rs) Crores**

Particulars	FY23	FY24	F25
	Audited	Audited	Audited
Gross NPAs	114.48	156.03	359.63
Provision for NPAs	83.96	141.50	330.30
Net NPAs	30.52	14.5	29.3
Gross Advances	4722.24	8,574.16	7,215.31

Gross NPAs / Gross Advances	2.42%	1.82%	4.98%
Net Advances	4626.54	8,340.53	6,751.04
Net NPAs / Net Advances	0.66%	0.17%	0.43%
Loan Write off	103.09	51.92	330.73

(a) **Quantum and percentage of secured vis-à-vis unsecured borrowings made as on March 31,2025:**

Borrowing	**Amt Rs crore**	**%**
Secured	5281.66	94.03%
Unsecured	335.46	5.97%
Total	**5617.12**	**100%**

(b) **Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI:**

NIL

10.3 **Classification of loans/ advances given according to(as on March 31,2025) :**

10.3.1. **Type of loans:**

Details of types of loans

S. No.	**Type of loans**	**INR, Crore**
1	Secured	**3.84**
2	Unsecured	**7086.57**
	Total assets under management (AUM)*^	**7090.41**

**Information required at borrower level (and not by loan account as customer may have multiple loan accounts); ^*

10.3.2. **Denomination of loans outstanding by loan-to-value:**

Details of LTV

S. No.	**LTV (at the time of origination)**	**Percentage of AUM**
1.	Up to 40%	**NA**
2.	40-50%	**NA**
3.	50-60%	**NA**
4.	60-70%	**NA**
5.	70-80%	**NA**
6.	80-90%	**NA**
7.	>90	**NA**
	Total	**NA**

10.3.3. **Sectoral exposure:**

Details of sectoral exposure

S. No.	**Segment-wise break-up of AUM**	**Percentage of AUM**
1.	**Retail**	**-**
(A)	Mortgages (home loans and loans against property)	**-**
(B)	Gold loans	**-**
(C)	Vehicle finance	**-**
(D)	MFI	**91.30**
(E)	MSME	**7.16**
(F)	Capital market funding (loans against shares, margin funding)	**-**
(G)	Others	1.54

2.	**Wholesale**	
(A)	Infrastructure	**-**
(B)	Real estate (including builder loans)	**-**
(C)	Promoter funding	**-**
(D)	Any other sector (as applicable)	**-**
(E)	Others	**-**
	Total	**100**

10.3.4. **Denomination of loans outstanding by ticket size*:**

Details of outstanding loans category wise

S. No.	**Ticket size (at the time of origination)**	**Percentage of AUM**
1.	Up to INR 2 lakh	**97.94**
2.	INR 2-5 Lakh	**2.02**
3.	INR 5-10 Lakh	**0.04**
4.	INR 10-25 Lakh	**-**
5.	INR 25-50 Lakh	**-**
6.	INR 50 Lakh - 1 crore	**-**
7.	INR 1-5 crore	**-**
8.	INR 5-25 crore	**-**
9.	INR 25-100 crore	**-**
10.	> INR 100 crore	**-**
	Total	**100.00**

** Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts);*

10.3.5. **Geographical classification of borrowers:**

Top 5 states borrower wise

S. No.	**Name of state**	**Percentage of AUM**
1.	Tamil Nadu	45.46
2.	Karnataka	9.40
3.	West Bengal	7.65
4.	Bihar	5.74
5.	Uttar Pradesh	5.64
	Total	**73.89**

10.3.6. **Details of loans overdue and classified as non-performing in accordance with RBI's stipulations:**

Movement of gross NPA

Movement of gross NPA*	**INR, Crore**
Opening gross NPA- April 01, 2024	156.03
- Additions during the year	1,093.86
- Reductions during the year	890.27
Closing balance of gross NPA- Sept 30,2025	359.63

**Please indicate the gross NPA recognition policy (Day's Past Due):): Whenever the loan account reached 90 days overdue the same is recognised as NPA as per RBI guidelines*

Movement of provisions for NPA

Movement of provisions for NPA	INR, Crore
Opening balance -April 01,2024	141.51
- Provisions made during the year	773.28
- Write-off/ write-back of excess provisions	584.48
Closing balance -Sept 30,2024	330.30

10.3.7. **Segment-wise gross NPA:**

Segment wise gross NPA

S. No.	Segment-wise gross NPA	Gross NPA Rs Crore	Gross NPA (%)
1.	**Retail**	-	
(A)	Mortgages (home loans and loans against property)	-	
(B)	Gold loans	-	
(C)	Vehicle loans	-	
(D)	MFI	328.33	**91.30**
(E)	MSME	25.76	**7.16**
(F)	Capital market funding (loans against shares, margin funding)	-	
(G)	Others	**5.54**	**1.54**
2.	**Wholesale**	-	
(A)	Infrastructure	-	
(B)	Real estate (including builder loans)	-	
(C)	Promoter funding	-	
(D)	Any other sector (as applicable)	-	
(E)	Others	-	
	Total	**359.63**	**100**

10.3.8. **Residual maturity profile of assets and liabilities (in line with the RBI format):**

Residual maturity profile of assets and liabilities

Category	Up to 30/31 days	>1 month - 2 months	>2 months - 3 months	>3 months - 6 months	>6 months - 1 year	>1 year - 3 years	>3 years - 5 years	> 5 years	Total
Deposit	-	-	-	-	-	-	-	-	-
Advances	456.86	462.91	416.61	1157.38	2184.25	1691.29	313.46	46.17	6,728.92
Investments	290.743	0.00	0.00	0.02	23.03	65.46	0.00	0.00	379.25
Borrowings	256.11	439.90	495.94	1071.98	1689.70	1515.75	147.72	0.00	5,617.12
FCA*	-	-	-	-	-	-	-	-	-
FCL*	-	-	-	-	-	-	-	-	-

**FCA – Foreign Currency Assets; FCL – Foreign Currency Liabilities*

10.4 **Disclosure of latest ALM statements to stock exchange:**

N.A. There is no ALM disclosure to the stock exchange.

SECTION 11: DECLARATION

A. The Issuer has complied with the provisions of the Companies Act, 2013 and the rules made hereunder.

B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of the Debentures, if applicable, is guaranteed by the Central Government.

C. The monies received under the offer shall be used only for the purposes and objects indicated in this General Information Document.

D. The Issuer has complied with, and nothing in the General Information Document is contrary to, the provisions of Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, and the rules and regulations made thereunder.

E. The contents of this General Information Document have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein lies with the Board of Directors.

I am authorized by the Board of Directors of the Issuer *vide* resolution no 19 dated August 2, 2024 to sign this General Information Document and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with.

Whatever is stated in this General Information Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this General Information Document has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this General Information Document.

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this General Information Document is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this General Information Document is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in this General Information Document is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

For Belstar Microfinance Limited

Authorised Signatory

Name: Sunil Kumar Sahu
Title: Company Secretary

Place: Chennai, India
Date: June 05,2025

For Belstar Microfinance Limited

Authorised Signatory

Name: L Muralidharan
Title: Chief Financial Officer

BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

ANNEXURE I: FINANCIAL STATEMENTS OF ALONG WITH AUDIT REPORTS, SCHEDULES, FOOTNOTES, SUMMARY ETC.

Attached separately.

ANNEXURE II: DISCLOSURES PURSUANT TO THE SEBI DEBENTURE TRUSTEES MASTER CIRCULAR

(a) **Details of assets, movable property and immovable property on which charge is proposed to be created**

To be set out in the Key Information Document for the relevant issuance of Debentures.

(b) **Title deeds (original/ certified true copy by issuers/ certified true copy by existing charge holders, as available) or title reports issued by a legal counsel/ advocates, copies of the relevant agreements/ Memorandum of Understanding**

To be set out in the Key Information Document for the relevant issuance of Debentures.

(c) **Copy of evidence of registration with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) etc**

To be set out in the Key Information Document for the relevant issuance of Debentures.

(d) **For unencumbered assets, an undertaking that the assets on which charge is proposed to be created are free from any encumbrances**

To be set out in the Key Information Document for the relevant issuance of Debentures.

(e) **For encumbered assets, on which charge is proposed to be created, the following consents along-with their validity as on date of their submission:**

(i) **Details of existing charge over the assets along with details of charge holders, value/ amount, copy of evidence of registration with Sub-registrar, Registrar of Companies, CERSAI, Information Utility (IU) registered with Insolvency and Bankruptcy Board of India (IBBI) etc. as applicable:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(ii) **Consent/ No-objection certificate (NOC) from existing charge holders for further creation of charge on the assets or relevant transaction documents wherein existing charge holders have given conditional consent/ permission to the Issuer to create further charge on the assets, along-with terms of such conditional consent/ permission, if any:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(iii) **Consent/ NOC from existing unsecured lenders, in case, negative lien is created by Issuer in favour of unsecured lenders:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(f) **In case of personal guarantee or any other document/ letter with similar intent is offered as security or a part of security:**

(i) **Details of guarantor viz. relationship with the Issuer:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(ii) **Net worth statement (not older than 6 months from the date of debenture trustee agreement) certified by a chartered accountant of the guarantor:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(iii) **List of assets of the guarantor including undertakings/ consent/ NOC as per para 2.1(b) and 2.1(c) of Chapter II of the SEBI Debenture Trustees Master Circular:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(iv) **Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(v) **List of previously entered agreements for providing guarantee to any other person along with an undertaking that there are no agreements other than those provided in the list, if any:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(g) **In case of corporate guarantee or any other document/ letter with similar intent is offered as security or a part of security:**

(i) **Details of guarantor viz. holding/ subsidiary/ associate company etc**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(ii) **Audited financial statements (not older than 6 months from the date of debenture trustee agreement) of guarantor including details of all contingent liabilities**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(iii) **List of assets of the guarantor along-with undertakings/consent/NOC as per para 2.1(b) and 2.1(c) of Chapter II of the SEBI Debenture Trustees Master Circular:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(iv) **Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(v) **Impact on the security in case of restructuring activity of the guarantor:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(vi) **Undertaking by the guarantor that the guarantee shall be disclosed as "contingent liability" in the "notes to accounts" of financial statement of the guarantor:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(vii) **Copy of Board resolution of the guarantor for the guarantee provided in respect of the debt securities of the Issuer:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(viii) **List of previously entered agreements for providing guarantee to any other person along with an undertaking that there are no agreements other than those provided in the list, if any**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(h) **In case of any other contractual comforts/ credit enhancements provided for or on behalf of the issuer, it shall be required to be legal, valid and enforceable at all times, as affirmed by the issuer. In all other respects, it shall be dealt with as specified above with respect to guarantees**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(i) **In case securities (equity shares, etc.) are being offered as security then a holding statement from the depository participant along with due pledge of such securities in favour of Debenture Trustee in the depository system shall be ensured:** To be set out in the Key Information Document for the relevant issuance of Debentures.

(j) **Details of any other form of security being offered viz. Debt Service Reserve Account etc.**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(k) **Any other information, documents or records required by debenture trustee with regard to creation of security and perfection of security**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(l) **Declaration**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(m) **Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s)**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(n) **Details of security to be created**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(o) **Process of due diligence carried out by the debenture trustee**: To be set out in the Key Information Document for the relevant issuance of Debentures.

(p) **Due diligence certificates as per the format specified in the SEBI Debenture Trustees Master Circular and in the Debt Listing Regulations**: To be set out in the Key Information Document for the relevant issuance of Debentures.

ANNEXURE III: IN-PRINCIPLE APPROVAL FROM BSE

DCS/COMP/RM/IP-PPDI/040/25-26

June 09, 2025

Belstar Microfinance Limited
No 33, 48th Street
9th Avenue, Ashok Nagar
Chennai- 600083

Dear Sir/Madam

Re: Private Placement For Issue of Issue of Listed, Rated, Secured /Unsecured / Subordinated, Redeemable, Principle Protected or Not, Market Linked or Not, Non-Convertible Debentures Bonds) (The "Issue") on a Private Placement Basis to be issued as per the Terms of each Issue / Series of Debentures with the aggregate Issue Size For each offer / Issue / Series of Debentures to be set out in the relevant Key Information Document Issued / to be Issued by the Company for each issue / series of Debentures from time to time. Under Gid No: BML/01/25-26 Dated June 05, 2025

We acknowledge receipt of your application on the online portal on June 05, 2025 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing:

1. Filing of listing application.

2. Payment of fees as may be prescribed from time to time.

3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013.

4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.

5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time.

6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors.:
https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610-31

7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILDM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of such issuance. The details can be uploaded using the following links Electronic Issuance - Bombay Stock Exchange Limited (bseindia.com).

8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

9. ***Issuers are hereby advised to comply with signing of agreements with both the depositories as per Regulation 7 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.***

10. Company is further requested to comply with SEBI Circular SEBI/HO/DDHS/DDHS-RACPOD1/CIR/P/2023/56 dated April 13, 2023, (if applicable) read along with BSE Circular https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20230428-18 and ensure compliance of the same.

This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter or period of 1 year from the date of opening of the first offer of debt securities under the General information Document, which ever applicable. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,
For BSE Limited

Hardik Bhuta
Asst. Vice President

Akshay Arolkar
Manager

BSE - PUBLIC

ANNEXURE IV: SHAREHOLDING PATTERN

S.no	Name of shareholder	Total Number of equity shares	Total Shareholding as % of total no of equity shares	Number of shares held in Demat Form	Number of Shares pledged or otherwise encumbered
1	Muthoot Finance Limited	3,62,67,608	66.13	3,62,67,608	NIL
2	Dr Kalpana Sankar	9,066	0.02	9,066	
3	Mr. CV Sankar	100	0.00	100	
4	Sarvam Financial Inclusion Trust	39,21,079	7.15	39,21,079	
5	Maj Invest Financial INCLUSION Fund II K/S	47,93,260	8.74	47,93,260	
6	Arum Holdings Limited	76,47,059	13.94	76,47,059	
7	Augusta Investments Zero Pte Ltd	22,05,883	4.02	22,05,883	
TOTAL		5,48,44,055	100	5,48,44,055	

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INDEPENDENT AUDITOR'S REPORT

To

The Members

Belstar Microfinance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Belstar Microfinance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* 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 financial statements 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 opinion on the financial statements.



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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans Refer Note 9 to the Financial statements Under Ind AS 109 - Financial Instruments, credit loss assessment is based on expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The determination of impairment loss allowance is inherently judgmental and relies on managements' best estimate due to the following: Segmentation of loans given to the customer. Criteria selected to identify significant increase in credit risk. Increased level of data inputs for capturing the historical data to calculate the Probability of Default ('PDs') and Loss Given Default ("LGD") and the completeness and accuracy of that data.	The audit procedures performed by us to assess appropriateness of the impairment allowance based on ECL on loans included the following: We understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the management over the assumptions used in the calculation of ECL and its various aspects such as determination of Probability of Default, Loss Given Default, Exposure at Default, Staging of Loans, etc.; ii. the completeness and accuracy of source data used by the Management in the ECL computation; and ECL computations for their reasonableness. We verified the appropriateness of methodology and models used by the Company and reasonableness of the

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Key audit matter	How the matter was addressed in our audit
Use of management judgement for considering the forward looking macro-economic factors economic environment and timing of cash flows. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. Given the size of loan portfolio relative to the balance sheet and the impact of impairment loss allowance on the financial statements, we have considered this as a key audit matter.	assumptions used within the computation process to estimate the impairment provision. We test-checked the completeness and accuracy of source data used. We recomputed the impairment provision for a sample of loans across the loan portfolio to verify the arithmetical accuracy and compliance with the requirements of Ind AS 109. We evaluated the reasonableness of the judgement involved in management overlays that form part of the impairment provision, and the related approvals. We evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the financial statements Marco economic adjustment in Co-lending

Information Other than the Financial Statements and Auditor's Report thereon (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report of the Company for the financial year ended March 31,2025 but does not include the financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and 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 management 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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

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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 these financial statements.

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 financial statements, 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 financial 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 on whether the Company has adequate internal financial controls with reference to 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 management.
- Conclude on the appropriateness of management'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 Company's ability 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 statements 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 financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work



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and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow

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Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

(e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid by the Company during the year is in accordance with the provisions of section 197 of the Act

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in the financial statements – Refer Note No. 46 to the financial statements

ii. The Company has made provision, as required under the applicable accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31,2025.

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iv.

a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note No. 57.6 to the financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies s), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note No. 57.6 to the financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures performed by us that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v.

a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

b) As stated in Note No. 28 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act, as applicable.



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vi. As stated in Note 57.8 to the financial statements and according to the information and explanations given to us by the Company and based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For **SUNDARAM & SRINIVASAN**
Chartered Accountants
(Firm's Registration No. 004207S)

S Usha
Partner
Membership No. 211785
UDIN: 25211785BMIUOG6665

Place: Chennai
Date: 28th April 2025

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ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BELSTAR MICROFINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2025.

i. a) A) According to the information and explanations given to us and the records of the Company examined by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, and Investment Property and relevant details of right-of-use assets.

B) According to the information and explanations given to us and the records of the company examined by us, the Company has maintained proper records showing full particulars of intangible assets.

b) According to the information and explanations given to us and the records of the Company examined by us, the Company has a regular program of physical verification of its Property Plant and Equipment, Investment Property and right-of-use assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the program, certain Property Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records of the Company examined by us, we report that the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements are held in the name of the Company as at the balance sheet date.

d) According to the information and explanations given to us and the records of the Company examined by us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Hence, reporting under clause 3(i)(d) of the Order is not applicable.

e) According to the information and explanations given to us and the records of the Company examined by us, there are no proceedings initiated or pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. According to the information and explanations given to us and the records of the Company examined by us,



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a) The Company is a Non-Banking Finance Company (NBFC), primarily engaged in financing activities and it does hold any physical inventories. Hence, reporting under clause 3(ii)(a) of the Order is not applicable.

b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks during the year on the basis of security of current assets. In our opinion, based on a comparison, the quarterly statements of receivables filed by the company with such banks are seen to be in agreement with the books of account of the Company. The Company has not availed working capital limit from any financial institution.

iii.

a) The Company is a Non-Banking Financial Company - Micro finance Institution (NBFC-MFI) engaged in the business of providing microfinance loans. Hence, reporting under clause 3(iii)(a) of the Order is not applicable.

b) According to the information and explanations given to us and the records of the Company examined by us, the terms and conditions of the investments made, the terms and conditions of the grant of all loans and advances in the nature of loans and securities extended during the year are, prima facie, not prejudicial to the Company's interest. The company has not provided any guarantee during the year.

c) In respect of the loans/advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a non-banking financial company engaged in the business of granting loans to retail customers, the borrower-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 9 and 51.1 to the financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.



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d) In respect of the loans/advances in nature of loans, the total amount overdue for more than ninety days as at March 31, 2025, is Rs 3596.26 Mils. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon. Refer Note 9 in the financial statements for details of number of cases and the amount of principal and interest overdue as at March 31, 2025

e) The Company is a Non-Banking Financial Company - Micro finance Institution (NBFC-MFI) engaged in the business of providing microfinance loans. Hence, reporting under clause 3(iii)(e) of the Order is not applicable.

f) According to the information and explanations given to us and the records of the Company examined by us, the Company has not granted any loans or advances in the nature of loans to Promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013. Hence, reporting under clause 3(iii)(f) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and sub-section (1) of Section 186 of the Act in respect of the loans and investments made and guarantees and security provided by it. The provisions of sub- sections (2) to (11) of Section 186 are not applicable to the Company as it is a non-banking financial company registered with the RBI engaged in the business of giving loans.

v. According to the information and explanations given to us and the records of the Company examined by us , during the year the Company has not accepted any deposits or any amounts deemed to be deposits which attracts the directives issued by the Reserve Bank of India or within the meaning of Sections 73 to 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Hence, reporting under clause 3(v) of the Order is not applicable.

vi. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.

vii.

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a. As per the information and explanations furnished to us, and according to our examination of the records of the Company, the undisputed statutory dues including goods and service tax, provident fund, employees state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable to the Company have generally been regularly deposited by the company with the appropriate authorities and no undisputed amounts in respect of material statutory dues were in arrears as at 31st March, 2025 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues referred to in sub-clause (a) that have not been deposited on account of any dispute as at 31st March, 2025 are as follows:

Name of the Statute	Nature of dues	Amount (Rs. In Million)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	36.29	FY 2016-17	Commissioner of Income Tax (Appeals) - Chennai
Income Tax Act, 1961	Income Tax	2.37	FY 2019-20	National Faceless Appeal Centre

**net of amount paid under protest*

viii. According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

ix. According to the information and explanations given to us and on the basis of our examination of the records of the Company:

a. The Company has not defaulted in repayment of loans or other borrowings or in payment of interest to any lender.

b. The Company has not been declared willful defaulter by any bank or financial institution or other lender.

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c. In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained, other than temporary deployment pending application of proceeds of term loans of Rs. 2664.44 Million since they were raised towards the end of the year.

d. On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e. The Company does not have any subsidiaries, associates or joint ventures and hence, reporting on clause 3(ix)(e) of the Order is not applicable.

f. The Company does not have any subsidiaries, associates or joint ventures and hence, reporting on clause 3(ix)(f) of the Order is not applicable.

x. According to the information and explanations given to us and the records of the Company examined by us,

a. no moneys were raised by way of initial public offer or further public offer (including debt instruments) and hence, reporting on clause 3(x)(a) of the Order is not applicable.

b. The Company has not made any preferential allotment or private placement of equity shares and of fully or partly or optionally convertible debentures during the year.

xi.

a) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or on the Company, noticed or reported during the year, except as stated in Note No. 56 to the accompanying financial statements.

b) No report under Section 143(12) of the Act has been filed in Form ADT-4 regarding any frauds, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not received whistle-blower complaints during the year and

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hence, reporting on clause 3(xi)(c) of the Order is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in Note No.47 to the financial statements as required by the applicable Ind AS.

xiv. a. company has an Internal Audit System commensurate with the Size and Nature of its business.
b. We have considered the Reports of Internal Auditors.

xv. S According to the information and explanations given to us and based the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with the directors and hence, reporting under clause 3(xv) of the Order is not applicable.

xvi. According to the information and explanations given to us and the records of the Company examined by us,

a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Deposit Taking Systemically Important Investment and Credit Company.

b) The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

d) Based on the information and explanations provided by the management of the Company, the Group does not have more than one CIC as part of the Group.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.



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xix. According to the information and explanations given to us and the records of the Company examined by us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets, payment of financial liabilities and other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of Section 135 of the Act.

There are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of sub section (6) of Section 135 of Companies Act

xxi. The requirement to prepare a consolidated statement does not arise, hence reporting under clause 3(xxi) is not applicable to the company.

For **SUNDARAM & SRINIVASAN**
Chartered Accountants
(Firm's Registration No. 004207S)

S Usha
Partner
Membership No. 211785
UDIN: 25211785BMIUOG6665

Place: Chennai
Date: 28th April 2025

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ANNEXURE B' REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BELSTAR MICROFINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2025

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial control with reference to financial statements of Belstar Microfinance Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the

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internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **SUNDARAM & SRINIVASAN**
Chartered Accountants
(Firm's Registration No. 004207S)

S Usha
Partner
Membership No. 211785
UDIN: 25211785BMIUOG6665

Place: Chennai
Date: 28th April 2025

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★
New No.4, Old No.23, CPR Road, Chennai 600 018.

BELSTAR MICROFINANCE LIMITED

Balance Sheet as at March 31, 2025

(₹ In millions)

Particulars	Note No	As at March 31, 2025	As at March 31, 2024
I ASSETS			
1 Financial assets			
a) Cash and cash equivalents	6	5,155.11	6,943.00
b) Bank Balance other than (a) above	7	296.40	394.95
c) Receivables			
(I) Trade Receivables	8	0.78	12.59
(II) Other Receivables		-	-
d) Loans	9	67,289.21	83,274.92
e) Investments	10	588.72	-
f) Other Financial assets	11	748.45	1,564.86
2 Non-financial Assets			
a) Current tax assets (Net)	40	73.89	508.31
b) Deferred tax assets (Net)	41	1,322.49	589.89
c) Investment Property	12	1.10	1.10
d) Property, Plant and Equipment	13	47.35	49.58
e) Right-of-use assets	14	15.98	59.39
f) Intangible assets under development	15	2.97	3.65
g) Other Intangible assets	16	3.51	3.74
h) Other non financial assets	17	337.84	185.15
Total Assets		**75,883.80**	**93,591.13**
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
a) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	18	2.96	3.91
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18	75.35	90.05
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	18	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18	280.35	336.93
b) Debt Securities	19	541.67	7,413.59
c) Borrowings (other than debt securities)	20	52,816.59	62,515.85
d) Subordinated Liabilities	21	2,812.91	2,806.78
e) Lease liabilities	46 B	18.88	65.04
f) Other Financial liabilities	22	1,439.11	2,951.09
2 Non-financial Liabilities			
a) Provisions	23	83.56	43.73
b) Other non-financial liabilities	24	100.74	76.02
EQUITY			
a) Equity share capital	25	548.44	548.44
b) Other equity	26	17,163.24	16,739.70
Total Liabilities and Equity		**75,883.80**	**93,591.13**

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For M/s. Sundaram & Srinivasan
Chartered Accountants
Firm's Registration No. 004207S

S.Usha
Partner
M. No.211785

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR Road, Chennai 600 018.

Place: Chennai
Date : April 28, 2025

BELSTAR MICROFINANCE LIMITED ★ CHENNAI 600 083

For and on **behalf of Board of Directors**

Dr.Kalpanaa Sankar
Managing Director
(DIN. 01926545)

B Balakumaran
Wholetime Director
(DIN. 09099182)

L Muralidharan
Chief Financial Officer

Sunil Kumar Sahu
Company Secretary

BELSTAR MICROFINANCE LIMITED

Statement of Profit and Loss for the year ended March 31, 2025

(₹ In millions)

		Particulars	Note No	For the Year ended March 31, 2025	For the Year ended March 31, 2024
		Revenue from operations			
	(i)	Interest income	29	20,029.00	16,617.88
	(ii)	Fee and commission income	30	3.23	5.04
	(iii)	Net gain on fair value changes	31	224.98	53.56
	(iv)	Net gain on de-recognition of financial instruments under amortised cost category	32	759.63	1,650.27
(I)		**Total Revenue from operations**		**21,016.84**	**18,326.75**
(II)		Other Income	33	233.04	187.09
(III)		**Total Income (I + II)**		**21,249.88**	**18,513.84**
		Expenses			
	(i)	Finance costs	34	6,913.33	5,840.48
	(ii)	Fee and commission expense	35	112.76	309.81
	(iii)	Net loss on fair value changes	31	-	279.65
	(iv)	Impairment of financial instruments	36	8,190.81	3,199.70
	(v)	Employee benefit expenses	37	3,868.63	3,182.34
	(vi)	Depreciation, amortization and impairment	38	98.25	118.11
	(vii)	Other expenses	39	1,557.29	1,165.28
(IV)		**Total Expenses (IV)**		**20,741.07**	**14,095.37**
(V)		**Profit/(loss) before tax (III - IV)**		**508.81**	**4,418.47**
(VI)		**Tax Expense:**			
	(i)	Current tax	40	777.81	1,440.85
	(ii)	Deferred tax	41	(732.87)	(420.92)
(VII)		**Profit/(loss) for the year (V - VI)**		**463.87**	**3,398.54**
(VIII)		**Other Comprehensive Income**			
	A)	**Items that will not be classified to profit or loss**			
		(i) Actuarial Gain/(Loss) on defined benefit obligation		1.07	(14.58)
		(ii) Changes in value of forward element of forward contract		-	8.89
		(iii) Tax impact thereon	41	(0.27)	1.43
		Subtotal (A)		**0.80**	**(4.26)**
	B)	**Items that will be classified to profit or loss**			
		(i) Fair value gain/ (loss) on Financial instruments measured at FVOCI		-	-
		(ii) Effective portion of gain on Hedging Instruments in Cash Flow Hedges		-	0.23
		(iii) Tax impact thereon		-	(0.06)
		Subtotal (B)		**-**	**0.17**
		Other Comprehensive Income (A + B)		**0.80**	**(4.09)**
(IX)		**Total Comprehensive Income for the year (VII + VIII)**		**464.67**	**3,394.45**
(X)		**Earnings per equity share (Face Value - ₹ 10 per share)**	42		
		Basic (₹)		8.46	69.30
		Diluted (₹)		8.46	69.30

The accompanying notes are an integral part of the financial statements

As per our Report of even date
For M/s. Sundaram & Srinivasan
Chartered Accountants
Firm's Registration No. 004207S

S.Usha
Partner
M. No.211785

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR Road, Chennai 600 018.

Place: Chennai
Date : April 28, 2025

BELSTAR MICROFINANCE LIMITED ★ CHENNAI 600 083

For and on **behalf of Board of Directors**

Dr.Kalpanaa Sankar
Managing Director
(DIN. 01926545)

B Balakumaran
Wholetime Director
(DIN. 09099182)

L Muralidharan
Chief Financial Officer

Sunil Kumar Sahu
Company Secretary

BELSTAR MICROFINANCE LIMITED

Cash Flow Statement for the year ended March 31, 2025

(₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Operating activities		
Profit before tax	**508.81**	**4,418.47**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & amortisation	98.25	118.11
Impairment on financial instruments	8,190.81	3,199.70
Finance cost	6,913.33	5,840.48
Net loss on fair value changes	-	279.65
Net gain on fair value changes	(224.98)	(53.56)
Interest income on deposits	(261.67)	(297.90)
Loss on sale of asset	0.90	1.11
Operating Profit Before Working Capital Changes	**15,225.45**	**13,506.06**
Working capital changes		
(Increase) / Decrease in Trade receivables	11.82	(10.87)
(Increase) / Decrease in Loans	7,794.89	(40,199.25)
(Increase) / Decrease in Other financial asset	829.77	(226.08)
(Increase) / Decrease in Other non financial asset	(152.69)	(22.33)
Increase / (Decrease) in Trade and Other payables	(72.23)	207.89
Increase / (Decrease) in Other liabilities	(1,117.23)	232.26
Increase / (Decrease) in Provision	40.90	11.28
Cash flows from/(used in) operating activities before tax	**22,560.68**	**(26,501.04)**
Interest paid on borrowings	(7,132.42)	(5,857.44)
Income tax paid	(343.38)	(1,593.97)
Net cash flows from/(used in) operating activities	**15,084.88**	**(33,952.45)**
Investing activities		
Acquisition of fixed and intangible assets	(58.57)	(61.55)
Net gain on fair value changes	140.94	53.56
Proceeds from sale of fixed assets	0.86	0.53
Net (Investment) in / Redemption of Government Securities	-	-
Net (Investment) in / Redemption security receipts (ARC)	(504.67)	248.99
Redemption / (Investment) in fixed deposits	98.54	53.85
Interest received on deposits	249.91	308.15
Net cash flows from/(used in) investing activities	**(72.98)**	**603.53**
Financing activities		
Proceeds from issue of shares	-	3,000.00
Proceeds from / (Repayment) of borrowings	(16,712.24)	24,572.37
Interest paid on Lease liabilities	(3.77)	(8.59)
Payment towards Lease liabilities	(42.65)	(55.00)
Dividend paid on equity shares	(41.13)	(29.31)
Net cash flows from financing activities	**(16,799.79)**	**27,479.47**
Net increase in cash and cash equivalents	**(1,787.89)**	**(5,869.45)**
Cash and cash equivalents at beginning of the Year	6,943.00	12,812.45
Cash and cash equivalents at end of the year	**5,155.11**	**6,943.00**

Notes:

(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS-7) Statement of Cash Flow.

(b) For Components of Cash and Cash Equivalents - Refer Note No. 6

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For M/s. Sundaram & Srinivasan
Chartered Accountants
Firm's Registration No. 004207S

S.Usha
Partner
M. No.211785

Place: Chennai
Date : April 28, 2025

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR Road, Chennai 600 018.

BELSTAR MICROFINANCE LIMITED ★ CHENNAI 600 083

For and on **behalf of Board of Directors**

Dr.Kalpanaa Sankar
Managing Director
(DIN. 01926545)

B Balakumaran
Wholetime Director
(DIN. 09099182)

L Muralidharan
Chief Financial Officer

Sunil Kumar Sahu
Company Secretary

BELSTAR MICROFINANCE LIMITED

Statement of Changes in Equity for the year ended March 31, 2025

A . Equity Share Capital (₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the current reporting period	548.44	488.44
Changes in equity share capital during the current year		
-Share Issue	-	60.00
Balance at the end of the current reporting period	**548.44**	548.44
No. of Equity Shares of Rs.10/- each	5,48,44,055	5,48,44,055

B. Other Equity (₹ In millions)

Particulars	Statutory reserve (Pursuant to section 45-IC of the Reserve Bank of India Act, 1934)	Capital Redemption Reserve(CRR)	Securities Premium	General Reserve	Remeasurement gain/ (loss) of defined benefit plans	Retained Earnings	Changes in value of forward element of forward contract	Effective portion of Cash Flow Hedges	Financial instruments measured at FVOCI	Total
As at March 31, 2025										
Balance at the beginning of the reporting period	**1,586.51**	**500.00**	9,014.60	**2,000.01**	(24.02)	**3,662.60**	-	-	-	**16,739.70**
Total Comprehensive Income for the current year	-	-	-	-	0.80	463.87	-	-	-	464.67
Dividends	-	-	-	-	-	(41.13)	-	-	-	(41.13)
Transfer to Statutory Reserve	92.78	-	-	-	-	(92.78)	-	-	-	-
Transfer to General Reserve	-	-	-	92.78	-	(92.78)	-	-	-	-
Premium on Issue of Shares	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	**1,679.29**	**500.00**	**9,014.60**	**2,092.79**	(23.22)	**3,899.78**	-	-	-	**17,163.24**
As at March 31, 2024										
Balance at the beginning of the reporting period	**906.80**	**500.00**	**6,074.60**	**0.01**	(13.10)	**2,973.07**	(6.66)	(0.17)	-	**10,434.55**
Total Comprehensive Income for the current year	-	-	-	-	(10.92)	3,398.54	6.66	0.17	-	3,394.45
Dividends	-	-	-	-	-	(29.30)	-	-	-	(29.30)
Transfer to Statutory Reserve	679.71	-	-	-	-	(679.71)	-	-	-	-
Transfer to General Reserve	-	-	-	2,000.00	-	(2,000.00)	-	-	-	-
Premium on Issue of Shares	-	-	2,940.00	-	-	-	-	-	-	2,940.00
Balance at the end of the reporting period	**1,586.51**	**500.00**	**9,014.60**	**2,000.01**	(24.02)	**3,662.60**	-	-	-	**16,739.70**

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For M/s. Sundaram & Srinivasan
Chartered Accountants
Firm's Registration No. 004207S

S.Usha
Partner
M. No.211785
Place: Chennai
Date : April 28, 2025

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★
New No:4, Old No:23, CPR Road, Chennai 600 018.

For and on **behalf of Board of Directors**

Dr. Kalpanaa Sankar
Managing Director
(DIN. 01926545)

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Chief Financial Officer

Sunil Kumar Sahu
Company Secretary

BELSTAR MICROFINANCE LIMITED ★ CHENNAI 600 003

BELSTAR MICROFINANCE LIMITED
Notes forming part of the Ind AS Financial Statements

MATERIAL ACCOUNTING POLICIES

1. Corporate Information

Belstar Microfinance Limited, (the Company) is a Company incorporated under the Companies Act, 1956 having its registered office at No 33, 48th Street, 9th Avenue, Ashok Nagar, Chennai- 600083 and registered with the Reserve Bank of India as a non-banking financial company (NBFC) from March 2001. The Company is basically engaged in the business of providing loans and access to Credit to the Self-Help Group (SHG) members / Joint Liability Group (JLG) members known as "Pragati" and other loans like Education, Small Enterprise Loan (SEL) as part of financial inclusion space. The Company got classified as a NBFC - MFI effective December 11, 2013. The company is a Systemically Important Non - Deposit taking NBFC MFI (NDSI–NBFC-MFI) as at March 31, 2025

2. Basis of preparation and presentation of Financial Information

2.1 Basis of preparation

The Statement of Assets and Liabilities of the Company as at March 31, 2025 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended March 31, 2025 and the Material Accounting policies and other explanatory notes to Financial Information (together referred to as "Financial Information" or "Financial Statements") have been prepared under the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 and other relevant provisions of the Act as amended from time and time.

2.2 Statement of compliance

The Financial statements of the Company have been prepared on going concern basis in accordance with the applicable Indian Accounting Standards (Ind AS) notified 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.

2.3 Presentation of Financial Statements

The Statement of Assets and Liabilities, the Statement of Profit and Loss, the Statement of Changes in Equity, are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ('NBFC') that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 - Statement of Cash Flows. The Company presents its Statement of Assets and Liabilities in order of liquidity.

2.4 Basis of measurement

The Financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant accounting standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

2.5 Functional and presentation currency

The Financial statements are presented in Indian Rupees (INR) which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest millions, except when otherwise indicated.

3. Summary of Material accounting policies

3.1 Recognition of interest income

The Company computes Interest income by applying the effective interest rate to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

For purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

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For other credit-impaired financial assets, the Company applies effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

When calculating the effective interest rate, the Company takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes all fees and charges paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts, but not future credit losses

Interest income on financial assets measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

3.2 Recognition of income other than Interest Income

Revenue (other than for financial instruments) is measured at fair value of the consideration received or receivable,) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue From Contracts with Customers'.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

3.3 Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

3.4 Financial instruments

3.4.1 Financial assets

Initial recognition & measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not measured subsequently at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.
Loans are recognised when funds are transferred to the customers' account.

3.4.2 Subsequent measurement

The Company classifies its financial assets into the following measurement categories:

1. Loans at amortised cost
2. Loans at fair value through other comprehensive income (FVTOCI).
3. Investments in Debt instruments, and equity instruments at fair value through profit or loss (FVTPL).

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The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

The Ind AS 109 classification and measurement model requires that all debt instrument financial assets that do not meet a "solely payment of principal and interest" (SPPI) test, including those that contain embedded derivatives, be classified at initial recognition as fair value through profit or loss (FVTPL).

Loans that are managed on a "hold to collect" basis will be classified as amortized cost. After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Loans that are managed on a "hold to collect and for sale" basis is classified as fair value through other comprehensive income (FVOCI) for debt. These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement.

Investments in debt instruments which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. Financial instruments held at fair value through profit or loss, are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

The measurement of credit impairment is based on the three-stage expected credit loss model described below in Note 3.6 Impairment of financial assets.

All equity instrument financial assets are classified at initial recognition as FVTPL unless an irrevocable designation is made to classify the instrument as FV-OCI for equities. The FV-OCI for equities category results in all realized and unrealized gains and losses being recognized in OCI with no recycling to profit and loss. Only dividends are recognized in profit and loss.

3.4.3 Financial liabilities

Initial Recognition and Measurement
Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement
Financial liabilities are subsequently carried at amortized cost using the effective interest method. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities are subsequently carried at amortized cost using the effective interest method. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.5 Derecognition of financial assets and liabilities

3.5.1 Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company

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also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

a) The Company has transferred its contractual rights to receive cash flows from the financial asset

or

b) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset

or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss .

3.5.2 Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

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3.6 Impairment of financial assets

3.6.1 Overview of the Expected Credit Loss (ECL) principles

The Company has created provisions on all financial assets except for financial assets classified as FVTPL, based on the expected credit loss method.

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month expected credit loss.

The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into three stages as described below:

For non-impaired financial instruments

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, The Company compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Company recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities shall revert to recognizing 12-month ECL.

For impaired financial instruments:

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial instruments.

3.6.2 The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.
The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

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Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, and appropriate overlays, are embedded in the methodology to reflect such macro-economic trends reasonably.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

3.7 Determination of fair value

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which enough data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial instruments for which fair value is measured are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

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3.8 Derivative financial instruments

The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently measured to their fair value at the end of each reporting period. Such derivative instruments are presented as assets in case of a fair value gain and as liabilities in case of fair value loss. Changes in the fair value of derivatives is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company has designated the derivative financial instruments as cash flow hedges of recognised liabilities and unrecognised firm commitments.

Hedge accounting

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as cash flow hedge.

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve).

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in net gain/loss on fair value changes in the profit and loss statement.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

3.9 Finance cost

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

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3.10 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Company's cash management.

3.11 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.11.1 Depreciation

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged based on a review by the management during the year and at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 on Written Down Value method. All fixed assets costing individually upto Rs. 5,000 is fully depreciated by the company in the year of its capitalisation.

The estimated useful lives are as follows:

Particulars	Useful life	Residual value
Furniture and fixture	10 years	2%
Office equipment	5 years	2%
Vehicles	10 years	2%
Computer	3 years	5%

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.12 Intangible assets

The Company's intangible assets consist of computer software.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets comprising of software are amortised on a written down value basis over a period of 3 years The useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

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3.13 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

The fair value of investment property is disclosed in the notes accompanying these financial statements. Fair value is determined by independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

3.14 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

3.15 Post employment benefits

3.15.1 Defined contribution plans

Contributions to the Employees Provident Fund Scheme maintained by the Central Government are accounted for on an accrual basis. Retirement benefit in the form of provident fund is a defined contribution plan.

The company has no obligation, other than the contribution payable under the scheme. The company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

3.15.2 Defined Benefit plans

Gratuity

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company makes annual contribution to a Gratuity Fund administered by insurance companies.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

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3.16 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.17 Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.17.1 Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.17.2 Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

3.17.3 Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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3.18 Contingent Liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

3.19 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

3.20 Leases

As a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
– Fixed payments, including in-substance fixed payments;
– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– Amounts expected to be payable under a residual value guarantee; and
– The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

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3.21 Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

4.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or classified as fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement in respect of the estimation of the amount and timing of future cash flows and the assessment of a significant increase in

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credit risk. These estimates are driven by several factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.5 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.6 Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

5 Standards issued but not yet effective

As at March 31, 2025, there are no Ind AS Standards/amendments that have been issued but are not yet effective.

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6: Cash and cash equivalents

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	62.84	77.73
Balances with Banks		
- in current accounts	2,184.84	3,151.72
- in deposit accounts with Original maturity of less than 3 months	2,907.43	3,713.55
Total	**5,155.11**	**6,943.00**

Short-term deposits are made for period varying between one day to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short term deposit rates.

7: Bank balances other than cash and cash equivalents

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Deposits with original maturity of more than three months but less than twelve months.	111.40	159.95
Balances with banks to the extent held as security against borrowings #	185.00	235.00
Total	**296.40**	**394.95**

Represents deposits maintained as cash collateral against term loans availed from banks and financial institutions and earn interest at the respective fixed deposit rates.

8: Trade Receivables

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables		
Receivable considered good - Secured	-	-
Receivable considered good - Unsecured	0.78	12.59
Receivables which have significant increase in credit risk	-	-
Receivables - Credit impaired	-	-
Total	**0.78**	**12.59**
Provision for impairment :		
Receivable considered good - Unsecured	-	-
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
Total Net receivable	**0.78**	**12.59**

Trade receivables includes receivable from related party as of March 31, 2025 - ₹ 0.25 million and as of March 31, 2024 - ₹ 11.18 million, . Refer Note 47 for more details.

Trade receivables are non-interest bearing and are generally on terms ranging from 30 days to 60 days from the date of invoice. During the year ended March 31, 2025, INR Nil, and Year ended March 31, 2024 - INR Nil was recognised as provision for expected credit losses on trade receivable.

Ageing of Trade Receivables

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables		
Undisputed Trade Receivable - Considered Good		
- Less than 6 months	0.27	12.51
- 6 months - 1 years	0.51	0.08
- 1 - 2 years		-
- 2 - 3 years		-
- More than 3 years		-
Total	**0.78**	**12.59**

There are no trade receivables outstanding on account of any disputes.

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9: Loans

(₹ In millions)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Amortised Cost	Fair value Through OCI	Total	Amortised Cost	Fair value Through OCI	Total
(A)						
i) Receivables under financing activities	71,928.19	-	71,928.19	85,607.17	-	85,607.17
ii) Staff Loan	3.73	-	3.73	4.14	-	4.14
Total (A) - Gross	**71,931.92**	**-**	**71,931.92**	**85,611.31**	**-**	**85,611.31**
Less : Impairment loss allowance	(4,642.71)	-	(4,642.71)	(2,336.39)	-	(2,336.39)
Total (A) - Net	**67,289.21**	**-**	**67,289.21**	**83,274.92**	**-**	**83,274.92**
(B)						
I) Secured by tangible assets and intangible assets	38.38	-	38.38	57.31	-	57.31
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured			-			-
i) Receivables under financing activities	71,889.81	-	71,889.81	85,549.86	-	85,549.86
ii) Staff loan	3.73	-	3.73	4.14	-	4.14
Total (III) - Gross	**71,893.54**	**-**	**71,893.54**	**85,554.00**	**-**	**85,554.00**
Less : Impairment loss allowance	(4,642.71)	-	(4,642.71)	(2,336.39)	-	(2,336.39)
Total (III) - Net	**67,250.83**	**-**	**67,250.83**	**83,217.61**	**-**	**83,217.61**
Total (B) (I+II+III) - Net	**67,289.21**	**-**	**67,289.21**	**83,274.92**	**-**	**83,274.92**
(C)						
i) Public Sector	-	-		-	-	
ii) Others	71,931.92	-	71,931.92	85,611.31	-	85,611.31
Total (C) - Gross	**71,931.92**	**-**	**71,931.92**	**85,611.31**	**-**	**85,611.31**
Less: Impairment Loss Allowance (C)	(4,642.71)	-	(4,642.71)	(2,336.39)	-	(2,336.39)
Total (C)- Net	**67,289.21**	**-**	**67,289.21**	**83,274.92**	**-**	**83,274.92**

Receivables under financing activities

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 51 and policies on ECL allowances are set out in Note 3.6.

(₹ In millions)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	65,237.39			**65,237.39**	82,546.71			**82,546.71**
Standard grade	804.78			**804.78**	479.67			**479.67**
Sub-standard grade		1,302.19		**1,302.19**		589.74		**589.74**
Past due but not impaired		991.30		**991.30**		434.91		**434.91**
Non - performing				**-**				**-**
Individually impaired			3,596.26	**3,596.26**			1,560.28	**1,560.28**
Total	**66,042.17**	**2,293.49**	**3,596.26**	**71,931.92**	**83,026.38**	**1,024.65**	**1,560.28**	**85,611.31**

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An analysis of changes in the gross carrying amount is, as follows:

(₹ In millions)

Particulars	For the year ended March 31, 2025				For the year ended March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**83,026.38**	**1,024.65**	**1,560.28**	**85,611.31**	**45,770.14**	**317.44**	**1,144.81**	**47,232.39**
New assets originated or purchased (net of repayment)	46,450.18			**46,450.18**	74,572.11			**74,572.11**
Assets derecognised or repaid (excluding write offs)	(49,806.71)	(1,428.18)	(3,049.85)	**(54,284.74)**	(33,828.51)	(215.04)	(373.45)	**(34,417.00)**
Transfers to Stage 1	14.29	(7.58)	(6.70)	**-**	10.75	(6.44)	(4.31)	**-**
Transfers to Stage 2	(3,673.16)	3,674.44	(1.28)	**-**	(1,189.72)	1,189.96	(0.24)	**-**
Transfers to Stage 3	(9,968.80)	(969.84)	10,938.64	**-**	(2,308.39)	(261.27)	2,569.66	**-**
Amounts written off			(5,844.84)	**(5,844.84)**			(1,776.19)	**(1,776.19)**
Gross carrying amount closing balance	**66,042.17**	**2,293.49**	**3,596.26**	**71,931.92**	**83,026.38**	**1,024.65**	**1,560.28**	**85,611.31**

An analysis of changes in the ECL Allowance is, as follows:

(₹ In millions)

Particulars	For the year ended March 31, 2025				For the year ended March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**540.76**	**380.55**	**1,415.08**	**2,336.39**	**30.77**	**86.72**	**839.54**	**957.03**
New assets originated or purchased	1,393.41	-	-	**1,393.41**	1,320.62			**1,320.62**
Assets derecognised or repaid (excluding write offs)	(323.11)	(17.96)	(75.64)	**(416.71)**	(10.90)	(13.92)	(117.14)	**(141.96)**
Transfers to Stage 1	8.02	(2.42)	(5.60)	**-**	4.71	(1.74)	(2.97)	**-**
Transfers to Stage 2	(408.10)	409.14	(1.04)	**-**	(262.15)	262.31	(0.16)	**-**
Transfers to Stage 3	(867.07)	(363.31)	1,230.38	**-**	(591.20)	(73.14)	664.34	**-**
Impact on ECL of exposures transferred between stages during the year	64.60	525.21	6,584.65	**7,174.46**	48.91	120.32	1,807.66	**1,976.89**
Amounts written off			(5,844.84)	**(5,844.84)**	-	-	(1,776.19)	**(1,776.19)**
ECL allowance - closing balance	**408.51**	**931.21**	**3,302.99**	**4,642.71**	**540.76**	**380.55**	**1,415.08**	**2,336.39**

9.1 Sale of Assets to ARC

During the year, the Company sold stressed loan receivables with a gross carrying amount of ₹2,592.03 million to an Asset Reconstruction Company ("ARC") for a total consideration of ₹750.00 million. As of the effective date of transfer, the net carrying amount of these loans stood at ₹730.84 million, after accounting for an impairment allowance of ₹1,861.19 million.

In accordance with Ind AS 109, a write-off of ₹1,842.03 million (i.e. ₹2,592.03 million less ₹750.00 million) has been recognized against the impairment allowance, representing the portion of the asset where recovery is no longer reasonably expected. The residual excess provision of ₹19.15 million under the impairment allowance has been adjusted against the carrying value of the Security Receipts ("SRs").

As per the agreed terms, the Company subscribed to SRs issued by the ARC trust amounting to ₹651.90 million, classified under Fair Value Through Profit or Loss (FVTPL). Since the transaction was completed on December 30, 2024, the recovery rating process by the ARC Trust will commence from the half-year ending June 30, 2025.

As of March 31, 2025, the face value of the SRs stands at ₹977.39 million, while the net asset value (NAV) declared by the ARC Trust is ₹760.88 million. The net carrying value of these SRs as at that date is ₹588.72 million.

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10: Investments

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
1. Amortised Cost		
a) Overseas investments	-	-
b) Investments in India		-
2. Fair Value Through OCI		
a) Overseas investments	-	-
b) Investments in India		-
3. Fair Value Through Profit or Loss		
a) Overseas investments	-	-
b) Investments in India		
i) Security receipts		
1) PARAS-161 TRUST*	588.72	-
6,07,875 Nos having Face value Rs. 1000 Each (Refer Note 9.1)		
2) Phoneix Trust FY 23-21*		
7,21,700 Nos. of SRs having a face value of Rs.512 each (Previous Year - 7,21,700 Nos. having a face value of 655 each)	-	-
Total Gross (A)	**588.72**	**-**
Less : Allowance for impairment loss (B)	-	-
Total - Net C = (A) - (B)	**588.72**	**-**

*As at March 31, 2025, the NAV of Phoneix Trust FY 23-21 and PARAS - 161 TRUST as declared by the Trust is Rs. 212 per SR and Rs. 1000 Per SR respectively.

11: Other financial assets

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits (Unsecured considered good)	60.23	38.73
Receivable towards assignment transactions	113.21	214.95
Excess interest spread receivable on assignment transactions	372.96	1,154.54
Accrued Income - Fee	9.73	0.23
Interest accrued on fixed deposits with banks	45.90	34.14
Insurance claim receivable	84.06	96.77
Other Financial Assets	62.36	25.50
Total	**748.45**	**1,564.86**

Accrued Income - Fee for the year ended Mar 31, 2025 from related party transactions is NIL. (As at March 31, 2024 - 0.23 million). Refer Note 47 for more details.

12: Investment property

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Gross carrying amount		
Opening gross carrying amount	1.10	1.10
Addition during the Year	-	-
Disposal	-	-
Closing gross carrying amount	**1.10**	**1.10**
Accumulated depreciation		
Opening accumulated depreciation amount	-	-
Depreciation charged during the Year	-	-
Closing accumulated depreciation amount	-	-
Net carrying amount	**1.10**	**1.10**

Investment Property comprises of one parcel of vacant land.

The fair value of investment property as on March 31, 2025 is ₹ 1.74 millions (March 31, 2024, - ₹ 1.73 millions) as determined by an external independent Registered Valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

There were no immovable property where the title deeds are not held in the name of the company.

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Notes forming part of the Ind AS Financial Statements

13: Property, plant and equipment (₹ In millions)

Particulars	Office equipment	Computers	Furniture & Fixtures	Vehicles	Total
Cost (Gross Carrying Amount) :					
As at March 31, 2023(Opening Balance)	75.05	164.45	34.99	1.47	275.96
Additions	34.14	5.57	15.81	-	55.52
Disposals	-	30.51	-	-	30.51
As at March 31, 2024	109.19	139.51	50.80	1.47	300.97
Additions	30.33	5.65	15.73	2.55	54.26
Disposals	0.01	29.96	0.25	1.38	31.60
As at March 31, 2025	139.51	115.20	66.28	2.64	323.63
Accumulated depreciation					
As at March 31, 2023(Opening Balance)	60.58	132.38	28.07	1.33	222.36
Disposals	-	28.86	-	-	28.86
Depreciation charge for the year ended March 31, 2024	25.01	20.10	12.73	0.05	57.89
As at March 31, 2024	85.59	123.62	40.80	1.38	251.39
Disposals	0.01	28.33	0.19	1.31	29.84
Depreciation charge for the year ended March 31, 2025	30.97	10.60	12.33	0.83	54.73
As at March 31, 2025	116.55	105.89	52.94	0.90	276.28
Net Carrying Amount					
As at March 31, 2024	23.60	15.89	9.99	0.09	49.58
As at March 31, 2025	22.96	9.31	13.34	1.74	47.35

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14: Right of use assets - Office Premises (₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening carrying value	**59.39**	**97.12**
Addition/ (Deletion) (Net) during the year	(5.10)	15.46
Depreciation for the year	(38.31)	(53.19)
Closing Carrying value	**15.98**	**59.39**

15: Intangible assets under development (₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening carrying value	**3.65**	**0.44**
Addition during the year	2.97	3.65
Capitalised during the year	(3.65)	(0.44)
Closing Carrying value	**2.97**	**3.65**

Project in Progress (₹ In millions)

Intangible assets under development	As at March 31, 2025	As at March 31, 2024
Amount in intangible assets under development for a period of		
Less than 1 year	2.97	3.65
1 -2 years	-	-
2 - 3 years	-	-
More than 3 years	-	-
Total	**2.97**	**3.65**

The Company does not have any intangibles under development which is overdue or has exceeded its cost compared to its original plan and hence completion schedule is not applicable. Further there are no suspended project carried under intangible assets under development.

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16: Other Intangible Assets (₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Cost (Gross Carrying Amount) - Software		
Balance at the beginning of the Year	**95.14**	**92.33**
Addition during the year	4.98	2.81
Disposal during the year	-	-
Balance at the end of the Year	**100.12**	**95.14**
Accumulated amortisation		
Amortisation at the beginning of the Year	**91.40**	**84.38**
Disposal during the year	-	-
Charge during the year	5.21	7.02
Amortisation at the end of the Year	**96.61**	**91.40**
Net Carrying Amount at end of the year	**3.51**	**3.74**

17: Other Non-financial assets (₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	58.35	90.15
Other Advances (refer note below)	87.07	9.88
Other Receivables	192.42	85.12
Total	**337.84**	**185.15**

As at 31st March 2025, the Company has incurred expenses for various services aggregating to ₹ 87.07 million in connection with the proposed initial public offering of its equity shares . The proposed offer consists of Fresh issue of shares and Offer for sale by the existing shareholders. In accordance with the Offer Agreement entered between the Company and the selling shareholders, the selling shareholders shall reimburse the portion of offer related expenses that are attributable to the Offer for sale. Accordingly, the Company will recover these expenses incurred in connection with the issue on completion of IPO. The remaining amounts which are attributable to Fresh issue will be accounted as deduction from Equity on completion of IPO. Presently, the entire amount has been carried forward and disclosed under the head "Other Advances" as above.

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Notes forming part of the Ind AS Financial Statements

18 : Payables

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
(I) Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	2.96	3.91
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	75.35	90.05
Total	**78.31**	**93.96**
(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	280.35	336.93
Total	**280.35**	**336.93**
Total Payable	**358.66**	**430.89**

18.1 Trade Payable Ageing Schedule

As at March 31,2025

(₹ In millions)

Particulars	Unbilled	Not due for payment	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2.95	-	0.01	-	-	-	**2.96**
(ii) Others	59.11	-	16.24	-	-	-	**75.35**
(iii) Disputed dues - MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**62.06**	**-**	**16.25**	**-**	**-**	**-**	**78.31**

As at March 31,2024

(₹ In millions)

Particulars	Unbilled	Not due for payment	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	3.91	-	-	-	**3.91**
(ii) Others	62.95	-	27.10	-	-	-	**90.05**
(iii) Disputed dues - MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**62.95**	**-**	**31.01**	**-**	**-**	**-**	**93.96**

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Notes forming part of the Ind AS Financial Statements

19: Debt Securities

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Amortised Cost		
Bonds/ Debentures		
Secured Non-Convertible Debentures - Listed	-	2,989.65
Unsecured Non-Convertible Debentures -Listed	541.67	4,423.94
Total (A)	**541.67**	**7,413.59**
Debt securities in India	541.67	7,413.59
Debt securities outside India	-	-
Total (B)	**541.67**	**7,413.59**

Details of Redeemable Non-Convertible Debentures

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024	Date of redemption	Nominal value per debenture #	Total number of debentures #
Secured Non-Convertible Debentures - Listed					
9.35% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	-	2,989.65	31-Oct-24	10,00,000	3,000
Total	**-**	**2,989.65**			
Unsecured Non-Convertible Debentures -Listed					
10% Senior, UnSecured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	541.67	1,620.64	01-Aug-25	1,00,000	21,700
10% Senior, UnSecured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	-	2,803.30	31-Mar-26	1,00,000	28,300
Total	**541.67**	**4,423.94**			

Secured debentures are secured by hypothecation of eligible specified receivables under Financing activity.

Nominal value per debenture and total number of debentures are in full numbers.

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Notes forming part of the Ind AS Financial Statements

20: Borrowings (other than debt securities)

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Amortised Cost		
(a) Term loans (Secured)		
(i) from banks		
Rupee Loans	50,501.29	59,546.83
Foreign currency Loans	-	-
(ii) from Financial Institutions (including NBFC)	1,339.03	1,969.45
(b) Loans repayable on demand		
(i) from banks (OD & CC)	976.27	999.57
Total (A)	**52,816.59**	**62,515.85**
Borrowings in India	52,816.59	62,515.85
Borrowings outside India	-	-
Total (B)	**52,816.59**	**62,515.85**

(i) Term loan from banks and financial institution are secured by way of specific charge on receivables created out of the proceeds of the loan. Further in respect of term loan drawn during Quarter 4 of FY 2024-25 aggregating to Rs.2,644.44 Million ,the company will assign the book debts in due course as per the sanction terms.

(ii) The company has not defaulted in the repayment of dues to its lenders.

(iii) The quarterly returns of current assets filed by the company with banks and financial institution are in agreement with the books of accounts.

(iv) The Company has used the borrowings from banks and financial institutions for the specific purpose for which the loans were taken.

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Notes forming part of the Ind AS Financial Statements

21: Subordinated Liabilities

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Subordinated Liabilities - Debentures - Unlisted	2,066.71	2,062.02
Subordinated Liabilities - Debentures - Listed	496.38	495.26
Subordinated Liabilities - Loan	249.82	249.50
Total (A)	**2,812.91**	**2,806.78**
Subordinated Liabilities in India	2,812.91	2,806.78
Subordinated Liabilities outside India	-	-
Total (B)	**2,812.91**	**2,806.78**

Detail of Subordinated Debt

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024	Date of redemption	Nominal value per debenture #	Total number of debentures #
Subordinated Liabilities - Debentures - Unlisted					
14% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	199.73	199.20	11-Sep-25	1,00,000	2,000
14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	239.75	239.47	3-Dec-25	1,00,000	2,400
14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	150.00	150.00	15-May-26	1,00,000	1,500
11.00% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	1,477.23	1,473.35	19-Jul-29	1,00,000	15,000
Total	**2,066.71**	**2,062.02**			
Subordinated Liabilities - Debentures - Listed					
14.50% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable,Non-Convertible Debentures	496.38	495.26	30-Sep-27	10,00,000	500
Total	**496.38**	**495.26**			
Subordinated Liabilities - Loan					
14.50% Unsecured Loan	249.82	249.50	23-Dec-25		
Total	**249.82**	**249.50**			

Nominal value per debenture and total number of debentures are in full numbers.

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Notes forming part of the Ind AS Financial Statements

Terms of repayment of borrowings outstanding as at March 31, 2025

Maturity pattern of Debt securities - Secured & Unsecured Debentures

(₹ In millions)

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
Quarterly repayment schedule	8%-10%	2	541.67	-	-	-	-	-	-	-	-	-	-	2	541.67
	10%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At the end of tenure / On demand	8%-10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	10%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		2	541.67	-	-	-	-	-	-	-	-	-	-	2	541.67

Maturity pattern of Term loan from Bank - INR

(₹ In millions)

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
Monthly repayment schedule	8%-10%	474	18,293.92	209	8,610.32	16	1,019.05	-	-	-	-	-	-	699	27,923.29
	10%-12%	46	1,524.16	12	185.40	-	-	-	-	-	-	-	-	58	1,709.56
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarterly repayment schedule	8%-10%	207	15,347.01	43	3,965.24	-	-	-	-	-	-	-	-	250	19,312.25
	10%-12%	20	1,056.19	-	-	-	-	-	-	-	-	-	-	20	1,056.19
	12%-14%	-		-		-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half yearly repayment schedule	8%-10%	2	250.00	2	250.00	-	-	-	-	-	-	-	-	4	500.00
	10%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		749	36,471.28	266	13,010.96	16	1,019.05	-	-	-	-	-	-	1,031	50,501.29

Maturity pattern of Term loan from Financial Institutions

(₹ In millions)

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
Monthly repayment schedule	8%-10%	20	623.56	8	249.80	-	-	-	-	-	-	-	-	28	873.36
	10%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarterly repayment schedule	8%-10%	4	232.72	4	232.95	-	-	-	-	-	-	-	-	8	465.67
	10%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		24	856.28	12	482.75	-	-	-	-	-	-	-	-	36	1,339.03

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Notes forming part of the Ind AS Financial Statements

Maturity pattern of Loans Repayable on Demand (from banks - CC)

(₹ In millions)

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
On demand	8%-10%	1	976.27	-	-	-	-	-	-	-	-	-	-	1	976.27
	10%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		1	976.27	-	-	-	-	-	-	-	-	-	-	1	976.27

Maturity pattern of Subordinated Liabilities

(₹ In millions)

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
At the end of tenure / On demand	8%-10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	10%-12%	-	-	-	-	-	-	-	-	1.00	1,477.23	-	-	1	1,477.23
	12%-14%	1	199.73	-	-	-	-	-	-	-	-	-	-	1	199.73
	14%-15%	3	489.57	1	150.00	1	496.38	-	-	-	-	-	-	5	1,135.95
Total		4	689.30	1	150.00	1	496.38	-	-	1.00	1,477.23	-	-	7	2,812.91

Terms of repayment of borrowings outstanding as at March 31, 2024

Maturity pattern of Debt securities - Secured & Unsecured Debentures

(₹ In millions)

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
Quarterly repayment schedule	8%-10%	4	1,078.84	2	541.79	-	-	-	-	-	-	-	-	6	1,620.63
	10%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At the end of tenure / On demand	8%-10%	1	2,989.65	1	2,803.30	-	-	-	-	-	-	-	-	2	5,792.96
	10%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		5	4,068.49	3	3,345.09	-	-	-	-	-	-	-	-	8	7,413.59

Maturity pattern of Term loan from Bank - INR

(₹ In millions)

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
Monthly repayment schedule	8%-10%	270	7,820.51	184	5,509.71	20	345.80	-	-	-	-	-	-	474	13,676.02
	10%-12%	229	5,580.95	36	1,356.49	-	-	-	-	-	-	-	-	265	6,937.44
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarterly repayment schedule	8%-10%	272	18,129.08	197	14,348.59	35	3,039.89	-	-	-	-	-	-	504	35,517.56
	10%-12%	81	2,985.95	14	429.86	-	-	-	-	-	-	-	-	95	3,415.81
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		852	34,516.49	431	21,644.65	55	3,385.69	-	-	-	-	-	-	1,338	59,546.83

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR Road, Chennai 600 018.

BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

Maturity pattern of Term loan from Financial Institutions

(₹ In millions)

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
Monthly repayment schedule	8%-10%	34	605.18	8	249.58	-	-	-	-	-	-	-	-	42	854.76
	10%-12%	12	333.33	-	-	-	-	-	-	-	-	-	-	12	333.33
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarterly repayment schedule	8%-10%	8	315.53	4	232.72	4	233.11	-	-	-	-	-	-	16	781.36
	10%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		54	1,254.04	12	482.30	4	233.11	-	-	-	-	-	-	70	1,969.45

Maturity pattern of Loans Repayable on Demand (from banks - CC)

(₹ In millions)

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
On demand	8%-10%	1	999.57	-	-	-	-	-	-	-	-	-	-	1	999.57
	10%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		1	999.57	-	-	-	-	-	-	-	-	-	-	1	999.57

Maturity pattern of Subordinated Liabilities

(₹ In millions)

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
At the end of tenure / On demand	8%-10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	10%-12%	-	-	-	-	-	-	-	-	-	-	1	1,473.35	1	1,473.35
	12%-14%	-	-	1	199.20	-	-	-	-	-	-	-	-	1	199.20
	14%-15%	-	-	3	488.95	1	150.00	1	495.28	-	-	-	-	5	1,134.23
Total		-	-	4	688.15	1	150.00	1	495.28	-	-	1	1,473.35	7	2,806.78

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:43, CPR Road, Chennai 600 018.

BELSTAR MICROFINANCE LIMITED ★ CHENNAI 600 083

BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

22: Other Financial liabilities

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on borrowings	164.69	534.73
Payable towards assignment transactions & ARC transactions	1,273.04	2,286.32
Others	1.38	130.04
Total	**1,439.11**	**2,951.09**

23: Provisions

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
- Gratuity (refer Note 43)	21.23	8.25
- Others	-	-
Provision for other losses	62.33	35.48
Total	**83.56**	**43.73**

Movement of provisions other than employee benefit during the year

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision at beginning of the year	**35.48**	**6.67**
Arising during the year	29.58	33.44
Utilized during the year	(2.73)	(4.63)
Provision at end of the year	**62.33**	**35.48**

24: Other Non-financial liabilities

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	53.24	60.53
Other non financial liabilities	47.50	15.49
Total	**100.74**	**76.02**

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BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

25: Equity share capital (₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised:		
100,000,000 (PY 100,000,000) Equity Shares of Rs.10/- each	1,000.00	1,000.00
Issued, subscribed and fully paid up		
54,844,055 (FY 2024 - 54,844,055) Equity Shares of Rs.10/- each	548.44	548.44
Total Equity	**548.44**	**548.44**

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2025	As at March 31, 2024
No. of Shares (Actuals)		
Shares at beginning of the year	**5,48,44,055**	**4,88,44,055**
Issued during the year *	-	60,00,000
Shares at end of the year	**5,48,44,055**	**5,48,44,055**
Amount		
Shares at beginning of the year	**548.44**	**488.44**
Issued during the year	-	60.00
Shares at end of the year	**548.44**	**548.44**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

***Issue of shares**

During the Current Year :-

Nil

During the Previous Year :-

Pursuant to the resolution passed in meeting held on March 20, 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.

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BELSTAR MICROFINANCE LIMITED

Details of Equity shareholder holding more than 5% shares in the company

Particulars	As at March 31, 2025	As at March 31, 2024
No. of Shares		
Muthoot Finance Limited (Holding Company)	3,62,67,608	3,50,25,405
Arum Holdings Limited (Group entity of Affirma Capital)	76,47,059	76,47,059
Sarvam Financial Inclusion Trust, Kancheepuram	39,21,079	49,38,324
Maj Invest Financial Inclusion Fund II K/S	47,93,260	47,93,260
Holding %		
Muthoot Finance Limited (Holding Company)	66.13	63.86
Arum Holdings Limited (Group entity of Affirma Capital)	13.94	13.94
Sarvam Financial Inclusion Trust, Kancheepuram	7.15	9.00
Maj Invest Financial Inclusion Fund II K/S	8.74	8.74

Shareholding of Promoters

Shares held by promoters as at March 31, 2025 *			% Change During the year
Promoter Name	**No. of Shares**	**%of total shares**	
Muthoot Finance Limited	3,62,67,608	66.13	3.55
Sarvam Financial Inclusion Trust	39,21,079	7.15	-20.60
Dr Kalpana Sankar	9,066	0.02	1.12

*The Board of Directors in the meeting held on April 28, 2025 has taken on record that the above list of individuals/ entities shall be indentified as "Promoters" of the Company for all purposes (regulatory, statutory or otherwise) and under all applicable laws.

Shares held by promoters as at March 31, 2024 **			% Change During the year
Promoter Name	**No. of Shares**	**%of total shares**	
Muthoot Finance Limited	3,50,25,405	63.86	25.88
Sarvam Financial Inclusion Trust	49,38,324	9.00	-17.52
Dr Kalpana Sankar	8,966	0.02	-79.55

**As disclosed in the Annual Return filed by the Company with the RoC for the year ended March 31, 2024

26: Other equity

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory reserve (Pursuant to section 45-IC of the Reserve Bank of India Act, 1934)	1,679.29	1,586.51
Securities Premium Account	9,014.60	9,014.60
Capital Redemption Reserve(CRR)	500.00	500.00
General Reserve	2,092.79	2,000.01
Remeasurement gain/ (loss) of defined benefit plans-OCI	(23.22)	(24.02)
Surplus in Statement of Profit and Loss	3,899.78	3,662.60
Fair value gain/(loss) on Financial Instrument -OCI	-	-
Change in value of forward contract-OCI	-	-
Effective portion of gain / (Loss) on Hedging Instruments in Cash Flow Hedges-OCI	-	-
Total	**17,163.24**	**16,739.70**

For detailed movement of reserves refer Statement of Changes in equity

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BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

27: Nature and purpose of reserve

Securities Premium Reserve: Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares, buy back of its own shares and securities in accordance with the provisions of the Companies Act, 2013.

Retained earnings: This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

Statutory reserve: Statutory Reserve represents the accumulation of amount transferred from the surplus based on a fixed percentage of profit for the year as per Section 45-IC of the Reserve Bank of India Act, 1934

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

Other comprehensive income reserve:

i. Fair valuation of loans through other comprehensive income (FVTOCI)

The Company recognises changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. These changes are accumulated in OCI reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the statement of profit and loss

ii. Effective portion of cash flow hedge

Effective portion of cash flow hedges represents the cumulative gains/(losses) arising on changes in fair value of the derivative instruments designated as cash flow hedges through OCI. The amount recognized as effective portion of Cash flow hedge is reclassified to profit or loss when the hedged item affects profit or loss.

iii. Change in value of Forward Contract

The company designates the spot element of foreign currency forward contracts as hedging instruments. The changes in the fair value of forward element of the forward contract on reporting date is deferred and retained in the cost of hedging reserve.

28: Dividend paid and proposed

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Final dividend for previous fiscal year	41.13	29.31
Interim dividend for current fiscal year	-	-

Particulars	As at March 31, 2025	As at March 31, 2024
Final Dividend / Equity Share (for previous fiscal year)	0.75	0.60

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BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

29: Interest income

(₹ In millions)

Particulars	For the Year ended March 31, 2025			For the Year ended March 31, 2024		
	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised Cost	Total	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised Cost	Total
On Financial Assets measured at Amortised Cost						
Interest income on loan	-	19,652.08	19,652.08	-	16,319.98	16,319.98
Interest income from fixed deposits	-	261.67	261.67	-	297.90	297.90
Other interest income			-		-	-
Income from government securities	-	115.25	115.25	-	-	-
Total	**-**	**20,029.00**	**20,029.00**		**16,617.88**	**16,617.88**

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BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

30: Fee and commission income

(₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Commission fees	3.23	5.04
Sale of services	**3.23**	**5.04**
Timing of revenue recognition		
Fee income that are recognised over a certain period of time	-	-
Fee income that are recognised at point in time	3.23	5.04
Sale of services	**3.23**	**5.04**
Geographical markets		
India	3.23	5.04
Outside India	-	-
Total	**3.23**	**5.04**

31: Net gain (Loss) on fair value changes on investments

31 A: Net gain on fair value changes on investments

(₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	121.78	53.56
- Derivatives	-	-
- Others	-	-
(ii) Others	103.20	-
Total Net gain on fair value changes	**224.98**	**53.56**
Fair Value changes:		
- Realised	224.98	53.56
- Unrealised	-	-
Total Net gain on fair value changes	**224.98**	**53.56**

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No: 4, Old No: 23, CPR Road, Chennai 600 018.

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Notes forming part of the Ind AS Financial Statements

31 B: Net loss on fair value changes on investments (₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Net loss on financial instruments at fair value through profit or loss		
On financial instruments designated at fair value through profit or loss	-	279.65
Total Net loss on fair value changes	-	279.65
Fair Value changes:		
- Realised	-	-
- Unrealised	-	279.65
Total Net loss on fair value changes	**-**	**279.65**

32: Net gain on de-recognition of financial instruments under amortised cost category (₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Net Gain on sale of loan portfolio through assignment transactions	759.63	1,650.27
Total	**759.63**	**1,650.27**

33: Other Income (₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Bad debt recovery	170.41	156.12
Other income	62.63	30.97
Total	**233.04**	**187.09**

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Notes forming part of the Ind AS Financial Statements

34: Finance Costs

(₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
On Financial liabilities measured at Amortised Cost		
Interest on borrowings	6,032.71	4,751.15
Interest on debt securities	496.15	705.89
Interest on subordinate liabilities	363.74	366.50
Interest on Lease liability	3.77	8.59
Other charges	16.96	8.35
Total	**6,913.33**	**5,840.48**

35: Fee and commission expense

(₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Fee and commission expense	112.76	309.81
Total	**112.76**	**309.81**

36: Impairment of financial instruments

The below table show impairment loss on financial instruments charge to statement of profit and loss based on category of financial instrument:

(₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
On Financial instruments measured at Amortised Cost		
Loans	8,151.16	3,155.55
Excess adjusted against CV of Security receipt's on ARC	19.15	-
Excess Interest Spread receivable on assignment transaction	(6.35)	15.34
Other Assets	26.85	28.81
Sub Total	**8,190.81**	**3,199.70**
On Financial instruments measured at fair value through OCI		
Loans	-	-
Sub Total	**-**	**-**
Impairment on Financial Instruments		
Loans	**8,151.16**	**3,155.55**
Excess adjusted against CV of Security receipt's on ARC	**19.15**	**-**
Excess Interest Spread receivable on assignment transaction	**(6.35)**	**15.34**
Other Assets	**26.85**	**28.81**
Total	**8,190.81**	**3,199.70**

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR Road, Chennai 600 018.

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BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

37: Employee Benefit Expenses

(₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Salaries and Wages	3,534.62	2,922.06
Contributions to Provident and Other Funds	294.00	229.56
Staff Welfare Expenses	40.01	30.72
Total	**3,868.63**	**3,182.34**

38: Depreciation, amortization and impairment

(₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Depreciation of Property, Plant and Equipment	54.73	57.89
Amortization of Intangible Assets	5.21	7.03
Amortisation of Right to use Asset	38.31	53.19
Total	**98.25**	**118.11**

39: Other Expenses

(₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Rent	181.20	84.55
Electricity Charges	21.66	17.49
Business Promotion Expenses	36.46	21.91
Bank charges	104.80	89.52
Repairs to Buildings	44.42	34.39
Repairs to Machinery	176.48	130.56
Communication expense	73.18	63.67
Postage and courier	6.52	4.20
Printing and Stationery	65.70	84.48
Rates & Taxes	1.03	1.40
Legal & Professional Charges	200.34	141.77
Travelling and Conveyance	370.91	277.11
Insurance	76.96	62.31
Payments to Auditor	3.81	2.90
Membership and subscription	12.06	8.35
Directors' Sitting Fee	14.88	9.92
Credit Bureau expenses	38.46	40.81
Cloud charges	37.22	36.42
Loss on Sale of Fixed Assets	0.90	1.11
CSR Expenses	44.49	19.15
Loss on account of theft	0.56	0.54
Other expenses	45.25	32.72
Total	**1,557.29**	**1,165.28**

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Notes forming part of the Ind AS Financial Statements

Break up of payment to auditors (₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
As auditor:		
Statutory audit	2.29	1.64
Tax audit	0.33	0.33
Limited review*	1.11	0.79
Certification fees	0.08	0.14
	3.81	**2.90**

* Includes payment amounting to 0.46 million to preceding Auditor.

Details of CSR expenditure: (₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
a) Amount required to be spent by the company during the year	44.49	18.83
b) Total of previous years shortfall *		
c) Amount spent during the period (including towards previous year's shortfall)	44.49	19.15
- Construction/acquisition of any asset - In cash		
- on purpose other than above	44.49	19.15
d) Shortfall at the end of the year	NA	NA
e) Reason for Shortfall		
f) Nature of CSR Activities		
- Women empowerment by enhancing the skills, Knowledge, equipping them with financial & digital literacy - Setting up of Customer Service centre at selected village to strengthen SHG, Financial Literacy etc - Supporting Malnourished Children.		

Notes

For details of Related party transactions in relation to CSR - Refer Note No. 47

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR Road, Chennai 600 018.

BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

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Notes forming part of the Ind AS Financial Statements

40: Income Tax (₹ In millions)

The components of income tax expense

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Current tax	773.27	1,458.06
Deferred tax relating to origination and reversal of temporary differences	(732.87)	(420.92)
Earlier years adjustments	4.54	(17.21)
Income tax expense reported in Statement of profit and loss	**44.94**	**1,019.93**
Deferred tax related to items recognised in OCI		
Tax asset / (liability) due to Fair value impact on financial instruments measured at FVOCI	-	-
Tax asset / (liability) due to Effective portion of gain on Hedging Instruments in Cash Flow Hedges	-	(0.06)
Tax asset / (liability) on remeasurements of defined benefit plans	(0.27)	3.67
Tax asset / (liability) due to Change in value of forward contract	-	(2.24)
Income tax charged to OCI	**(0.27)**	**1.37**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate is as follows:

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Tax rate as per IT Act, 1961	**25.168%**	**25.168%**
Accounting profit before tax	508.81	4,418.47
At India's statutory income tax rate of 25.168%	128.06	1,112.04
Effect of expenses that are not deductible in determining taxable profit	13.48	4.82
Deductions under Chapter VIA	(101.14)	(77.58)
Others (includes effects of taxes relating to earlier years)	4.54	(19.35)
Income tax expense reported in the statement of profit or loss	**44.94**	**1,019.93**

The effective income tax rate for the year ended March 31, 2025 is 8.83% and year ended March 31, 2024 is 23.08%

Net Current tax Assets / Liabilities (₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Current tax Asset	73.89	508.31
Current tax Liabilities	-	-
Current tax Asset / (Liabilities) (Net)	73.89	508.31

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Notes forming part of the Ind AS Financial Statements
41: Deferred tax

The following table shows deferred tax recorded in the balance sheet (₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred Tax Assets		
a) Depreciation	30.94	25.71
b) Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis - Net of OCI Adiustments	6.20	3.24
c) Impairment allowance for financial assets	1,242.49	643.24
d) Debt financial asset measured at amortised cost	169.10	246.90
e) Right-of-use asset	0.73	2.78
Sub Total	**1,449.46**	**921.87**
Deferred Tax Liabilities		
a) Financial liability measured at amortised cost (Borrowings)	26.58	63.63
b) Impact due to gain/loss on fair value of assignment transactions	100.39	268.35
Sub Total	**126.97**	**331.98**
Total - Net	**1,322.49**	**589.89**

The following table shows deferred tax recorded in the Income tax expense: (₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
In Profit and Loss		
a) Depreciation	(5.23)	(5.63)
b) Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis	(3.23)	1.44
c) Impairment allowance for financial assets	(599.25)	(352.62)
d) Debt financial asset measured at amortised cost	77.80	(111.94)
e) Right-of-use asset	2.05	0.03
f) Financial liability measured at amortised cost (Borrowings)	(37.05)	28.26
g) Impact due to gain/loss on fair value of assignment transactions	(167.96)	19.54
Sub Total	**(732.87)**	**(420.92)**
In Other Comprehensive Income		
a) Impact due to remeasurement of defined benefit plans.	0.27	(3.67)
b) Impact due to gain/loss on fair value of FVOCI loans / Forwards	-	2.24
c) Cash Flow Hedge Reserve	-	0.06
Sub Total	**0.27**	**(1.37)**
Total	**(732.60)**	**(422.29)**

42 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

(₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Net profit attributable to ordinary equity holders	463.87	3,398.54
Weighted average number of ordinary shares for basic earnings per share	54.84	49.04
Effect of dilution:	-	-
Weighted average number of ordinary shares adjusted for effect of dilution	54.84	49.04
Earnings per equity share (Face Value - Rs 10 per share)		
Basic earnings per share (Rs.)	**8.46**	**69.30**
Diluted earnings per share (Rs.)	**8.46**	**69.30**

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43: Retirement Benefit Plan

Defined Contribution Plan

The company makes contributions to Provident and Pension fund which are defined contribution plan for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The Company recognised following contribution to Provident Fund and Employee State Insurance scheme in the statement of profit and Loss.

(₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Contribution to provident and pension fund	204.58	154.88
Contribution to Employees State Insurance	47.81	38.16
Total	**252.39**	**193.04**

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Current service cost	21.71	20.40
Interest cost on benefit obligation	0.59	0.83
Past Service Cost	-	-
Total	**22.30**	**21.23**

Balance Sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Defined benefit obligation	130.84	119.97
Fair value of plan assets	109.61	111.72
Asset/(liability) recognized in the balance sheet	(21.23)	(8.25)
Experience adjustments on plan liabilities (Gain) / Loss	-	-
Experience adjustments on plan assets Gain / (Loss)	-	-

Changes in the present value of the defined benefit obligation are as follows:

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation	119.97	84.83
Interest cost	8.61	6.19
Current service cost	21.71	20.40
Benefits paid	(13.11)	(6.76)
Past Service Cost	-	-
Actuarial loss / (gain) on obligation	(6.34)	15.31
Closing defined benefit obligation	**130.84**	**119.97**

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Changes in the fair value of plan assets are as follows: (₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening fair value of plan assets	111.72	73.63
Expected return	8.02	5.37
Contributions by employer	8.25	38.75
Benefits paid	(13.11)	(6.76)
Actuarial gains / (losses) on assets	(5.27)	0.73
Closing fair value of plan assets	**109.61**	**111.72**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below: (₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.55%	7.18%
Rate of increase in compensation levels	7.00%	10%
Attrition rate	45.91%	33%
Expected rate of return on assets	7.18%	7.30%

The plan assets of the Company relating to Gratuity are managed through a trust are invested through Life Insurance Corporation (LIC) and Kotak Insurance. The details of investments relating to these assets are not shown by LIC and Kotak. Hence, the composition of each major category of plan assets, the percentage or amount that each major category constitutes to the fair value of the total plan assets has not been disclosed.

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Funded with LIC	62.82%	73.28%
Funded with Kotal Life Insurance	37.18%	26.72%
Funded with HDFC Life Insurance (formerly Exide)		

Sensitivity Level -Impact on defined benefit obligation

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate Impact		
0.5% increase	-0.88	-1.46
0.5% decrease	0.90	1.50
Future salary impact		
1% increase	1.77	2.91
1% decrease	-1.73	-2.80

(₹ In millions)

Expected benefit payment for future years	As at March 31, 2025	As at March 31, 2024
Within the next 12 months (next annual reporting period)	52.49	30.74
Between 1 and 5 years	79.2	76.33
Between 5 and 10 years	12.74	40.09
Total expected payments	**144.43**	**147.16**

The weighted average duration of the defined benefit obligation as at March 31, 2025 is 5 years approximately, as at March 2024 is 5 years approximately.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

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44: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. For loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

(₹ In millions)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	5,155.11	-	5,155.11	6,943.00	-	6,943.00
Bank Balance other than above	230.47	65.93	296.40	128.17	266.78	394.95
Derivative financial instruments	-	-	-	-	-	-
Trade receivables	0.78	-	0.78	12.59	-	12.59
Loans	50,210.31	17,078.90	67,289.21	51,245.24	32,029.68	83,274.92
Investments	-	588.72	588.72	-	-	-
Other financial assets	618.52	129.93	748.45	1,463.03	101.82	1,564.85
Non-financial Assets						
Current tax asset (net)	-	73.89	73.89	508.31	-	508.31
Deferred tax assets (net)	-	1,322.49	1,322.49	589.89	-	589.89
Investment property	-	1.10	1.10	-	1.10	1.10
Property, plant and equipment	-	47.35	47.35	-	49.58	49.58
Right of use assets	8.89	7.09	15.98	41.18	18.21	59.39
Other intangible assets	-	6.48	6.48	-	7.39	7.39
Other non financial assets	36.09	301.75	337.84	100.75	84.40	185.15
Total assets	**56,260.17**	**19,623.63**	**75,883.80**	**61,032.16**	**32,558.97**	**93,591.13**
Liabilities						
Financial Liabilities						
Derivative financial instruments	-	-	-	-	-	-
Trade Payables	358.66	-	358.66	430.88	-	430.88
Debt Securities	541.67	-	541.67	4,068.49	3,345.10	7,413.59
Borrowings (other than debt security)	38,303.83	14,512.76	52,816.59	36,770.10	25,745.76	62,515.86
Subordinated Liabilities	689.30	2,123.61	2,812.91	-	2,806.78	2,806.78
Lease liabilities	10.55	8.33	18.88	44.20	20.84	65.04
Other Financial liabilities	1,439.11	-	1,439.11	2,918.46	32.64	2,951.10
Non-financial Liabilities						
Current tax liabilities (net)	-	-	-	-	-	-
Provisions	-	83.56	83.56	43.73	-	43.73
Other non-financial liabilities	100.74	-	100.74	76.02	-	76.02
Total Liabilities	**41,443.86**	**16,728.26**	**58,172.12**	**44,351.88**	**31,951.11**	**76,302.99**
Net			**17,711.68**			**17,288.14**

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45: Change in liabilities arising from financing activities

(₹ In millions)

Particulars	As at April 01, 2024	Cash Flows	Others*	For the Year ended March 31, 2025
Debt Securities	7,413.59	(6,915.00)	43.09	541.67
Borrowings other than debt securities	62,515.85	(9,797.25)	97.99	52,816.59
Subordinated Liabilities	2,806.78	0.01	6.13	2,812.91
Lease Liabilities	65.04	(42.65)	(3.51)	18.88
Total liabilities from financing activities	**72,801.25**	**(16,754.89)**	**143.69**	**56,190.05**

Particulars	As at April 01, 2023	Cash Flows	Others*	As at March 31, 2024
Debt Securities	6,215.71	1,207.50	(9.63)	7,413.59
Borrowings other than debt securities	40,399.64	22,184.87	(68.66)	62,515.85
Subordinated Liabilities	1,649.51	1,180.00	(22.73)	2,806.78
Lease Liabilities	105.86	(55.00)	14.18	65.04
Total liabilities from financing activities	**48,370.72**	**24,517.36**	**(86.84)**	**72,801.25**

* includes EIR adjustments and impact of fresh lease arrangements / lease termination.

46: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
In respect of income tax demand where the Company has filed appeal before tax authorities		
Income tax (AY 2017-18)	73.15	73.15
Income tax (AY 2018-19)	32.96	32.96
Income tax (AY 2020-21)	2.50	2.50
Income tax (AY 2022-23)	0.35	0.35
Total	**108.96**	**108.96**

Note: The company had filed its Income-tax return for AY 2023-24 with a refund of ₹ 370 Million. The refund has been processed after adjusting the entire outstanding demands of AY 2017-18 and AY 2018-19 to the extent of ₹ 81.5 million. (excluding 20% of disputed demands paid under protest for both the cases), for which stay has been granted till disposal of the cases.

Aggrieved by the above wrongful adjustments, we have filed Writs of Mandamus before the Hon'ble High Court of Madras for AY 2017-18 and AY 2018-19 requesting to issue a writ of MANDAMUS or any other appropriate writ or order or directing the 1st Respondent/First Appellate Authority to dispose of the pending appeals relating to the AY 2017-18 and AY 2018-19 within a time frame to be fixed by the Hon'ble Court and pass such other/further order or orders as this Hon'ble Court may deem fit and proper on the facts and in the circumstances of the case and thus render justice.

i) The Company is of the opinion that the above demands based on management estimate no significant liabilities are expected to arise.
ii) It is not practicable for the Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.
iii) The Company does not expect any reimbursement in respect of the above contingent liabilities.
iv) Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

(B) Lease Disclosures

Carrying value of right of use assets at the end of the reporting period by class.

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at beginning of the year	**59.39**	**97.12**
Addition/(Deletion) during the year	(5.10)	15.46
Depreciation charge for the year	(38.31)	(53.19)
Balance at end of the year	**15.98**	**59.39**

Amounts recognised in statement of profit and loss

(₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest on lease liabilities	3.77	8.59
Depreciation charged on right-of-use assets	38.31	53.19
Expenses relating to short-term leases of premises	139.97	70.21
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	41.22	14.34
Total	**223.27**	**146.33**

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Amounts recognised in the Cash Flow Statement (₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest paid on Lease liabilities	3.77	8.59
Payment towards Lease liabilities	42.65	55.00
Total cash outflow for leases	46.42	63.59

Movement in Lease Labilities (₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at beginning of the year	65.04	105.86
Net Addition/(deletion) during the year	(7.28)	5.59
Interest on Lease Liabilities	3.77	8.59
Payment of Lease Liabilities	(42.65)	(55.00)
Balance at end of the year	18.88	65.04

Maturity analysis of lease liabilities (₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	10.55	44.20
One to five years	8.33	20.84
More than five years	-	-
Total cash outflow for leases	18.88	65.04

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For the lease of premises, the following factors are normally the most relevant:

(a) If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend and not terminate).

(b) If any lease hold improvements are expected to have a significant remaining value the Company is typically reasonably certain to extend (or not terminate).

(c) Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise it). The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. During the current financial year, there was no revision in the lease terms.

Extension and termination options

Extension and termination options are included in a number of property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations.

(C) Capital Commitments (₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on Capital account and not provided	-	1.32
Total	-	1.32

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47. Related Party Transactions for the year ended March 31, 2025

Key Management Personnel	1. Dr. (Mrs.) Kalpanaa Sankar (Managing Director) 2. Mr. K.B Balakumaran (Executive Director) 3. Mr. George Alexander (Investor Director) 4. Mr. George Muthoot Jacob (Non- Executive director) 5. Mr. Kuttickattu Rajappan Bijimon (Non- Executive director) 6. Mr. David Arturo Paradiso (Non- Executive director) upto May 09, 2023 7. Mr. Vijay Nallan Chakravarthi (Non- Executive director) 8. Mr. Subramanian Ananthanarayanan (Non- Executive director) upto Dec 19, 2023 9. Mr. Vadakkakara Antony George (Independent Director) 10. Mr. Venkataraman Krishnamoorthy (Independent Director) 11. Mr. Chinnasamy Ganesan (Independent Director) 12. Mr. Mr. Siva Chidambaram Vadivel Alagan (Non- Executive director) w.e.f May 09, 2023 13. Mrs. Rajeswari Karthigeyan (Independent Director) w.e.f Dec 19, 2023 14. Mr. L. Muralidharan (Chief Financial Officer) 15. Mr. Sunil Kumar Sahu (Company Secretary)
Enterprises owned or significantly influenced by key management personnel or their relatives	1. Hand in Hand Consulting Services Private Ltd 2. Hand in Hand India 3. Hand in Hand Academy for Social Entrepreneurship 4. Muthoot Securities Limited 5. Muthoot Marketing Services Private Limited. 6. Muthoot Vehicle and Asset Finance Limited 7. Sarvam Financial Inclusion Trust
Holding Company	Muthoot Finance Limited
Fellow Subsidiary	Muthoot Insurance Brokers Private Limited
Entities holding substantial interest in the Company	1. Maj Invest Financial Inclusion Fund II K/S 2. Arum Holdings limited (Part of Affirma Capital) 3. Augusta investments zero Private Limited (Part of Affirma Capital) w.e.f June 29, 2022
Relatives of Key Management Personnel of the company or the Holding company	1. Mrs. Anna alexander 2. Mr. George M George 3. Mr. George Alexander 4. Mrs. Sara George 5. Mr. George Jacob 6. Mr. George Thomas 7. Mrs. Susan Thomas 8. Mrs. Elizabeth Jacob 9. Mr. Alexander George 10. Mr. CV Sankar 11. Mrs. Bindu Dandapani

S. No	Name of the counterparty	Type of related party transaction	Value of transaction	
			Year ended March 31, 2025	Year ended March 31, 2024
1	Muthoot Finance Limited	Referral Fees	0.96	4.11
		Issue of Equity Shares	-	3,000.00
		Dividend Payment	27.20	16.70

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S. No	Name of the counterparty	Type of related party transaction	Value of transaction	
			Year ended March 31, 2025	Year ended March 31, 2024
2	Muthoot Insurance Brokers Private Limited	Loan Repaid	-	4.85
		Interest on Loan	-	0.11
		NCD Repaid	-	70.00
		Interest Payment - NCDs	-	2.81
3	Muthoot Securities Limited	Processing Fees on NCD	-	11.40
		NCD Receipt	-	333.00
		NCD Repaid	-	1.00
		Interest Payment - NCDs	38.92	36.88
		Marketing Commission	-	-
		Other Services	13.95	20.04
4	Hand in Hand Academy for Social Entrepreneurship	Consultancy Services fees paid	48.78	37.82
		Rent Paid	0.51	0.09
5	Hand in Hand Consulting Services Private Limited	Dividend Payment	-	0.20
6	Hand in Hand India	CSR expenses paid	40.00	18.00
		Business promotion	10.00	
7	Muthoot Vehicle and Asset Finance Limited	Loan Repaid	-	35.00
		Interest on Loan	-	1.57
8	Sarvam Financial Inclusion Trust	Dividend Payment	2.94	3.59
9	Maj Invest Financial Inclusion Fund II K/S	Dividend Payment	3.59	2.88
10	Arum Holdings limited	Dividend Payment	5.74	4.59
11	Augusta investments zero PTE Limited	Dividend Payment	1.65	1.32
12	Dr. (Mrs.) Kalpanaa Sankar (Managing Director)	Short term employee benefit	21.02	24.25
		Dividend Payment	0.01	0.03
13	Mr. K.B Balakumaran (Executive Director)	Short term employee benefit	4.34	4.15
14	Mr. L. Muralidharan (Chief Financial Officer)	Short term employee benefit	10.43	8.47
15	Mr. Sunil Kumar Sahu (Company Secretary)	Short term employee benefit	3.98	2.66
16	Mr. George Alexander (Non- Executive director)	Sitting fee	1.20	0.70
17	Mr. George Muthoot Jacob (Non- Executive director)	Sitting fee	0.95	0.95
18	Mr. Kuttickattu Rajappan Bijimon (Non- Executive director)	Sitting fee	1.85	1.30
19	Mr.Vijay Nallan Chakravarthi (Non- Executive director)	Sitting fee	1.30	1.05
20	Mr. Subramanian Ananthanarayanan (Independent Director)	Sitting fee	-	0.95
21	Mr. Vadakkakara Antony George (Independent Director)	Sitting fee	2.05	1.10
22	Mr. Venkataraman Krishnamoorthy (Independent Director)	Sitting fee	2.45	1.40
23	Mr. Chinnasamy Ganesan (Independent Director)	Sitting fee	2.00	1.45
24	Mrs. Rajeswari Karthigeyan (Independent Director)	Sitting fee	1.85	0.20
25	Mr. George Alexander	NCD Receipt	-	100.00
		NCD Repaid	86.65	36.16
		Interest Payment - NCDs	32.29	27.01
26	Mr. George Jacob	NCD Receipt	-	100.00
		NCD Repaid	86.65	36.29
		Interest Payment - NCDs	32.29	27.03
27	Mr. George Thomas	NCD Receipt	-	217.00
		NCD Repaid	86.70	36.30
		Interest Payment - NCDs	32.29	27.04
28	Mr. George M george	NCD Receipt	-	75.00
		NCD Repaid	12.50	47.25
		Interest Payment - NCDs	6.89	12.77
29	Mr. Alexander George	NCD Receipt	-	75.00
		NCD Repaid	12.50	6.25
		Interest Payment - NCDs	6.89	5.50
30	Mrs. Sara george	NCD Repaid	-	84.00
		Interest Payment - NCDs	-	14.89
31	Mrs. Anna alexander	NCD Repaid	-	125.00
		Interest Payment - NCDs	-	22.15
32	Mrs. Elizabeth Jacob	NCD Repaid	-	125.00
		Interest Payment - NCDs	-	22.15
33	Mrs. Susan Thomas	NCD Repaid	-	125.00
		Interest Payment - NCDs	-	22.15
34	Mr. CV Sankar *	Dividend Payment	*	*
35	Mrs. Bindu Dandapani *	Dividend Payment	-	*
	TOTAL		643.34	5,023.56

* Represents amount less than INR Ten thousand

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S. No	Name of the counterparty	Type of related party transaction	Value of transaction	
			Year ended March 31, 2025	Year ended March 31, 2024

S. No	Name of the counterparty	Type of related party transaction	As of March 31, 2025	As of March 31, 2024
	Receivables			
1	Muthoot Finance Limited	Referral Fees	0.25	2.13
2	Muthoot Securities Limited	Marketing Commission		
3	Muthoot Securities Limited	Other Services	-	9.05
	Payables			
1	Muthoot Insurance Brokers Private Limited	Loan Outstanding	-	-
		NCD Outstanding	-	-
2	Muthoot Securities Limited	NCD Outstanding	300.00	300.00
3	Muthoot Vehicle and Asset Finance Limited	Loan Outstanding	-	-
4	Hand in Hand Academy for Social Entrepreneurship	Rent Payable	0.04	0.04
5	Mr. George Alexander	NCD Outstanding	223.33	309.98
6	Mr. George Jacob	NCD Outstanding	223.33	309.98
7	Mr. George Thomas	NCD Outstanding	223.35	310.05
8	Mrs. Sara George	NCD Outstanding	-	-
9	Mrs. Anna alexander	NCD Outstanding	-	-
10	Mr. George M George	NCD Outstanding	56.25	68.75
11	Mr. Alexander George	NCD Outstanding	56.25	68.75
12	Mrs. Susan Thomas	NCD Outstanding	-	-
13	Mrs. Elizabeth Jacob	NCD Outstanding	-	-

Note: The remuneration to the Key managerial personnel does not include the provisions made for gratuity, as they are determined on an actuarial basis for the company as a whole.

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48: Capital

Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

RBI has issued guidance on implementation of Indian Accounting Standards vide RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. The Regulatory capital has been computed as per above mentioned RBI notification.

(₹ In millions)

Regulatory capital	As at March 31, 2025	As at March 31, 2024
Common Equity Tier1 capital	15,864.33	15,436.28
Other Tier 2 capital instruments	1,818.84	2,478.19
Total capital	**17,683.17**	**17,914.47**
Risk weighted assets	**70,824.27**	**86,797.91**
Tier I CRAR	22.40%	17.78%
Tier II CRAR	2.57%	2.86%
Total capital ratio	24.97%	20.64%

49: Events after reporting date

There are no events after the reporting date that require disclosure in these financial statements.

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50: Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as detailed below

Level 1: Quoted prices (unadjusted) for identical instruments in an active market
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

I. The following table shows an analysis of financial instruments recorded at fair value

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Assets measured at fair value on a recurring basis		
Financial assets at FVTPL		
Investments		
Level 1	-	-
Level 2	-	-
Level 3	588.72	-
Financial Liabilities at FVOCI		
Derivative Financial Instruments		
Level 1	-	-
Level 2	-	-
Level 3	-	-

Fair value technique

Investments in Security receipts (SRs) are classified as Financial Assets measured at FVTPL as stated in Note No. 10 Accordingly, the fair valuation technique in this regard is classified under Level 3. The methodology for arriving at the Net Asset Value (NAV) of SR's disclosed in Note No 10 is based on evaluating the recovery prospects of the assets in the trust. The relevant inputs used in this regard are the historical recovery data and the associated expected timelines for recovery. Since, as a matter of prudence the company continues to consider the impact of NAV as disclosed in Note No 10 in determining the fair value of SR's as at March 31, 2025, the disclosure of the sensitivity of the fair value measurement to changes in unobservable inputs is not considered relevant.

For Derivative Financial Instruments (asset /liabilities) at FVOCI, valuation is done using closing rate determined by the bank and is classified as Level 2.

II. *The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets measured at fair value:*

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets at FVTPL		
Investments		
Fair value at beginning of the year	-	528.64
Purchase/ (Redemption)	651.90	-
Redemption	-166.38	-248.99
Transfers into Level 3	-	-
Transfers from Level 3	-	-
Net Fair Value gain/ (loss) (Refer Note 31 A and note 31 B)	103.20	-279.65
Other Comprehensive Income	-	-
Fair value at end of the year	588.72	-

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Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

(₹ In millions)

Particulars	Note	Level	As at March 31, 2025		As at March 31, 2024	
			Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets not measured at fair value						
Cash and cash equivalents	6	1	5,155.11	5,155.11	6,943.00	6,943.00
Bank Balance other than above	7	1	296.40	296.40	394.95	394.95
Trade receivables	8	3	0.78	0.78	12.59	12.59
Loans	9	3	67,289.21	67,289.21	83,274.92	83,274.92
Other Financial assets	11	3	748.45	748.45	1,564.86	1,564.86
Total financial assets			**73,489.95**	**73,489.95**	**92,190.32**	**92,190.32**
Financial Liabilities not measured at fair value						
Payables	18	3	358.66	358.66	430.89	430.89
Debt Securities	19	1/3	541.67	541.67	7,413.59	7,413.59
Borrowings (other than debt securities)	20	3	52,816.59	52,816.59	62,515.85	62,515.85
Subordinated Liabilities	21	3	2,812.91	2,812.91	2,806.78	2,806.78
Lease liabilities	46 B	3	18.88	18.88	65.04	65.04
Other Financial liabilities	22	3	1,439.11	1,439.11	2,951.09	2,951.09
Financial Liabilities			**57,987.82**	**57,987.82**	**76,183.24**	**76,183.24**

There have been no transfers between the level 1 and level 2

The Management has assessed that the fair value of loans, cash and cash equivalents, bank balances, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's borrowings have been contracted at market rates of interest. Accordingly, the carrying value of these approximates fair value.

The figures disclosed above in respect of debt securities, borrowings and subordinated liabilities does not include interest accrued but not due on the same, which has been grouped under other Financial liabilities.

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51: Risk Management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Board of Directors of the Company are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Company has a risk management policy which covers all the risk associated with its assets and liabilities.

The Company has implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company's treasury department is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

51.1. Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances and trade receivables. For a micro finance institution, this assumes more significance since the lending that is carried out is not backed by any collaterals.

The credit risk management policy of the Company seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques

Risk Identification

Credit risk may originate in one or multiple of following ways mentioned below:

- Adverse selection of members for group formation eg. (bogus members, defaulters, etc.)
- Adverse selection of groups for undertaking lending activity (unknown members due to geographical vicinity, etc.)
- Gap in credit assessment of borrower's credit worthiness (Failure to collect KYC documents, verify residential address, assess income source, etc.)
- Undue Influence of Animator/Representative on group members (misuses of savings of group, etc.)
- Sanction of higher loan amount
- Improper use of loan amount than the designated activity
- Over-concentration in any geography/branch/zone etc
- Change in the savings pattern/meeting pattern of group post availing loan (eg. failure of members to deposit minimum savings amount each month, absence of members from meetings, etc.)

Risk assessment and measurement

Belstar is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment.

- Selection of client base for group formation - Adequate due diligence is carried out for selection of women borrowers who are then brought together for SHG/JLG formation. (eg. members with same level of income, only one member from family, annual per capita income, etc.)
- Adequate Training and Knowledge of SHG/JLG operations
- Credit assessment - credit rating and credit bureau check
- Follow up and regular monitoring of the group

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Risk Monitoring

Monitoring and follow up is an essential element in the overall risk management framework and is taken up very seriously at all levels within the organization. Monitoring and controlling risks is primarily performed based on limits established by the Company.
Borrower Risk Ratings is an effective tool to flag potential problems in the loan accounts and identify if any corrective action plan are to be taken. However, the loans originated by Belstar are mostly short tenure loans (maximum loan tenure being 30 months) and the volume of such loan origination per credit officer is also high, thereby making it practically difficult to carry out a re-rating of borrowers at regular intervals. Therefore, loans are tracked at a homogeneous pool basis by the Risk Team. Any deterioration in the performance of the pool are immediately pointed out to the Senior Management and detailed analysis are carried out to identify the trends in performance.

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The risk monitoring metrics have been defined to track performance at each stage of the loan life cycle:

- *Credit Origination* - KYC pendency, if any; deviation index from the defined policies and procedures
- *Credit sanction* - Disbursement to High Risk rated groups/borrowers; Early Delinquency due to fraud
- *Credit monitoring* -

  Portfolio at risk - The metrics provides an indication of potential losses that may arise from overdue accounts. (loans staging more than 90 Days past due);

  Static pool analysis - Provides an indication about the portfolio performance vis-a-vis the vintage of the loans and helps compare performance of loans

  generated in different time periods
- Collection and Recovery - collection efficiency, Roll forward rates and roll backward rates.

Risk Mitigation

Risk Mitigation or risk reduction is defined as the process of reducing risk exposures and/or minimizing the likelihood of incident occurrence.

The following risk mitigation measures has been suggested at each stage of loan life cycle:

- *Loan Origination* - site screening, independent visit by manager, adequate training to officers.
- *Loan underwriting* - Risk rating, independent assessment, etc.
- *Loan Pre and Post Disbursement* - disbursement at the branch premises and in the bank account only, tracking to avoid misuse of funds,
- *Loan monitoring* - credit officers to attend group meeting, reminder of payment of EMIs on time, etc.
- *Loan collection and recovery* - monitor repayments, confirmation of balances,

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. Continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' B42 ratings and remuneration reviews.

Impairment assessment

The Company is basically engaged in the business of providing loans and access to Credit to the Self Help Group (SHG) members / Joint Liability Group (JLG) members. The tenure of which is ranging from 12 months to 24 months. Moreover, Company has categorised its loan into two broad categories Micro Enterprise loans (MEL) and others.

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The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of material accounting policies note 3.6

Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the due amount have been paid. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	*Stage I*
Standard grade	1-30 DPD	*Stage I*
Sub-standard grade	30-60 DPD	*Stage II*
Past due but not impaired	60-89 DPD	*Stage II*
Individually impaired	90 DPD or More and all linked	*Stage III*

Exposure at Default (EAD)

The outstanding balance as at the reporting date is considered as EAD by the company.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. The PD for stage III loan account is considered at 100%. Where a customer has one loan account in stage3 and one or more loan accounts in stage 1/ stage 2, the PD for all the loan accounts is considered at 100%.

Loss Given Default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

LGD Rates have been computed internally based on the discounted recoveries in NPA accounts that are closed/ written off/ repossessed and upgraded during the year. As a matter of prudence, for all loan accounts with greater than 180 DPD, the LGD is taken as 100%.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

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Significant Increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. In line with Ind AS 109, the Company considers an exposure to have significantly increased in credit risk when the DPD is 30 or more.

Company's financial assets measured on a collective basis

Both Lifetime ECLs and 12m ECLs are calculated at individual facility level across the stages.

Sensitivity to macro economic variables

The macro-economic variable factored into the statistical model used by the company for estimation of expected credit losses are GDP and inflation. Based on the management's assessment, a 5% increase or decrease in these variable are not likely to have a material impact on the ECL recognised in the P&L and consequently, on equity.

51.2. Liquidity Risk

Liquidity is measured by our ability to accommodate decreases in purchased liabilities, and fund increases in assets. In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds.

The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company also enters into direct assignment of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month.

Liquidity ratios

Advances to borrowings ratios

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Year-end	119.79%	114.49%
Maximum	119.79%	115.66%
Minimum	114.49%	95.88%
Average	117.14%	109.82%

Borrowings from banks and financial institutions and issue of debentures are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

Asset Liability Management

Asset and Liability Management (ALM) is defined as the practice of managing risks arising due to mismatches in the asset and liabilities. Belstar's funding consists of both long term as well as short term sources with different maturity patterns and varying interest rates. On the other hand, the asset book also comprises of loans of different duration and interest rates. Maturity mismatches are therefore common and has an impact on the liquidity and profitability of the company. It is necessary for Belstar to monitor and manage the assets and liabilities in such a manner to minimize mismatches and keep them within reasonable limits.

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The objective of this policy is to create an institutional mechanism to compute and monitor periodically the maturity pattern of the various liabilities and assets of Belstar to (a) ascertain in percentage terms the nature and extent of mismatch in different maturity buckets, especially the 1-30/31 days bucket, which would indicate the structural liquidity (b) the extent and nature of cumulative mismatch in different buckets indicative of short term dynamic liquidity and (c) the residual maturity pattern of repricing of assets and liabilities which would show the likely impact of movement of interest rate in either direction on profitability. This policy will guide the ALM system in Belstar.

The scope of ALM function can be described as follows:

- *Liquidity risk management*
- *Management of market risks*
- *Others*

The table below provide details regarding the contractual maturities of significant financial assets and liabilities as on:-

Maturity pattern of assets and liabilities as on March 31, 2025:

(₹ In millions)

Particulars	1 - 7 days	8 - 14 days	14 - 30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings (exl debt securities)	104.13	494.28	1,962.72	4,128.15	4,834.50	10,249.34	16,530.71	14,512.76	-	-	52,816.59
Debt securities	-	-	-	270.90	-	270.77	-	-	-	-	541.67
Subordinated debts	-	-	-	-	124.91	199.73	364.66	646.38	1,477.23	-	2,812.91
Total	**104.13**	**494.28**	**1,962.72**	**4,399.06**	**4,959.41**	**10,719.84**	**16,895.37**	**15,159.14**	**1,477.23**	**-**	**56,171.17**
Cash and bank balance	2,245.98	-	-	-	-	-	1.71	-	-	-	2,247.68
Deposits	2,037.43	290.00	580.00	-	-	0.22	230.25	65.93	-	-	3,203.83
Receivables	-	-	-	0.25	-	-	0.53	-	-	-	0.78
Loans	714.20	1,920.17	2,246.71	4,896.75	4,834.63	13,891.58	21,706.26	16,806.70	271.62	0.58	67,289.21
Investments	-	-	-	-	-	-	-	588.72	-	-	588.72
Total	**4,997.61**	**2,210.17**	**2,826.71**	**4,897.00**	**4,834.63**	**13,891.80**	**21,938.74**	**17,461.35**	**271.62**	**0.58**	**73,330.22**

Maturity pattern of assets and liabilities as on March 31, 2024:

(₹ In millions)

Particulars	1 - 7 days	8 - 14 days	14 - 30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings (exl debt securities)	124.92	600.95	1,418.00	3,677.19	3,781.48	10,327.99	16,839.57	25,745.75	-	-	62,515.85
Debt securities	-	-	-	269.54	-	266.36	3,532.59	3,345.10	-	-	7,413.59
Subordinated debts	-	-	-	-	-	-	-	838.15	495.28	1,473.35	2,806.78
Total	**124.92**	**600.95**	**1,418.00**	**3,946.73**	**3,781.48**	**10,594.35**	**20,372.16**	**29,929.00**	**495.28**	**1,473.35**	**72,736.22**
Cash and bank balance	3,227.70	-	-	-	-	-	1.75	-	-	-	3,229.45
Deposits	413.55	1,700.00	1,600.00	-	-	0.11	128.05	266.78	-	-	4,108.50
Receivables	-	-	-	12.59	-	-	-	-	-	-	12.59
Loans	250.15	1,276.14	2,431.93	4,285.13	4,345.75	13,190.36	25,465.78	31,974.54	46.28	8.86	83,274.92
Investments	-	-	-	-	-	-	-	-	-	-	-
Total	**3,891.40**	**2,976.14**	**4,031.93**	**4,297.72**	**4,345.75**	**13,190.47**	**25,595.58**	**32,241.32**	**46.28**	**8.86**	**90,625.46**

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51.3. Economic Risk

In FY 2024–25, NBFC-MFIs in India face a mixed economic environment, with both challenges and opportunities. Slower rural consumption recovery, driven by uneven monsoons, inflation, and limited wage growth, may strain borrowers' repayment capacity, heightening credit risk. Inflationary pressures and uncertain interest rate movements could squeeze margins and increase borrowing costs, while heightened competition from banks and fintechs may lead to riskier lending practices. Regulatory tightening could raise compliance costs, limiting pricing flexibility, while climate-linked risks, including extreme weather events, pose additional challenges to borrowers' income stability. Despite these risks, the sector's resilience, driven by financial inclusion, digital growth, and robust risk management, provides a foundation for navigating these economic uncertainties in the coming year.

51.4. Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates and other market changes. The Company is exposed to certain types of market risk as follows:

51.4.1. Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Asset Liability Committee shall manage its rate sensitivity position to ensure the long run earning power of the company. In addressing this challenge, the ratios of rate sensitive assets (RSA) to rate sensitive liabilities (RSL) and gap (RSA minus RSL) to equity, as well as gap to total assets will be reviewed based on 30, 60, 90, 180, and 365-day, 1-2 year, and greater than 2 year definitions. More importantly, however, special emphasis is to be placed on the change in net interest income that will result from possible fluctuations in interest rates, changing account volumes, and time.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

Management of Interest Margin

The spread or interest margin, otherwise known as "Gap", is the difference between the return on assets and the expenses paid on liabilities. Assets are classified as Rate Sensitive Assets and fixed Rate Assets. Liabilities are classified as Rate Sensitive Liabilities and fixed Rate Liabilities. An asset or liability is identified as sensitive if cash flows from the asset or liability change in the same direction and general magnitude as the change in short-term rates. The cash flows of insensitive (or non-sensitive) assets or liabilities do not change within the relevant time period.

The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non–trading financial assets and financial liabilities held at March 31, 2025.

The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before tax affected through the impact on floating rate borrowings, as follows:

(₹ In millions)

Particulars	Effect on Statement of Profit and loss for the year ended 2024-25	Effect on Statement of Profit and loss for the year 2023-24
0.50% increase	(264.08)	(312.58)
0.50% decrease	264.08	312.58

51.4.2. Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surpluses in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

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51.4.3. Currency Risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, which occur when assets or liabilities are denominated in a currency other than the Company's functional currency. Currency risk refers to the potential fluctuation in the value of financial instruments due to changes in exchange rates. While the Company currently does not have any assets or liabilities denominated in foreign currencies and is therefore not directly exposed to foreign exchange risk, fluctuations in exchange rates could impact future transactions or investments. Should such exposure arise, the Company would need to adopt effective risk management strategies, such as hedging, diversification, or local currency transactions, to mitigate any potential adverse effects on financial stability and operational efficiency.

51.4.4. Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate mortgages when interest rates fall.

51.5. Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

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52: Micro Enterprises and Small Enterprises

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are given as follows:

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Principal amount due	0.01	3.91
Interest due on the above	-	-
b) Interest paid during the period beyond the appointed day	-	-
c) Amount of payment made to the supplier beyond the appointed day during the accounting year	-	-
d) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-
e) Amount of interest accrued and remaining unpaid at the end of the period	-	-
f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as deductible expenditure under section 23 of the Act.	-	-

53: Foreign Currency Expenditure

53.1. Foreign Currency Expenditure

(₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Professional Fees	12.63	2.94
Dividend	10.98	8.79

53.2. Unhedged Foreign Currency

The unhedged Foreign currency exposure of the Company as on March 31, 2025 is Rs. Nil, as on March 31, 2024 is Rs. Nil.

54: Segment Information

The Company is primarily engaged in the business of Micro Financing. As per the Chief Operating decision maker, all the activities of the Company revolve around the main business and there is no other relevant segment. Further, the Company does not have any separate geographical segments other than India. As such there are no separate reportable segments as per Ind AS -108 "Operating Segments".

55: Additional Disclosures pursuant to Reserve Bank of India Directions

55.1. Schedule to the Balance Sheet of a Non Banking Financial Company as required under Master Direction- Non banking Financial company Systematically important Non deposit Taking company and Deposit Taking company (Reserve Bank) Directions, 2016 as amended

(₹ In millions)

S. No	Particulars	As at March 31, 2025		As at March 31, 2024	
		Amount Outstanding	Amount Over Due	Amount Outstanding	Amount Over Due
	Liabilities :				
1	**Loans and advances availed by the NBFC inclusive of interest accrued thereon not paid:**				
(a)	Debentures & Preference shares				
	-Secured	-	-	3,398.72	-
	-Unsecured	3,113.79	-	7,008.13	-
	(Other than falling within the meaning of Public deposits)				
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	51,995.09	-	61,614.22	-
(d)	Inter-Corporate Loans and Borrowings				
(e)	Commercial Paper				
(f)	Foreign Currency Non-Resident (FCNR-B) Loans.	-	-	-	-
(g)	Other Loans (Nature of other Loans, CC etc.)	1,226.98	-	1,249.87	-

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S. No	Particulars	As at March 31, 2025	As at March 31, 2024
	Assets		
2	**Breakup of Loans and Advances including Bills Receivables [Other than those included in (3) below] :**		
(a)	Secured	37.55	56.63
(b)	Unsecured (including Interest accrued and Loans to staff)	67,251.66	83,218.29
3	**Break up of Leased Assets and Stock on Hire and other Assets counting towards AFC activities.**		
(i)	Leased Assets including Leased Rentals Accrued and Due:		
	(a) Financial Lease	-	-
	(b) Operating Lease	-	-
(ii)	Stock on fire including Hire charges under Sundry Debtors:		
	(a) Assets on Hire	-	-
	(b) Repossessed Assets	-	-
(iii)	Other Loans counting towards AFC activities		
	(a) Loans where Assets have been Repossessed	-	-
	(b) Loans Other than (a) above	-	-
4	**Breakup of investments**		
	Current Investments		
I	Quoted:		
(i)	Shares : (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Fund	-	-
(iv)	Government Securities	-	-
(v)	Others (Please Specify)	-	-
II	Unquoted:		
(i)	Shares : (a) Equity	-	-
(ii)	(b) Preference	-	-
(iii)	Debentures and Bonds	-	-
(iv)	Units of Mutual Fund	-	-
(v)	Government Securities	-	-
	Others (Please Specify)	-	-
	Long Term Investments		
I	Quoted:		
(i)	Shares : (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Fund	-	-
(iv)	Government Securities	-	-
(v)	Others (Please Specify)	-	-
II	Unquoted:		
(i)	Shares : (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Fund	-	-
(iv)	Government Securities	-	-
(v)	Security Receipts	588.72	-

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5. Borrower Group-Wise classification of Assets financed as in (2) and (3) above (₹ In millions)

S. No	Category	Net of provisions as at March 31, 2025			Net of provisions as at March 31, 2024		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties	-	-	-	-	-	-
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the Same Group	-	-	-	-	-	-
	(c) Other Related Parties	-	-	-	-	-	-
2	Other than Related Parties	37.55	67,251.66	67,289.21	56.63	83,218.29	83,274.92
	Total	**37.55**	**67,251.66**	**67,289.21**	**56.63**	**83,218.29**	**83,274.92**

6. Other Information (₹ In millions)

Sno	Particulars		As at March 31, 2025	As at March 31, 2024
(i)	Gross Non-Performing Assets *	Related Parties	-	-
		Other than Related Parties	3,596.26	1,560.28
(ii)	Net Non-Performing Assets *	Related Parties	-	-
		Other than Related Parties	293.27	145.20
(iii)	Assets Acquired in Satisfaction Debt	Related Parties	-	-
		Other than Related Parties	-	-

*Assets classified as Stage 3 as per Ind AS Classification

55.2 Disclosure Pursuant to Reserve Bank of India Notification DNBR (PD) CC No. 002/03.10.001/2014-15 dt. 10 November 2014

1.'Provisions and Contingencies (₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Category wise breakup of Provisions & Contingencies shown in Statement of Profit and Loss		
Provision towards non-performing assets*	7,732.75	2,351.73
Provision made towards income tax	777.81	1,440.85
Provision for gratuity	22.30	21.22
Provision for standard assets#	418.42	803.82
Provision for Other Financial Asset	-6.35	15.34
Provision for other assets	26.85	28.81

* Represents impairment loss allowance on stage 3 loans.

Represents impairment loss allowance on stage 1 and stage 2 loans.

2.'Movement of NPA (₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Net NPAs to net advances (%)	0.44%	0.17%
Movement of NPAs (Gross)		
(a) Opening balance	1,560.28	1,144.81
(b) Additions during the year	10,938.64	2,569.66
(c) Reductions during the year	8,902.66	2,154.19
Closing balance	**3,596.26**	**1,560.28**
Movement of Net NPAs		
(a) Opening balance	145.20	305.27
(b) Additions during the year	3,205.89	217.93
(c) Reductions during the year	3,057.82	378.00
Closing balance	**293.27**	**145.20**
Movement of provisions for receivables under financing activities		
(a) Opening balance	1,415.08	839.54
(b) Provisions made during the year	7,732.75	2,351.73
(c) Provision write-off	5,844.84	1,776.19
Closing balance	**3,302.99**	**1,415.08**

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3. Concentration of advances, exposures and NPAs:-

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Concentration of Advances		
Total Advances to twenty largest borrowers	11.29	13.77
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.01%	0.01%
Concentration of Exposures		
Total Exposure to twenty largest borrowers / customers	11.29	13.77
Percentage of Exposures to twenty largest borrowers/customers to total exposure	0.01%	0.01%
Concentration of NPAs		
Total Exposure to top four NPA accounts	1.27	0.90

4. The Company does not finance the products of the parent / holding company.

5. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC

The Company did not exceed the limits prescribed for single and group borrower during the year ended March 31, 2025 and Year ended March 31, 2024

6. Disclosures on Risk Exposure in Derivatives

The Company has a Board approved policy in dealing with derivative transactions. The Company undertakes derivative transactions for hedging foreign currency exposures to mitigate the foreign currency risk. During the previous year, the company has hedged its foreign currency borrowings through forward exchange contracts. The Asset Liability Management Committee monitors such transactions and reviews the risks involved. The derivative transactions are accounted in accordance with Ind AS 109 and the accounting policy for recording hedge transactions and valuation of outstanding contracts is detailed in Note 3.8.

7. Unsecured advances

Refer note 9 for details of unsecured advances

8. The Company is not registered with any other financial sector regulators.

9. RBI has imposed a fine of Rs .31 million during the year ended March 31, 2025.No penalty has been imposed by RBI and other regulators during year ended March 31, 202

10. Drawdown from reserves

There has been no drawdown from reserves during the year ended March 31, 2025. (previous year: Nil)

11. Overseas Assets

The company does not have any subsidiary/ Joint ventures abroad.

12. Loan to Directors, Senior Officers and relatives of Directors

There are no loans given to Directors, Senior Officers and relatives of Directors.

13. Revenue recognition

There are no instances where revenue recognition has been postponed pending the resolution of significant uncertainties.

14. Channelizing Agent for schemes operated be Central/State Government Agencies

The company has not been enaged as channelizing Agent for schemes operated by Central/State Government Agencies.

15. Intra Group Exposure

The company has not given advances to Group companies as on March 31,2025. (March 31,2024:- Nil)

16. Divergence in asset classification and provisioning

There is no Divergence assessed by Reserve Bank of India.

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55.3. Disclosures in terms of RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022:

1. Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

S.No	Particulars	As at March 31, 2025	As at March 31, 2024
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	22	12
2	Number of complaints received during the year	1028	718
3	Number of complaints disposed during the year	1020	708
3.1	Of which, number of complaints rejected by the NBFC	0	0
4	Number of complaints pending at the end of the year	30	22
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	83	32
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	82	32
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
For the period ended March 31, 2025					
Wrong Mobile Number	5	65	-64%	1	0
Updation of Repayment Records / Digital Transactions	0	84	1%	0	0
Employee Related	0	6	-67%	0	0
Recovery Practices / Employee Behaviour	3	209	135%	2	0
Insurance claim settlement	8	545	103%	27	15
Updation of CIR	3	49	9%	0	0
Others	3	70	119%	0	0
Total	**22**	**1028**	**43%**	**30**	**15**
For the Year ended March 31, 2024					
Wrong Mobile Number	2	182	-54%	5	0
Updation of Repayment Records / Digital Transactions	0	83	-22%	0	0
Employee Related	1	18	-72%	0	0
Recovery Practices / Employee Behaviour	1	89	22%	3	0
Insurance claim settlement	6	269	647%	8	0
Updation of CIR	0	45	45%	3	0
Others	2	32	33%	3	0
Total	**12**	**718**	**-2%**	**22**	**0**

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2. Breach of covenants

The Company has been regular in serving all its borrowings though there has been breach of some of the covenants relating to borrowings. The company has intimated these breaches were predominantly due to stress in the microfinance sector owing to overindebtedness and multiple lending by the borrowers. Based on discussions with them, does not anticipate any adverse action such as levy of higher interest or recall of the facility in this regard.

Number of facilities with instances of breach

Summary of Financial Covenants stipulated in respect of loan availed or debt securities issued	Year ended March 31, 2025			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Maximum threshold for GNPA Ratio	-	3	-	7
Liquid Asset/ Total Asset	-	-	-	4
ROA and ROE	-	-	-	3
ICR	-	-	-	1
Maximum threshold for NNPA Ratio	-	-	-	-
Maximum threshold for AUM to Net worth Ratio	-	-	-	-
Maximum threshold for Portfolio At Risk (PAR) Accounts >30 Days	-	1	-	3
Maximum threshold for Portfolio At Risk (PAR) Accounts >90 Days	4	3	3	5

Summary of Financial Covenants stipulated in respect of loan availed or debt securities issued	Year ended March 31, 2024			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Maximum threshold for GNPA Ratio	-	-	-	-
Maximum threshold for NNPA Ratio	-	-	-	-
Maximum threshold for AUM to Net worth Ratio	2	2	1	-
Maximum threshold for Portfolio At Risk (PAR) Accounts >30 Days	1	1	4	1
Maximum threshold for Portfolio At Risk (PAR) Accounts >90 Days	3	3	3	4

3. Exposure to Real Estate **(₹ In millions)**

Sno	Category	As at March 31, 2025	As at March 31, 2024
A)	**Direct Exposure**		
(i)	**Residential Mortgages -**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	38.38	57.31
(ii)	**Commercial Real Estate -**		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose Commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	-	-
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**		
a.	Residential	-	-
b.	Commercial Real Estate	-	-
B)	**Indirect Exposure**		
	Fund based and Non Fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-
	Total Exposure to Real Estate Sector	**38.38**	**57.31**

4. The Company has no exposure to capital market directly or indirectly as of March 31, 2025 and March 31, 2024

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5. Sectoral exposure

(₹ In millions)

Sno	Sectors	As at March 31, 2025			As at March 31, 2024		
		Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1	Agriculture andAllied Activities	52,405.50	3,569.31	6.81%	66,517.32	1,575.56	2.37%
2	**Industry**						
	Production or Manufacturing	6,936.69	368.27	2.38%	5,954.30	83.05	0.49%
	Trade and Business	8,563.08	762.34	4.92%	10,857.63	429.37	2.55%
	Total of Industry	**15,499.77**	**1,130.62**	**7.29%**	**16,811.94**	**512.42**	**3.05%**
3	**Services**						
	Services	10,761.40	1,129.24	10.49%	15,460.89	589.30	3.81%
	Total of Services	**10,761.40**	**1,129.24**	**10.49%**	**15,460.89**	**589.30**	**3.81%**
4	**Personal Loans**						
	Others	1,028.11	93.45	9.09%	1,437.41	18.20	1.27%
	Total of Personal Loans	**1,028.11**	**93.45**	**9.09%**	**1,437.41**	**18.20**	**1.27%**
	Total	**79,694.79**	**5,922.61**	**7.43%**	**1,00,227.56**	**2,695.48**	**2.69%**

55.4. Disclosure pursuant to RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24,2021

(i) Details of transfer through assignment in respect of loans not in default during the Year ended March 31, 2025

(₹ In millions)

Particulars	As at March 31, 2025	As at March 31, 2024
Count of Loan accounts Assigned (No. of Accounts)	2,46,392.00	5,94,535.00
Amount of Loan Account Assigned (In Mn)	8,765.56	19,948.73
Weighted average residual maturity (In Months)	16.58	16.07
Weighted average holding period of loans (In Months)	7.18	6.35
Retention of beneficial economic interest (MRR)	10%	10%
Coverage of tangible security coverage	NIL	NIL
Rating-wise distribution of rated loans	Retail Loans -NA	Retail Loans -NA

(ii) Details of stressed loans classified as NPA transferred to ARC

(₹ In millions)

Particulars	Year Ended March 2025	Year Ended March 2024
No. of. Accounts	88,246.00	-
Aggregate Principal outstanding of loans transferred	2,592.03	-
Weighted average residual maturity of the loans transferred (In Months)	11.00	-
Net Book Value of Loans Tranferred	730.84	-
Aggregate Consideration	750.00	-
Additional considereation realised in respect of loans transferred in earlier years	-	-
Investments in security receipts	651.90	-

a) Details of Recovery Rating assigned for Security receipts is 'IND RR4' having implied recovery more than 25% and upto 50% (as on March 31, 2024 - 'IND RR4') wrt Phoneix Trust. Refer 9.1 in respect for the PARAS trust. The Carrying value of Security Receipts ("SRs") held by the Company as on March 31, 2025 is ₹ 588.72 (Gross book value: 977.39 millions, Impairment allowance: 388.67 millions).The Carrying value of Security Receipts ("SRs") held by the Company as on March 31, 2024 is ₹ Nil (Gross book value - 472.71 Mn, Loss on fair value change - 472.71 Mn.)

b) The Company has not acquired any loans not in default or Stressed loans [Special Mention Account (SMA) and Non-performing Assets (NPAs)] during the Year ended March 31, 2025 and Year ended March 31, 2024.

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55.5. Disclosure pursuant to RBI Notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

As at March 31, 2025 (₹ In millions)

Asset classification as per RBI norms	Asset classification as per IND AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing asset						
Standard	Stage 1	66,042.17	408.51	65,633.66	223.17	185.34
	Stage 2	2,293.49	931.21	1,362.28	30.69	900.52
Subtotal		**68,335.66**	**1,339.72**	**66,995.94**	**253.86**	**1,085.86**
Non-Performing asset (NPA)						
Substandard	Stage 3	3,596.26	3,302.99	293.27	944.26	2,358.73
Doubtful						
upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		3,596.26	3,302.99	293.27	944.26	2,358.73
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**66,042.17**	**408.51**	**65,633.66**	**223.17**	**185.34**
	Stage 2	**2,293.49**	**931.21**	**1,362.28**	**30.69**	**900.52**
	Stage 3	**3,596.26**	**3,302.99**	**293.27**	**944.26**	**2,358.73**
	Total	**71,931.92**	**4,642.71**	**67,289.21**	**1,198.12**	**3,444.59**

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As at March 31, 2024

(₹ In millions)

Asset classification as per RBI norms	Asset classification as per IND AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109 (Refer footnote)	Net Carrying Amount	Provisions required as per IRACP norms (Refer footnote)	Difference between Ind AS 109 provisions and IRACP norms
Performing asset						
Standard	Stage 1	83,026.38	540.76	82,485.62	728.17	-187.41
	Stage 2	1,024.65	380.55	644.10	13.82	366.73
Subtotal		**84,051.03**	**921.31**	**83,129.72**	**741.99**	**179.32**
Non-Performing asset (NPA)						
Substandard	Stage 3	1,560.28	1,415.08	145.20	481.08	934.00
Doubtful						
upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,560.28	1,415.08	145.20	481.08	934.00
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**83,026.38**	**540.76**	**82,485.62**	**728.17**	**-187.41**
	Stage 2	**1,024.65**	**380.55**	**644.10**	**13.82**	**366.73**
	Stage 3	**1,560.28**	**1,415.08**	**145.20**	**481.08**	**934.00**
	Total	85,611.31	2,336.39	83,274.92	1,223.07	1,113.32

As per guidance on implementation of Indian Accounting Standards vide RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. Since the impairment allowance under IND AS 109 is higher than the provisioning required under IRACP (including standard asset provisioning), the Company has not created any Impairment Reserve.

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55.6. 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 . (Rs In Million)

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	Of (A), aggregate debt that slipped into NPA during the half year ended	Of (A), amount written off during the half-year ended	Of (A), amount paid by the borrowers during the half year ended	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					
	For the period Apr 2023 to Sep 2023	105.82	10.22	18.70	64.81	13.77
	For the period Oct 2023 to Mar 2024	13.77	1.06	5.87	8.40	0.22
	For the period Apr 2024 to Sep 2024	0.22	0.02	-	0.20	-
	For the period Oct 2024 to Mar 2025	-	-	-	-	-

As of March 31, 2025, there were NIL borrower accounts having an aggregate exposure of NIL
As of March 31, 2024, there were 10,109 borrower accounts having an aggregate exposure of ₹ 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.

55.7. Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	As at March 31, 2025	As at March 31, 2024
Number of Significant Counterparties	22	21
Amount(Rs. In Million)	52,266.53	66,385.55
% of Total deposits	NA	NA
% of Total Liabilities	89.85%	87.00%

Notes: A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's total liabilities.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

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Notes forming part of the Ind AS Financial Statements

(ii) Top 20 large deposits (amount in ₹ Millions and % of total deposits)

Not applicable. The company being a Systematically Important Non-Deposit taking Non- Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

(iii) Top 10 borrowings (amount in ₹ Millions and % of total borrowings)

(₹ In millions)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount (Rs. In Million)	% of total Borrowings	Amount (Rs. In Million)	% of total Borrowings
Top 10 Borrowings	39,575.24	70.45%	51,006.24	70.12%

(iv) Funding Concentration based on significant instrument/product*

(₹ In millions)

Name of the instrument/product	As at March 31, 2025	% of Total Liabilities	As at March 31, 2024	% of Total Liabilities
Term Loans	52,816.59	90.79%	62,515.85	81.93%
Non-Convertible Debentures	541.67	0.93%	7,413.59	9.72%
Subordinate Debt	2,812.91	4.84%	2,806.78	3.68%

Notes: A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines

(v) Stock Ratios

Particulars	As a % of Total Public Funds *	As a % of Total Liabilities *	As a % of Total Assets
Other short Term Liabilities *			
- As at March 31, 2025	73.53%	71.00%	54.43%
- As at March 31, 2024	60.98%	58.13%	47.39%

*Notes

1. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

2. "Public funds" shall include funds raised either directly or indirectly through public deposits, commercial paper, debentures, inter-corporate deposits and bank finance but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue as defined in Regulatory Framework for Core Investment Companies issued vide Notification No. DNBS (PD) CC.No. 206/03.10.001/2010-11 dated January 5, 2011.

3. Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets

(vi) Institutional set-up for liquidity risk management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk.

The Board of Directors approved the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC (Board) are held at quarterly interval and more frequently as warranted from time to time. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk return perspective and within the risk appetite approved by the Board.

The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month. The minutes of ALCO meetings are placed before the RMC in its next meeting for its perusal/approval/ratification.

(vii) Being an NBFC- MFI, the company's loan portfolio consists of large number of small ticket loans to individual borrowers and hence, disclosures in respect of concentration of advances (including NPA) is not considered relevant.

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Notes forming part of the Ind AS Financial Statements

(viii) Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019*:

(₹ In millions)

Sno	Particulars	Quarter March 31, 2025		Quarter December 31, 2024**		Quarter September 30, 2024		Quarter June 30, 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**								
a	Cash and bank balance	665.69	665.69	623.01	623.01	673.68	673.68	629.06	629.06
b	Marketable Securities	-	-	-	-	-	-	1,524.18	1,524.18
c	Unencumbered fixed deposit	-	-	-	-	-	-	3,987.09	3,987.09
d	Government Securities	2,581.62	2,581.62	2,739.13	2,739.13	2,102.77	2,102.77	-	-
		3,247.31	3,247.31	3,362.14	3,362.14	2,776.45	2,776.45	6,140.32	6,140.32
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	5,781.07	6,648.23	8,138.85	9,359.67	6,052.10	6,959.91	6,173.23	7,099.21
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	5,781.07	6,648.23	8,138.85	9,359.67	6,052.10	6,959.91	6,173.23	7,099.21
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	7,232.56	4,986.18	7,650.25	5,737.69	7,772.01	5,219.93	8,150.35	5,324.41
11	Other cash inflows	-	-	-	-	-	-	-	-
12	**TOTAL CASH INFLOWS**	7,232.56	4,986.18	7,650.25	5,737.69	7,772.01	5,219.93	8,150.35	5,324.41
13	**TOTAL HQLA**		3,247.31		3,362.14		2,776.45		6,140.32
14	**TOTAL NET CASH OUTFLOWS**		1,662.06		3,621.99		1,739.98		1,774.80
15	**LIQUIDITY COVERAGE RATIO (%)**		195%		93%		160%		346%

* This is calculated based on statutory returns filed with the RBI.

* *The LCR has been less than the prescribed level of 100%. However the company had sufficient liquidity in form of Fixed Deposit with the Banks which is not considered as HQLA. The company had placed the adequate liquidity in TBills by which the company will comply with the LCR requirements for Q4 FY 25.

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Notes forming part of the Ind AS Financial Statements

(₹ In millions)

Sno	Particulars	Quarter March 31, 2024		Quarter December 31, 2023		Quarter September 30, 2023		Quarter June 30, 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**								
a	Cash and bank balance	699.20	699.20	228.85	228.85	423.48	423.48	432.69	432.69
b	Marketable Securities	962.64	962.64	635.87	635.87	714.13	714.13	850.99	850.99
c	Unencumbered fixed deposit	3,092.95	3,092.95	3,498.42	3,498.42	3,639.11	3,639.11	5,607.58	5,607.58
		4,754.78	4,754.78	4,363.14	4,363.14	4,776.72	4,776.72	6,891.26	6,891.26
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	5,964.32	6,858.96	5,768.12	6,633.34	4,756.56	5,470.04	4,685.95	5,388.84
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	5,964.32	6,858.96	5,768.12	6,633.34	4,756.56	5,470.04	4,685.95	5,388.84
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	7,318.88	5,144.22	6,546.82	4,910.11	5,713.99	4,102.53	5,328.24	3,996.18
11	Other cash inflows	-	-	-	-	-	-	-	-
12	**TOTAL CASH INFLOWS**	7,318.88	5,144.22	6,546.82	4,910.11	5,713.99	4,102.53	5,328.24	3,996.18
13	**TOTAL HQLA**		4,754.78		4,363.14		4,776.72		6,891.26
14	**TOTAL NET CASH OUTFLOWS**		1,714.74		1,723.23		1,367.51		1,392.66
15	**LIQUIDITY COVERAGE RATIO (%)**		277%		253%		349%		495%

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56: Fraud

56.1 Disclosure of Frauds reported during the year to RBI vide DNBS PD.CC NO. 256 / 03.10.042 / 2012 -13 dated 2 March 2012:

(where the amount involved individually is more than 1 lakh)

(₹ In millions)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Number of frauds reported during the year / period to Reserve Bank of India	23	3
Amount involved in such frauds	20.52	2.13

56.2 In addition to above, instances of Fraud where the amount involved is individually less than Rs. 1 lakh as as given below

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Number of frauds on the Company during the year	6	766
Amount involved in such frauds	0.36	36.42

57: Additional Regulatory information as per MCA notification dated March 24, 2021

57.1 Proceedings under Benami Transactions (Prohibition) Act

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the year ended March 31, 2025 and year ended March 31, 2024.

57.2. Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the period ended March 31, 2025 and year ended March 31, 2024.

57.3. Transactions with struck of companies

The Company does not have any transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

57.4. Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction in relation to any debt / borrowings which were yet to be registered with ROC beyond the statutory period as at March 31, 2025 and as at March 31,2024.

57.5. Compliance with number of layers of companies

Not Applicable

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57.6. Utilisation of Borrowed funds

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

57.7. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the year ended March 31, 2025 and year ended March 31, 2024.

57.8. Compliance relating to Audit Trail on accounting Software uses by the Company

The software used by the Company for maintaining its books of account primarily includes its financial accounting software, which operates under a Platform-as-a-Service (PaaS) model. In addition, the Company utilizes a Loan Management System ("LMS"), Probability of Default (PD) and Loss Given Default (LGD) analytics tool used for Expected Credit Loss (ECL) model preparation, and human resources management software, collectively referred to as the "Accounting Software", which operate under a Software-as-a-Service (SaaS) model.

In compliance with applicable regulatory requirements, These Accounting Software used by company has an in-built audit trail (edit log) feature at the application level, which captures and records every change made to the books of account, including details of such changes. This audit trail functionality was active throughout the year and was not tampered with for any of the transactions recorded in the system.

However, as confirmed by the respective SaaS vendors, access to the database is restricted solely to database administrators. These administrators operate under stringent access controls and monitoring mechanisms. All administrative activities were logged and reviewed in accordance with the vendors' standard change management procedures ("Change Management SoPs").

There were no direct changes made to transactions in the books of account at the database level, except in compliance with the established Change Management SoPs. The Company maintains robust internal controls across its processes, and the unavailability of audit trails at the database level did not

57.9 There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961. Also, there are no previously unrecorded income and related assets which are recognised in the current year.

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Notes forming part of the Ind AS Financial Statements

58: Ratings assigned by credit rating agencies

Instrument	Rating agency	Rating/Grading	
		As at March 31, 2025	As at March 31, 2024
Long Term Bank Facilities	CRISIL	CRISIL AA / Stable	CRISIL AA / Stable
Non-Convertible Debentures	CARE	CARE AA- / Stable	CARE AA- / Stable
Non-Convertible Debentures	CRISIL	CRISIL AA / Stable	CRISIL AA / Stable
Subordinated Debts	CRISIL	CRISIL AA / Stable	CRISIL AA / Stable
Subordinated Debts	CARE	CARE AA- / Stable	CARE AA- / Stable
Market Linked Debenture	CRISIL	-	CRISIL PPMLD AA / Stable

59: Previous year comparatives

Previous year's figures have been regrouped / reclassified, wherever considered necessary, to conform with current year's presentation.

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

For M/s. Sundaram & Srinivasan
Chartered Accountants
Firm's Registration No. 004207S

S.Usha
Partner
M. No.211785
Place: Chennai
Date : April 28, 2025

BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No: Old No: 23, CPR Road, Chennai 600 018.

For and on **behalf of Board of Directors**

Dr.Kalpanaa Sankar
Managing Director
(DIN. 01926545)

B Balakumaran
Wholetime Director
(DIN. 09099182)

L Muralidharan
Chief Financial Officer

Sunil Kumar Sahu
Company Secretary

Varma & Varma
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Belstar Microfinance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Belstar Microfinance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* 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 standalone financial statements 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 opinion on the standalone financial statements.

VARMA & VARMA ★ CHENNAI ★ CHARTERED ACCOUNTANTS

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Ph : +91 44 2442 3496, 2445 2239 Email : chennai@varmavarma.com

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
Expected credit losses on loan assets Refer Note No 3.6 of material accounting policies and Note No. 9 for the outstanding loan assets and Note No. 52 of the Standalone Financial Statements for credit risk disclosures. As at 31 March 2024, the Company has reported gross loan assets of Rs. 85,611.31 million against which an impairment loss of Rs. 2,336.39 million has been recorded. The Company recognised impairment provision for loan assets based on the expected credit loss approach laid down under 'Ind AS 109 – Financial Instruments'. The Expected Credit Loss ('ECL') approach as required under Ind AS 109, Financial instruments, involves high degree of complexity requiring significant judgement of the management and the use of different modelling techniques and assumptions which could have a material impact on the accompanying financial statements.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; • Considered the Company's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind AS 109.

Key audit matter	How the matter was addressed in our audit
The Management is required to determine the ECL that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset. Significant management judgement and assumptions involved in measuring ECL include • Categorization of loans in Stage 1, 2 and 3 based on identification of exposures with Significant Increase in Credit Risk (SICR) since their origination and individually impaired / default exposures. • Techniques used to determine probability of default, loss given default and exposure at default. • Factoring in future economic assumptions These parameters are derived from the Company's internally developed statistical models, other historical data and trends observed in macro-economic factors. Considering the significance of the above matters to the overall Standalone Financial Statements, and extent of management's estimates and judgements involved and also the significant auditor attention required to test such complex accounting estimates, we have identified this as a key audit matter.	• Assessed and tested the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Also, evaluated the controls over the modelling process, validation of data and related approvals; • Performed a critical assessment of assumptions and input data used in the estimation of expected credit loss models for specific key credit risk parameters, such as the transfer logic between stages, probability of default (PD) or loss given default (LGD); • Performed an assessment of the adequacy of the credit losses expected within 12 months by reference to credit losses actually incurred on similar portfolios historically; • Obtained written representations from management on whether they believe significant assumptions used in calculation of expected credit losses are reasonable; and • Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying Standalone

Key audit matter	How the matter was addressed in our audit
	Financial Statements in accordance with the applicable accounting standards and related RBI circulars.
Information Technology ('IT') Systems and controls impacting financial reporting and additional reporting requirements in respect of "Audit Trail" feature The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and controls to process significant transactions at numerous locations, such as loans, interest income and impairment of financial assets. Any significant gaps in the IT control environment could result in a material misstatement in the financial and accounting records. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. During the year, pursuant to Rule 11(g) of Companies (Audit and Auditors) Rules, 2014, the Auditor is required to also report on the "Audit Trail" feature in the accounting software. In view of the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the	As part of our Audit, we have carried out testing of the IT general controls, application controls and IT dependent manual controls. We tested the design and operating effectiveness of the Company's IT access controls over the key information systems, including changes made to the IT landscape during the audit period, that are critical to financial reporting. We tested IT general controls in the nature of controls over logical access, changes management, and other aspects of IT operational controls. Where deficiencies were identified, if any, we tested compensating controls or performed alternate procedures. To enable us to report on the "Audit Trail" feature in the accounting software, certain additional procedures were performed which included a review of the Audit logs maintained for all the major processes/ stages on a test check basis and also review of the IS audit reports, internal audit reports and SOC 2 reports of the SaaS vendors (to

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Key audit matter	How the matter was addressed in our audit
financial information including the additional reporting responsibilities in relation to "Audit Trail" feature, we have identified this as a key audit matter for current year's audit.	the extent available) to identify whether there were any unresolved issues in relation to Audit Trail.

Information Other than the Standalone Financial Statements and Auditor's Report thereon (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report of the Company for the financial year ended March 31,2024 but does not include the standalone financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection

and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and 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 management 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 Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 these standalone financial statements.

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 standalone financial statements, 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 financial 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 on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management'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 Company's ability 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 standalone financial statements 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 standalone financial statements including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid by the Company during the year is in accordance with the provisions of section 197 of the Act

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(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements – Refer Note No. 47 to the standalone financial statements

ii. The Company has made provision, as required under the applicable accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31,2024.

iv.

a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note No. 58.6 to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies s), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note No. 58.6 to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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c) Based on the audit procedures performed by us that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v.

a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

b) As stated in Note No. 29 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act, as applicable.

vi. As stated in Note 58.8 to the financial statements and according to the information and explanations given to us by the Company and based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log). facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that;

i. the feature of recording audit trail (edit log) facility was not seen enabled at the database level of the accounting software used by the Company during the year.

ii. complete particulars of the modified fields were not seen captured in the audit trail in respect of the human resources management software used during the year.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

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Varma & Varma
Chartered Accountants

As the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For Varma & Varma
Chartered Accountants
FRN. 004532S

Place: Chennai
Date: 9th May, 2024

VARMA & VARMA ★ CHENNAI ★ CHARTERED ACCOUNTANTS

P.R Prasanna Varma
Partner
M.No. 025854
UDIN : 24025854BKGPYH8649

No.2, (Old No.20), Second Canal Cross Road, Gandhi Nagar, Adyar, Chennai - 600 020
Ph : +91 44 2442 3496, 2445 2239 Email : chennai@varmaandvarma.com

ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BELSTAR MICROFINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2024.

1. a) i) According to the information and explanations given to us and the records of the Company examined by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, and Investment Property and relevant details of right-of-use assets.

ii) According to the information and explanations given to us and the records of the company examined by us, the Company has maintained proper records showing full particulars of intangible assets.

b) According to the information and explanations given to us and the records of the Company examined by us, the Company has a regular program of physical verification of its Property Plant and Equipment, Investment Property and right-of-use assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the program, certain Property Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records of the Company examined by us, we report that the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements are held in the name of the Company as at the balance sheet date.

d) According to the information and explanations given to us and the records of the Company examined by us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Hence, reporting under clause 3(i)(d) of the Order is not applicable.

e) According to the information and explanations given to us and the records of the Company examined by us, there are no proceedings initiated or pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

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2. According to the information and explanations given to us and the records of the Company examined by us,

   a) The Company is a Non-Banking Finance Company (NBFC), primarily engaged in financing activities and it does hold any physical inventories. Hence, reporting under clause 3(ii)(a) of the Order is not applicable.

   b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks during the year on the basis of security of current assets. In our opinion, based on a comparison, the quarterly statements of receivables filed by the company with such banks are seen to be in agreement with the books of account of the Company. The Company has not availed working capital limit from any financial institution.

3. The Company has made investments in mutual funds and security receipts during the current financial year. The Company has not provided any guarantee or security or granted any loan, secured or unsecured, to Companies, Firms, Limited Liability Partnerships (LLPs) during the year. The Company has granted loans to other parties. In respect of the investments made and loans granted to other parties;

   a) The Company is a Systemically Important Non- Deposit taking Non-Banking Financial Company - Micro finance Institution (NDSI–NBFC-MFI) engaged in the business of providing microfinance loans to Self-Help Group (SHG) members / Joint Liability Group (JLG) members and certain other loans as well. Hence, reporting under clause 3(iii)(a) of the Order is not applicable.

   b) According to the information and explanations given to us and the records of the Company examined by us, the terms and conditions of the investments made and grant of loans, during the year are, prima facie, not prejudicial to the Company's interest. The company has not provided any guarantee or given any security during the year.

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c) According to the information and explanations given to us and the records of the Company examined by us, in respect of loans granted by the Company, the schedule of repayment of principal and payment of interest have been stipulated. Being a NBFC-MFI, there are instances of irregularities in repayment of principal amounts and receipt of interest as per stipulated terms, i.e, cases where the same were not repaid/ paid when they were due or were repaid/ paid with a delay, in the normal course of lending business. The total amount overdue as at March 31, 2024 is as given below:

Particulars – Days past due	Overdue Amount as at March 31, 2024 (Rs. in Millions)	No of Cases
1-30 Days	31.55	23,234
31-60 Days	77.15	26,617
61-89 Days	89.50	21,438
90 or more days*	627.51	1,37,294

**excluding overdue interest which is not recognised as a matter of prudence*

Having regard to the nature of business undertaken by the company and the volume of information involved, specific details of the irregularities are not reported.

d) In respect of loans granted by the Company, the total amount overdue for ninety days or more as per books of account as at the balance sheet date is as under:

No. of cases	**Total Overdue***
1,37,294	Rs. 627.51 Million

**excluding overdue interest which is not recognised as a matter of prudence*

In our opinion and according to the information and explanations given to us, reasonable steps have been taken by the Company for recovery of the principal and interest.

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e) The Company is a Systemically Important Non- Deposit taking Non-Banking Financial Company - Micro finance Institution (NDSI–NBFC-MFI) engaged in the business of providing microfinance loans to Self-Help Group (SHG) members / Joint Liability Group (JLG) members and certain other loans as well. Hence, reporting under clause 3(iii)(e) of the Order is not applicable.

f) According to the information and explanations given to us and the records of the Company examined by us, the Company has not granted any loans or advances in the nature of loans to Promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013. Hence, reporting under clause 3(iii)(f) of the Order is not applicable.

4. According to the information and explanations given to us and the records of the Company examined by us, the Company has not given any loans, or provided any guarantee or security as specified under section 185 of the Act. The provisions of section 186 of the Act with respect of loans, guarantee and security is not applicable to the Company being a NBFC-MFI and the investments made by the Company are in compliance with the provisions of section 186 of the Act, as applicable.

5. According to the information and explanations given to us and the records of the Company examined by us , during the year the Company has not accepted any deposits or any amounts deemed to be deposits which attracts the directives issued by the Reserve Bank of India or within the meaning of Sections 73 to 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Hence, reporting under clause 3(v) of the Order is not applicable.

6. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.



7.

a. As per the information and explanations furnished to us, and according to our examination of the records of the Company, the undisputed statutory dues including goods and service tax, provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable to the Company have generally been regularly deposited by the company with the appropriate authorities and no undisputed amounts in respect of material statutory dues were in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues referred to in sub-clause (a) that have not been deposited on account of any dispute as at 31st March, 2024 are as follows:

Name of the Statute	Nature of dues	Amount (Rs. In Million)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	58.52	FY 2016-17	Commissioner of Income Tax (Appeals) - Chennai
Income Tax Act, 1961	Income Tax	26.37	FY 2017-18	National Faceless Appeal Centre
Income Tax Act, 1961	Income Tax	2.50	FY 2019-20	National Faceless Appeal Centre
Income Tax Act, 1961	Income Tax	0.35	FY 2021-22	National Faceless Appeal Centre

**net of amount paid under protest*

8. According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

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9. According to the information and explanations given to us and on the basis of our examination of the records of the Company:

a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest to any lender.

b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained, other than temporary deployment pending application of proceeds of term loans of Rs. 4,100.00 Million since they were raised towards the end of the year.

d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) The Company does not have any subsidiaries, associates or joint ventures and hence, reporting on clause 3(ix)(e) of the Order is not applicable.

f) The Company does not have any subsidiaries, associates or joint ventures and hence, reporting on clause 3(ix)(f) of the Order is not applicable.

10. According to the information and explanations given to us and the records of the Company examined by us,

    a) no moneys were raised by way of initial public offer or further public offer (including debt instruments) and hence, reporting on clause 3(x)(a) of the Order is not applicable.

    b) The Company has not made any preferential allotment or private placement of equity shares and of fully or partly or optionally convertible debentures during the year.

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11.

a) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or on the Company, noticed or reported during the year, except as stated in Note No. 57 to the accompanying financial statements.

b) No report under Section 143(12) of the Act has been filed in Form ADT-4 regarding any frauds, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not received whistle-blower complaints during the year and hence, reporting on clause 3(xi)(c) of the Order is not applicable.

12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in Note No.48 to the standalone financial statements as required by the applicable Ind AS.

14.

a) The Company has an internal audit system, which, in our opinion is commensurate with the size and nature of its business.

b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

15. According to the information and explanations given to us and based the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with the directors and hence, reporting under clause 3(xv) of the Order is not applicable.

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16. According to the information and explanations given to us and the records of the Company examined by us,

    a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

    b) The Company has obtained registration under the Non-Banking Finance Company – Micro Finance Institution (Reserve Bank) Directions, 2011 and no business has been conducted by the Company without any valid Certificate of Registration (CoR).

    c) The company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.

    d) As represented to us by the management, there is no core investment company as defined in the regulations made by the Reserve Bank of India within the Group. Hence, reporting under clause 3(xvi)(d) of the Order is not applicable.

17. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors of the Company during the year.

19. According to the information and explanations given to us and the records of the Company examined by us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets, payment of financial liabilities and other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



20. According to the information and explanations given to us and the records of the Company examined by us,

a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects as at the end of the previous financial year or at the end of current financial year requiring a transfer to a Special Account in compliance with sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For Varma & Varma
Chartered Accountants
FRN. 004532S

Place: Chennai
Date: 9th May, 2024

VARMA & VARMA CHENNAI CHARTERED ACCOUNTANTS

P.R.Prasanna Varma
Partner
M.No. 025854
UDIN : 24025854BKGPYH8649

Varma & Varma
Chartered Accountants

ANNEXURE B' REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BELSTAR MICROFINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2024

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial control with reference to standalone financial statements of Belstar Microfinance Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

VARMA & VARMA CHENNAI CHARTERED ACCOUNTANTS

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Varma & Varma
Chartered Accountants
FRN. 004532S

Place: Chennai
Date: 09th May, 2024

VARMA & VARMA CHENNAI CHARTERED ACCOUNTANTS

P.R Prasanna Varma
Partner
M.No. 025854
UDIN : 24025854BKGPYH8649

BELSTAR MICROFINANCE LIMITED

Balance Sheet as at March 31, 2024 (Rs. In millions)

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
I ASSETS			
1 Financial assets			
a) Cash and cash equivalents	6	6,943.00	12,812.45
b) Bank Balance other than (a) above	7	394.95	448.80
c) Receivables			
(I) Trade Receivables	8	12.59	7.61
(II) Other Receivables		-	-
d) Loans	9	83,274.92	46,275.36
e) Investments	10	-	528.64
f) Other Financial assets	11	1,442.59	1,318.56
2 Non-financial Assets			
a) Current tax assets (Net)	41	508.31	362.15
b) Deferred tax assets (Net)	42	589.89	167.59
c) Investment Property	12	1.10	1.10
d) Property, Plant and Equipment	13	49.58	53.60
e) Right-of-use assets	14	59.39	97.12
f) Intangible assets under development	15	3.65	0.44
g) Other Intangible assets	16	3.74	7.95
h) Other non financial assets	17	307.42	187.64
Total Assets		**93,591.13**	**62,269.01**
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
a) Derivative financial instruments	18	-	29.32
b) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	19	7.68	7.20
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	27.10	24.55
(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			
c) Debt Securities	20	7,413.59	6,215.71
d) Borrowings (other than debt securities)	21	62,515.85	40,399.64
e) Subordinated Liabilities	22	2,806.78	1,649.51
f) Lease liabilities	47 B	65.04	105.86
g) Other Financial liabilities	23	3,210.20	2,773.08
2 Non-financial Liabilities			
a) Provisions	24	175.06	81.86
b) Other non-financial liabilities	25	81.69	59.29
EQUITY			
a) Equity share capital	26	548.44	488.44
b) Other equity	27	16,739.70	10,434.55
Total Liabilities and Equity		**93,591.13**	**62,269.01**

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

For and on behalf of Board of Directors

For M/s. Varma & Varma
Chartered Accountants
Firm's Registration No. 004532S

P.R Prasanna Varma
Partner
M. No.025854

Place: Chennai
Date :May 9, 2024

Dr.Kalpanaa Sankar
Managing Director
(DIN. 01926545)

B Balakumaran
Wholetime Director
(DIN. 09099182)

L Muralidharan
Chief Financial Officer

Sunil Kumar Sahu
Company Secretary

BELSTAR MICROFINANCE LIMITED

Statement of Profit and Loss for the year ended March 31, 2024 **(Rs. In millions)**

		Particulars	Note No	For the Year ended March 31, 2024	For the Year ended March 31, 2023
		Revenue from operations			
	(i)	Interest income	30	16,617.88	8,817.73
	(ii)	Fee and commission income	31	5.04	64.29
	(iii)	Net gain on fair value changes	32	53.56	27.47
	(iv)	Net gain on de-recognition of financial instruments under amortised cost category	33	1,650.27	1,403.12
(I)		**Total Revenue from operations**		**18,326.75**	**10,312.61**
(II)		Other Income	34	187.09	66.54
(III)		**Total Income (I + II)**		**18,513.84**	**10,379.15**
		Expenses			
	(i)	Finance costs	35	5,840.48	3,654.44
	(ii)	Fee and commission expense	36	309.81	263.79
	(iii)	Net loss on fair value changes	32	279.65	193.06
	(iv)	Impairment of financial instruments	37	3,199.70	1,445.79
	(v)	Employee benefit expenses	38	3,182.34	2,155.78
	(vi)	Depreciation, amortization and impairment	39	118.11	118.39
	(vii)	Other expenses	40	1,165.28	854.83
(IV)		**Total Expenses (IV)**		**14,095.37**	**8,686.08**
(V)		**Profit/(loss) before tax (III - IV)**		**4,418.47**	**1,693.07**
(VI)		**Tax Expense:**			
	(i)	Current tax	41	1,458.06	48.16
	(ii)	Deferred tax	42	(420.92)	351.25
	(iii)	Earlier years adjustments		(17.21)	(9.59)
(VII)		**Profit/(loss) for the year (V - VI)**		**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		(14.58)	(7.74)
		(ii) Changes in value of forward element of forward contract		8.89	(8.89)
		(iii) Tax impact thereon		1.43	4.18
		Subtotal (A)		**(4.26)**	**(12.45)**
	B)	**Items that will be classified to profit or loss**			
		(i) Fair value gain/ (loss) on Financial instruments measured at FVOCI		-	-
		(ii) Effective portion of gain on Hedging Instruments in Cash Flow Hedges		0.23	(0.23)
		(ii) Tax impact thereon		(0.06)	0.06
		Subtotal (B)		**0.17**	**(0.17)**
		Other Comprehensive Income (A + B)		**(4.09)**	**(12.62)**
(IX)		**Total Comprehensive Income for the year (VII + VIII)**		**3,394.45**	**1,290.63**
(X)		**Earnings per equity share (Face Value - Rs 10 per share)**	43		
		Basic (Rs.)		69.30	27.12
		Diluted (Rs.)		69.30	27.12

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

For and on behalf of Board of Directors

For M/s. Varma & Varma
Chartered Accountants
Firm's Registration No. 004532S

P.A.Prasanna Varma
Partner
M. No.025854

Place: Chennai
Date :May 9, 2024

Dr.Kalpanaa Sankar
Managing Director
(DIN. 01926545)

B Balakumaran
Wholetime Director
(DIN. 09099182)

L Muralidharan
Chief Financial Officer

Sunil Kumar Sahu
Company Secretary

BELSTAR MICROFINANCE LIMITED

Cash Flow Statement for the year ended March 31, 2024 **(Rs. In millions)**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
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)
Profit 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	-
Redemption / (Investment) in 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
Proceeds from / (Repayment) of 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 beginning of the Year	12,812.45	7,218.36
Cash and cash equivalents at end of the year	**6,943.00**	**12,812.45**

Notes:

(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS-7) Statement of Cash Flow.

(b) For Components of Cash and Cash Equivalents - Refer Note No. 6

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

For and on behalf of Board of Directors

For M/s. Varma & Varma
Chartered Accountants
Firm's Registration No:004532S

P.R Prasanna Varma
Partner
M. No.025854

Place: Chennai
Date :May 9, 2024

Dr.Kalpanaa Sankar
Managing Director
(DIN. 01926545)

B Balakumaran
Wholetime Director
(DIN. 09099182)

L Muralidharan
Chief Financial Officer

Sunil Kumar Sahu
Company Secretary

BELSTAR MICROFINANCE LIMITED

Statement of Changes in Equity for the year ended March 31, 2024

A . Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the current reporting period	**488.44**	**456.09**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the current year	60.00	32.35
-Share Issue		
Balance at the end of the current reporting period	**548.44**	**488.44**
No. of Equity Shares of Rs.10/- each	54,844,055	48,844,055

B. Other Equity

Particulars	Statutory reserve (Pursuant to section 45-IC of the Reserve Bank of India Act, 1934)	Capital Redemption Reserve(CRR)	Securities Premium	General Reserve	Remeasurement gain/ (loss) of defined benefit plans	Retained Earnings	Changes in value of forward element of forward contract	Effective portion of Cash Flow Hedges	Financial instruments measured at FVOCI	Total
As at March 31, 2024										
Balance at the beginning of the reporting period	**906.80**	**500.00**	**6,074.60**	**0.01**	**(13.10)**	**2,973.07**	**(6.66)**	**(0.17)**	**-**	**10,434.55**
Total Comprehensive Income for the current year	-	-	-	-	(10.92)	3,398.54	6.66	0.17	-	**3,394.45**
Dividends	-	-	-	-		(29.30)	-	-	-	**(29.30)**
Transfer to Statutory Reserve	679.71	-		-		(679.71)	-	-	-	**-**
Transfer to General Reserve				2,000.00		(2,000.00)				**-**
Premium on Issue of Shares	-	-	2,940.00	-		-	-	-	-	**2,940.00**
Balance at the end of the reporting period	**1,586.51**	**500.00**	**9,014.60**	**2,000.01**	**-24.02**	**3,662.60**	**-**	**-**	**-**	**16,739.70**
As at March 31,2023										
Balance at the beginning of the reporting period	**646.14**	**500.00**	**5,020.25**	**0.01**	**(7.31)**	**1,944.15**	**-**	**-**	**-**	**8,103.24**
Total Comprehensive Income for the current year	-	-	-	-	(5.79)	1,303.25	(6.66)	(0.17)	-	**1,290.63**
Dividends	-	-	-	-	-	(13.67)	-	-	-	**(13.67)**
Transfer to Statutory Reserve	260.66	-	-	-	-	(260.66)	-	-	-	**-**
Premium on Issue of Shares *	-	-	1,054.35	-	-	-	-	-	-	**1,054.35**
Balance at the end of the reporting period	**906.80**	**500.00**	**6,074.60**	**0.01**	**(13.10)**	**2,973.07**	**(6.66)**	**(0.17)**	**-**	**10,434.55**

* Premium is net of transaction cost for issue of equity shares of Rs 13.30 Million during the year 22-23

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

For M/s. Varma & Varma
Chartered Accountants
Firm's Registration No. 004532S

P.R Prasanna Varma
Partner
M. No.025854
Place: Chennai
Date :May 9, 2024

For and on behalf of Board of Directors

Dr. Kalpanaa Sankar
Managing Director
(DIN. 01926545)

B Balakumaran
Wholetime Director
(DIN. 09099182)

L Muralidharan
Chief Financial Officer

Sunil Kumar Sahu
Company Secretary

Belstar Microfinance Limited
Notes forming part of the Ind AS Financial Statements

1. Corporate Information

Belstar Microfinance Limited, (the Company) is a Company incorporated under the Companies Act, 1956 having its registered office at No 33, 48th Street, 9th Avenue, Ashok Nagar, Chennai- 600083 and registered with the Reserve Bank of India as a non-banking financial company (NBFC) from March 2001. The Company is basically engaged in the business of providing loans and access to Credit to the Self-Help Group (SHG) members / Joint Liability Group (JLG) members known as "Pragati" and other loans like Education, Small Enterprise Loan (SEL) as part of financial inclusion space. The Company got classified as a NBFC - MFI effective December 11, 2013. The company is a Systemically Important Non - Deposit taking NBFC MFI (NDSI–NBFC-MFI) as at March 31, 2024

2. Basis of preparation

2.1 Statement of compliance

The Financial statements of the Company have been prepared on going concern basis in accordance with the applicable Indian Accounting Standards (Ind AS) notified 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.

2.2 Presentation of Financial Statements

The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity, are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ('NBFC') that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 - Statement of Cash Flows. The Company presents its Balance Sheet in the order of liquidity.

2.3 Basis of measurement

The Financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant accounting standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

2.4 Impact of Covid-19

The Company continues to monitor and assess the impact of COVID-19 pandemic on its operations and financials, including the possibility of higher defaults by the customers. The Company has considered the information available up to the date of these results and have made adequate provisions in this regard to the extent required.

2.5 Functional and presentation currency

The Financial statements are presented in Indian Rupees (INR) which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest millions, except when otherwise indicated.

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BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

3. Summary of Material accounting policies

3.1 Recognition of interest income

The Company computes Interest income by applying the effective interest rate to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

For purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

For other credit-impaired financial assets, the Company applies effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

When calculating the effective interest rate, the Company takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes all fees and charges paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts, but not future credit losses

Interest income on financial assets measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

3.2 Recognition of income other than Interest Income

Revenue (other than for financial instruments) is measured at fair value of the consideration received or receivable,) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue From Contracts with Customers'.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

3.3 Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

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3.4 Financial instruments

3.4.1 Financial assets

Initial recognition & measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not measured subsequently at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Loans are recognised when funds are transferred to the customers' account.

3.4.2 Subsequent measurement

The Company classifies its financial assets into the following measurement categories:

1. Loans at amortised cost
2. Loans at fair value through other comprehensive income (FVTOCI).
3. Investments in Debt instruments, and equity instruments at fair value through profit or loss (FVTPL).

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

The Ind AS 109 classification and measurement model requires that all debt instrument financial assets that do not meet a "solely payment of principal and interest" (SPPI) test, including those that contain embedded derivatives, be classified at initial recognition as fair value through profit or loss (FVTPL).

Loans that are managed on a "hold to collect" basis will be classified as amortized cost. After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Loans that are managed on a "hold to collect and for sale" basis is classified as fair value through other comprehensive income (FVOCI) for debt. These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement.

Investments in debt instruments which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. Financial instruments held at fair value through profit or loss, are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

The measurement of credit impairment is based on the three-stage expected credit loss model described below in Note 3.6 Impairment of financial assets.





All equity instrument financial assets are classified at initial recognition as FVTPL unless an irrevocable designation is made to classify the instrument as FV-OCI for equities. The FV-OCI for equities category results in all realized and unrealized gains and losses being recognized in OCI with no recycling to profit and loss. Only dividends are recognized in profit and loss.

3.4.3 Financial liabilities

Initial Recognition and Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.5 Derecognition of financial assets and liabilities

3.5.1 Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

a) The Company has transferred its contractual rights to receive cash flows from the financial asset

or

b) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset

  or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

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BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss .

3.5.2 Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.6 Impairment of financial assets

3.6.1 Overview of the Expected Credit Loss (ECL) principles

The Company has created provisions on all financial assets except for financial assets classified as FVTPL, based on the expected credit loss method.

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month expected credit loss.

The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into three stages as described below:

For non-impaired financial instruments

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, The Company compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Company recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities shall revert to recognizing 12-month ECL.

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BELSTAR MICROFINANCE LIMITED * CHENNAI 600 083

For impaired financial instruments:

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial instruments.

3.6.2 The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, and appropriate overlays, are embedded in the methodology to reflect such macro-economic trends reasonably.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

3.7 Determination of fair value

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which enough data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial instruments for which fair value is measured are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

3.8 Derivative financial instruments

The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently measured to their fair value at the end of each reporting period. Such derivative instruments are presented as assets in case of a fair value gain and as liabilities in case of fair value loss. Changes in the fair value of derivatives is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company has designated the derivative financial instruments as cash flow hedges of recognised liabilities and unrecognised firm commitments.

Hedge accounting

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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Hedges that meet the strict criteria for hedge accounting are accounted for as cash flow hedge.

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve).

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in net gain/loss on fair value changes in the profit and loss statement.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

3.9 Finance cost

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

3.10 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Company's cash management.

3.11 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.





Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.11.1 Depreciation

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged based on a review by the management during the year and at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 on Written Down Value method. All fixed assets costing individually upto Rs. 5,000 is fully depreciated by the company in the year of its capitalisation.

The estimated useful lives are as follows:

Particulars	Useful life	Residual value
Furniture and fixture	10 years	2%
Office equipment	5 years	2%
Vehicles	10 years	2%
Computer	3 years	5%

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.12 Intangible assets

The Company's intangible assets consist of computer software.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets comprising of software are amortised on a written down value basis over a period of 3 years The useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.13 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

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An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

The fair value of investment property is disclosed in the notes accompanying these financial statements. Fair value is determined by independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

3.14 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

3.15 Post employment benefits

3.15.1 Defined contribution plans

Contributions to the Employees Provident Fund Scheme maintained by the Central Government are accounted for on an accrual basis. Retirement benefit in the form of provident fund is a defined contribution plan.

The company has no obligation, other than the contribution payable under the scheme. The company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

3.15.2 Defined Benefit plans

Gratuity

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company makes annual contribution to a Gratuity Fund administered by insurance companies.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

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3.16 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.18 Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.18.1 Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.18.2 Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

3.18.3 Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
ii. When receivables and payables are stated with the amount of tax included

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The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.19 Contingent Liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

3.20 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

3.21 Leases

As a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

– Fixed payments, including in-substance fixed payments;

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable under a residual value guarantee; and

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– The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

3.22 Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

4.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or classified as fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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4.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement in respect of the estimation of the amount and timing of future cash flows and the assessment of a significant increase in credit risk. These estimates are driven by several factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.5 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.6 Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

5 Standards issued but not yet effective

As at March 31, 2024, there are no Ind AS Standards/amendments that have been issued but are not yet effective.

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Notes forming part of the Ind AS Financial Statements

6: Cash and cash equivalents **(Rs. In millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	77.73	14.87
Balances with Banks		
- in current accounts	3,151.72	1,108.35
- in deposit accounts with Original maturity of less than 3 months	3,713.55	11,689.23
Total	**6,943.00**	**12,812.45**

Short-term deposits are made for period varying between one day to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short term deposit rates.

7: Bank balances other than cash and cash equivalents **(Rs. In millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with original maturity of more than three months but less than twelve months.	159.95	76.26
Balances with banks to the extent held as security against borrowings #	235.00	372.54
Total	**394.95**	**448.80**

Represents deposits maintained as cash collateral against term loans availed from banks and financial institutions and earn interest at the respective fixed deposit rates.

8: Trade Receivables **(Rs. In millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Receivable considered good - Secured	-	-
Receivable considered good - Unsecured	12.59	7.61
Receivables which have significant increase in credit risk		
Receivables - Credit impaired	-	-
Total	**12.59**	**7.61**
Provision for impairment :		
Receivable considered good - Unsecured	-	-
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
Total Net receivable	**12.59**	**7.61**

Trade receivables includes receivable from related party as of March 31, 2024 - Rs. 10.95 million and as of March 31, 2023 - Rs. 0.70 million, . Refer Note 48 for more details.

Trade receivables are non-interest bearing and are generally on terms ranging from 30 days to 60 days from the date of invoice. During the year ended March 31, 2024, INR Nil, and Year ended March 31, 2023 - INR Nil was recognised as provision for expected credit losses on trade receivable.

Ageing of Trade Receivables **(Rs. In millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Undisputed Trade Receivable - Considered Good		
- Less than 6 months	12.51	7.61
- 6 months - 1 years	0.08	-
- 1 - 2 years	-	-
- 2 - 3 years	-	-
- More than 3 years	-	
Total	**12.59**	**7.61**

There are no trade receivables outstanding on account of any disputes

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9: Loans **(Rs. in millions)**

Particulars	As at March 31, 2024			As at March 31, 2023		
	Amortised Cost	Fair value Through OCI	Total	Amortised Cost	Fair value Through OCI	Total
(A)						
i) Receivables under financing activities	85,607.17	-	85,607.17	47,227.53	-	47,227.53
ii) Staff Loan	4.14	-	4.14	4.86	-	4.86
Total (A) - Gross	**85,611.31**	**-**	**85,611.31**	**47,232.39**	**-**	**47,232.39**
Less : Impairment loss allowance	(2,336.39)	-	**(2,336.39)**	(957.03)	-	**(957.03)**
Total (A) - Net	**83,274.92**	**-**	**83,274.92**	**46,275.36**	**-**	**46,275.36**
(B)						
I) Secured by tangible assets and intangible assets	57.31	-	57.31	35.54	-	35.54
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured			-			-
i) Receivables under financing activities	85,549.86	-	85,549.86	47,192.00	-	47,192.00
ii) Staff loan	4.14	-	4.14	4.85	-	4.85
Total (III) - Gross	**85,554.00**	**-**	**85,554.00**	**47,196.85**	**-**	**47,196.85**
Less : Impairment loss allowance	(2,336.39)	-	(2,336.39)	(957.03)	-	(957.03)
Total (III) - Net	**83,217.61**	**-**	**83,217.61**	**46,239.82**	**-**	**46,239.82**
Total (B) (I+II+III) - Net	**83,274.92**	**-**	**83,274.92**	**46,275.36**	**-**	**46,275.36**
(C)						
i) Public Sector	-	-				
ii) Others	85,611.31	-	85,611.31	47,232.39	-	47,232.39
Total (C) - Gross	**85,611.31**	**-**	**85,611.31**	**47,232.39**	**-**	**47,232.39**
Less: Impairment Loss Allowance (C)	(2,336.39)	-	(2,336.39)	(957.03)	-	(957.03)
Total (C)- Net	**83,274.92**	**-**	**83,274.92**	**46,275.36**	**-**	**46,275.36**

Receivables under financing activities

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 52 and policies on ECL allowances are set out in Note 3.6.

(Rs. in millions)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	82,546.71			**82,546.71**	45,599.87			**45,599.87**
Standard grade	479.67			**479.67**	170.27			**170.27**
Sub-standard grade		589.74		**589.74**		174.01		**174.01**
Past due but not impaired		434.91		**434.91**		143.43		**143.43**
Non - performing				**-**				**-**
Individually impaired			1,560.28	**1,560.28**			1,144.81	**1,144.81**
Total	**83,026.38**	**1,024.65**	**1,560.28**	**85,611.31**	**45,770.14**	**317.44**	**1,144.81**	**47,232.39**

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Notes forming part of the Ind AS Financial Statements
An analysis of changes in the gross carrying amount is, as follows:

(Rs. in millions)

Particulars	For the year ended March 31, 2024				For the year ended March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**45,770.14**	**317.44**	**1,144.81**	**47,232.39**	**33,834.19**	**1,800.93**	**2,145.00**	**37,780.12**
New assets originated or purchased (net of repayment)	74,572.11			**74,572.11**	41,626.14	-	-	**41,626.14**
Assets derecognised or repaid (excluding write offs)	(33,828.51)	(215.04)	(373.45)	**(34,417.00)**	(26,885.94)	(542.57)	(2,025.90)	**(29,454.41)**
Transfers to Stage 1	10.75	(6.44)	(4.31)	-	34.42	(30.97)	(3.45)	-
Transfers to Stage 2	(1,189.72)	1,189.96	(0.24)	-	(634.69)	637.71	(3.02)	-
Transfers to Stage 3	(2,308.39)	(261.27)	2,569.66	-	(2,203.98)	(1,547.66)	3,751.64	-
Amounts written off (Refer Note 9.1)			(1,776.19)	**(1,776.19)**			(2,719.46)	**(2,719.46)**
Gross carrying amount closing balance	**83,026.38**	**1,024.65**	**1,560.28**	**85,611.31**	**45,770.14**	**317.44**	**1,144.81**	**47,232.39**

An analysis of changes in the ECL Allowance is, as follows:

(Rs. in millions)

Particulars	For the year ended March 31, 2024				For the year ended March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**30.77**	**86.72**	**839.54**	**957.03**	**114.09**	**504.25**	**1,619.25**	**2,237.59**
New assets originated or purchased	1,320.62			**1,320.62**	175.44	-	-	**175.44**
Assets derecognised or repaid (excluding write offs)	(10.90)	(13.92)	(117.14)	**(141.96)**	(111.81)	(92.24)	(186.98)	**(391.03)**
Transfers to Stage 1	4.71	(1.74)	(2.97)	-	9.42	(7.01)	(2.41)	-
Transfers to Stage 2	(262.15)	262.31	(0.16)	-	(49.68)	51.78	(2.10)	-
Transfers to Stage 3	(591.20)	(73.14)	664.34	-	(110.10)	(455.62)	565.72	-
Impact on ECL of exposures transferred between stages during the year	48.91	120.32	1,807.66	**1,976.89**	3.41	85.56	1,565.52	**1,654.49**
Amounts written off (Refer Note 9.1)			(1,776.19)	**(1,776.19)**	-	-	(2,719.46)	**(2,719.46)**
ECL allowance - closing balance	**540.76**	**380.55**	**1,415.08**	**2,336.39**	**30.77**	**86.72**	**839.54**	**957.03**

-

9.1 Sale of Assets to ARC

During the previous year, the Company had sold certain stressed loan receivables to an Asset Reconstruction Company ("ARC") and had subscribed to the Security Receipts ("SRs") issued by the ARC trust (classified under Fair Value through Profit or Loss). As at March 31, 2024, the face value of the above SRs aggregates to Rs 472.71 million and the corresponding NAV declared by the ARC Trust is Rs. 336.31 million. As in the previous year, the Company continues to apply the principles prescribed under the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 in determining the fair value of the SR's at each reporting date, and accordingly, a loss on fair value changes considering the notional provisioning rate applicable if these loans had continued in the books of the Company amounting to Rs. 193.06 million was recognised against the face value of these SRs in the previous year and additional loss on fair value changes applying the same ratio amounting to Rs. 279.65 Million was recognised during the year, as disclosed under Note No. 32. As a result of the above, the net carrying value of these SRs as at March 31, 2024 is NIL

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Notes forming part of the Ind AS Financial Statements

10: Investments **(Rs. In millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
1. Amortised Cost		
a) Overseas investments	-	-
b) Investments in India	-	-
2. Fair Value Through OCI		
a) Overseas investments	-	-
b) Investments in India	-	-
3. Fair Value Through Profit or Loss		
a) Overseas investments	-	-
b) Investments in India		
i) Security receipts (Refer Note 9.1)		
7,21,700 Nos. of SRs having a face value of Rs.655 (Previous year - 7,21,700 Nos. of SRs having a face value of Rs.1000 each) *	-	528.64
Total Gross (A)	**-**	**528.64**
Less : Allowance for impairment loss (B)	-	-
Total - Net C = (A) - (B)	**-**	**528.64**

* For basis of determination of Fair Value - Refer Note 9.1

11: Other financial assets **(Rs. In millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits (Unsecured considered good)	38.73	31.21
Receivable towards assignment transactions (Unsecured considered good)	214.95	202.71
Excess interest spread receivable on assignment transactions	1,154.54	1,047.19
Accrued Income - Fee	0.23	-
Interest accrued on fixed deposits with banks	34.14	37.45
Total	**1,442.59**	**1,318.56**

Accrued Income - Fee for the year ended Mar 31, 2024 includes transaction from related party Rs. 0.23 million (As at March 31, 2023 - Nil). Refer Note 48 for more details.

12: Investment property **(Rs. In millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount		
Opening gross carrying amount	1.10	1.10
Addition during the Year	-	-
Disposal	-	-
Closing gross carrying amount	**1.10**	**1.10**
Accumulated depreciation		
Opening accumulated depreciation amount	-	-
Depreciation charged during the Year	-	-
Closing accumulated depreciation amount	-	-
Net carrying amount	**1.10**	**1.10**

Investment Property comprises of one parcel of vacant land.

The fair value of investment property as on March 31, 2024 is Rs. 1.73 millions (March 31, 2023, -Rs. 1.45 millions) as determined by an external independent Registered Valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017

There were no immovable property where the title deeds are not held in the name of the company

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13: Property, plant and equipment **(Rs. in millions)**

Particulars	Office equipment	Computers	Furniture & Fixtures	Vehicles	Total
Cost (Gross Carrying Amount) :					
As at April 01, 2022 (Opening Balance)	**56.24**	**133.17**	**24.76**	**1.47**	**215.64**
Additions	18.81	31.28	10.23	-	60.32
Disposals	-	-	-	-	-
As at March 31, 2023	**75.05**	**164.45**	**34.99**	**1.47**	**275.96**
Additions	34.14	5.57	15.81	-	55.52
Disposals	-	30.51	-	-	30.51
As at March 31, 2024	**109.19**	**139.51**	**50.80**	**1.47**	**300.97**
Accumulated depreciation					
As at April 01, 2022 (Opening Balance)	**44.49**	**101.45**	**20.74**	**1.27**	**167.95**
Disposals	-	-	-	-	-
Depreciation charge for the year ended March 31, 2023	16.09	30.93	7.33	0.06	54.41
As at March 31, 2023	**60.58**	**132.38**	**28.07**	**1.33**	**222.36**
Disposals	-	28.86	-	-	28.86
Depreciation charge for the year ended March 31, 2024	25.01	20.10	12.73	0.05	57.89
As at March 31, 2024	**85.59**	**123.62**	**40.80**	**1.38**	**251.39**
Net Carrying Amount					
As at March 31, 2023	**14.47**	**32.07**	**6.92**	**0.14**	**53.60**
As at March 31, 2024	**23.60**	**15.89**	**10.00**	**0.09**	**49.58**

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Notes forming part of the Ind AS Financial Statements

14: Right of use assets - Office Premises **(Rs. In millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Opening carrying value	**97.12**	**97.29**
Addition (Net) during the year	15.46	55.92
Amortisation for the year	(53.19)	(56.09)
Closing Carrying value	**59.39**	**97.12**

15: Intangible assets under development **(Rs. In millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Opening carrying value	**0.44**	**0.49**
Addition during the year	3.65	0.44
Capitalised during the year	(0.44)	(0.49)
Closing Carrying value	**3.65**	**0.44**

Project in Progress **(Rs. In millions)**

Intangible assets under development	As at March 31, 2024	As at March 31, 2023
Amount in intangible assets under development for a period of		
Less than 1 year	3.65	0.44
1 -2 years		
2 - 3 years		
More than 3 years		
Total	**3.65**	**0.44**

The Company does not have any intangibles under development which is overdue or has exceeded its cost compared to its original plan and hence completion schedule is not applicable. Further there are no suspended project carried under intangible assets under development.

16: Other Intangible Assets - Software **(Rs. In millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Cost (Gross Carrying Amount)		
Balance at the beginning of the Year	**92.33**	**83.31**
Addition during the year	2.81	9.02
Disposal during the year	-	-
Balance at the end of the Year	**95.14**	**92.33**
Accumulated amortisation		
Amortisation at the beginning of the Year	**84.38**	**76.50**
Disposal during the year	-	-
Charge during the year	7.02	7.88
Amortisation at the end of the Year	**91.40**	**84.38**
Net Carrying Amount at end of the year	**3.74**	**7.95**

17: Other Non-financial assets **(Rs. In millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	90.15	78.93
Other Advances (refer note below)	9.88	-
Insurance claim receivable	96.77	17.43
Other Receivables	110.62	91.28
Total	**307.42**	**187.64**

As at 31st March 2024, the Company has incurred expenses for various services aggregating to Rs.9.88 million in connection with the proposed initial public offering of its equity shares (refer Note No.50). The proposed offer consists of Fresh issue of shares and Offer for sale by the existing shareholders. In accordance with the Offer Agreement entered between the Company and the selling shareholders, the selling shareholders shall reimburse the portion of offer related expenses that are attributable to the Offer for sale. Accordingly, the Company will recover these expenses incurred in connection with the issue on completion of IPO. The remaining amounts which are attributable to Fresh issue will be accounted as deduction from Equity on completion of IPO. Presently, the entire amount has been carried forward and disclosed under the head "Other Advances" as above.

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Notes forming part of the Ind AS Financial Statements

18:Derivative financial instruments **(Rs. In millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Currency derivatives		
Forward contracts		
Notional amounts (USD)	-	33.24
Notional amounts (INR)	-	2,767.06
Fair value-Assets	-	-
Fair value-Liabilities	-	29.32
Included in above are derivatives held for hedging and risk management purposes as follows:		
Cash flow hedging		
Currency Derivatives		
Notional amounts (USD)	-	33.24
Notional amounts (INR)	-	2,767.06
Fair value-Assets	-	-
Fair value-Liabilities	-	29.32

The Company undertakes derivative transactions for hedging exposures relating to foreign currency borrowings. Derivative transaction comprises of forward contracts. The management of foreign currency risk is detailed in Note 52. The fair value of derivative liability as disclosed above represents the marked to market position of these forward contracts.

19 : Trade Payables **(Rs. In millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	7.68	7.20
Total outstanding dues of creditors other than micro enterprises and small enterprises	27.10	24.55
Total	**34.78**	**31.75**

19.1 Trade Payable Ageing Schedule

Particulars	As at March 31, 2024	As at March 31, 2023
(i) MSME		-
- Less than 1 year	7.68	7.20
- 1 - 2 years		
- 2 - 3 years		
- More than 3 years		
Sub Total	**7.68**	**7.20**
(ii) Others		-
- Less than 1 year	27.10	24.55
- 1 - 2 years		
- 2 - 3 years		
- More than 3 years		
Sub Total	**27.10**	**24.55**
(iii) Disputed dues - MSME	-	-
(iv) Disputed dues - Others	-	-
Grand Total	**34.78**	**31.75**

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20: Debt Securities **(Rs. in millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Amortised Cost		
Bonds/ Debentures		
Secured Non-Convertible Debentures - Listed	2,989.65	6,215.71
Unsecured Non-Convertible Debentures -Listed	4,423.94	-
Total (A)	**7,413.59**	**6,215.71**
Debt securities in India	7,413.59	6,215.71
Debt securities outside India	-	-
Total (B)	**7,413.59**	**6,215.71**

Details of Redeemable Non-Convertible Debentures

Particulars	As at March 31, 2024	As at March 31, 2023	Date of redemption	Nominal value per debenture #	Total number of debentures #
Secured Non-Convertible Debentures - Listed					
10.58% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	-	499.95	21-Apr-23	1,000,000	500
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	-	249.93	16-May-23	1,000,000	250
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	-	199.91	17-Jun-23	1,000,000	200
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	-	699.63	30-Jun-23	1,000,000	700
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	-	349.50	7-Jul-23	1,000,000	350
8.5% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	-	1,243.47	28-Feb-24	1,000,000	1,250
9.35% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	2,989.65	2,973.32	31-Oct-24	1,000,000	3,000
Total	**2,989.65**	**6,215.71**			
Unsecured Non-Convertible Debentures -Listed					
10% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	1,620.64		1-Aug-25	100,000	21,700
10% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	2,803.30	-	31-Mar-26	100,000	28,300
Total	**4,423.94**	**-**			

Secured debentures are secured by way of hypothecation of eligible specified receivables under Financing activity.

Nominal value per debenture and total number of debentures are in full numbers.

21: Borrowings (other than debt securities) **(Rs. in millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Amortised Cost		
(a) Term loans (Secured)		
(i) from banks		
Rupee Loans	59,546.83	36,443.09
Foreign currency Loans	-	2,716.03
(ii) from Financial Institutions (including NBFC)	1,969.45	1,240.52
(b) Loans repayable on demand		
(i) from banks (OD & CC)	999.57	-
Total (A)	**62,515.85**	**40,399.64**
Borrowings in India	62,515.85	40,399.64
Borrowings outside India	-	-
Total (B)	**62,515.85**	**40,399.64**

(i) Term loan from banks and financial institution are secured by way of specific charge on receivables created out of the proceeds of the loan. Further in respect of term loan drawn during Quarter 4 of FY 2023-24 aggregating to Rs.4,100 Million ,the company will assign the book debts in due course as per the sanction terms.

(ii) The company has not defaulted in the repayment of dues to its lenders.

(iii) The quarterly returns of current assets filed by the company with banks and financial institution are in agreement with the books of accounts.

(iv) The Company has used the borrowings from banks and financial institutions for the specific purpose for which the loans were taken

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22: Subordinated Liabilities **(Rs. in millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Subordinated Liabilities - Debentures - Unlisted	2,062.02	657.93
Subordinated Liabilities - Debentures - Listed	495.26	742.36
Subordinated Liabilities - Loan	249.50	249.22
Total (A)	**2,806.78**	**1,649.51**
Subordinated Liabilities in India	2,806.78	1,649.51
Subordinated Liabilities outside India	-	-
Total (B)	**2,806.78**	**1,649.51**

Detail of Subordinated Debt

Particulars	As at March 31, 2024	As at March 31, 2023	Date of redemption	Nominal value per debenture #	Total number of debentures #
Subordinated Liabilities - Debentures - Unlisted					
12% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures	-	70.00	31-Jul-23	1,000,000	70
14% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	199.20	198.72	11-Sep-25	100,000	2,000
14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	239.47	239.21	3-Dec-25	100,000	2,400
14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	150.00	150.00	15-May-26	100,000	1,500
11.00% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	1,473.35		19-Jul-29	100,000	15,000
Total	**2,062.02**	**657.93**			
Subordinated Liabilities - Debentures - Listed					
11.5% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable, Non-Convertible Debentures	-	248.05	31-May-23	1,000	250,000
14.50% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable,Non-Convertible Debentures	495.26	494.31	30-Sep-27	1,000,000	500
Total	**495.26**	**742.36**			
Subordinated Liabilities - Loan					
14.50% Unsecured, Subordinated Loan	249.50	249.22	23-Dec-25		
Total	**249.50**	**249.22**			-

Nominal value per debenture and total number of debentures are in full numbers.

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Terms of repayment of borrowings outstanding as at March 31, 2024

Maturity pattern of Debt securities - Secured & Unsecured Debentures

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
Quarterly repayment schedule	8%-10%	4	1,078.84	2	541.80	-	-	-	-	-	-	-	-	6	1,620.64
	10%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At the end of tenure / On demand	8%-10%	1	2,989.65	1	2,803.30	-	-	-	-	-	-	-	-	2	5,792.95
	10%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		5	4,068.49	3	3,345.10	-	-	-	-	-	-	-	-	8	7,413.59

Maturity pattern of Term loan from Bank - INR

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
Monthly repayment schedule	8%-10%	270	7,820.51	184	5,509.71	20	345.80	-	-	-	-	-	-	474	13,676.02
	10%-12%	229	5,580.95	36	1,356.49	-	-	-	-	-	-	-	-	265	6,937.44
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarterly repayment schedule	8%-10%	272	18,129.08	197	14,348.59	35	3,039.89	-	-	-	-	-	-	504	35,517.56
	10%-12%	81	2,985.95	14	429.86	-	-	-	-	-	-	-	-	95	3,415.81
	12%-14%	-		-		-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		852	34,516.49	431	21,644.65	55	3,385.69	-	-	-	-	-	-	1,338	59,546.83

Maturity pattern of Term loan from Financial Institutions

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
Monthly repayment schedule	8%-10%	34	605.18	8	249.58	-	-	-	-	-	-	-	-	42	854.76
	10%-12%	12	333.33	-	-	-	-	-	-	-	-	-	-	12	333.33
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarterly repayment schedule	8%-10%	8	315.53	4	232.72	4	233.11	-	-	-	-	-	-	16	781.36
	10%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		54	1,254.04	12	482.30	4	233.11	-	-	-	-	-	-	70	1,969.45

Maturity pattern of Loans Repayable on Demand (from banks - CC)

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
On demand	8%-10%	1	999.57	-	-	-	-	-	-	-	-	-	-	1	999.57
	10%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		1	999.57	-	-	-	-	-	-	-	-	-	-	1	999.57

Maturity pattern of Subordinated Liabilities

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
At the end of tenure / On demand	8%-10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	10%-12%	-	-	-	-	-	-	-	-	-	-	1	1,473.35	1	1,473.35
	12%-14%	-	-	1	199.20	-	-	-	-	-	-	-	-	1	199.20
	14%-15%	-	-	3	488.95	1	150.00	1	495.28	-	-	-	-	5	1,134.23
Total		-	-	4	688.15	1	150.00	1	495.28	-	-	1	1,473.35	7	2,806.78

VARMA & VARMA CHENNAI CHARTERED ACCOUNTANTS

BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

Terms of repayment of borrowings outstanding as at March 31, 2023

Maturity pattern of Debt securities - Secured & Unsecured Debentures

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
At the end of tenure / On demand	8%-10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	10%-12%	7	3,226.05	1	2,989.66	-	-	-	-	-	-	-	-	8	6,215.71
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		7	3,226.05	1	2,989.66	-	-	-	-	-	-	-	-	8	6,215.71

Maturity pattern of Term loan from Bank - INR

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
Monthly repayment schedule	8%-10%	463	7,079.58	153	3,572.30	18	1,049.29	-	-	-	-	-	-	634	11,701.17
	10%-12%	407	4,656.05	86	1,796.61	-	-	-	-	-	-	-	-	493	6,452.66
	12%-14%	15	100.45	-	-	-	-	-	-	-	-	-	-	15	100.45
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarterly repayment schedule	8%-10%	343	7,115.69	227	6,511.85	46	2,475.60	-	-	-	-	-	-	616	16,103.14
	10%-12%	111	1,627.12	14	458.55	-	-	-	-	-	-	-	-	125	2,085.67
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		1,339	20,578.89	480	12,339.31	64	3,524.89	-	-	-	-	-	-	1,883	36,443.09

Maturity pattern of Term loan from Bank - Foreign Currency Loan

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
Quarterly repayment schedule	8%-10%	4	1,091.98	4	1,079.80	2	544.25	-	-	-	-	-	-	10	2,716.03
	10%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		4	1,091.98	4	1,079.80	2	544.25	-	-	-	-	-	-	10	2,716.03

Maturity pattern of Term loan from Financial Institutions

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
Monthly repayment schedule	8%-10%	24	314.03	11	206.25	-	-	-	-	-	-	-	-	35	520.28
	10%-12%	30	397.55	-	-	-	-	-	-	-	-	-	-	30	397.55
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarterly repayment schedule	8%-10%	8	118.33	4	83.29	-	-	-	-	-	-	-	-	12	201.62
	10%-12%	5	121.07	-	-	-	-	-	-	-	-	-	-	5	121.07
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		67	950.98	15	289.54	-	-	-	-	-	-	-	-	82	1,240.52

Maturity pattern of Subordinated Liabilities

Original Maturity of loan	Coupon rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
		No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
At the end of tenure / On demand	8%-10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	10%-12%	2	317.10	-	-	-	-	-	-	-	-	-	-	2	317.10
	12%-14%	-	-	-	-	1	198.18	-	-	-	-	-	-	1	198.18
	14%-15%	-	-	-	-	3	486.56	1	148.51	1.00	499.16	-	-	5	1,134.23
Total		2	317.10	-	-	4	684.74	1	148.51	1.00	499.16	-	-	8	1,649.51

VARMA & VARMA CHENNAI CHARTERED ACCOUNTANTS

BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

23: Other Financial liabilities **(Rs. in millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	534.73	439.05
Payable towards assignment transactions	2,286.32	2,128.40
Expenses payable	62.94	30.85
Employee related payables	205.60	99.24
Others	120.61	75.54
Total	**3,210.20**	**2,773.08**

24: Provisions **(Rs. in millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
- Gratuity (Refer Note 44)	8.25	11.20
- Others	131.33	63.99
Provision for other losses	35.48	6.67
Total	**175.06**	**81.86**

Movement of provisions other than employee benefit during the year **(Rs. in millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Provision at beginning of the year	**6.67**	**7.55**
Arising during the year	33.44	0.25
Utilized during the year	(4.63)	(1.13)
Provision at end of the year	**35.48**	**6.67**

25: Other Non-financial liabilities **(Rs. in millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	60.53	41.02
Insurance premium payable	5.67	2.15
Other non financial liabilities	15.49	16.12
Total	**81.69**	**59.29**

VARMA & VARMA CHARTERED ACCOUNTANTS CHENNAI

BELSTAR MICROFINANCE LIMITED CHENNAI 600083

BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

26: Equity share capital **(Rs. in millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised:		
100,000,000 (PY 100,000,000) Equity Shares of Rs.10/- each	1,000.00	1,000.00
Issued, subscribed and fully paid up		
54,844,055 (FY 2023 - 48,844,055) Equity Shares of Rs.10/- each	548.44	488.44
Total Equity	**548.44**	**488.44**

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024	As at March 31, 2023
No. of Shares		
Shares at beginning of the year	**48.84**	**45.61**
Issued during the year *	6.00	3.23
Shares at end of the year	**54.84**	**48.84**
Amount		
Shares at beginning of the year	**488.44**	**456.09**
Issued during the year *	60.00	32.35
Shares at end of the year	**548.44**	**488.44**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

***Issue of Shares**

During the current year

Pursuant to the resolution passed in meeting held on March 20, 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.

During the previous year

Pursuant to the approval the shareholders of the company at the Extra ordinary meeting held at May 31,2022 for issue of Equity shares on a preferential basis through private placement, the Board at its meeting held on June 29,2022 approved the allotment of 32,35,295 nos. of Equity shares of face value Rs. 10/- each at a price of Rs. 340/- each (including a Premium of Rs. 330/- per share)

Details of Equity shareholder holding more than 5% shares in the company

Particulars	As at March 31, 2024	As at March 31, 2023
No. of Shares		
Muthoot Finance Limited (Holding Company)	35.03	27.83
Arum Holdings Limited (Group entity of Affirma Capital)	7.65	7.65
Sarvam Financial Inclusion Trust, Kancheepuram	4.94	5.99
Maj Invest Financial Inclusion Fund II K/S	4.79	4.79
Holding %		
Muthoot Finance Limited (Holding Company)	63.86	56.97
Arum Holdings Limited (Group entity of Affirma Capital)	13.94	15.66
Sarvam Financial Inclusion Trust.	9.00	12.26
Maj Invest Financial Inclusion Fund II K/S	8.74	9.81

VARMA & VARMA CHARTERED ACCOUNTANTS CHENNAI

BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

BELSTAR MICROFINANCE LIMITED

Shareholding of Promoters

Shares held by promoters as at March 31, 2024 *			% Change During the year
Promoter Name	**No. of Shares**	**%of total shares**	
Muthoot Finance Limited	35,025,405	63.86	25.88
Sarvam Financial Inclusion Trust	4,938,324	9.00	-17.52
Dr Kalpana Sankar	8,966	0.02	-79.55

*The Board of Directors in the meeting held on April 26, 2024 has taken on record that the above list of individuals/ entities shall be indentified as "Promoters" of the Company for all purposes (regulatory, statutory or otherwise) and under all applicable laws.

Shares held by promoters as at March 31, 2023 **			% Change During the year
Promoter Name	**No. of Shares**	**%of total shares**	
Sarvam Financial Inclusion Trust	5,987,161	12.26	-2.40
Hand In Hand Consulting Services Private Limited	341,237	0.70	0.00
Dr Kalpana Sankar	43,850	0.09	0.00
Mr. C V Sankar	100	0.00	0.00
Ms D Bindu	100	0.00	0.00

**As disclosed in the Annual Return filed by the Company with the RoC for the year ended March 31, 2023

27: Other equity **(Rs. in millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory reserve (Pursuant to section 45-IC of the Reserve Bank of India Act, 1934)	1,586.51	906.80
Securities Premium Account	9,014.60	6,074.60
Capital Redemption Reserve(CRR)	500.00	500.00
General Reserve *	2,000.01	0.01
Remeasurement gain/ (loss) of defined benefit plans-OCI	(24.02)	(13.10)
Surplus in Statement of Profit and Loss	3,662.60	2,973.07
Change in value of forward contract-OCI	-	(6.66)
Effective portion of gain / (Loss) on Hedging Instruments in Cash Flow Hedges-OCI	-	(0.17)
Total	**16,739.70**	**10,434.55**

For detailed movement of reserves refer Statement of Changes in equity.

* Pursuant to the resolution passed in the meeting of the Board of Directors held on May 09, 2024, an amount of Rs.2000 Million has been transferred to General Reserve

VARMA & VARMA CHARTERED ACCOUNTANTS CHENNAI

BELSTAR MICROFINANCE LIMITED CHENNAI

BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

28: Nature and purpose of reserve

Securities Premium Reserve: Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares, buy back of its own shares and securities in accordance with the provisions of the Companies Act, 2013.

Retained earnings: This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

Statutory reserve: Statutory Reserve represents the accumulation of amount transferred from the surplus based on a fixed percentage of profit for the year as per Section 45-IC of the Reserve Bank of India Act, 1934

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

Other comprehensive income reserve:

i. Fair valuation of loans through other comprehensive income (FVTOCI)

The Company recognises changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. These changes are accumulated in OCI reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the statement of profit and loss.

ii. Effective portion of cash flow hedge

Effective portion of cash flow hedges represents the cumulative gains/(losses) arising on changes in fair value of the derivative instruments designated as cash flow hedges through OCI. The amount recognized as effective portion of Cash flow hedge is reclassified to profit or loss when the hedged item affects profit or loss.

iii. Change in value of Forward Contract

The company designates the spot element of foreign currency forward contracts as hedging instruments. The changes in the fair value of forward element of the forward contract on reporting date is deferred and retained in the cost of hedging reserve

29: Dividend paid and proposed **(Rs. in millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Final dividend for previous fiscal year	29.31	13.67
Interim dividend for current fiscal year	-	-

Particulars	As at March 31, 2024	As at March 31, 2023
Final Dividend / Equity Share (for previous fiscal year)	0.60	0.30

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 ensuring Annual General Meeting.

VARMA & VARMA CHARTERED ACCOUNTANTS CHENNAI

BELSTAR MICROFINANCE LIMITED CHENNAI 600083

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Notes forming part of the Ind AS Financial Statements

30: Interest income **(Rs. in millions)**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
On Financial Assets measured at Amortised Cost		
Interest income on loan	16,319.98	8,531.05
Interest income from fixed deposits	297.90	286.68
Sub Total	**16,617.88**	**8,817.73**
On Financial Assets measured at fair value through OCI		
Interest income on loan	-	-
Sub Total	**-**	**-**
Interest Income		
Interest income on loan	16,319.98	8,531.05
Interest income from fixed deposits	297.90	286.68
Total	**16,617.88**	**8,817.73**

31: Fee and commission income **(Rs. in millions)**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Commission fees	5.04	64.29
Sale of services	**5.04**	**64.29**
Timing of revenue recognition		
Fee income that are recognised over a certain period of time	-	-
Fee income that are recognised at point in time	5.04	64.29
Sale of services	**5.04**	**64.29**
Geographical markets		
India	5.04	64.29
Outside India	-	-
Total	**5.04**	**64.29**

32: Net gain (Loss) on fair value changes on investments

32 A: Net gain on fair value changes on investments **(Rs. in millions)**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Net gain on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	53.56	27.47
- Derivatives	-	-
- Others	-	-
Total Net gain on fair value changes	**53.56**	**27.47**
Fair Value changes:		
- Realised	53.56	27.47
- Unrealised	-	-
Total Net gain on fair value changes	**53.56**	**27.47**

32 B: Net loss on fair value changes on investments **(Rs. in millions)**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Net loss on financial instruments at fair value through profit or loss		
On financial instruments designated at fair value through profit or loss (Refer Note 9.1)	279.65	193.06
Total Net loss on fair value changes	**279.65**	**193.06**
Fair Value changes:		
- Realised	-	-
- Unrealised	279.65	193.06
Total Net loss on fair value changes	**279.65**	**193.06**

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BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

33: Net gain on de-recognition of financial instruments under amortised cost category **(Rs. in millions)**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Net Gain on sale of loan portfolio through assignment transactions	1,650.27	1,403.12
Total	**1,650.27**	**1,403.12**

34: Other Income **(Rs. in millions)**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Bad debt recovery	156.12	65.93
Other income	30.97	0.61
Total	**187.09**	**66.54**

35: Finance Costs **(Rs. in millions)**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
On Financial liabilities measured at Amortised Cost		
Interest on debt securities	705.89	450.76
Interest on borrowings	4,751.15	2,948.99
Interest on subordinate liabilities	366.50	233.31
Interest on Lease liability	8.59	11.02
Other charges	8.35	10.36
Total	**5,840.48**	**3,654.44**

36: Fee and commission expense **(Rs. in millions)**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Fee and commission expense	309.81	263.79
Total	**309.81**	**263.79**

37: Impairment of financial instruments **(Rs. in millions)**

The below table shows impairment loss on financial instruments charged to statement of profit and loss based on category of financial instrument:

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
On Financial instruments measured at Amortised Cost		
Loans	3,155.55	1,438.90
Excess Interest Spread receivable on assignment transaction	15.34	7.77
Other Assets	28.81	(0.88)
Sub Total	**3,199.70**	**1,445.79**
On Financial instruments measured at fair value through OCI		
Loans	-	-
Sub Total	**-**	**-**
Impairment on Financial Instruments		
Loans	**3,155.55**	**1,438.90**
Excess Interest Spread receivable on assignment transaction	**15.34**	**7.77**
Other Assets	28.81	(0.88)
Total	**3,199.70**	**1,445.79**

38: Employee Benefit Expenses **(Rs. in millions)**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Salaries and Wages	2,922.06	1,964.58
Contributions to Provident and Other Funds	229.56	168.23
Staff Welfare Expenses	30.72	22.97
Total	**3,182.34**	**2,155.78**

VARMA & VARMA CHENNAI CHARTERED ACCOUNTANTS

BELSTAR MICROFINANCE LIMITED CHENNAI

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Notes forming part of the Ind AS Financial Statements

39: Depreciation, amortization and impairment **(Rs. in millions)**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Depreciation of Property, Plant and Equipment	57.89	54.41
Amortization of Intangible Assets	7.02	7.89
Amortisation of Right to use Asset	53.19	56.09
Total	**118.10**	**118.39**

40: Other Expenses **(Rs. in millions)**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Rent	84.55	32.11
Electricity Charges	17.49	12.02
Business Promotion Expenses	21.91	11.88
Bank charges	89.52	50.91
Repairs to Buildings	34.39	26.67
Repairs to Machinery	130.56	67.02
Communication expense	63.67	46.93
Postage and courier	4.20	3.97
Printing and Stationery	84.48	32.79
Rates & Taxes	1.40	5.92
Legal & Professional Charges	141.77	105.85
Travelling and Conveyance	277.11	292.23
Insurance	62.31	41.72
Payments to Auditor	2.90	2.97
Membership and subscription	8.35	7.69
Directors' Sitting Fee	9.92	8.21
Credit Bureau expenses	40.81	22.14
Cloud charges	36.42	50.83
Loss on Sale of Fixed Assets	1.11	-
CSR Expenses	19.15	16.43
Loss on account of theft	0.54	0.39
Other expenses	32.72	16.15
Total	**1,165.28**	**854.83**

Break up of payment to auditors **(Rs. in millions)**

Particulars	For the Year ended March 31, 2024 *	For the Year ended March 31, 2023
As auditor:		
Statutory audit	1.64	1.66
Tax audit	0.33	0.28
Limited review	0.79	0.87
Certification fees	0.14	0.16
	2.90	**2.97**

* Excludes payment amounting to Rs.0.70 Million for services in relation to the proposed IPO which has been included in Other Advances (Note 17)

Details of CSR expenditure: **(Rs. in millions)**

Particulars	For the Year ended March 31, 2024 *	For the Year ended March 31, 2023
a) Amount required to be spent by the company during the year	18.83	16.43
b) Total of previous years shortfall *		-
c) Amount spent during the period (including towards previous year's shortfall)	19.15	16.43
- Construction/acquisition of any asset - In cash		-
- on purpose other than above	19.15	16.43
d) Shortfall at the end of the year	NA	-
e) Reason for Shortfall		
f) Nature of CSR Activities		
- Fostering Women Empowerment Processes through Capacity Building of SHGs and JLGs towards Social & Economic Transformation - Transforming 1200 non-power based Enterprises into power based Enterprises. - Providing Quality Health Services for the under privileged through Health Help Desk and Battery-operated Car services at Chengalpattu Medical College & Hospital – Chengalpattu District, Tamil Nadu - Provided flood relief support to the affected families in the operating area of Tuticorin District		

Notes

For details of Related party transactions in relation to CSR - Refer Note No. 48

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Notes forming part of the Ind AS Financial Statements

41: Income Tax **(Rs. in millions)**

The components of income tax expense

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Current tax	1,458.06	48.16
Deferred tax relating to origination and reversal of temporary differences	(420.92)	351.25
Earlier years adjustments	(17.21)	(9.59)
Income tax expense reported in Statement of profit and loss	**1,019.93**	**389.82**
Deferred tax related to items recognised in OCI		
Tax asset / (liability) due to Fair value impact on financial instruments measured at FVOCI	-	-
Tax asset / (liability) due to Effective portion of gain on Hedging Instruments in Cash Flow Hedges	(0.06)	0.06
Tax asset / (liability) on remeasurements of defined benefit plans	3.67	1.95
Tax asset / (liability) due to Change in value of forward contract	(2.24)	2.23
Income tax charged to OCI	**1.37**	**4.24**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate is as follows:

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Tax rate as per IT Act, 1961	**25.168%**	**25.168%**
Accounting profit before tax	4,418.47	1,693.07
At India's statutory income tax rate of 25.168%	1,112.04	426.11
Effect of expenses that are not deductible in determining taxable profit	4.82	5.55
Deductions under Chapter VIA	(77.58)	(42.78)
Others (includes effects of taxes relating to earlier years)	(19.35)	0.94
Income tax expense reported in the statement of profit or loss	**1,019.93**	**389.82**

The effective income tax rate for the year ended March 31, 2024 is 23.08% and year ended March 31, 2023 is 23.02%

Net Current tax Assets / Liabilities **(Rs. in millions)**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Current tax Asset	508.31	362.15
Current tax Liabilities	-	-
Current tax Asset / (Liabilities) (Net)	508.31	362.15

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BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

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Notes forming part of the Ind AS Financial Statements
42: Deferred tax

The following table shows deferred tax recorded in the balance sheet

(Rs. in millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Assets		
a) Depreciation	25.71	20.08
b) Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis - Net of OCI Adiustments	3.24	1.01
c) Impairment allowance for financial assets	643.24	290.61
d) Debt financial asset measured at amortised cost	246.90	134.96
e) Right-of-use asset	2.78	2.81
Sub Total	**921.87**	**449.47**
Deferred Tax Liabilities		
a) Financial liability measured at amortised cost (Borrowings)	63.63	35.37
b) Impact due to gain/loss on fair value of assignment transactions	268.35	248.81
c) Impact due to gain/loss on fair value of FVOCI loans / Forwards	-	(2.24)
d) Cash Flow Hedge Reserve	-	(0.06)
Sub Total	**331.98**	**281.88**
Total - Net	**589.89**	**167.59**

The following table shows deferred tax recorded in the Income tax expense:

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
In Profit and Loss		
a) Depreciation	(5.63)	(3.46)
b) Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis	1.44	14.53
c) Impairment allowance for financial assets	(352.62)	251.45
d) Debt financial asset measured at amortised cost	(111.94)	(64.84)
e) Right-of-use asset	0.03	0.08
f) Financial liability measured at amortised cost (Borrowings)	28.26	14.61
g) Impact due to gain/loss on fair value of assignment transactions	19.54	138.88
Sub Total	**(420.92)**	**351.25**
In Other Comprehensive Income		
a) Impact due to remeasurement of defined benefit plans.	(3.67)	(1.95)
b) Impact due to gain/loss on fair value of FVOCI loans / Forwards	2.24	(2.23)
c) Cash Flow Hedge Reserve	0.06	(0.06)
Sub Total	**(1.37)**	**(4.24)**
Total	**(422.29)**	**347.01**

43 Earnings per share

(Rs. in millions)

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Net profit attributable to ordinary equity holders	3,398.54	1,303.25
Weighted average number of ordinary shares for basic earnings per share	49.04	48.05
Effect of dilution:	-	-
Weighted average number of ordinary shares adjusted for effect of dilution	49.04	48.05
Earnings per equity share (Face Value - Rs 10 per share)		
Basic earnings per share (Rs.)	**69.30**	**27.12**
Diluted earnings per share (Rs.)	**69.30**	**27.12**

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BELSTAR MICROFINANCE LIMITED CHENNAI

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Notes forming part of the Ind AS Financial Statements

44: Retirement Benefit Plan

Defined Contribution Plan

The company makes contributions to Provident and Pension fund which are defined contribution plan for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The Company recognised following contribution to Provident Fund and Employee State Insurance scheme in the statement of profit and Loss

(Rs. in millions)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Contribution to provident and pension fund	154.88	115.66
Contribution to Employees State Insurance	38.16	26.81
Total	**193.04**	**142.47**

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

(Rs. in millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Current service cost	20.40	15.14
Interest cost on benefit obligation	0.83	0.27
Past Service Cost	-	-
Total	**21.23**	**15.41**

Balance Sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

(Rs. in millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation	119.97	84.83
Fair value of plan assets	111.72	73.63
Asset/(liability) recognized in the balance sheet	(8.25)	(11.20)
Experience adjustments on plan liabilities (Gain) / Loss	-	-
Experience adjustments on plan assets Gain / (Loss)	-	-

Changes in the present value of the defined benefit obligation are as follows:

(Rs. in millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	84.83	63.65
Interest cost	6.19	3.94
Current service cost	20.40	15.14
Benefits paid	(6.76)	(5.96)
Past Service Cost	-	-
Actuarial loss / (gain) on obligation	15.31	8.06
Closing defined benefit obligation	**119.97**	**84.83**

Changes in the fair value of plan assets are as follows:

(Rs. in millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening fair value of plan assets	73.63	59.31
Expected return	5.37	3.67
Contributions by employer	38.75	16.29
Benefits paid	(6.76)	(5.96)
Actuarial gains / (losses) on assets	0.73	0.32
Closing fair value of plan assets	**111.72**	**73.63**

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The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

(Rs. in millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.18%	7.30%
Rate of increase in compensation levels	10%	10%
Attrition rate	33%	32%
Expected rate of return on assets	7.30%	6.19%

The plan assets of the Company relating to Gratuity are managed through a trust are invested through Life Insurance Corporation (LIC) and Kotak Insurance (Kotak). The details of investments relating to these assets are not shown by LIC and Kotak. Hence, the composition of each major category of plan assets, the percentage or amount that each major category constitutes to the fair value of the total plan assets has not been disclosed.

Particulars	As at March 31, 2024	As at March 31, 2023
Funded with LIC	73.28%	62.68%
Funded with Kotal Life Insurance	26.72%	
Funded with HDFC Life Insurance (formerly Exide)		37.32%

Sensitivity Level -Impact on defined benefit obligation

(Rs. in millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate Impact		
0.5% increase	-1.46	-1.07
0.5% decrease	1.50	1.10
Future salary impact		
1% increase	2.91	2.14
1% decrease	-2.80	-2.06

(Rs. in millions)

Expected benefit payment for future years	As at March 31, 2024	As at March 31, 2023
Within the next 12 months (next annual reporting period)	30.74	20.78
Between 1 and 5 years	76.33	54.30
Between 5 and 10 years	40.09	30.24
Total expected payments	**147.16**	**105.32**

The weighted average duration of the defined benefit obligation as at March 31, 2024 is 5 years approximately, as at March 2023 is 5 years approximately.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

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Notes forming part of the Ind AS Financial Statements

45: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. For loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

(Rs. in millions)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	6,943.00	-	6,943.00	12,812.45	-	12,812.45
Bank Balance other than above	128.17	266.78	394.95	142.45	306.35	448.80
Derivative financial instruments	-	-	-	-	-	-
Trade receivables	12.59	-	12.59	7.61	-	7.61
Loans	51,245.24	32,029.68	83,274.92	27,833.78	18,441.58	46,275.36
Investments	-	-	-	-	528.64	528.64
Other financial assets	1,340.77	101.82	1,442.59	1,208.55	110.01	1,318.56
Non-financial Assets						
Current tax asset (net)	508.31	-	508.31	-	362.15	362.15
Deferred tax assets (net)	589.89	-	589.89	-	167.59	167.59
Investment property	-	1.10	1.10	-	1.10	1.10
Property, plant and equipment	-	49.58	49.58	-	53.60	53.60
Right of use assets	41.18	18.21	59.39	50.47	46.65	97.12
Other intangible assets	-	7.39	7.39	-	8.39	8.39
Other non financial assets	223.02	84.40	307.42	100.57	87.07	187.64
Total assets	**61,032.16**	**32,558.97**	**93,591.13**	**42,155.88**	**20,113.13**	**62,269.01**
Liabilities						
Financial Liabilities						
Derivative financial instruments	-	-	-	29.32	-	29.32
Trade Payables	34.78	-	34.78	31.75	-	31.75
Debt Securities	4,068.49	3,345.10	7,413.59	3,226.05	2,989.66	6,215.71
Borrowings (other than debt security)	36,770.10	25,745.75	62,515.85	22,621.85	17,777.79	40,399.64
Subordinated Liabilities	-	2,806.78	2,806.78	317.10	1,332.41	1,649.51
Lease liabilities	44.20	20.84	65.04	53.19	52.67	105.86
Other Financial liabilities	3,177.56	32.64	3,210.20	2,763.48	9.60	2,773.08
Non-financial Liabilities						
Provisions	175.06	-	175.06	81.86	-	81.86
Other non-financial liabilities	81.69	(0.00)	81.69	59.29	-	59.29
Total Liabilities	**44,351.88**	**31,951.11**	**76,302.99**	**29,183.89**	**22,162.13**	**51,346.02**
Net			**17,288.14**			**10,922.99**





BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

46: Change in liabilities arising from financing activities **(Rs. in millions)**

Particulars	As at April 01, 2023	Cash Flows	Others*	As at March 31, 2024
Debt Securities	6,215.71	1,207.50	(9.63)	7,413.59
Borrowings other than debt securities	40,399.64	22,184.87	(68.66)	62,515.85
Subordinated Liabilities	1,649.51	1,180.00	(22.73)	2,806.78
Lease Liabilities	105.86	(55.00)	14.18	65.04
Total liabilities from financing activities	**48,370.72**	**24,517.37**	**(86.84)**	**72,801.25**

Particulars	As at April 01, 2022	Cash Flows	Others*	As at March 31, 2023
Debt Securities	3,807.89	2,423.20	(15.38)	6,215.71
Borrowings other than debt securities	30,118.88	10,340.58	(59.82)	40,399.64
Subordinated Liabilities	1,643.59	0.01	5.91	1,649.51
Lease Liabilities	106.39	(55.45)	54.92	105.86
Total liabilities from financing activities	**35,676.75**	**12,708.34**	**(14.37)**	**48,370.72**

* includes EIR adjustments and impact of fresh lease arrangements / lease termination.

47: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities **(Rs. in millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
In respect of income tax demand where the Company has filed appeal before tax authorities		
Income tax (AY 2017-18)	73.15	73.15
Income tax (AY 2018-19)	32.96	32.96
Income tax (AY 2020-21)	2.50	2.50
Income tax (AY 2022-23)	0.35	
Total	**108.96**	**108.61**

For the Assessment year 2017-18, the disputed income tax demand is on account of cash deposited during demonetization period which has been added by the department to income from other sources. However, the company has paid 20% of the disputed demand under protest amounting to 14.63 million. The company has filed an appeal before the "The Commissioner of Income tax (Appeals), which is pending

For the Assessment year 2018-19, the disputed income tax demand is on account of disallowances and additions of certain items to the income. However, the company has paid 20% of the disputed demand under protest amounting to 6.59 million. The company has filed an appeal before the "The Commissioner of Income tax (Appeals), which is pending

For the Assessment year 2020-21, the disputed income tax demand is on account of disallowances of certain items. The company has filed an appeal before the Commissioner of Income Tax (Appeals), which is pending

For the Assessment year 2022-23, the disputed income tax demand is on account of disallowances of certain items. The company has filed an appeal before the Commissioner of Income Tax (Appeals), which is pending.

Future cashflows in respect of the above four demands are determinable only on receipt of judgement / decisions pending with tax authorities. The company is of the opinion that the above demands are not sustainable and expects to succeed in its appeal. The management believes that the ultimate outcome of the proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(B) Lease Disclosures

Carrying value of right of use assets at the end of the reporting period by class.

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	**97.12**	**97.29**
Addition during the year	15.46	55.92
Depreciation charge for the year	(53.19)	(56.09)
Balance at end of the year	**59.39**	**97.12**

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Amounts recognised in statement of profit and loss (Rs. in millions)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest on lease liabilities	8.59	11.02
Depreciation charged on right-of-use assets	53.19	56.09
Expenses relating to short-term leases of premises	70.21	30.47
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	14.34	1.64
Total	**146.33**	**99.22**

Amounts recognised in the Cash Flow Statement (Rs. in millions)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest paid on Lease liabilities	8.59	11.02
Payment towards Lease liabilities	55.00	55.45
Total cash outflow for leases	**63.59**	**66.47**

Movement in Lease Labilities (Rs. in millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	**105.86**	**106.39**
Net Addition during the year	5.59	43.90
Interest on Lease Liabilities	8.59	11.02
Payment of Lease Liabilities	(55.00)	(55.45)
Balance at end of the year	**65.04**	**105.86**

Maturity analysis of lease liabilities (Rs. in millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	44.20	53.19
One to five years	20.84	52.67
More than five years	-	-
Total cash outflow for leases	**65.04**	**105.86**

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For the lease of premises, the following factors are normally the most relevant:

(a) If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend and not terminate).

(b) If any lease hold improvements are expected to have a significant remaining value the Company is typically reasonably certain to extend (or not terminate).

(c) Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise it). The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. During the current financial year, there was no revision in the lease terms.

Extension and termination options

Extension and termination options are included in a number of property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations.

(C) Capital Commitments

(Rs. in millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on Capital account and not provided	1.32	-
Total cash outflow for leases	**1.32**	**-**

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48. Related Party Transactions for the year ended March 31, 2024

Key Management Personnel	1. Dr. (Mrs.) Kalpanaa Sankar (Managing Director) 2. Mr. K.B Balakumaran (Executive Director) 3. Mr. George Alexander (Non-Executive Director) 4. Mr. George Muthoot Jacob (Non-Executive Director) 5. Mr. Kuttickattu Rajappan Bijimon (Non-Executive Director) 6. Mr. David Arturo Paradiso (Non-Executive Director) upto May 09, 2023 7. Mr. Vijay Nallan Chakravarthi (Non-Executive Director) 8. Mr. Subramanian Ananthanarayanan (Independent Director) upto Dec 19, 2023 9. Mr. Vadakkakara Antony George (Independent Director) 10. Mr. Venkataraman Krishnamoorthy (Independent Director) 11. Mr. Chinnasamy Ganesan (Independent Director) 12. Mr. Mr. Siva Chidambaram Vadivel Alagan (Non-Executive Director) w.e.f May 09, 2023 13. Mrs. Rajeswari Karthigeyan (Independent Director) w.e.f Dec 19, 2023 14. Mr. L. Muralidharan (Chief Financial Officer) 15. Mr. Sunil Kumar Sahu (Company Secretary)
Enterprises owned or significantly influenced by key management personnel or their relatives	1. Hand in Hand Consulting Services Private Ltd 2. Hand in Hand India 3. Hand in Hand Academy for Social Entrepreneurship 4. Muthoot Securities Limited 5. Muthoot Marketing Services Private Limited. 6. Muthoot Vehicle and Asset Finance Limited 7. Sarvam Financial Inclusion Trust
Holding Company	Muthoot Finance Limited
Fellow Subsidiary	Muthoot Insurance Brokers Private Limited
Entities holding substantial interest in the Company	1. Maj Invest Financial Inclusion Fund II K/S 2. Arum Holdings limited (Part of Affirma Capital) 3. Augusta investments zero Private Limited (Part of Affirma Capital) w.e.f June 29, 2022
Relatives of Key Management Personnel of the company or the Holding company	1. Mrs. Anna alexander w.e.f March 31, 2023 2. Mr. George M George 3. Mr. George Alexander 4. Mrs. Sara George 5. Mr. George Jacob 6. Mr. George Thomas 7. Mrs. Susan Thomas w.e.f March 31, 2023 8. Mrs. Elizabeth Jacob w.e.f March 31, 2023 9. Mr. Alexander George 10. Mr. CV Sankar 11. Mrs. Bindu Dandapani

S. No	Name of the counterparty	Type of related party transaction	Value of transaction	
			Year ended March 31, 2024	Year ended March 31, 2023
1	Muthoot Finance Limited	Referral Fees	4.11	-
		Issue of Equity Shares	3,000.00	-
		Dividend Payment	16.70	8.30
2	Muthoot Insurance Brokers Private Limited	Loan Repaid	4.85	18.06
		Interest on Loan	0.11	1.75
		NCD Repaid	70.00	-
		Interest Payment - NCDs	2.81	8.40
3	Muthoot Securities Limited	Processing Fees on NCD	11.40	-
		NCD Receipt	333.00	-
		NCD Repaid	1.00	27.14
		Interest Payment - NCDs	36.88	29.08
		Marketing Commission	-	28.64
		Other Services	20.04	-
4	Muthoot Marketing Services Private Limited	NCD Repaid	-	24.86
		Interest Payment - NCDs	-	0.99
5	Hand in Hand Academy for Social Entrepreneurship	Consultancy Services fees paid	37.82	29.37
		Rent Paid	0.09	-
6	Hand in Hand Consulting Services Private Limited	Dividend Payment	0.20	0.10
7	Hand in Hand India	CSR expenses paid	18.00	16.43
8	Muthoot Vehicle and Asset Finance Limited	Loan Repaid	35.00	35.00
		Interest on Loan	1.57	4.82
9	Sarvam Financial Inclusion Trust	Dividend Payment	3.59	1.84
10	Maj Invest Financial Inclusion Fund II K/S	Dividend Payment	2.88	1.44
11	Arum Holdings limited	Issue of Equity Shares	-	350.00
		Dividend Payment	4.59	1.99
12	Augusta investments zero PTE Limited	Issue of Equity Shares	-	750.00
		Dividend Payment	1.32	-
13	Dr. (Mrs.) Kalpanaa Sankar (Managing Director)	Short term employee benefit	24.25	14.73
		Dividend Payment	0.03	0.01
14	Mr. K.B Balakumaran (Executive Director)	Short term employee benefit	4.15	3.28

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S. No	Name of the counterparty	Type of related party transaction	Value of transaction	
			Year ended March 31, 2024	Year ended March 31, 2023
15	Mr. L. Muralidharan (Chief Financial Officer)	Short term employee benefit	8.47	7.39
16	Mr. Sunil Kumar Sahu (Company Secretary)	Short term employee benefit	2.66	2.00
17	Mr. George Alexander (Non-Executive Director)	Sitting fee	0.70	0.71
18	Mr. George Muthoot Jacob (Non-Executive Director)	Sitting fee	0.95	0.69
19	Mr. Kuttickattu Rajappan Bijimon (Non-Executive Director)	Sitting fee	1.30	0.98
20	Mr.Vijay Nallan Chakravarthi (Non-Executive Director)	Sitting fee	1.05	0.66
21	Mr. Subramanian Ananthanarayanan (Independent Director)	Sitting fee	0.95	1.18
22	Mr. Vadakkakara Antony George (Independent Director)	Sitting fee	1.10	1.10
23	Mr. Venkataraman Krishnamoorthy (Independent Director)	Sitting fee	1.40	1.17
24	Mr. Chinnasamy Ganesan (Independent Director)	Sitting fee	1.45	1.04
25	Mrs. Rajeswari Karthigeyan (Independent Director)	Sitting fee	0.20	-
26	Mr. George Alexander	NCD Receipt	100.00	-
		NCD Repaid	36.16	-
		Interest Payment - NCDs	27.01	11.60
27	Mr. George Jacob	NCD Receipt	100.00	-
		NCD Repaid	36.29	-
		Interest Payment - NCDs	27.03	11.60
28	Mr. George Thomas	NCD Receipt	217.00	-
		NCD Repaid	36.30	-
		Interest Payment - NCDs	27.04	11.60
29	Mr. George m george	NCD Receipt	75.00	-
		NCD Repaid	47.25	-
		Interest Payment - NCDs	12.77	-
30	Mr. Alexander George	NCD Receipt	75.00	-
		NCD Repaid	6.25	-
		Interest Payment - NCDs	5.50	-
31	Mrs. Sara george	NCD Repaid	84.00	-
		Interest Payment - NCDs	14.89	-
32	Mrs. Anna alexander	NCD Repaid	125.00	-
		Interest Payment - NCDs	22.15	-
33	Mrs. Elizabeth Jacob	NCD Repaid	125.00	-
		Interest Payment - NCDs	22.15	-
34	Mrs. Susan Thomas	NCD Repaid	125.00	-
		Interest Payment - NCDs	22.15	-
35	Mr. CV Sankar	Dividend Payment	0.00	0.00
36	Mrs. Bindu Dandapani	Dividend Payment	0.00	0.00
	TOTAL		**5,023.56**	**1,407.95**

S. No	Name of the counterparty	Type of related party transaction	As of March 31, 2024	As of March 31, 2023
	Receivables			
1	Muthoot Finance Limited	Referral Fees	2.13	-
2	Muthoot Securities Limited	Marketing Commission		0.70
3	Muthoot Securities Limited	Other Services	9.05	-
	Payables			
1	Muthoot Insurance Brokers Private Limited	Loan Outstanding	-	4.85
		NCD Outstanding	-	70.00
2	Muthoot Securities Limited	NCD Outstanding	300.00	201.00
3	Muthoot Vehicle and Asset Finance Limited	Loan Outstanding	-	35.00
4	Hand in Hand Academy for Social Entrepreneurship	Rent Payable	0.04	-
5	Mr. George Alexander	NCD Outstanding	309.98	80.00
6	Mr. George Jacob	NCD Outstanding	309.98	80.00
7	Mr. George Thomas	NCD Outstanding	310.05	80.00
8	Mrs. Sara George	NCD Outstanding	-	84.00
9	Mrs. Anna alexander	NCD Outstanding	-	125.00
10	Mr. George M George	NCD Outstanding	68.75	41.00
11	Mr. Alexander George	NCD Outstanding	68.75	-
12	Mrs. Susan Thomas	NCD Outstanding	-	125.00
13	Mrs. Elizabeth Jacob	NCD Outstanding	-	125.00

Note: The remuneration to the Key managerial personnel does not include the provisions made for gratuity, as they are determined on an actuarial basis for the company as a whole.

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49: Capital

Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

RBI has issued guidance on implementation of Indian Accounting Standards vide RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. The Regulatory capital has been computed as per above mentioned RBI notification.

(Rs. in millions)

Regulatory capital	**As at March 31, 2024**	**As at March 31, 2023**
Common Equity Tier1 capital	15,436.28	9,620.89
Other Tier 2 capital instruments	2,478.19	791.09
Total capital	**17,914.47**	**10,411.98**
Risk weighted assets	**86,797.91**	**47,388.15**
Tier I CRAR	17.78%	20.30%
Tier II CRAR	2.86%	1.67%
Total capital ratio	20.64%	21.97%

50: Events after reporting date

Subsequent to the year end, the Company has filed the Draft Red Herring Prospectus dated May 3, 2024 with the Securities and Exchange Board of India, in connection with the proposed initial public offering of its equity shares comprising of a fresh Issue of equity shares by the Company aggregating up to ₹ 10,000 million and an offer for sale of equity shares by the selling shareholders aggregating up to ₹ 3,000 million.

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51: Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as detailed below

Level 1: Quoted prices (unadjusted) for identical instruments in an active market
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

I. The following table shows an analysis of financial instruments recorded at fair value (Rs. in millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Assets measured at fair value on a recurring basis		
Financial assets at FVTPL		
Investments		
Level 1	-	-
Level 2	-	-
Level 3	-	528.64
Financial Liabilities at FVOCI		
Derivative Financial Instruments		
Level 1	-	-
Level 2	-	29.32
Level 3	-	-

Fair value technique

Investments in Security receipts (SRs) are classified as Financial Assets measured at FVTPL as stated in Note No. 10 Accordingly, the fair valuation technique in this regard is classified under Level 3. The methodology for arriving at the Net Asset Value (NAV) of SR's disclosed in Note No 9.1 is based on evaluating the recovery prospects of the assets in the trust. The relevant inputs used in this regard are the historical recovery data and the associated expected timelines for recovery. Since, as a matter of prudence, the company continues to consider the impact of notional provisioning rate had these loans continued in the books of the Company in determining the fair value of SR's as at March 31, 2024, in addition to the NAV impact as disclosed in Note No 9.1, the disclosure of the sensitivity of the fair value measurement to changes in unobservable inputs is not considered relevant.
For Derivative Financial Instruments (asset /liabilities) at FVOCI, valuation is done using closing rate determined by the bank and is classified as Level 2

II. *The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets measured at fair value:*

(Rs. in millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets at FVTPL		
Investments		
Fair value at beginning of the year	528.64	-
Purchase/ (Redemption)	-248.99	721.70
Transfers into Level 3	-	-
Transfers from Level 3	-	-
Net Fair Value Change (Refer Note 32 B)	-279.65	-193.06
Other Comprehensive Income	-	-
Fair value at end of the year	-	**528.64**

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

(Rs. in millions)

Particulars	Note	Level	As at March 31, 2024		As at March 31, 2023	
			Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets not measured at fair value						
Cash and cash equivalents	6	1	6,943.00	6,943.00	12,812.45	12,812.45
Bank Balance other than above	7	1	394.95	394.95	448.80	448.80
Trade receivables	8	3	12.59	12.59	7.61	7.61
Loans	9	3	83,274.92	83,274.92	46,275.36	46,275.36
Other Financial assets	11	3	1,442.59	1,442.59	1,318.56	1,318.56
Total financial assets			**92,068.05**	**92,068.05**	**60,862.78**	**60,862.78**
Financial Liabilities not measured at fair value						
Trade Payables	19	3	34.78	34.78	31.75	31.75
Debt Securities	20	1/3	7,413.59	7,818.25	6,215.71	6,340.37
Borrowings (other than debt securities)	21	3	62,515.85	62,515.85	40,399.64	40,399.64
Subordinated Liabilities	22	3	2,806.78	2,806.78	1,649.51	1,649.51
Lease liabilities	47 B	3	65.04	65.04	105.86	105.86
Other Financial liabilities	23	3	3,210.20	3,210.20	2,773.08	2,773.08
Financial Liabilities			**76,046.23**	**76,450.89**	**51,175.55**	**51,300.21**

There have been no transfers between the level 1 and level 2
The Management has assessed that the fair value of loans, cash and cash equivalents, bank balances, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's borrowings have been contracted at market rates of interest. Accordingly, the carrying value of these approximates fair value.

The figures disclosed above in respect of debt securities, borrowings and subordinated liabilities does not include interest accrued but not due on the same, which has been grouped under other Financial liabilities

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52: Risk Management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Board of Directors of the Company are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Company has a risk management policy which covers all the risk associated with its assets and liabilities.

The Company has implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company's treasury department is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

52.1. Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances and trade receivables. For a micro finance institution, this assumes more significance since the lending that is carried out is not backed by any collaterals.

The credit risk management policy of the Company seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques

Risk Identification

Credit risk may originate in one or multiple of following ways mentioned below:

- Adverse selection of members for group formation eg. (bogus members, defaulters, etc.)
- Adverse selection of groups for undertaking lending activity (unknown members due to geographical vicinity, etc.)
- Gap in credit assessment of borrower's credit worthiness (Failure to collect KYC documents, verify residential address, assess income source, etc.)
- Undue Influence of Animator/Representative on group members (misuses of savings of group, etc.)
- Sanction of higher loan amount
- Improper use of loan amount than the designated activity
- Over-concentration in any geography/branch/zone etc
- Change in the savings pattern/meeting pattern of group post availing loan (eg. failure of members to deposit minimum savings amount each month, absence of members from meetings, etc.)

Risk assessment and measurement

Belstar is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment.

- Selection of client base for group formation - Adequate due diligence is carried out for selection of women borrowers who are then brought together for SHG/JLG formation. (eg. members with same level of income, only one member from family, annual per capita income, etc.)
- Adequate Training and Knowledge of SHG/JLG operations
- Credit assessment - credit rating and credit bureau check
- Follow up and regular monitoring of the group

Risk Monitoring

Monitoring and follow up is an essential element in the overall risk management framework and is taken up very seriously at all levels within the organization. Monitoring and controlling risks is primarily performed based on limits established by the Company.

Borrower Risk Ratings is an effective tool to flag potential problems in the loan accounts and identify if any corrective action plan are to be taken. However, the loans originated by Belstar are mostly short tenure loans (maximum loan tenure being 30 months) and the volume of such loan origination per credit officer is also high, thereby making it practically difficult to carry out a re-rating of borrowers at regular intervals. Therefore, loans are tracked at a homogeneous pool basis by the Risk Team. Any deterioration in the performance of the pool are immediately pointed out to the Senior Management and detailed analysis are carried out to identify the trends in performance.

The risk monitoring metrics have been defined to track performance at each stage of the loan life cycle:

- *Credit Origination* - KYC pendency, if any; deviation index from the defined policies and procedures
- *Credit sanction* - Disbursement to High Risk rated groups/borrowers; Early Delinquency due to fraud
- *Credit monitoring* -
  Portfolio at risk - The metrics provides an indication of potential losses that may arise from overdue accounts. (loans staging more than 90 Days past due);
  Static pool analysis - Provides an indication about the portfolio performance vis-a-vis the vintage of the loans and helps compare performance of loans generated in different time periods
- Collection and Recovery - collection efficiency, Roll forward rates and roll backward rates.

Risk Mitigation

Risk Mitigation or risk reduction is defined as the process of reducing risk exposures and/or minimizing the likelihood of incident occurrence.

The following risk mitigation measures has been suggested at each stage of loan life cycle:

- *Loan Origination* - site screening, independent visit by manager, adequate training to officers.
- *Loan underwriting* - Risk rating, independent assessment, etc.
- *Loan Pre and Post Disbursement* - disbursement at the branch premises and in the bank account only, tracking to avoid misuse of funds,
- *Loan monitoring* - credit officers to attend group meeting, reminder of payment of EMIs on time, etc.
- *Loan collection and recovery* - monitor repayments, confirmation of balances,

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. Continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

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Impairment assessment

The Company is basically engaged in the business of providing loans and access to Credit to the Self Help Group (SHG) members / Joint Liability Group (JLG) members. The tenure of which is ranging from 12 months to 24 months. Moreover, Company has categorised its loan into two broad categories Micro Enterprise loans (MEL) and others.

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of material accounting policies Note 3.6

Definition of default and cure
The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the due amount have been paid. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	**Loans Days past due (DPD)**	**Stages**
High grade	Not yet due	*Stage I*
Standard grade	1-30 DPD	*Stage I*
Sub-standard grade	30-60 DPD	*Stage II*
Past due but not impaired	60-89 DPD	*Stage II*
Individually impaired	90 DPD or More and all linked accounts	*Stage III*

Exposure at Default (EAD)

The outstanding balance as at the reporting date is considered as EAD by the company.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. The PD for stage III loan account is considered at 100%. Where a customer has one loan account in stage3 and one or more loan accounts in stage 1/ stage 2, the PD for all the loan accounts is considered at 100%.

Loss Given Default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

LGD Rates have been computed internally based on the discounted recoveries in NPA accounts that are closed/ written off/ repossessed and upgraded during the year. As a matter of prudence, for all loan accounts with greater than 180 DPD, the LGD is taken as 100%.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. In line with Ind AS 109, the Company considers an exposure to have significantly increased in credit risk when the DPD is 30 or more.

Company's financial assets measured on a collective basis

Both LTECLs and 12mECLs are calculated at individual facility level across the stages.

Sensitivity to macro economic variables

The macro-economic variable factored into the statistical model used by the company for estimation of expected credit losses are GDP and inflation. Based on the management's assessment, a 5% increase or decrease in these variable are not likely to have a material impact on the ECL recognised in the P&L and consequently, on equity.

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52.2. Liquidity Risk

Liquidity is measured by our ability to accommodate decreases in purchased liabilities, and fund increases in assets. In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds.

The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company also enters into direct assignment of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month.

Liquidity ratios

Advances to borrowings ratios

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Year-end	114.49%	97.86%
Maximum	115.66%	118.84%
Minimum	95.88%	97.86%
Average	109.82%	109.89%

Borrowings from banks and financial institutions and issue of debentures are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings

Asset Liability Management

Asset and Liability Management (ALM) is defined as the practice of managing risks arising due to mismatches in the asset and liabilities. Belstar's funding consists of both long term as well as short term sources with different maturity patterns and varying interest rates. On the other hand, the asset book also comprises of loans of different duration and interest rates. Maturity mismatches are therefore common and has an impact on the liquidity and profitability of the company. It is necessary for Belstar to monitor and manage the assets and liabilities in such a manner to minimize mismatches and keep them within reasonable limits.

The objective of this policy is to create an institutional mechanism to compute and monitor periodically the maturity pattern of the various liabilities and assets of Belstar to (a) ascertain in percentage terms the nature and extent of mismatch in different maturity buckets, especially the 1-30/31days bucket, which would indicate the structural liquidity (b) the extent and nature of cumulative mismatch in different buckets indicative of short term dynamic liquidity and (c) the residual maturity pattern of repricing of assets and liabilities which would show the likely impact of movement of interest rate in either direction on profitability. This policy will guide the ALM system in Belstar.

The scope of ALM function can be described as follows:

- *Liquidity risk management*
- *Management of market risks*
- *Others*

The table below provide details regarding the contractual maturities of significant financial assets and liabilities as on:-

Maturity pattern of assets and liabilities as on March 31, 2024: **(Rs. in millions)**

Particulars	1 - 7 days	8 - 14 days	14 - 30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings (exl debt securities)	124.92	600.95	1,418.00	3,677.19	3,781.48	10,327.99	16,839.57	25,745.75	-	-	62,515.85
Debt securities	-	-	-	269.54	-	266.36	3,532.59	3,345.10	-	-	7,413.59
Subordinated debts	-	-	-	-	-	-	-	838.15	495.28	1,473.35	2,806.78
Total	**124.92**	**600.95**	**1,418.00**	**3,946.73**	**3,781.48**	**10,594.35**	**20,372.16**	**29,929.00**	**495.28**	**1,473.35**	**72,736.22**
Cash and bank balance	3,227.70	-	-	-	-	-	1.75	-	-	-	3,229.45
Deposits with Banks	413.55	1,700.00	1,600.00	-	-	0.11	128.05	266.78	-	-	4,108.50
Trade Receivables	-	-	-	12.59	-	-	-	-	-	-	12.59
Loans	250.15	1,276.14	2,431.93	4,285.13	4,345.75	13,190.36	25,465.78	31,974.54	46.28	8.86	83,274.92
Investments	-	-	-	-	-	-	-	-	-	-	-
Total	**3,891.40**	**2,976.14**	**4,031.93**	**4,297.72**	**4,345.75**	**13,190.47**	**25,595.58**	**32,241.32**	**46.28**	**8.86**	**90,625.46**

Maturity pattern of assets and liabilities as on March 31, 2023: **(Rs. in millions)**

Particulars	1 - 7 days	8 - 14 days	14 - 30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings (exl debt securities)	262.75	339.14	1,197.26	1,517.15	2,330.06	6,025.24	10,950.25	17,777.79	-	-	40,399.64
Debt securities	-	-	497.75	247.74	897.83	344.12	1,238.61	2,989.66	-	-	6,215.71
Subordinated debts	-	-	-	-	-	317.10	-	684.74	647.67	-	1,649.51
Derivative financial instruments	-	-	3.05	26.27	-	-	-	-	-	-	29.32
Lease liabilities	-	-	-	-	-	-	-	-	-	-	
Total	**262.75**	**339.14**	**1,698.06**	**1,791.16**	**3,227.89**	**6,686.46**	**12,188.86**	**21,452.19**	**647.67**	**-**	**48,294.18**
Cash and bank balance	1,121.45	-	-	-	-	-	1.77	-	-	-	1,123.22
Deposits with Banks	2,116.76	3,512.50	5,845.00	216.74	-	57.61	84.84	293.85	12.50	-	12,139.80
Trade Receivables	-	-	7.61	-	-	-	-	-	-	-	7.61
Loans	172.64	760.84	1,213.54	2,331.47	2,394.82	7,240.23	13,720.24	18,111.87	329.65	0.06	46,275.36
Investments	-	-	-	-	-	-	-	528.64	-	-	528.64
Total	**3,410.85**	**4,273.34**	**7,066.15**	**2,548.21**	**2,394.82**	**7,297.84**	**13,806.85**	**18,934.36**	**342.15**	**0.06**	**60,074.63**

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52.3. Economic Risk

The Covid-19 pandemic has impacted most countries, including India. This resulted in countries announcing lockdown and quarantine measures that sharply stalled economic activity. Several countries took unprecedented fiscal and monetary actions to help alleviate the impact of the crisis.

Government of India had announced various measures to support the economy during this period. The Reserve Bank of India had also announced several measures to ease the financial system stress, including enhancing system liquidity, reducing interest rates, moratorium on loan repayments for borrowers, asset classification standstill benefit to overdue accounts where a moratorium had been granted amongst others to alleviate the economic stress induced by the pandemic which had an impact across sectors that were already showing signs of a slowdown even before the outbreak.

NBFCs were adversely impacted by COVID-related stress due to their underlying business models. On the supply side, the sources of funds dried up, more so for the small and mid-sized NBFCs, on account of reduced risk appetite of lenders for low rated and unrated exposures. The situation was worsened by the unprecedented redemption pressure on the mutual fund industry, resulting in a spike in spreads.

The challenges for the NBFCs have moved from the liability to the asset side in terms of liquidity and asset quality with the outbreak of Covid19. The liquidity covers of NBFCs is largely dependent on collections and the ability to raise resources. The collections of NBFCs witnessed decline during the six month moratorium on the payment of instalments in respect of all term loans to their borrowers for the period from March 1, 2020 to August 31, 2020 .

However, the impact of Covid-19 on financial activities have significantly come down during the last two years as there has been no major business disruptions or government restrictions after March 2022. The collection efficiency metrices of the company also witnessed a significant improvement during this period. The impact of Covid-19 induced delinquency on the loan exposure has also tapered over the last two years. The company's gross exposure to loans restructured under the Covid restructuring framework as on March 31, 2024 - Rs.72.63 Million and as on March 31, 2023 - Rs. 443.40 Million against which provisions carried as on March 31, 2024 - 72.42 million, as on March 31, 2023 - 239.95 millions. .

52.4. Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates and other market changes. The Company is exposed to certain types of market risk as follows:

52.4.1. Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Asset Liability Committee shall manage its rate sensitivity position to ensure the long run earning power of the company. In addressing this challenge, the ratios of rate sensitive assets (RSA) to rate sensitive liabilities (RSL) and gap (RSA minus RSL) to equity, as well as gap to total assets will be reviewed based on 30, 60, 90, 180, and 365-day, 1-2 year, and greater than 2 year definitions. More importantly, however, special emphasis is to be placed on the change in net interest income that will result from possible fluctuations in interest rates, changing account volumes, and time.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

Management of Interest Margin

The spread or interest margin, otherwise known as "Gap", is the difference between the return on assets and the expenses paid on liabilities. Assets are classified as Rate Sensitive Assets and fixed Rate Assets. Liabilities are classified as Rate Sensitive Liabilities and fixed Rate Liabilities. An asset or liability is identified as sensitive if cash flows from the asset or liability change in the same direction and general magnitude as the change in short-term rates. The cash flows of insensitive (or non-sensitive) assets or liabilities do not change within the relevant time period.

The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non–trading financial assets and financial liabilities held at March 31, 2024.

The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before tax affected through the impact on floating rate borrowings, as follows:

(Rs. in millions)

Particulars	Effect on Statement of Profit and loss for the year 2023-24	Effect on Statement of Profit and loss for the year 2022-23
0.50% increase	(312.58)	(202.00)
0.50% decrease	312.58	202.00

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52.4.2. Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surpluses in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

52.4.3. Currency Risk

Foreign currency risk for the Company arise majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2023 by entering into forward contracts with the intention of covering the entire term of foreign currency exposure . The counterparties for such hedge transactions are banks.

The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

(Rs. in millions)

Particulars	As at March 31, 2024	As at March 31, 2023
Foreign Currency Non-Resident Loans.	-	2,716.03

The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment and hence the hedge ratio is 1:1.

Disclosure of Effects of Hedge Accounting

Cash flow Hedge

As at March 31, 2023 **(Rs. in millions)**

Type of hedge and risks	Carrying amount of hedging instrument		Carrying amount of hedged item		Balances in the cash flow hedge reserve for continuing hedges	Hedging Gain or loss	Nominal Amount of Hedging instrument (USD)
	Liability	Line item in Balance Sheet	Liability	Line item in Balance Sheet			
Cash Flow Hedge (Currency Risk)	29.32	Derivative financial instrument	2,727.30	Borrowings (other than debt securities)	(0.17)	(0.17)	33.24

The Company has entered into foreign currency forward contracts to hedge the currency risk of its borrowings denominated in foreign currency. The critical terms such as due date, amount involved etc of the hedged item and the hedging instrument exactly matches. Further, the company has designated the spot element of foreign currency forward contracts as hedging instrument . Accordingly, there is no ineffective portion of the above hedge to be recognised in profit or loss and consequently, disclosures in respect of the change in fair value of the hedged item and the hedging instrument used as the basis for recognising hedge ineffectiveness for the period, as required under Ind AS 107 is not relevant.

52.4.4. Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate mortgages when interest rates fall.

52.5. Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

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53: Micro Enterprises and Small Enterprises

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are given as follows: **(Rs. in millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount due	7.68	7.20
Interest due on the above	-	-
b) Interest paid during the period beyond the appointed day	-	-
c) Amount of payment made to the supplier beyond the appointed day during the accounting year	-	-
d) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-
e) Amount of interest accrued and remaining unpaid at the end of the period	-	-
f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as deductible expenditure under section 23 of the Act.	-	-

54: Foreign Currency Expenditure

54.1. Foreign Currency Expenditure **(Rs. in millions)**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Professional Fees	2.94	0.47
Dividend	8.79	3.42

Interest on Foreign currency borrowing which are fully hedged through forward contracts are not considered for the purpose of above disclosure.

54.2.

The unhedged Foreign currency exposure of the Company as on March 31, 2024 is Rs. Nil, as on March 31, 2023 is Rs. Nil.

55: Segment Information

The Company is primarily engaged in the business of Micro Financing. As per the Chief Operating decision maker, all the activities of the Company revolve around the main business and there is no other relevant segment. Further, the Company does not have any separate geographical segments other than India. As such there are no separate reportable segments as per Ind AS -108 "Operating Segments".

56: Additional Disclosures pursuant to Reserve Bank of India Directions

56.1. Schedule to the Balance Sheet of a Non Banking Financial Company as required under Master Direction- Non banking Financial company Systematically important Non deposit Taking company and Deposit Taking company (Reserve Bank) Directions, 2016 as amended

(Rs. in millions)

S. No	Particulars	As at March 31, 2024		As at March 31, 2023	
		Amount Outstanding	Amount Over Due	Amount Outstanding	Amount Over Due
1	**Liabilities :** **Loans and advances availed by the NBFC inclusive of interest accrued thereon not paid:**				
(a)	Debentures & Preference shares				
	-Secured	3,398.72	-	6,582.65	-
	-Unsecured	7,008.13	-	1,400.55	-
	(Other than falling within the meaning of Public deposits)				
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	61,614.22	-	37,754.66	-
(d)	Inter-Corporate Loans and Borrowings				
(e)	Commercial Paper				
(f)	Foreign Currency Non-Resident (FCNR-B) Loans.	-	-	2,716.03	-
(g)	Other Loans (Nature of other Loans, CC etc.)	1,249.87	-	250.02	-

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S. No	Particulars	As at March 31, 2024	As at March 31, 2023
	Assets		
2	**Breakup of Loans and Advances including Bills Receivables [Other than those included in (3) below] :**		
(a)	Secured	56.63	35.07
(b)	Unsecured (including Interest accrued and Loans to staff)	83,218.29	46,240.29
3	**Break up of Leased Assets and Stock on Hire and other Assets counting towards AFC activities.**		
(i)	Leased Assets including Leased Rentals Accrued and Due:		
	(a) Financial Lease	-	-
	(b) Operating Lease	-	-
(ii)	Stock on fire including Hire charges under Sundry Debtors:		
	(a) Assets on Hire	-	-
	(b) Repossessed Assets	-	-
(iii)	Other Loans counting towards AFC activities		
	(a) Loans where Assets have been Repossessed	-	-
	(b) Loans Other than (a) above	-	-
4	**Breakup of investments**		
	Current Investments		
I	Quoted:		
(i)	Shares : (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Fund	-	-
(iv)	Government Securities	-	-
(v)	Others (Please Specify)	-	-
II	Unquoted:		
(i)	Shares : (a) Equity	-	-
(ii)	(b) Preference	-	-
(iii)	Debentures and Bonds	-	-
(iv)	Units of Mutual Fund	-	-
(v)	Government Securities	-	-
	Others (Please Specify)	-	-
	Long Term Investments		
I	Quoted:		
(i)	Shares : (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Fund	-	-
(iv)	Government Securities	-	-
(v)	Others (Please Specify)	-	-
II	Unquoted:		
(I)	Shares : (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Fund	-	-
(iv)	Government Securities	-	-
(v)	Security Receipts	-	528.64

5. Borrower Group-Wise classification of Assets financed as in (2) and (3) above **(Rs. in millions)**

S. No	Category	Net of provisions as at March 31, 2024			Net of provisions as at March 31, 2023		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties	-	-	-	-	-	-
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the Same Group	-	-	-	-	-	-
	(c) Other Related Parties	-	-	-	-	-	-
2	Other than Related Parties	56.63	83,218.29	83,274.92	35.07	46,240.29	46,275.36
	Total	56.63	**83,218.29**	**83,274.92**	35.07	**46,240.29**	**46,275.36**

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6. Other Information **(Rs. in millions)**

Sno	Particulars		As at March 31, 2024	As at March 31, 2023
(i)	Gross Non-Performing Assets *	Related Parties	-	-
		Other than Related Parties	1,560.28	1,144.81
(ii)	Net Non-Performing Assets *	Related Parties	-	-
		Other than Related Parties	145.20	305.27
(iii)	Assets Acquired in Satisfaction Debt	Related Parties	-	-
		Other than Related Parties	-	-

*Assets classified as Stage 3 as per Ind AS Classification

56.2 Disclosure Pursuant to Reserve Bank of India Notification DNBR (PD) CC No. 002/03.10.001/2014-15 dt. 10 November 2014

1.'Provisions and Contingencies **(Rs. in millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Category wise breakup of Provisions & Contingencies shown in Statement of Profit and Loss		
Provision towards non-performing assets*	2,351.73	1,939.75
Provision made towards income tax	1,458.06	48.16
Provision for gratuity	21.22	15.41
Provision for standard assets#	803.82	(500.85)
Provision for Other Financial Asset	15.34	7.77
Provision for other assets	28.81	(0.88)

* Represents impairment loss allowance on stage 3 loans.

Represents impairment loss allowance on stage 1 and stage 2 loans.

2.'Movement of NPA **(Rs. in millions)**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Net NPAs to net advances (%)	0.17%	0.66%
Movement of NPAs (Gross)		
(a) Opening balance	1,144.81	2,145.00
(b) Additions during the year	2,569.66	3,751.64
(c) Reductions during the year	2,154.19	4,751.83
Closing balance	**1,560.28**	**1,144.81**
Movement of Net NPAs		
(a) Opening balance	305.27	525.75
(b) Additions during the year	217.93	1,811.89
(c) Reductions during the year	378.00	2,032.37
Closing balance	**145.20**	**305.27**
Movement of provisions for receivables under financing activities		
(a) Opening balance	839.54	1,619.25
(b) Provisions made during the year	2,351.73	1,939.75
(c) Provision Write-off	1,776.19	2,719.46
Closing balance	**1,415.08**	**839.54**

3. Concentration of advances, exposures and NPAs:- **(Rs. in millions)**

Particulars	As at March 31, 2024	As at March 31, 2023
Concentration of Advances		
Total Advances to twenty largest borrowers	13.77	13.04
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.01%	0.03%
Concentration of Exposures		
Total Exposure to twenty largest borrowers / customers	13.77	13.04
Percentage of Exposures to twenty largest borrowers/customers to total exposure	0.01%	0.03%
Concentration of NPAs		
Total Exposure to top four NPA accounts	0.90	1.26

4. The Company does not finance the products of the parent / holding company.

5. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC

The Company did not exceed the limits prescribed for single and group borrower during the year ended March 31, 2024 and Year ended March 31, 2023

6. Disclosures on Risk Exposure in Derivatives

The Company has a Board approved policy in dealing with derivative transactions. The Company undertakes derivative transactions for hedging foreign currency exposures to mitigate the foreign currency risk. During the previous year, the company has hedged its foreign currency borrowings through forward exchange contracts. The Asset Liability Management Committee monitors such transactions and reviews the risks involved. The derivative transactions are accounted in accordance with Ind AS 109 and the accounting policy for recording hedge transactions and valuation of outstanding contracts is detailed in Note 3.8.

Refer Note - 18 " Derivative financial instruments" and Note- 52.4.3 " Disclosure of Effects of Hedge Accounting".

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7. Unsecured advances

Refer note 9 for details of unsecured advances

8. The Company is not registered with any other financial sector regulators.

9. No penalty has been imposed by RBI and other regulators during the year ended March 31, 2024 and Year ended March 31, 2023.

10. Drawdown from reserves

There has been no drawdown from reserves during the year ended March 31, 2024 (previous year: Nil).

11. Overseas Assets

The Company does not have any subsidiary/ Joint venture abroad.

12. Loan to Directors, Senior Officers and Relatives of Directors

There are no loans given to Directors, Senior Officers and relatives of Directors

13. Revenue recognition

There are no instances where revenue recognition has been postponed pending the resolution of significant uncertainties

14. Channelizing Agent for schemes operated by Centra/State Government Agencies

The Company has not been engaged as Channelizing Agent for Schemes operated by Centra/State Government Agencies

15. Inter Group exposure

The Company has not given advances to Group companies as on March 31, 2024 (March 31,2023:- Nil)

16. Divergence in Asset classification and provisioning

There is no Divergence assessed by Reserve Bank of India

56.3. Disclosures in terms of RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022:

1. Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

S.No	Particulars	As at March 31, 2024	As at March 31, 2023
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	12	2
2	Number of complaints received during the year	718	730
3	Number of complaints disposed during the year	708	720
3.1	Of which, number of complaints rejected by the NBFC	0	0
4	Number of complaints pending at the end of the year	22	12
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	32	7
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	32	6
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	1
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
For the period ended March 31, 2024					
Wrong Mobile Number	2	182	-54%	5	0
Updation of Repayment Records / Digital Transactions	0	83	-22%	0	0
Employee Related	1	18	-72%	0	0
Recovery Practices / Employee Behaviour	1	89	22%	3	0
Insurance claim settlement	6	269	647%	8	0
Updation of CIR	0	45	45%	3	0
Others	2	32	33%	3	0
Total	**12**	**718**	**-2%**	**22**	**0**
For the Year ended March 31, 2023					
Wrong Mobile Number	0	394	11%	2	0
Updation of Repayment Records / Digital Transactions	0	107	16%	0	0
Employee Related	0	65	282%	1	0
Recovery Practices / Employee Behaviour	2	73	-3%	1	0
Insurance claim settlement	0	36	-41%	6	1
Updation of CIR	0	31	72%	0	0
Others	0	24	-35%	2	1
Total	**2**	**730**	**11%**	**12**	**2**

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2. Breach of covenants

The Company has been regular in serving all its borrowings though there has been breach of some of the covenants relating to borrowings. The company has intimated these breaches to the respective lenders and based on discussions with them, does not anticipate any adverse action such as levy of higher interest or recall of the facility in this regard. Breaches for the year ended March 31, 2023 were predominantly due to impact of COVID Pandemic.

Number of facilities with instances of breach

Summary of Financial Covenants stipulated in respect of loan availed or debt securities issued	Year ended March 31, 2024			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Maximum threshold for GNPA Ratio	-	-	-	-
Maximum threshold for NNPA Ratio	-	-	-	-
Maximum threshold for AUM to Net worth Ratio	2	2	1	-
Maximum threshold for Portfolio At Risk (PAR) Accounts >30 Days	1	1	4	1
Maximum threshold for Portfolio At Risk (PAR) Accounts >90 Days	3	3	3	4

Summary of Financial Covenants stipulated in respect of loan availed or debt securities issued	Year ended March 31, 2023			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Maximum threshold for GNPA Ratio	18	19	7	1
Maximum threshold for NNPA Ratio	23	26	11	0
Maximum threshold for AUM to Net worth Ratio	-	-	-	-
Maximum threshold for Portfolio At Risk (PAR) Accounts >30 Days	8	8	5	5
Maximum threshold for Portfolio At Risk (PAR) Accounts >90 Days	7	6	4	4

3. Exposure to Real Estate **(Rs. in millions)**

Sno	Category	As at March 31, 2024	As at March 31, 2023
A)	**Direct Exposure**		
(i)	**Residential Mortgages -**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	57.31	35.54
(ii)	**Commercial Real Estate -**		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose Commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	-	-
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**		
a.	Residential	-	-
b.	Commercial Real Estate	-	-
B)	**Indirect Exposure**		
	Fund based and Non Fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-
	Total Exposure to Real Estate Sector	57.31	35.54

4. The Company has no exposure to capital market directly or indirectly as of March 31, 2024 and March 31, 2023

5. Sectoral exposure **(Rs. in millions)**

Sno	Sectors	As at March 31, 2024			As at March 31, 2023		
		Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1	Agriculture andAllied Activities	66,517.32	1,575.56	2.37%	38,849.03	837.69	2.16%
2	**Industry**						
	Production or Manufacturing	5,954.30	83.05	0.49%	1,453.95	20.91	0.22%
	Trade and Business	10,857.63	429.37	2.55%	8,044.54	267.56	2.82%
	Total of Industry	**16,811.93**	**512.42**	**3.05%**	**9,498.49**	**288.47**	**3.04%**
3	**Services**						
	Services	15,460.89	589.30	3.81%	12,399.14	399.68	3.22%
	Total of Services	**15,460.89**	**589.30**	**3.81%**	**12,399.14**	**399.68**	**3.22%**
4	**Personal Loans**						
	Others	1,437.41	18.20	1.27%	1,174.28	46.30	3.94%
	Total of Personal Loans	**1,437.41**	**18.20**	**1.27%**	**1,174.28**	**46.30**	**3.94%**
	Total	100,227.55	2,695.48	2.69%	61,920.94	1,572.14	2.54%

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56.4. Disclosure pursuant to RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24,2021

(i) Details of transfer through assignment in respect of loans not in default during the Year ended March 31, 2024

(Rs. in millions)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Count of Loan accounts Assigned (No. of Accounts)	594,535	821,949
Amount of Loan Account Assigned (In Mn)	19,948.73	21,116.59
Weighted average residual maturity (In Months)	16.07	15.37
Weighted average holding period of loans (In Months)	6.35	7.33
Retention of beneficial economic interest (MRR)	10%	10 % & 15 %
Coverage of tangible security coverage	Nil	Nil
Rating-wise distribution of rated loans	Retail Loans - NA	Retail Loans - NA

(ii) Details of stressed loans classified as NPA transferred to ARC

(Rs. in millions)

Particulars	As at March 31, 2024	As at March 31, 2023
No: of accounts	-	123,681.00
Aggregate principal outstanding of loanstransferred	-	2,500.96
Weighted average residual tenor of the loans transferred (Months)	-	4.91
Net book value of loans transferred (at the time of transfer)	-	636.94
Aggregate consideration	-	830.00
Additional consideration realized in respect of accounts transferred in earlier years		-
Investment In Security Receipts	-	528.64

a) The Company has reversed Rs.193.06 Million Provision on account of the sale of Stressed Loan (Refer Note 9.1) for the year ended March 31, 2023
b) Details of Recovery Rating assigned for Security receipts is 'IND RR3' having implied recovery more than 50% and upto 75% (as on March 31, 2024 - Refer Note 9.1). The Carrying value of Security Receipts ("SRs") held by the Company as on March 31, 2024 is Rs.Nil (Gross book value - 472.71 Mn, Loss on fair value change - 472.71Mn.) and as on March 31, 2023 is Rs.528.64 million (Gross book value - 721.70 Mn, Loss on fair value change - 193.06 Mn.)
c) The Company has not transferred any stressed loans [(Special Mention Account (SMA) and Non- Performing Asset (NPAs)] during the year ended March 31, 2024.

(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 Year ended March 31, 2024 and Year ended March 31, 2023.

56.5. Disclosure pursuant to RBI Notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

As at March 31, 2024

(Rs. in millions)

Asset classification as per RBI norms	Asset classification as per IND AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing asset						
Standard	Stage 1	83,026.38	540.76	82,485.62	728.17	-187.41
	Stage 2	1,024.65	380.55	644.10	13.82	366.73
Subtotal		**84,051.03**	**921.31**	**83,129.72**	**741.99**	**179.32**
Non-Performing asset (NPA)						
Substandard	Stage 3	1,560.28	1,415.08	145.20	481.08	934.00
Doubtful						
upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,560.28	1,415.08	145.20	481.08	934.00
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**83,026.38**	**540.76**	**82,485.62**	**728.17**	**-187.41**
	Stage 2	**1,024.65**	**380.55**	**644.10**	**13.82**	**366.73**
	Stage 3	**1,560.28**	**1,415.08**	**145.20**	**481.08**	**934.00**
	Total	**85,611.31**	**2,336.39**	**83,274.92**	**1,223.07**	**1,113.32**

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As at March 31, 2023 (Rs. in millions)

Asset classification as per RBI norms	Asset classification as per IND AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109 (Refer footnote 2)	Net Carrying Amount	Provisions required as per IRACP norms (Refer footnote 2)	Difference between Ind AS 109 provisions and IRACP norms
Performing asset						
Standard	Stage 1	45,770.14	30.77	45,739.37	182.74	-151.97
	Stage 2	317.44	86.72	230.72	1.34	85.38
Subtotal		**46,087.58**	**117.49**	**45,970.09**	**184.08**	**-66.59**
Non-Performing asset (NPA)						
Substandard	Stage 3	1,144.81	839.54	305.27	605.03	234.51
Doubtful						
upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,144.81	839.54	305.27	605.03	234.51
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**45,770.14**	**30.77**	**45,739.37**	**182.74**	**-151.97**
	Stage 2	**317.44**	**86.72**	**230.72**	**1.34**	**85.38**
	Stage 3	**1,144.81**	**839.54**	**305.27**	**605.03**	**234.51**
	Total	**47,232.39**	**957.03**	**46,275.36**	**789.11**	**167.92**

As per guidance on implementation of Indian Accounting Standards vide RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. Since the impairment allowance under IND AS 109 is higher than the provisioning required under IRACP (including standard asset provisioning), the Company has not created any Impairment Reserve.

56.6. 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 . (Rs In Million)

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	Of (A), aggregate debt that slipped into NPA during the half year ended	Of (A), amount written off during the half-year ended	Of (A), amount paid by the borrowers during the half year ended	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					
	For the period Apr 2022 to Sep 2022	2,852.61	1,468.16	-	730.78	432.96
	For the period Oct 2022 to Mar 2023	432.96	74.56	7.93	255.83	105.82
	For the period Apr 2023 to Sep 2023	105.82	10.22	18.70	64.81	13.77
	For the period Oct 2023 to Mar 2024	13.77	1.06	5.87	8.40	0.22

As of March 31, 2024, there were 10,109 borrower accounts having an aggregate exposure of Rs.48.23 Million
As of March 31, 2023 there were 11,336 accounts with aggregate exposure of Rs.58.90 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.

VARMA & VARMA CHENNAI CHARTERED ACCOUNTANTS

BELSTAR MICROFINANCE LIMITED CHENNAI

BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

56.7. Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	As at March 31, 2024	As at March 31, 2023
Number of Significant Counterparties	21	23
Amount(Rs. In Million)	66,385.55	43,002.02
% of Total deposits	NA	NA
% of Total Liabilities	87.00%	83.75%

Notes: A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's total liabilities..

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

(ii) Top 20 large deposits (amount in ₹ Millions and % of total deposits)

Not applicable. The company being a Systematically Important Non-Deposit taking Non- Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

(iii) Top 10 borrowings (amount in ₹ Millions and % of total borrowings) **(Rs. In Million)**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Amount (Rs. In Million)	% of total Borrowings	Amount (Rs. In Million)	% of total Borrowings
Top 10 Borrowings	51,006.24	70.12%	33,236.90	68.83%

(iv) Funding Concentration based on significant instrument/product* **(Rs. In Million)**

Name of the instrument/product	As at March 31, 2024	% of Total Liabilities	As at March 31, 2023	% of Total Liabilities
Term Loans	62,515.85	81.93%	40,399.64	78.68%
Non-Convertible Debentures	7,413.59	9.72%	6,215.71	12.11%
Subordinate Debt	2,806.78	3.68%	1,649.51	3.21%

Notes: A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines

(v) Stock Ratios

Particulars	As a % of Total Public Funds *	As a % of Total Liabilities *	As a % of Total Assets
Other short Term Liabilities *			
- As at March 31, 2024	60.98%	58.13%	47.39%
- As at March 31, 2023	60.47%	56.84%	46.87%

*Notes

1. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

2. "Public funds" shall include funds raised either directly or indirectly through public deposits, commercial paper, debentures, inter-corporate deposits and bank finance but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue as defined in Regulatory Framework for Core Investment Companies issued vide Notification No. DNBS (PD) CC.No. 206/03.10.001/2010-11 dated January 5, 2011.

3. Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets

(vi) Institutional set-up for liquidity risk management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk.

The Board of Directors approved the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC (Board) are held at quarterly interval and more frequently as warranted from time to time. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk return perspective and within the risk appetite approved by the Board.

The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month. The minutes of ALCO meetings are placed before the RMC in its next meeting for its perusal/approval/ratification.

VARMA & VARMA CHARTERED ACCOUNTANTS CHENNAI

BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

(vii) Being an NBFC- MFI, the company's loan portfolio consists of large number of small ticket loans to individual borrowers and hence, disclosures in respect of concentration of advances (including NPA) is not considered relevant.

(viii) Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019:

(Rs. In Million)

Sno	Particulars	Quarter March 31, 2024		Quarter December 31, 2023		Quarter September 30, 2023		Quarter June 30, 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**								
a	Cash and bank balance	699.20	699.20	228.85	228.85	423.48	423.48	432.69	432.69
b	Marketable Securities	962.64	962.64	635.87	635.87	714.13	714.13	850.99	850.99
c	Unencumbered fixed deposit	3,092.95	3,092.95	3,498.42	3,498.42	3,639.11	3,639.11	5,607.58	5,607.58
		4,754.78	4,754.78	4,363.14	4,363.14	4,776.72	4,776.72	6,891.26	6,891.26
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	5,964.32	6,858.96	5,768.12	6,633.34	4,756.56	5,470.04	4,685.95	5,388.84
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	5,964.32	6,858.96	5,768.12	6,633.34	4,756.56	5,470.04	4,685.95	5,388.84
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	7,318.88	5,144.22	6,546.82	4,910.11	5,713.99	4,102.53	5,328.24	3,996.18
11	Other cash inflows	-	-	-	-	-	-	-	-
12	**TOTAL CASH INFLOWS**	**7,318.88**	**5,144.22**	**6,546.82**	**4,910.11**	**5,713.99**	**4,102.53**	**5,328.24**	**3,996.18**
13	**TOTAL HQLA**		**4,754.78**		**4,363.14**		**4,776.72**		**6,891.26**
14	**TOTAL NET CASH OUTFLOWS**		**1,714.74**		**1,723.23**		**1,367.51**		**1,392.66**
15	**LIQUIDITY COVERAGE RATIO (%)**		277%		253%		349%		495%

(Rs. In Million)

Sno	Particulars	Quarter March 31, 2023 *		Quarter December 31, 2022 *		Quarter September 30, 2022 *		Quarter June 30, 2022 *	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**								
a	Cash and bank balance	1,123.21	1,123.21	931.98	931.98	1,249.17	1,249.17	927.11	927.11
b	Unencumbered fixed deposit	11,765.50	11,765.50	6,239.10	6,239.10	3,899.89	3,899.89	5,494.20	5,494.20
		12,888.71	12,888.71	7,171.08	7,171.08	5,149.06	5,149.06	6,421.31	6,421.31
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	5,092.92	5,856.86	4,456.94	5,125.48	2,991.69	3,440.44	2,857.47	3,286.09
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	5,092.92	5,856.86	4,456.94	5,125.48	2,991.69	3,440.44	2,857.47	3,286.09
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	2,642.41	1,981.81	2,543.55	1,907.66	2,416.92	1,812.69	2,225.92	1,669.44
11	Other cash inflows	-	-	-	-	-	-	-	-
12	**TOTAL CASH INFLOWS**	**2,642.41**	**1,981.81**	**2,543.55**	**1,907.66**	**2,416.92**	**1,812.69**	**2,225.92**	**1,669.44**
13	**TOTAL HQLA**		**12,888.71**		**7,171.08**		**5,149.06**		**6,421.31**
14	**TOTAL NET CASH OUTFLOWS**		**3,875.05**		**3,217.82**		**1,627.75**		**1,616.65**
15	**LIQUIDITY COVERAGE RATIO (%)**		333%		223%		316%		397%

* - The Inflows and Outflows have been extracted from the Form DNBS4 filed by the company with Reserve Bank of India

VARMA & VARMA CHENNAI CHARTERED ACCOUNTANTS

BELSTAR MICROFINANCE LIMITED CHENNAI 600 003

BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

57: Fraud

57.1 Disclosure of Frauds reported during the year to RBI vide DNBS PD.CC NO. 256 / 03.10.042 / 2012 -13 dated 2 March 2012:
(where the amount involved individually is more than 1 lakh)

(Rs. In Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Number of frauds reported during the year / period to Reserve Bank of India	3	1
Amount involved in such frauds	2.13	0.25

57.2 In addition to above, instances of Fraud where the amount involved is individually less than Rs. 1 lakh as as given below

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Number of frauds on the Company during the year	766	21
Amount involved in such frauds	36.42	0.46

58: Other Disclosures under Companies Act, 2013 (including Rules thereunder)

58.1 Proceedings under Benami Transactions (Prohibition) Act

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the year ended March 31, 2024 and year ended March 31, 2023.

58.2. Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the period ended March 31, 2024 and year ended March 31, 2023.

58.3. Transactions with struck of companies

The Company does not have any transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

58.4. Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction in relation to any debt / borrowings which were yet to be registered with ROC beyond the statutory period as at March 31, 2024 and as at March 31, 2023. However in respect of loan facility availed from three bankers wherein the necessary satisfaction of charge was pending to be registered beyond the statutory period from the date of repayment of loan as at Mar 31, 2024, the management is of the view that no disclosure in this regard is warranted since the necessary no due certificate from the concerned bankers were pending to be received.

58.5. Compliance with number of layers of companies

Not Applicable

58.6. Utilisation of Borrowed funds

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

58.7. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the year ended March 31, 2024 and years ended March 31, 2023.

58.8. Compliance relating to Audit Trail on eccounting Software uses by the Company

The software used by the Company for maintaining its books of account mainly comprises of its financial accounting software, Loan Management System ("LMS") software and human resources management software (collectively referred to as "Accounting Software"), which operate under a SaaS model.

These Accounting Software used by the Company have a feature of recording audit trail (edit log) at the application level for each change made in the books of account along with the details of such changes made. The feature of audit trail (edit log) facility was operated throughout the year for all the transactions recorded in the Accounting Software and the same has not been tampered with during the year. In respect of the human resource management software that was used during the year, while the nature of change was captured, particulars of the exact change was not getting captured. The Company has since migrated to a new HRMS software effective from April 1, 2024.

The feature of recording audit trail (edit log) at database level was not enabled in these Accounting Software during the year. However, as confirmed by the relevant SaaS vendor, direct access to the database of the Accounting Software is available only to database administrators, for which access and monitoring controls are enabled and all such activities of the administrators have been logged and monitored throughout the year in accordance with the standard change management procedures ("Change Management SoPs") laid out by the said vendors in this regard. Also, no changes have been made to any transaction recorded in the books of account, directly at the database level during the year, except in accordance with the Change Management SoPs as stated above

The company has appropriate internal controls for its various process and non availability of audit trail at database level has no impact on the overall internal control environment.

58.9 There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961. Also, there are no previously unrecorded income and related assets which ere recognised in the current year.

VARMA & VARMA ★ CHARTERED ACCOUNTANTS ★ CHENNAI

BELSTAR MICROFINANCE LIMITED ★ CHENNAI 600 083

BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

59: Ratings assigned by credit rating agencies

Instrument	Rating agency	Rating/Grading	
		As at March 31, 2024	As at March 31, 2023
Long Term Bank Facilities	CRISIL	CRISIL AA / Stable	CRISIL AA-
Non-Convertible Debentures	CARE	CARE AA- / Stable	CARE AA-
Non-Convertible Debentures	CRISIL	CRISIL AA / Stable	CRISIL AA-
Subordinated Debts	CRISIL	CRISIL AA / Stable	
Subordinated Debts	ICRA		ICRA A+
Subordinated Debts	CARE	CARE AA- / Stable	CARE AA-
Market Linked Debenture	CRISIL	CRISIL PPMLD AA / Stable	CRISIL PPMLD AA -
Market Linked Debenture	ACUITE		ACUITE PPMLD AA/Stable

60: Previous year comparatives
Previous year's figures have been regrouped / reclassified, wherever considered necessary, to conform with current year's presentation.

The accompanying notes are an integral part of the financial statements

For and on behalf of Board of Directors

As per our Report of even date attached

For M/s. Varma & Varma
Chartered Accountants
Firm's Registration No. 004532S

P.R.Prasanna Varma
Partner
M. No.025854
Place: Chennai
Date :May 9, 2024

VARMA & VARMA ★ CHENNAI ★ CHARTERED ACCOUNTANTS

Dr.Kalpanaa Sankar
Managing Director
(DIN. 01926545)

B Balakumaran
Wholetime Director
(DIN. 09099182)

L Muralidharan
Chief Financial Officer

Sunil Kumar Sahu
Company Secretary

BELSTAR MICROFINANCE LIMITED ★ CHENNAI 600 083

Varma & Varma
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Belstar Microfinance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Belstar Microfinance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

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. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* 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 financial statements 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 opinion.

VARMA & VARMA CHENNAI CHARTERED ACCOUNTANTS

"Sreela Terrace", Level-4, Unit-D, #105, First Main Road, Gandhi Nagar, Adyar, Chennai – 600 020
Ph : +91 44 2442 3496, 2445 2239 Email : chennai@varmaandvarma.com

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
Expected credit losses on loan assets Refer Note No 3.6 of significant accounting policies and Note No. 9 for. the outstanding loan assets and Note No. 52 of the Standalone Financial Statements for credit risk disclosures. As at 31 March 2023, the Company has reported gross loan assets of Rs. 47,232.39 millions against which an impairment loss of Rs.957.03 millions has been recorded. The Company recognised impairment provision for loan assets based on the expected credit loss approach laid down under 'Ind AS 109 – Financial Instruments'. The Expected Credit Loss ('ECL') approach as required under Ind AS 109, Financial instruments, involves high degree of complexity requiring significant judgement of the management and the use of different modelling techniques and assumptions which could have a material impact on the accompanying financial statements.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; • Considered the Company's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind-AS 109.

Key audit matter	How the matter was addressed in our audit
The Management is required to determine the ECL that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset. Significant management judgement and assumptions involved in measuring ECL is include • Categorization of loans in Stage 1, 2 and 3 based on identification of exposures with Significant Increase in Credit Risk (SICR) since their origination and individually impaired / default exposures • Techniques used to determine probability of default, loss given default and exposure at default. • Factoring in future economic assumptions These parameters are derived from the Company's internally developed statistical models, other historical data and trends observed in macro-economic factors. Considering the significance of the above matters to the overall Standalone Financial Statements, and extent of management's estimates and judgements involved and also the significant auditor attention required to test such complex accounting estimates, we have identified this as a key audit matter for current year audit.	• Assessed and tested the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Also, evaluated the controls over the modelling process, validation of data and related approvals; • Performed a critical assessment of assumptions and input data used in the estimation of expected credit loss models for specific key credit risk parameters, such as the transfer logic between stages, probability of default (PD) or loss given default (LGD); • Performed an assessment of the adequacy of the credit losses expected within 12 months by reference to credit losses actually incurred on similar portfolios historically; • Obtained written representations from management on whether they believe significant assumptions used in calculation of expected credit losses are reasonable; and • Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying Standalone Financial Statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.

Key audit matter	How the matter was addressed in our audit
Information Technology ('IT') Systems and controls impacting financial reporting and migration to the new Loan Management system The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and controls to process significant transactions at numerous locations, such as loans, interest income and impairment of financial assets. Any significant gaps in the IT control environment could result in a material misstatement of the financial and accounting records. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. During the year, the Company has completely migrated to the new loan management software ("LMS") in the month of November 2022. which required financial and other related information was required to be migrated from the legacy IT systems to the new LMS. In view of the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information including migration to the new LMS is considered to be a key audit matter.	As part of our Audit, we have carried out testing of the IT general controls, application controls and IT dependent manual controls. We tested the design and operating effectiveness of the Company's IT access controls over the key information systems, including changes made to the IT landscape during the audit period, that are critical to financial reporting. We tested IT general controls in the nature of controls over logical access, changes management, and other aspects of IT operational controls. To obtain comfort over the completeness, and accuracy of the migration process, certain additional procedures were also performed, which included: • Review of the management's reconciliation of the closing balances as at the migration date as per the legacy IT system and the corresponding balance as per New LMS on the same date. • Comparison of key parameters between the legacy IT system and the new LMS on the migration date • Review of report issued by independent third party in respect of migration audit carried out by them. Where deficiencies were identified, we tested compensating controls or performed alternate procedures.

Information Other than the Standalone Financial Statements and Auditor's Report thereon (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report of the Company for the financial year ended March 31,2023 but does not include the standalone financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. 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 judgments and estimates that are reasonable and prudent; and 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

VARMA & VARMA * CHENNAI * CHARTERED ACCOUNTANTS

In preparing the standalone financial statements, management is 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 management 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 Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 these standalone financial statements.

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 standalone financial statements, 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 on whether the Company has adequate internal financial controls system 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 management.

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- Conclude on the appropriateness of management'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 Company's ability 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 standalone financial statements 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 standalone financial statements including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial statement reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid by the Company during the year is in accordance with the provisions of section 197 of the Act .

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(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 47 to the financial statements

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31,2023.

iv.

a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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v.

a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

b) As stated in Note No. 29 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Varma & Varma
Chartered Accountants
FRN. 004532S

P.R Prasanna Varma
Partner
M.No. 025854
UDIN : 23025854BGRHXG2640

Place: Chennai
Date: 9th May, 2023

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ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BELSTAR MICROFINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2023.

1. a) i) According to the information and explanations given to us and the records of the Company examined by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, and Investment Property and relevant details of right-of-use assets.

   ii) According to the information and explanations given to us and the records of the company examined by us, the Company has maintained proper records showing full particulars of intangible assets.

   b) According to the information and explanations given to us and the records of the Company examined by us, the Company has a regular program of physical verification of its Property Plant and Equipment, Investment Property and right-of-use assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the program, certain Property Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification.

   c) According to the information and explanations given to us and the records of the Company examined by us, we report that the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements are held in the name of the Company as at the balance sheet date.

   d) According to the information and explanations given to us and the records of the Company examined by us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Hence, reporting under clause 3(i)(d) of the Order is not applicable.

   e) According to the information and explanations given to us and the records of the Company examined by us, there are no proceedings initiated or pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.



2. According to the information and explanations given to us and the records of the Company examined by us,

   a) The Company is a Non-Banking Finance Company (NBFC), primarily engaged in financing activities and it does hold any physical inventories. Hence, reporting under clause 3(ii)(a) of the Order is not applicable.

   b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks during the year on the basis of security of current assets. In our opinion, based on a comparison, the quarterly statements of receivables filed by the company with such banks and financial institutions are seen to be in agreement with the books of account of the Company. The Company has not availed working capital limit from any financial institution.

3. The Company has made investments in mutual funds during the current financial year. The Company has not provided any guarantee or security or granted any loan, secured or unsecured, to Companies, Firms, Limited Liability Partnerships (LLPs) during the year. The Company has granted loans to other parties. In respect of the investments made and loans granted to other parties;

   a) The Company is a Systemically Important Non- Deposit taking Non-Banking Financial Company - Micro finance Institution (NDSI–NBFC-MFI) engaged in the business of providing microfinance loans to Self-Help Group (SHG) members / Joint Liability Group (JLG) members and certain other loans as well. Hence, reporting under clause 3(iii)(a) of the Order is not applicable.
   b) In our opinion, the terms and conditions of the investments made and grant of loans, during the year are, prima facie, not prejudicial to the Company's interest. The company has not provided any guarantee or given any security during the year.
   c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest have been stipulated. Being a NBFC-MFI, there are instances of irregularities in repayment of principal amounts and receipt of interest as per stipulated terms. Having regard to the nature of business undertaken by the company, specific details of the irregularities are not reported, although particulars of overdue for more than ninety days as per books of accounts as at Balance Sheet date have been reported in Para (d) below.



d) In respect of loans granted by the Company, the total amount overdue for more than ninety days as per books of account as at the balance sheet date is as under:

No. of cases	Principal Amount Overdue	Interest Overdue	Total Overdue
76,278	Rs. 1050.38 Million	Rs. 259.26 Million	Rs. 1309.64 Million

In our opinion and according to the information and explanations given to us, reasonable steps have been taken by the Company for recovery of the principal and interest.

e) The Company is a Systemically Important Non- Deposit taking Non-Banking Financial Company - Micro finance Institution (NDSI–NBFC-MFI) engaged in the business of providing microfinance loans to Self-Help Group (SHG) members / Joint Liability Group (JLG) members and certain other loans as well. Hence, reporting under clause 3(iii)(e) of the Order is not applicable.

f) The Company has not granted any loans or advances in the nature of loans to Promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013. Hence, reporting under clause 3(iii)(f) of the Order is not applicable.

4. According to the information and explanations given to us and the records of the Company examined by us, the Company has not given any loans, or provided any guarantee or security as specified under section 185 of the Companies Act, 2013. The provisions of section 186 of the Act with respect of loans, guarantee and security is not applicable to the Company being a NBFC-MFI and the investments made by the Company are in compliance with the provisions of section 186 of the Act, as applicable.

5. According to the information and explanations given to us and the records of the Company examined by us , during the year the Company has not accepted any deposits or any amounts deemed to be deposits which attracts the directives issued by the Reserve Bank of India or within the meaning of Sections 73 to 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Hence, reporting under clause 3(v) of the Order is not applicable.



6. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.

7.

a. As per the information and explanations furnished to us, and according to our examination of the records of the Company, the undisputed statutory dues including goods and service tax, provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable to the Company have generally been regularly deposited by the company with the appropriate authorities and no undisputed amounts in respect of material statutory dues were in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues referred to in sub-clause (a) that have not been deposited on account of any dispute as at 31st March, 2023 are as follows:

Name of the Statute	Nature of dues	Amount (Rs. In Million)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	58.52	FY 2016-17	Commissioner of Income Tax (Appeals) - Chennai
Income Tax Act, 1961	Income Tax	26.37	FY 2017-18	National Faceless Appeal Centre
Income Tax Act, 1961	Income Tax	2.50	FY 2019-20	National Faceless Appeal Centre

**net of amount paid under protest*

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8. According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

9. According to the information and explanations given to us and on the basis of our examination of the records of the Company:

a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest to any lender.
b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained, other than temporary deployment pending application of proceeds of term loans of Rs. 7650 Million since they were raised towards the end of the year.

d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) The Company does not have any subsidiaries, associates or joint ventures and hence, reporting on clause 3(ix)(e) of the Order is not applicable.

f) The Company does not have any subsidiaries, associates or joint ventures and hence, reporting on clause 3(ix)(f) of the Order is not applicable.

10. According to the information and explanations given to us and the records of the Company examined by us,

    a) no moneys were raised by way of initial public offer or further public offer (including debt instruments) and hence, reporting on clause 3(x)(a) of the Order is not applicable.
    b) The Company has made preferential allotment of equity shares during the month of June, 2022 and the requirements of Section 42 of the Act have been complied with. The Company has not made any preferential allotment or private placement of fully or partly or optionally convertible debentures during the year.

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11.

a) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company or on the Company, noticed or reported during the year, except for I case of misappropriation of cash by employees of the Company aggregating to Rs. 0.25 Million identified by the management during the year, as stated in Note No. 57 to the accompanying financial statements.

b) No report under Section 143(12) of the Act has been filed in Form ADT-4 regarding any frauds, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not received whistle-blower complaints during the year and hence, reporting on clause 3(xi)(c) of the Order is not applicable.

12. The Company is not a Nidhi Company and hence reporing under clause 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in Note No.48 to the standalone financial statements as required by the applicable Ind AS.

14.

a) The Company has an internal audit system, which, in our opinion is commensurate with the size and nature of its business.

b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

15. According to the information and explanations given to us and based the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with the directors and hence, reporting under clause 3(xv) of the Order is not applicable.

VARMA & VARMA CHARTERED ACCOUNTANTS CHENNAI

16. According to the information and explanations given to us and the records of the Company examined by us,

    a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

    b) The Company has obtained registration under the Non-Banking Finance Company – Micro Finance Institution (Reserve Bank) Directions, 2011 and no business has been conducted by the Company without any valid Certificate of Registration (CoR).

    c) The company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.

    d) As represented to us by the management, there is no core investment company as defined in the regulations made by the Reserve Bank of India within the Group. Hence, reporting under clause 3(xvi)(d) of the Order is not applicable.

17. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors of the Company during the year.

19. According to the information and explanations given to us and the records of the Company examined by us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets, payment of financial liabilities and other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

VARMA & VARMA CHENNAI CHARTERED ACCOUNTANTS

20. According to the information and explanations given to us and the records of the Company examined by us,

a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects as at the end of the previous financial year or at the end of current financial year requiring a transfer to a Special Account in compliance with sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For Varma & Varma
Chartered Accountants
FRN. 004532S

Place: Chennai
Date: 9th May, 2023

VARMA & VARMA CHENNAI CHARTERED ACCOUNTANTS

P.R Prasanna Varma
Partner
M.No. 025854
UDIN : 23025854BGRHXG2640

ANNEXURE B' REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BELSTAR MICROFINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2023

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial control systems with reference to standalone financial statements reporting of Belstar Microfinance Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls systems with reference to financial statements reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls system with reference to financial statements reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements reporting and their operating effectiveness. Our audit of internal financial controls system with reference to financial statements reporting included obtaining an understanding of internal financial controls system with reference to financial statements reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements reporting.

Meaning of Internal Financial Controls with reference to Financial Statements reporting

A Company's internal financial controls system with reference to financial statements reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls system with reference to financial statements reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements reporting

Because of the inherent limitations of internal financial controls system with reference to financial statements reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls system with reference to financial statements reporting to future periods are subject to the risk that the internal financial controls system with reference to financial statements reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Varma & Varma

Chartered Accountants

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2023. based on the internal control with reference to financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Varma & Varma
Chartered Accountants
FRN. 004532S

Place: Chennai
Date: 09th May, 2023

VARMA & VARMA * CHENNAI * CHARTERED ACCOUNTANTS

P.R Prasanna Varma
Partner
M.No. 025854
UDIN : 23025854BGRHXG2640

BELSTAR MICROFINANCE LIMITED

BALANCE SHEET AS AT MARCH 31, 2023

(Rs. In millions)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
I ASSETS			
1 Financial assets			
a) Cash and cash equivalents	6	12,812.45	7,218.36
b) Bank Balance other than (a) above	7	448.80	1,360.18
c) Receivables			
(I) Trade Receivables	8	7.61	3.46
(II) Other Receivables		-	-
d) Loans	9	46,275.36	35,542.53
e) Investments	10	528.64	
f) Other Financial assets	11	1,318.56	669.93
2 Non-financial Assets			
a) Current tax assets (Net)	41	362.15	-
b) Deferred tax assets (Net)	42	167.59	514.59
c) Investment Property	12	1.10	1.10
d) Property, Plant and Equipment	13	53.60	47.69
e) Right-of-use assets	14	97.12	97.29
f) Intangible assets under development	15	0.44	0.49
g) Other Intangible assets	16	7.95	6.81
h) Other non financial assets	17	187.64	140.43
Total Assets		**62,269.01**	**45,602.86**
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
a) Derivative financial instruments	18	29.32	
b) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	19	7.20	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	24.55	2.74
(II) Other Payables		-	-
c) Debt Securities	20	6,215.71	3,807.89
d) Borrowings (other than debt securities)	21	40,399.64	30,118.88
e) Subordinated Liabilities	22	1,649.51	1,643.59
f) Lease liabilities	47 C	105.86	106.39
g) Other Financial liabilities	23	2,642.99	1,089.41
2 Non-financial Liabilities			
a) Current tax liabilities (net)	41	-	64.87
b) Provisions	24	81.86	61.54
c) Other non-financial liabilities	25	189.38	148.22
EQUITY			
a) Equity share capital	26	488.44	456.09
b) Other equity	27	10,434.55	8,103.24
Total Liabilities and Equity		**62,269.01**	**45,602.86**

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

For M/s. Varma & Varma
Chartered Accountants
Firm No. 004532S

P.R Prasanna Varma
Partner
M. No.025854

Place: Chennai
Date: May 9, 2023

VARMA & VARMA CHENNAI CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

Dr.Kalpanaa Sankar
Managing Director
(DIN. 01926545)

B Balakumaran
Wholetime Director
(DIN. 09099182)

L Muralidharan
Chief Financial Officer

Sunil Kumar Sahu
Company Secretary

BELSTAR MICROFINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In millions)

	Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
	Revenue from operations			
(i)	Interest income	30	8,817.73	6,768.32
(ii)	Fee and commission income	31	64.29	37.37
(iii)	Net gain on fair value changes	32	27.47	7.87
(iv)	Net gain on de-recognition of financial instruments under amortised cost category	33	1,403.12	458.73
(I)	**Total Revenue from operations**		**10,312.61**	**7,272.29**
(II)	Other Income	34	66.54	12.02
(III)	**Total Income (I + II)**		**10,379.15**	**7,284.31**
	Expenses			
(i)	Finance costs	35	3,654.44	2,912.21
(ii)	Fee and commission expense	36	263.79	196.68
(iii)	Net loss on fair value changes	32	193.06	-
(iv)	Impairment of financial instruments	37	1,445.79	1,497.50
(v)	Employee benefit expenses	38	2,155.78	1,529.53
(vi)	Depreciation, amortization and impairment	39	118.39	86.39
(vii)	Other expenses	40	854.83	500.54
(IV)	**Total Expenses (IV)**		**8,686.08**	**6,722.85**
(V)	**Profit/(loss) before tax (III - IV)**		**1,693.07**	**561.46**
(VI)	**Tax Expense:**			
(i)	Current tax	41	48.16	422.77
(ii)	Deferred tax	42	351.25	(312.60)
(iii)	Earlier years adjustments		(9.59)	-
(VII)	**Profit/(loss) for the period (V - VI)**		**1,303.25**	**451.29**
(VIII)	**Other Comprehensive Income**			
A)	**Items that will not be classified to profit or loss**			
	(i) Actuarial Gain/(Loss) on defined benefit obligation		(7.74)	(2.27)
	(ii) Changes in value of forward element of forward contract		(8.89)	-
	(iii) Tax impact thereon		4.18	(0.02)
	Subtotal (A)		**(12.45)**	**(2.29)**
B)	**Items that will be classified to profit or loss**			
	(i) Fair value gain/ (loss) on Financial instruments measured at FVOCI		-	(17.89)
	(ii) Effective portion of gain on Hedging Instruments in Cash Flow Hedges		(0.23)	-
	(ii) Tax impact thereon		0.06	6.18
	Subtotal (B)		**(0.17)**	**(11.71)**
	Other Comprehensive Income (A + B)		**(12.62)**	**(14.00)**
(IX)	**Total Comprehensive Income for the period (VII + VIII)**		**1,290.63**	**437.29**
(X)	**Earnings per equity share (Face Value - Rs 10 per share)**	43		
	Basic (Rs.)		27.12	12.01
	Diluted (Rs.)		27.12	12.01

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

For and on behalf of Board of Directors

For M/s. Varma & Varma
Chartered Accountants
Firm No. 0045325

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

Place: Chennai
Date: May 9, 2023

Dr.Kalpanaa Sankar
Managing Director
(DIN. 01926545)

B Balakumaran
Wholetime Director
(DIN. 09099182)

I. Muralidharan
Chief Financial Officer

Sunil Kumar Sahu
Company Secretary

BELSTAR MICROFINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Operating activities		
Profit before tax	**1,693.07**	**561.46**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & amortisation	118.39	86.39
Impairment on financial instruments	1,445.79	1,497.50
Finance cost	3,654.44	2,912.21
Net gain on fair value changes	(27.47)	(7.87)
Interest income on deposits	(286.68)	(163.05)
Operating Profit Before Working Capital Changes	**6,597.54**	**4,886.64**
Working capital changes		
(Increase) / Decrease in Trade receivables	(4.15)	(0.32)
(Increase) / Decrease in Loans	(11,985.56)	(9,220.45)
(Increase) / Decrease in Other financial asset	(724.37)	(10.89)
(Increase) / Decrease in Other non financial asset	(47.22)	(9.73)
Increase / (Decrease) in Trade and Other payables	29.01	(5.31)
Increase / (Decrease) in Other liabilities	1,378.29	234.09
Increase / (Decrease) in Provision	12.58	8.32
Cash flows from/(used in) operating activities before tax	**(4,743.88)**	**(4,117.65)**
Interest paid on borrowings	(3,476.05)	(3,009.62)
Income tax paid	(465.61)	(399.42)
Net cash flows from/(used in) operating activities	**(8,685.54)**	**(7,526.69)**
Investing activities		
Acquisition of fixed and intangible assets	(69.28)	(51.31)
Net gain on fair value changes	27.47	7.87
Investment in security receipts (ARC)	(721.70)	-
Investment in fixed deposits	911.38	(103.56)
Interest received on deposits	361.42	128.53
Net cash flows from/(used in) investing activities	**509.29**	**(18.47)**
Financing activities		
Proceeds from issue of shares	1,086.70	2,716.14
Proceeds from / (Repayment) of borrowings	12,763.79	7,587.22
Interest paid on Lease liabilities	(11.02)	(11.84)
Payment towards Lease liabilities	(55.45)	(37.97)
Dividend paid on equity shares	(13.68)	(11.26)
Net cash flows from financing activities	**13,770.34**	**10,242.29**
Net increase in cash and cash equivalents	**5,594.09**	**2,697.13**
Cash and cash equivalents at 1st April 2022, 1st April 2021	7,218.36	4,521.23
Cash and cash equivalents at March 31,2023 /March 31, 2022	**12,812.45**	**7,218.36**

Notes:

(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS-7) Statement of Cash Flow.

(b) For Components of Cash and Cash Equivalents - Refer Note No. 6

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

For and on behalf of Board of Directors

For M/s. Varma & Varma
Chartered Accountants
Firm No. 004532S

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

Place: Chennai
Date: May 9, 2023

Dr.Kalpana Sankar
Managing Director
(DIN. 01926545)

B Balakumaran
Wholetime Director
(DIN. 09099182)

L Muralidharan
Chief Financial Officer

Sunil Kumar Sahu
Company Secretary

BELSTAR MICROFINANCE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A . Equity Share Capital

(Rs. In millions)

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year -Share Issue	Balance at the end of the current reporting period
As at March 31,2023					
Equity Share Capital					
'4,88,44,055 ' Equity Shares of Rs.10/- each	456.09	-	-	32.35	**488.44**

Particulars	Balance at the beginning of the Previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the Previous reporting period	Changes in equity share capital during the current year	Balance at the end of the Previous reporting period
As at March 31,2022					
Equity Share Capital					
'4,56,08,760' Equity Shares of Rs.10/- each	375.21	-	-	80.88	**456.09**

B. Other Equity

(Rs. In millions)

Particulars	Reserves and Surplus									
	Statutory reserve (Pursuant to section 45-IC of the Reserve Bank of India Act, 1934)	Capital Redemption Reserve(CRR)	Securities Premium	General Reserve	Remeasurement gain/ (loss) of defined benefit plans	Retained Earnings	Changes in value of forward element of forward contract	Effective portion of Cash Flow Hedges	Financial instruments measured at FVOCI	Total
As at March 31,2023										
Balance at the beginning of the current reporting period	646.14	500.00	5,020.25	0.01	-7.32	1,944.16	-	-	0.00	8,103.24
Total Comprehensive Income for the current year		-	-	-	-5.79	1,303.25	-6.66	-0.17	-	1,290.63
Dividends		-	-	-		-13.68				-13.68
Transfer to Statutory Reserve	260.65					-260.65				-
Premium on Issue of Share *		-	1,054.35	-						1,054.35
Balance at the end of the current reporting period	906.79	500.00	6,074.60	0.01	-13.11	2,973.08	-6.66	-0.17	0.00	10,434.54
As at March 31,2022										
Balance at the beginning of the Previous reporting period	555.88	500.00	2,384.99	0.01	-5.02	1,594.38	-	-	11.71	5,041.95
Total Comprehensive Income for the current year	-	-	-	-	-2.29	451.29	-	-	-11.71	437.29
Dividends	-	-	-	-		-11.26				-11.26
Transfer to Statutory Reserve	90.26	-	-	-		-90.26				-
Premium on Issue of Share *	-	-	2,635.26	-		-			-	2,635.26
Balance at the end of the Previous reporting period	646.14	500.00	5,020.25	0.01	-7.32	1,944.16	-	-	0.00	8,103.24

**** Premium is net of Rs 13.30 Mn being transaction cost for issue of equity shares during the year 22-23. (21-22 -Rs 33.86 Mn)***

The accompanying notes are an integral part of the financial statements
As per our Report of even date attached

For M/s. Varma & Varma
Chartered Accountants
Firm No. 004532S

P.R Prasanna Varma
Partner
M. No.025854
Place: Chennai
Date: May 9, 2023

VARMA & VARMA CHENNAI CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

Dr. Kalpanaa Sankar
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B Balakumaran
Wholetime Director
(DIN. 09099182)

I. Muralidharan
Chief Financial Officer

Sunil Kumar Sahu
Company Secretary

Belstar Microfinance Limited
Notes forming part of Financial Statements

Significant Accounting Policies

1. Corporate Information

Belstar Microfinance Limited, (the Company) is a Company incorporated under the Companies Act, 1956 having its registered office at No 33, 48th Street, 9th Avenue, Ashok Nagar, Chennai- 600083 and registered with the Reserve Bank of India as a non-banking financial company (NBFC) from March 2001. The Company is basically engaged in the business of providing loans and access to Credit to the Self-Help Group (SHG) members / Joint Liability Group (JLG) members known as "Pragati" and other loans like Education, Small Enterprise Loan (SEL) as part of financial inclusion space. The Company got classified as a NBFC - MFI effective December 11, 2013. The company is a Systemically Important Non - Deposit taking NBFC MFI (NDSI–NBFC-MFI) as at March 31, 2023

2. Basis of preparation

2.1 Statement of compliance

The financial statements of the Company have been prepared on going concern basis in accordance with the applicable Indian Accounting Standards (Ind AS) notified 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.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant accounting standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

2.3 Impact of Covid-19

The Company continues to monitor and assess the impact of COVID-19 pandemic on its operations and financials, including the possibility of higher defaults by the customers. The Company has considered the information available up to the date of these results and have made adequate provisions in this regard to the extent required.

2.4 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest millions, except when otherwise indicated.

VARMA & VARMA CHENNAI CHARTERED ACCOUNTANTS

BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

3. Significant accounting policies

3.1 Recognition of interest income

The Company computes Interest income by applying the effective interest rate to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

For purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

For other credit-impaired financial assets, the Company applies effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company includes all fees and charges paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

3.2 Recognition of income and expenses

Revenue (other than for financial instruments) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind AS.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation





3.2.1 Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

3.3 Financial instruments

3.3.1 Financial asset

Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Loans are recognised when funds are transferred to the customers' account.

3.3.2 Initial and subsequent measurement

The Company classifies its financial assets into the following measurement categories:

1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI).
3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
4. Equity instruments measured at fair value through other comprehensive income (FVTOCI).

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

The Ind AS 109 classification and measurement model requires that all debt instrument financial assets that do not meet a "solely payment of principal and interest" (SPPI) test, including those that contain embedded derivatives, be classified at initial recognition as fair value through profit or loss (FVTPL). The intent of the SPPI test is to ensure that debt instruments that contain non-basic lending features, such as conversion options and equity linked pay-outs, are measured at FVTPL.

Accordingly, for debt instrument financial assets that meet the SPPI test, the Company classifies its assets based on the business model under which these instruments are managed.

Debt instruments that are managed on a "held for trading" or "fair value" basis is classified as FVTPL. Financial instruments held at fair value through profit or loss, are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

Debt instruments that are managed on a "hold to collect and for sale" basis is classified as fair value through other comprehensive income (FVOCI) for debt. These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the Income statement.

Debt instruments that are managed on a "hold to collect" basis will be classified as amortized cost. After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described below in Note 3.6 Impairment of financial assets.

All equity instrument financial assets are classified at initial recognition as FVTPL unless an irrevocable designation is made to classify the instrument as FV-OCI for equities. The FV-OCI for equities category results in all realized and unrealized gains and losses being recognized in OCI with no recycling to profit and loss. Only dividends are recognized in profit and loss.

3.3.3 Financial liabilities

Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.4 Derecognition of financial assets and liabilities

3.4.1 Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

a) The Company has transferred its contractual rights to receive cash flows from the financial asset

or

b) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

- The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset

  or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

3.4.2 Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.5 Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset, and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Company and/or its counter parties.

3.6 Impairment of financial assets

3.6.1 Overview of the Expected Credit Loss (ECL) principles

The Company has created provisions on all financial assets except for financial assets classified as FVTPL, based on the expected credit loss method.

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month expected credit loss.





The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into three stages as described below:

For non-impaired financial instruments

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, The Company compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Company recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities shall revert to recognizing 12-month ECL.

For impaired financial instruments:

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial instruments.

3.6.2 The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

VARMA & VARMA CHENNAI
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Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

Collateral

In the normal course of business, the Company does not take financial or non-financial item as collateral security from the customers for the loan given.

Impairment of Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

3.7 Determination of fair value

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which enough data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

3.8 Derivative financial instruments

The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently measured to their fair value at the end of each reporting period. Such derivative instruments are presented as assets in case of a fair value gain and as liabilities in case of fair value loss. Changes in the fair value of derivatives is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company has designated the derivative financial instruments as cash flow hedges of recognised liabilities and unrecognised firm commitments.

Hedge accounting

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as cash flow hedge.

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

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For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve).

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in net gain/loss on fair value changes in the profit and loss statement.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

3.9 Finance cost

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

3.10 Other income and expenses

All Other income and expense are recognized in the period in which they occur.

3.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Company's cash management.

3.12 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.





Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.12.1 Depreciation

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged based on a review by the management during the year and at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 on Written Down Value method. All fixed assets costing individually upto Rs. 5,000 is fully depreciated by the company in the year of its capitalisation.

The estimated useful lives are as follows:

Particulars	Useful life	Residual value
Furniture and fixture	10 years	2%
Office equipment	5 years	2%
Vehicles	10 years	2%
Computer	3 years	5%

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.13 Intangible assets

The Company's intangible assets consist of computer software.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets comprising of software are amortised on a written down value basis over a period of 3 years The useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.





Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.14 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

The fair value of investment property is disclosed in the notes accompanying these financial statements. Fair value is determined by independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

3.15 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.





3.16 Post employment benefits

3.16.1 Defined contribution schemes

Contributions to the Employees Provident Fund Scheme maintained by the Central Government are accounted for on an accrual basis. Retirement benefit in the form of provident fund is a defined contribution scheme.

The company has no obligation, other than the contribution payable under the scheme. The company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset.

3.16.2 Defined Benefit schemes

Gratuity

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company makes annual contribution to a Gratuity Fund administered by Life Insurance Company Limited and such other insurance company from time to time.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

3.17 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.





3.18 Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.18.1 Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.18.2 Deferred tax

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

3.18.3 Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.





3.19 Contingent Liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not have any contingent assets in the financial statements.

3.20 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

3.21 Leases

As a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.





Lease payments included in the measurement of the lease liability comprise the following:
– Fixed payments, including in-substance fixed payments;
– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– Amounts expected to be payable under a residual value guarantee; and
– The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Short-term leases and leases of low-value assets
The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

3.22 Cash flow statement
Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

4.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model

for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement in respect of the estimation of the amount and timing of future cash flows and collateral values and the assessment of a significant increase in credit risk. These estimates are driven by several factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.5 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.6 Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.





5. Standard issued but not yet effective

On March 31, 2023, MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, with amendment to certain Ind AS that are applicable to the Company effective 1st April, 2023, as given below.

1. Ind AS 1 – Presentation of Financial Statements –
    a. Companies are now required to disclose material accounting policies instead of significant accounting policies.
    b. Accounting policy information considered together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.
    c. Accounting policy information that relates to immaterial transactions, other events or conditions need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

On account of the amendment to Ind AS 1 consequential amendment have been made in Ind AS 107, Financial Instrument Disclosures and Ind AS 34, Interim Financial Reporting

2. Ind AS 8 – Accounting policies, Change in Accounting Estimates and Errors –

    a. The definition of 'change in account estimate' has been replaced by the definition of an 'accounting estimate'. As per the amendment, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty.
    b. The amendment states that a company develops an accounting estimate to achieve the objective set out by an accounting policy.
    c. As per the amendment, measurement techniques and inputs are used to develop an accounting estimate. Measurement techniques include estimation techniques and valuation techniques.

The Company has evaluated the effect of the above amendments on the financial statements and the impact is not expected to be material.

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Notes forming part of the Ind AS Financial Statements

6: Cash and cash equivalents

(Rs. In millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	14.87	15.23
Balances with Banks		
- in current accounts	1,108.35	879.06
- Bank deposit with maturity of less than 3 months	11,689.23	6,324.07
Total	**12,812.45**	**7,218.36**

Short-term deposits are made for period varying between one day to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short term deposit rates.

The Company has not taken any bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and cash equivalent given above.

7: Bank balance other than cash and cash equivalents

(Rs. In millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Deposit with original maturity for more than three months.	76.26	166.56
Balances with banks to the extent held as security against the borrowings #	372.54	1,193.62
Total	**448.80**	**1,360.18**

It represents deposits maintained as cash collateral against term loans availed from banks and financial institutions and earn interest at the respective fixed deposit rates.

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Notes forming part of the Ind AS Financial Statements

8: Trade Receivables

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Trade receivables		
Receivable considered good - Unsecured	7.61	3.46
Total	**7.61**	**3.46**
Provision for impairment :	-	-
Total Net receivable	**7.61**	**3.46**

Trade receivables includes Rs. 0.70 million (Previous year Rs. 2.48 million) receivable from related party refer Note 48 for more details.

Trade receivables are non-interest bearing and are generally on terms ranging from 30 days to 60 days from the date of invoice. During the year 2022-23, INR Nil (2021-22: INR Nil) was recognised as provision for expected credit losses on trade receivable.

8.1 Trade Receivable Ageing Schedule as at 31st March 2023

(Rs. in millions)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	7.61	-	-	-	-	7.61
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

Trade Receivable Ageing Schedule as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	3.46	-	-	-	-	
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-





Notes forming part of the Ind AS Financial Statements

9: Loans

(Rs. in millions)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amortised Cost	Fair value Through OCI	Total	Amortised Cost	Fair value Through OCI	Total
(A)						
i) Receivables under financing activities	47,227.53		47,227.53	37,771.38		37,771.38
ii) Staff Loan	4.86		4.86	8.74		8.74
Total (A) - Gross	**47,232.39**	-	**47,232.39**	**37,780.12**	-	**37,780.12**
Less : Impairment loss allowance	(957.03)		**(957.03)**	(2,237.59)		**(2,237.59)**
Total (A) - Net	**46,275.36**	-	**46,275.36**	**35,542.53**	-	**35,542.53**
(B)						
I) Secured by tangible assets and intangible assets	35.54		35.54	12.06		12.06
II) Covered by Bank / Government Guarantees	-		-	-	-	-
III) Unsecured			-	-		
i) Receivables under financing activities	47,192.00		47,192.00	37,759.32	-	37,759.32
ii) Staff loan	4.85		4.85	8.74	-	8.74
Total (III) - Gross	**47,196.85**	-	**47,196.85**	**37,768.06**	-	**37,768.07**
Less : Impairment loss allowance	(957.03)		(957.03)	(2,237.59)	-	(2,237.59)
Total (III) - Net	**46,239.82**	-	**46,239.82**	**35,530.47**	-	**35,530.48**
Total (B) (I+II+III) - Net	**46,275.36**	-	**46,275.36**	**35,542.53**	-	**35,542.54**
(C)						
Public Sector				-		
Others	47,232.39	-	47,232.39	37,780.12	-	37,780.12
Total (C) - Gross	**47,232.39**	-	**47,232.39**	**37,780.12**	-	**37,780.12**
Less: Impairment Loss Allowance (C)	(957.03)	-	(957.03)	(2,237.59)	-	(2,237.59)
Total (C)- Net	**46,275.36**	-	**46,275.36**	**35,542.53**	-	**35,542.53**

Receivables under financing activities

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 52 and policies on ECL allowances are set out in Note 3.6.

(Rs. in millions)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	45,599.87			**45,599.87**	33,246.69			**33,246.69**
Standard grade	170.27			**170.27**	587.50			**587.50**
Sub-standard grade		174.01		**174.01**		682.88		**682.88**
Past due but not impaired		143.43		**143.43**		1,118.05		**1,118.05**
Non - performing				-				-
Individually impaired			1,144.81	**1,144.81**			2,145.00	**2,145.00**
Total	**45,770.14**	**317.44**	**1,144.81**	**47,232.39**	**33,834.19**	**1,800.93**	**2,145.00**	**37,780.12**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to receivables under financing activities is, as follows:

(Rs. in millions)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**33,834.19**	**1,800.93**	**2,145.00**	**37,780.12**	**27,699.10**	**335.41**	**783.18**	**28,817.69**
New assets originated or purchased (net of repayment)	41,626.14	-	-	**41,626.14**	30,709.05	-	-	**30,709.05**
Assets derecognised or repaid (excluding write offs)	(26,885.94)	(542.57)	(2,025.90)	**(29,454.41)**	(21,389.95)	(101.09)	(27.27)	**(21,518.31)**
Transfers to Stage 1	34.42	(30.97)	(3.45)	-	79.08	(77.84)	(1.24)	-
Transfers to Stage 2	(634.69)	637.71	(3.02)	-	(1,698.50)	1,699.65	(1.15)	-
Transfers to Stage 3	(2,203.98)	(1,547.66)	3,751.64	-	(1,564.59)	(55.20)	1,619.79	-
Amounts written off (Refer Note 9.1)			(2,719.46)	**(2,719.46)**	-	-	(228.31)	**(228.31)**
Gross carrying amount closing balance	**45,770.14**	**317.44**	**1,144.81**	**47,232.39**	**33,834.19**	**1,800.93**	**2,145.00**	**37,780.12**

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Reconciliation of ECL balance is given below:

(Rs. in millions)

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	114.09	504.25	1,619.25	2,237.59	264.76	97.77	617.69	980.22
New assets originated or purchased	175.44	-	-	175.44	71.13	-	-	71.13
Assets derecognised or repaid (excluding write offs)	(111.81)	(92.24)	(186.98)	(391.03)	(126.47)	(32.69)	(78.74)	(237.90)
Transfers to Stage 1	9.42	(7.01)	(2.41)	-	35.04	(31.27)	(3.77)	-
Transfers to Stage 2	(49.68)	51.78	(2.10)	-	(46.09)	48.51	(2.42)	-
Transfers to Stage 3	(110.10)	(455.62)	565.72	-	(105.20)	(21.92)	127.12	-
Impact on year end ECL of exposures transferred between stages during the year	3.41	85.56	1,565.52	1,654.49	20.92	443.85	1,187.68	1,652.45
Amounts written off (Refer Note 9.1)	-	-	(2,719.46)	(2,719.46)	-	-	(228.31)	(228.31)
ECL allowance - closing balance	30.77	86.72	839.54	957.03	114.09	504.25	1,619.25	2,237.59

9.1 Sale of Assets to ARC

During the year, the Company has sold financial assets being stressed loan receivables (>180 days past due) having a gross carrying amount of Rs. 2,500.96 million to an Asset Reconstruction Company ("ARC") for a consideration of Rs. 830.00 million. The net carrying amount of these loan receivables as on the effective date of transfer was Rs. 636.94 (net of impairment allowance of Rs. 1,864.02 million). In accordance with Ind AS 109, the Company has written off Rs. 1670.96 million (i.e Rs. 2,500.96 million less Rs. 830 million) against the corresponding impairment allowance, being the portion of gross carrying amount in respect of which any reasonable expectation of recovery stands extinguished with the above mentioned sale transaction. Further, the residual excess provision carried under impairment allowance Rs 193.06 million has been written back during the year with corresponding impact in Note No. 37. As per the agreed terms, the Company has subscribed to the Security Receipts ("SRs") issued by the ARC trust amounting to Rs. 721.70 million, which is classified under Fair Value through Profit or Loss Account. Since the transaction had consummated on 28th March, 2023, obtaining recovery ratings and declaration of the Net Asset Value (NAV) by the ARC Trust would commence from the half year ended September 30, 2023 only. As at March 31, 2023, the Company has also applied the principles prescribed under the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 in determining the fair value of the SR's and accordingly, a loss on fair value changes considering the notional provisioning rate applicable if these loans had continued in the books of the Company amounting to Rs. 193.06 million has been recognised against the face value of these SRs, as disclosed under Note No. 32.

The gross and net carrying amounts stated above does not include unrealised interest on these NPA loans recognised by the Company amounting to Rs. 162.36 million. Upon completion of the sale transaction, the same has also been de-recognised with corresponding impact in Note No. 30.

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Notes forming part of the Ind AS Financial Statements

10: Investments (Rs. in millions)

Particulars	As at March 31, 2023						As at March 31, 2022					
	Amortised Cost	Fair value Through OCI	Fair value Through Profit or Loss	Sub -total	Cost	Total	Amortised Cost	Fair value Through OCI	Fair value Through Profit or Loss	Sub -total	Cost	Total
i) Security receipts (Refer Note 9.1) (7,21,700 Nos. of SRs issued by Trust having a face value of Rs 1000 each) *	-	-	528.64	528.64	-	528.64	-	-	-	-	-	-
Total Gross (A)	-	-	528.64	528.64	-	528.64	-	-	-	-	-	-
i) Overseas investments												
ii) Investments in India	-	-	528.64	528.64	-	528.64	-	-	-	-	-	-
Less : Allowance for impairment loss (B)	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net C = (A) - (B)	-	-	528.64	528.64	-	528.64	-	-	-	-	-	-

* For basis of determination of Fair Value Refer Note 9.1

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Notes forming part of the Ind AS Financial Statements

11: Other financial assets

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good		
Security deposits	31.21	24.94
Receivable towards assignment transactions	202.71	105.22
Excess interest spread receivable on assignment transactions	1,047.19	427.59
Interest accrued on fixed deposits with banks	37.45	112.18
Total	**1,318.56**	**669.93**

12: Investment property

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Gross carrying amount		
Opening gross carrying amount	1.10	1.10
Addition during the year	-	-
Disposal	-	-
Closing gross carrying amount	**1.10**	**1.10**
Accumulated depreciation		
Opening accumulated depreciation amount	-	-
Depreciation charged during the period	-	-
Closing accumulated depreciation amount	-	-
Net carrying amount	**1.10**	**1.10**

The fair value of investment property is Rs. 1.45 millions (Rs. 1.45 millions for previous year) as determined by an external independent Registered Valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017

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13: Property, plant and equipment (Rs. in millions)

Particulars	Office equipment	Computers	Furniture & Fixtures	Vehicles	Total
Cost:					
At April 1, 2021	45.12	101.28	20.40	1.47	168.27
Additions	11.13	31.89	4.36	-	47.38
Disposals	-	-	-	-	-
As at March 31, 2022	**56.25**	**133.17**	**24.76**	**1.47**	**215.65**
Additions	18.80	31.28	10.23	-	60.31
Disposals	-	-	-	-	-
As at March 31, 2023	**75.05**	**164.45**	**34.99**	**1.47**	**275.96**
Accumulated depreciation					
At April 1, 2021	32.01	82.83	16.51	1.16	132.51
Disposals	-	-	-	-	-
Depreciation charge for the year ended 31 March, 2022	12.50	18.62	4.23	0.11	35.46
As at March 31, 2022	**44.51**	**101.45**	**20.74**	**1.27**	**167.97**
Disposals	-	-	-	-	-
Depreciation charge for the year ended 31 March, 2023	16.07	30.93	7.33	0.06	54.39
As at March 31, 2023	**60.58**	**132.38**	**28.07**	**1.33**	**222.36**
Net book value:					
As at March 31, 2022	**11.74**	**31.72**	**4.02**	**0.20**	**47.69**
As at March 31, 2023	**14.47**	**32.07**	**6.92**	**0.14**	**53.60**

14: Right of use of assets (Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening carrying value	97.29	72.89
Addition during the year	55.92	64.86
Depreciation for the year	(56.09)	(40.46)
Closing Carrying value	97.12	97.29

15: Intangible assets under development

Particulars	As at March 31, 2023	As at March 31, 2022
Opening carrying value	0.49	0.55
Capitalised during the year	(0.05)	(0.06)
Closing Carrying value	0.44	0.49

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As at March 31, 2023

Intangible assets under development	Amount in intangible assets under development for a period of				(Rs. in millions)
	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
Projects in progress	0.44				0.44

As at March 31, 2022

Intangible assets under development	Amount in intangible assets under development for a period of				(Rs. in millions)
	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
Projects in progress	0.49				0.49

16: Other Intangible Assets (Rs. in millions)

Particulars	Computer Software
Cost:	
At April 1, 2021	79.31
Additions	4.00
Disposals	-
As at March 31, 2022	**83.31**
Additions	9.02
Disposals	-
As at March 31, 2023	**92.33**
Accumulated amortisation	
At April 1, 2021	66.00
Amortisation charge for the year ended March 31, 2022	10.50
As at March 31, 2022	**76.50**
Disposals	-
Amortisation charge for the year ended March 31, 2023	7.88
As at March 31, 2023	**84.38**
Net book value:	
As at March 31, 2022	**6.81**
As at March 31, 2023	**7.95**

17: Other Non-financial assets (Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	78.93	45.42
Insurance claim receivable	17.43	10.83
Other Receivables	91.28	84.18
Total	**187.64**	**140.43**

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18:Derivative financial instruments

(Rs. In millions)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Notional amounts (USD)	Notional amounts (INR)	Fair value-Assets	Fair value-Liabilities	Notional amounts (USD)	Notional amounts (INR)	Fair value-Assets	Fair value-Liabilities
Currency derivatives								
Forward contracts	33.24	2,767.06	-	29.32	-	-	-	-
Total	**33.24**	**2,767.06**	-	**29.32**	-	-	-	-
Included in above are derivatives held for hedging and risk management purposes as follows:								
Cash flow hedging:								
Currency derivatives	33.24	2,767.06	-	29.32	-	-	-	-
Total	**33.24**	**2,767.06**	-	**29.32**	-	-	-	-

The Company undertakes derivative transactions for hedging exposures relating to foreign currency borrowings. Derivative transaction comprises of forward contracts. The management of foreign currency risk is detailed in Note S2. The fair value of derivative liability as disclosed above represents the marked to market position of these forward contracts.

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19 : Trade Payables

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	7.20	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	24.55	2.74
Total	**31.75**	**2.74**

19.A.1 Trade Payable Ageing Schedule as at 31st March 2023

(Rs. in millions)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	7.20	-	-	-	7.20
(ii) Others	24.55	-	-	-	24.55
(iii) Disputed dues - MSME					-
(iv) Disputed dues - Others					-

Trade Payable Ageing Schedule as at 31st March 2022

(Rs. in millions)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	2.74	-	-	-	2.74
(iii) Disputed dues - MSME					-
(iv) Disputed dues - Others					-

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20: Debt Securities (Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
	At amortised cost	At amortised cost
Bonds/ Debentures		
Secured Non-Convertible Debentures - Listed	6,215.71	3,807.89
Unsecured Non-Convertible Debentures -Listed	-	-
Total (A)	**6,215.71**	**3,807.89**
Debt securities in India	6,215.71	3,807.89
Debt securities outside India	-	-
Total (B)	**6,215.71**	**3,807.89**

Details of Redeemable Non-Convertible Debentures

Particulars	As at March 31, 2023			As at March 31, 2022			Date of redemption	Nominal value per debenture #	Total number of debentures #
	Loan Amount	EIR Adjustments	Balance outstanding	Loan Amount	EIR Adjustments	Balance outstanding			
Secured Non-Convertible Debentures									
9.5% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	-	-	-	400.00	(0.08)	399.92	13-05-2022	10,00,000.00	400.00
9.35% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	-	-	-	62.50	(0.03)	62.47	03-06-2022	2,50,000.00	250.00
10.5% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	-	-	-	114.28	(0.00)	114.28	15-09-2022	2,85,715.00	400.00
10.58% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	500.00	(0.05)	499.95	500.00	(0.89)	499.11	21-04-2023	10,00,000.00	500.00
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	250.00	(0.07)	249.93	250.00	(0.58)	249.42	16-05-2023	10,00,000.00	250.00
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	200.00	(0.09)	199.91	200.00	(0.48)	199.52	17-06-2023	10,00,000.00	200.00
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	700.00	(0.37)	699.63	700.00	(1.74)	698.26	30-06-2023	10,00,000.00	700.00
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	350.00	(0.50)	349.50	350.00	(2.24)	347.76	07-07-2023	10,00,000.00	350.00
8.5%Senior,Secured,Redeemable,Rated,Listed,Taxable,Non-Convertible Debentures	1,250.00	(6.53)	1,243.47	1,250.00	(12.85)	1,237.15	28-02-2024	10,00,000.00	1,250.00
9.35%Senior,Secured,Redeemable,Rated,Listed,Taxable,Non-Convertible Debentures	3,000.00	(26.68)	2,973.32	-	-	-	21-08-2024	10,00,000.00	3,000.00
Total	**6,250.00**	**(34.29)**	**6,215.71**	**3,826.78**	**(18.89)**	**3,807.89**			
Unsecured Non-Convertible Debentures -Listed									
11.98% Unsecured, Fully Paid, Rated, Listed, Senior, Redeemable, Taxable, Non-Convertible Debentures	-	-	-	-	-	-	31-07-2021	1,00,000.00	2,000.00
Total	-	-	-	-	-	-			

Secured debentures are secured by [illegible] receivables under Financing activity.

Nominal value per debenture and total number of debentures are in full numbers.

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Notes forming part of the Ind AS Financial Statements

21: Borrowings (other than debt securities) (Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
	At amortised cost	At amortised cost
(a) Term loan		
(i) from banks		
Rupee Loans	37,369.29	28,925.83
Foreign currency Loans	2,716.03	-
(ii) from Financial Institution	314.32	1,193.05
	-	-
Total (A)	40,399.64	30,118.88
Borrowings in India	40,399.64	30,118.88
Borrowings outside India	-	-
Total (B)	40,399.64	30,118.88

(i) Term loan from banks and financial institution are secured by way of specific charge on receivables created out of the proceeds of the loan. Further in respect of term loan drawn during quarter 4 of FY 2022-23 aggregating to Rs 7,650 Million ,the company will assign the book debts in due course as per the sanction terms.

(ii) The company has not defaulted in the repayment of dues to its lenders.

(iii) The quarterly returns of current assets filed by the company with banks and financial institution are in agreement with the books of accounts.

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22: Subordinated Liabilities

(Rs. In millions)

Particulars	As at March 31, 2023	As at March 31, 2022
	At amortised cost	At amortised cost
Subordinated Liabilities - Debentures - Unlisted	657.93	657.33
Subordinated Liabilities - Debentures - Listed	742.36	737.29
Subordinated Liabilities - Loan	249.22	248.97
Total (A)	**1,649.51**	**1,643.59**
Subordinated Liabilities in India	1,649.51	1,643.59
Subordinated Liabilities outside India	-	-
Total (B)	**1,649.51**	**1,643.59**

Detail of Subordinated Debt

Particulars	As at March 31, 2023			As at March 31, 2022					
	Loan Amount	EIR Adjustments	Balance outstanding	Loan Amount	EIR Adjustments	Balance outstanding	Date of redemption	Nominal value per debenture #	Total number of debentures #
Subordinated Liabilities - Debentures - Unlisted									
12% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures	70.00	-	70.00	70.00	-	70.00	31-07-2023	10,00,000.00	70.00
14% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	200.00	(1.28)	198.72	200.00	(1.67)	198.33	11-09-2025	10,00,000.00	200.00
14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	240.00	(0.79)	239.21	240.00	(1.00)	239.00	03-12-2025	1,00,000.00	2,400.00
14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	150.00	-	150.00	150.00	-	150.00	15-05-2026	1,00,000.00	1,500.00
Total	**660.00**	**(2.07)**	**657.93**	**660.00**	**(2.67)**	**657.33**			
Subordinated Liabilities - Debentures - Listed									
11.5% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable, Non-Convertible Debentures	250.00	(1.95)	248.05	250.00	(6.19)	243.81	31-05-2023	1,000.00	2,50,000.00
14.50% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable,Non-Convertible Debentures	500.00	(5.69)	494.31	500.00	(6.52)	493.48	30-09-2027	10,00,000.00	500.00
Total	**750.00**	**(7.64)**	**742.36**	**750.00**	**(12.71)**	**737.29**			
Subordinated Liabilities - Loan									
14.50% Unsecured, Subordinated Loan	250.00	(0.78)	249.22	250.00	(1.03)	248.97	23-12-2025		
Total	**250.00**	**(0.78)**	**249.22**	**250.00**	**(1.03)**	**248.97**			

Nominal value per debenture & the total number of debentures are in full numbers.

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Terms of repayment of long term borrowings outstanding as at 31 March 2023

Maturity pattern of Debt securities

Type of Loan	Secured & Unsecured NCD	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
Original Maturity of loan	Coupon rate	No of Installments	Amount		Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
At the end of tenure / On demand	8%-10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	10%-12%	7	3,226.05	1.00	2,989.66	-	-	-	-	-	-	-	-	8.00	6,215.71
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		7	3,226.05	1.00	2,989.66	-	-	-	-	-	-	-	-	8.00	6,215.71

Maturity pattern of term loan from Bank

(Rs. in millions)

Type of Loan	Term Loan - Bank	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
Original Maturity of loan	Coupon rate	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
Monthly repayment schedule	8%-10%	475	7,304.58	164	3,778.56	18	1,049.27	-	-	-	-	-	-	657	12,132.41
	10%-12%	419	4,949.38	86	1,796.61	-	-	-	-	-	-	-	-	505	6,745.99
	12%-14%	15	100.45	-	-	-	-	-	-	-	-	-	-	15	100.45
Quarterly repayment schedule	8%-10%	351	7,234.03	231	6,595.14	46	2,475.60	-	-	-	-	-	-	628	16,304.77
	10%-12%	111	1,627.12	14	458.55	-	-	-	-	-	-	-	-	125	2,085.67
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		1,371	21,215.56	495	12,628.86	64	3,524.87	-	-	-	-	-	-	1,930	37,369.29

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Maturity pattern of term loan from Bank

Type of Loan	Term Loan -Foreign currency Loans	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
Original Maturity of loan	Coupon rate	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
Quarterly repayment schedule	8%-10%	4	1,091.98	4	1,079.80	2	544.25	-	-	-	-	-	-	10	2,716.03
	10%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14%-15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		4	1,091.98	4	1,079.80	2	544.25	-	-	-	-	-	-	10	2,716.03

Maturity pattern of term loan from Financial Institution

(Rs. in millions)

Type of Loan	Term Loan - NBFC	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
Original Maturity of loan	Coupon rate	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
Monthly repayment schedule	8%-10%	12	89.03	-	-	-	-	-	-	-	-	-	-	12	89.03
	10%-12%	18	104.22	-	-	-	-	-	-	-	-	-	-	18	104.22
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarterly repayment schedule	8%-10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	10%-12%	5	121.07	-	-	-	-	-	-	-	-	-	-	5	121.07
	12%-14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		35	314.32	-	-	-	-	-	-	-	-	-	-	35	314.32

Maturity pattern of Subordinated Liabilities

(Rs. in millions)

Type of Loan	Un Secured - Sub Debt	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total	
Original Maturity of loan	Coupon rate	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount	No of Installments	Amount
At the end of tenure / On demand	8%-10%	-	-	-	-	-	-	-	-	-	-	-	-		-
	10%-12%	2.00	317.10	-	-	-	-	-	-	-	-	-	-	-	317.10
	12%-14%	-	-	-	-	1.00	198.18	-	-	-	-	-	-	-	198.18
	14%-15%	-	-	-	-	3.00	486.56	1.00	148.51	1	499.16	-	-	-	1,134.23
Total		2.00	317.10	-	-	4	684.74	1.00	148.51	1	499.16	-	-	-	1,649.51

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23: Other Financial liabilities

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	439.05	222.60
Payable towards assignment transactions	2,128.40	866.81
Others	75.54	-
Total	**2,642.99**	**1,089.41**

24: Provisions

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
- Gratuity	11.20	4.34
- Others	63.99	49.65
Provision for other losses	6.67	7.55
Total	**81.86**	**61.54**

Movement of provisions other than employee benefit during the year:

The movement in provisions during 2022-23 and 2021-22 is, as follows:

(Rs. in millions)

Particulars	Others
	Amount
At March 31, 2021	**5.46**
Arising during the year	2.40
Utilized during the year	(0.31)
At March 31, 2022	**7.55**
Arising during the year	0.25
Utilized during the year	(1.13)
At March 31, 2023	**6.67**

25: Other Non-financial liabilities

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	41.02	14.61
Employees payable	99.24	57.35
Insurance premium payable	2.15	12.06
Other non financial liabilities	46.97	64.20
Total	**189.38**	**148.22**

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Notes forming part of the Ind AS Financial Statements

26: Equity share capital

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised:		
100,000,000 (PY 100,000,000) Equity Shares of Rs.10/- each	1,000.00	1,000.00
Issued, subscribed and fully paid up		
4,88,44,055 (PY 45,608,760) Equity Shares of Rs.10/- each	488.44	456.09
Total Equity	**488.44**	**456.09**

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. in millions	Rs. in millions
At April 1, 2021	**37.52**	**375.21**
Issued during the year	8.09	80.88
At March 31, 2022	**45.61**	**456.09**
Issued during the year *	3.23	32.30
At March 31, 2023	**48.84**	**488.39**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

* Pursuant to the approval the shareholders of the company at the Extra ordinary meeting held at May 31,2022 for issue of Equity shares on a preferential basis through private placement, the Board at its meeting held on June 29,2022 approved the allotment of 32,35,295 nos. of Equity shares of face value Rs. 10/- each at a price of Rs. 340/- each (including a Premium of Rs. 330/- per share) aggregating up to Rs. 1,100.00 Mn (Rupees One Thousand and Hundred million only).

Details of Equity shareholder holding more than 5% shares in the company

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. in millions	% holding in the class	No. in millions	% holding in the class
Muthoot Finance Limited (Holding Company)	27.83	56.97	27.68	60.69
Arum Holdings limited	7.65	15.66	6.62	14.51
Sarvam Financial Inclusion Trust, Kancheepuram	5.99	12.26	6.13	13.45
Maj Invest Financial Inclusion Fund II K/S	4.79	9.81	4.79	10.51

SHAREHOLDING OF PROMOTERS

Shares held by promoters at the end of the year			% Change During the year
Promoter name	No. of Shares	%of total shares	
Sarvam Financial Inclusion Trust	5,987,161	12.26	-2.40
Hand In Hand Consulting Services Private Limited	341,237	0.70	0.00
Dr Kalpana Sankar	43,850	0.09	0.00
Mr. C V Sankar	100	0.00	0.00
Ms D Bindu	100	0.00	0.00

27: Other equity

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory reserve (Pursuant to section 45-IC of the Reserve Bank of India Act, 1934)	906.80	646.14
Securities Premium Account	6,074.60	5,020.25
Capital Redemption Reserve(CRR)	500.00	500.00
General Reserve	0.01	0.01
Remeasurement gain/ (loss) of defined benefit plans-OCI	(13.11)	(7.31)
Change in value of forward contract-OCI	(6.66)	-
Effective portion of gain on Hedging Instruments in Cash Flow Hedges-OCI	(0.17)	-
Surplus in Statement of Profit and Loss	2,973.08	1,944.15
Total	**10,434.55**	**8,103.24**

* For detailed movement of reserves refer Statement of Changes in equity for the year ended March 31, 2023.

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BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

28: Nature and purpose of reserve

Securities Premium Reserve: Securities premium reserve is used to record the premium on issue of shares. The premium received during the period represents the premium received towards allotment of 32,35,240 *(FY 21-22 80,88,236)* shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares, buy back of its own shares and securities in accordance with the provisions of the Companies Act, 2013.

Retained earnings: This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Debenture Redemption Reserve: The Company is not required to create Debenture redemption reserve in terms of the Companies (Share Capital and Debentures) Rules, 2014 read with the Companies (Share Capital and Debentures) Amendment Rules, 2019 as the Debentures of the Company are privately placed.

Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

Statutory reserve: This reserves is created by an appropriation and is required to maintain on its balance sheet with respect to the unmatured obligations (i.e., expected future claims) of the company.

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

Other comprehensive income reserve:
The Company recognises changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. These changes are accumulated in OCI reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the statement of profit and loss.

Effective portion of cash flow hedges represents the cumulative gains/(losses) arising on changes in fair value of the derivative instruments designated as cash flow hedges through OCI. The amount recognized as effective portion of Cash flow hedge is reclassified to profit or loss when the hedged item affects profit or loss. The company designates the spot element of foreign currency forward contracts as hedging instruments. The changes in the fair value of forward element of the forward contract on reporting date is deferred and retained in the cost of hedging reserve.

29: Dividend paid and proposed

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Final dividend for previous fiscal year	13.68	11.26
Interim dividend for current fiscal year	-	-

The Board of Directors recommended a final dividend of Rs.0.60/- per equity share for the financial year ended March 31, 2023. The payment is subject to the approval of the shareholders in the ensuing Annual General meeting of the Company.

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BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

30: Interest income

(Rs. in millions)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Total
Interest on Loans						
Interest income on loan	-	8,529.10	8,529.10	-	6,603.31	6,603.31
Interest income from fixed deposits	-	286.68	286.68	-	163.05	163.05
Other interest income	-	1.95	1.95	-	1.96	1.96
Total	-	8,817.73	8,817.73	-	6,768.32	6,768.32

31: Fee and commission income

(Rs. in millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Commission fees	64.29	37.37
Sale of services	**64.29**	**37.37**
Fee income that are recognised over a certain period of time	-	-
Fee income that are recognised at point in time	64.29	37.37
Sale of services	**64.29**	**37.37**
Geographical markets		
India	64.29	37.37
Outside India	-	-
Total	64.29	37.37

32: Net gain (Loss) on fair value changes on investments

(Rs. in millions)

32 A: Net gain on fair value changes on investments

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net gain on financial instruments at fair value through profit or loss		
On trading portfolio	-	-
- Investments	27.47	7.87
- Derivatives	-	-
- Others	-	-
Total Net gain/(loss) on fair value changes	27.47	7.87
Fair Value changes:		
- Realised	27.47	7.87
- Unrealised	-	-
Total Net gain on fair value changes	27.47	7.87

32 B: Net loss on fair value changes on investments

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net loss on financial instruments at fair value through profit or loss		
On financial instruments designated at fair value through profit or loss (Refer Note 9.1)	193.06	-
Total Net gain/(loss) on fair value changes	193.06	-
Fair Value changes:		
- Realised	-	-
- Unrealised	193.06	-
Total Net loss on fair value changes	193.06	-

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Notes forming part of the Ind AS Financial Statements

33: Net gain on de-recognition of financial instruments under amortised cost category

(Rs. in millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Gain on sale of loan portfolio through assignment	1,403.12	458.73
Total	1,403.12	458.73

34: Other Income

(Rs. in millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Bad debt recovery	65.93	11.72
Other income	0.61	0.30
Total	66.54	12.02

35: Finance Costs

(Rs. in millions)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest Expense on Borrowings:				
Interest on borrowings	-	2,948.99	-	2,132.09
Interest on debt securities	-	450.76	-	528.38
Interest on subordinate liabilities	-	233.31	-	235.62
Interest on Lease liability	-	11.02	-	11.84
Other charges	-	10.36	-	4.28
Total	-	3,654.44	-	2,912.21

36: Fee and commission expense

(Rs. in millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Fee and commission expense	263.79	196.68
Total	263.79	196.68

37: Impairment of financial instruments

The below table show impairment loss on financial instruments charge to statement of profit and loss based on category of financial instrument:

(Rs. in millions)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	On Financial instruments measured at fair value	On Financial instruments	On Financial instruments	On Financial instruments
Loans	-	1,438.90	-	1,485.70
Interest Only strip	-	7.77	-	9.18
Other Assets	-	(0.88)	-	2.62
Total	-	1,445.79	-	1,497.50

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Notes forming part of the Ind AS Financial Statements

38: Employee Benefit Expenses

(Rs. in millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and Wages	1,964.58	1,393.39
Contributions to Provident and Other Funds	168.23	121.03
Staff Welfare Expenses	22.97	15.11
Total	2,155.78	1,529.53

39: Depreciation, amortization and impairment

(Rs. in millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of Tangible Assets	54.41	35.43
Amortization of Intangible Assets	7.89	10.50
Amortisation of Right to use Asset	56.09	40.46
Total	118.39	86.39

40: Other Expenses

(Rs. in millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent	30.47	24.80
Electricity Charges	12.02	8.19
Business Promotion Expenses	11.88	5.78
Bank charges	50.91	25.73
Repairs to Buildings	26.67	19.31
Repairs to Machinery	68.66	40.81
Communication expense	46.93	31.14
Postage and courier	3.97	3.09
Printing and Stationery	32.79	16.75
Rates & Taxes	5.92	3.32
Legal & Professional Charges	105.85	66.75
Travelling and Conveyance	292.23	141.06
Insurance	41.72	25.51
Payments to Auditor	2.97	2.50
Membership and subscription	7.69	7.36
Directors' Sitting Fee	8.21	8.55
Credit Bureau expenses	22.14	8.05
Cloud charges	50.83	29.10
CSR Expenses	16.43	20.51
Loss on account of theft	0.39	1.13
Other expenses	16.15	11.10
Total	854.83	500.54

Break up of payment to auditors

(Rs. in millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
auditor:		
Statutory audit	1.66	1.47
Tax audit	0.28	0.22
Limited review	0.87	0.65
Certification fees	0.16	0.16
	2.97	2.50

Details of CSR expenditure:

(Rs. in millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Amount required to be spent by the company during the year	16.43	19.61
b) Total of previous years shortfall *	-	0.86
c) Amount spent during the period (including towards previous year's shortfall)		
- Construction/acquisition of any asset - In cash	-	-
- on purpose other than above	16.43	20.51
d) Shortfall at the end of the year	-	-
e) Reason for Shortfall	NA	NA
f) Nature of CSR Activities		

Notes forming part of the Ind AS Financial Statements

41: Income Tax

The components of income tax expense for the year ended March 31, 2023 and year ended March 31, 2022 are:

(Rs. in millions)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax	48.16	422.77
Deferred tax relating to origination and reversal of temporary differences	351.25	(312.60)
Earlier years adjustments	(9.59)	-
Income tax expense reported in statement of profit and loss	**389.82**	**110.17**
Deferred tax related to items recognised in OCI during the period:		
Tax asset / (liability) due to Fair value impact on debt instruments measured at FVOCI	-	6.18
Tax asset / (liability) due to Effective portion of gain on Hedging Instruments in Cash Flow Hedg	0.06	-
Tax asset / (liability) on remeasurements of defined benefit plans	1.95	(0.02)
Tax asset / (liability) due to Change in value of forward contract	2.23	-
Income tax charged to OCI	**4.24**	**6.16**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2023 and year ended March 31, 2022 is, as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Tax rate as per IT Act, 1961	**25.17%**	**25.17%**
Accounting profit before tax	1,693.08	561.47
At India's statutory income tax rate of 25.168%	426.11	141.31
Effect of expenses that are not deductible in determining taxable profit	5.55	5.89
Deductions	(42.78)	(43.03)
Effect of income that is exempt from taxation		-
Interest on delayed payment of advance tax		-
Others	0.94	6.00
Income tax expense reported in the statement of profit or loss	**389.82**	**110.17**

The effective income tax rate for March 31, 2023 is 23.02% (March 31, 2022 is 19.62%)

Current tax Asset (net)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax Asset (net)	362.15	-
Total	362.15	-

Current tax liabilities (net)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax liabilities (net)	-	64.87
Total	-	64.87

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Notes forming part of the Ind AS Financial Statements

42: Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Deferred tax working for the year ended March 31, 2023

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	March 31, 2023	March 31, 2023	2022-23	2022-23
Depreciation	20.08	-	(3.46)	-
Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis.	1.01	-	14.53	(1.95)
Impairment allowance for financial assets	290.61	-	251.45	-
Debt financial asset measured at amortised cost	134.96	-	(64.84)	-
Financial liability measured at amortised cost (Borrowings)	-	(35.37)	14.61	-
Impact due to gain/loss on fair value of assignment transactions	-	(248.81)	138.88	-
Impact due to gain/loss on fair value of FVOCI loans	2.24	-	-	(2.23)
Right-of-use asset	2.81	-	0.08	
Cash Flow Hedge Reserve	-	0.06	-	(0.06)
Total	**451.71**	**(284.12)**	**351.25**	**(4.24)**

Deferred tax working for the year ended March 31, 2022

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	March 31, 2022	March 31, 2022	2021-22	2021-22
Depreciation	16.62	-	6.04	-
Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis.	13.59	-	8.82	0.02
Impairment allowance for financial assets	542.06	-	(311.27)	-
Debt financial asset measured at amortised cost (loans to customer)	70.12	-	(6.86)	-
Financial liability measured at amortised cost (Borrowings)	-	(20.76)	(9.08)	-
Impact due to gain/loss on fair value of assignment transactions	-	(109.93)	0.26	-
Impact due to gain/loss on fair value of FVOCI loans	-	-	-	(6.18)
Right-of-use asset	2.89	-	(0.50)	-
Total	**645.28**	**(130.69)**	**(312.59)**	**(6.16)**

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Notes forming part of the Ind AS Financial Statements

43 Earnings per share

(Rs. in millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit attributable to ordinary equity holders	1,303.25	451.29
Weighted average number of ordinary shares for basic earnings per share	48.05	37.59
Effect of dilution:	-	-
Weighted average number of ordinary shares adjusted for effect of dilution	48.05	37.59
Earnings per share		
Basic earnings per share (Rs.)	**27.12**	**12.01**
Diluted earnings per share (Rs.)	**27.12**	**12.01**

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Notes forming part of the Ind AS Financial Statements

44: Retirement Benefit Plan

Defined Contribution Plan

The company makes contributions to provident fund which are defined contribution plan for qualifying employees. During the year, the Company recognised Rs. 115.66 millions (Previous Year Rs.82.71 millions) for provident fund contributions in the statement of profit and loss.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost (Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	15.14	11.89
Interest cost on benefit obligation	0.27	0.26
Past Service Cost	-	-
Total	**15.41**	**12.15**

Balance Sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation	84.83	63.65
Fair value of plan assets	73.63	59.31
Asset/(liability) recognized in the balance sheet	(11.20)	(4.35)
Experience adjustments on plan liabilities (Gain) / Loss	-	-
Experience adjustments on plan assets Gain / (Loss)	-	-

Changes in the present value of the defined benefit obligation are as follows: (Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	63.65	49.44
Interest cost	3.94	3.09
Current service cost	15.14	11.89
Benefits paid	(5.96)	(3.05)
Past Service Cost	-	-
Actuarial loss / (gain) on obligation	8.06	2.28
Closing defined benefit obligation	**84.83**	**63.65**

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BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

Notes forming part of the Ind AS Financial Statements

Changes in the fair value of plan assets are as follows: (Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening fair value of plan assets	59.31	45.32
Expected return	3.67	2.83
Contributions by employer	16.29	14.20
Benefits paid	(5.96)	(3.05)
Actuarial gains / (losses) on assets	0.32	0.01
Closing fair value of plan assets	**73.63**	**59.31**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.30%	6.19%
Rate of increase in compensation levels	10%	10%
Attrition rate	32%	32%
Expected rate of return on assets	6.19%	6.25%

The plan assets of the Company relating to Gratuity are managed through a trust are invested through Life Insurance Corporation (LIC) and Exide life insurance (Exide). The details of investments relating to these assets are not shown by LIC and Exide. Hence, the composition of each major category of plan assets, the percentage or amount that each major category constitutes to the fair value of the total plan assets has not been disclosed.

Particulars	As at March 31, 2023	As at March 31, 2022
Funded with LIC	62.68%	55.00%
Funded with Exide	37.32%	45.00%

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Assumptions	As at March 31, 2023 Discount rate impact		As at March 31, 2023 Future salary impact	
Sensitivity Level	0.5% increase	0.5% decrease	1 % increase	1 % decrease
Impact on defined benefit obligation	(1.07)	1.10	2.14	(2.06)

Assumptions	As at March 31, 2022 Discount rate impact		As at March 31, 2022 Future salary impact	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(0.86)	0.89	1.71	(1.64)

Expected benefit payment for future years	(Rs. in millions) As at March 31, 2023	As at March 31, 2022
Within the next 12 months (next annual reporting period)	20.78	14.28
Between 1 and 5 years	54.30	40.28
Between 5 and 10 years	30.24	22.62
Total expected payments	**105.32**	**77.18**

The weighted average duration of the defined benefit obligation as at March 31, 2023 is 5 years approximately (2022: 5 years approximately)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

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45: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

(Rs. in millions)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	12,812.45	-	12,812.45	7,218.36	-	7,218.36
Bank Balance other than above	142.45	306.35	448.80	938.21	421.97	1,360.18
Derivative financial instruments	-	-	-	-	-	-
Trade receivables	7.61	-	7.61	3.46	-	3.46
Loans	27,833.78	18,441.58	46,275.36	23,191.27	12,351.26	35,542.53
Investments	-	528.64	528.64	-	-	-
Other financial assets	1,208.55	110.01	1,318.56	593.74	76.19	669.93
					-	
Non-financial Assets					-	
Current tax asset (net)	-	362.15	362.15		-	-
Deferred tax assets (net)	-	167.59	167.59	-	514.59	514.59
Investment property	-	1.10	1.10	-	1.10	1.10
Property, plant and equipment	-	53.60	53.60	-	47.69	47.69
Right of use assets	-	97.12	97.12	-	97.29	97.29
Other intangible assets	-	8.39	8.39	-	7.30	7.30
Other non financial assets	100.57	87.07	187.64	57.65	82.78	140.43
Total assets	**42,105.41**	**20,163.60**	**62,269.01**	**32,002.69**	**13,600.17**	**45,602.86**
Liabilities						
Financial Liabilities						
Derivative financial instruments	29.32	-	29.32			
Trade Payables	31.75	-	31.75	2.74	-	2.74
Debt Securities	3,226.05	2,989.66	6,215.71	576.68	3,231.21	3,807.89
Borrowings (other than debt security)	22,621.86	17,777.78	40,399.64	19,738.96	10,379.92	30,118.88
Subordinated Liabilities	317.10	1,332.41	1,649.51	-	1,643.59	1,643.59
Lease liabilities	53.19	52.67	105.86	49.12	57.26	106.38
Other Financial liabilities	2,633.39	9.60	2,642.99	1,080.10	9.31	1,089.41
				-		
Non-financial Liabilities				-		
Current tax liabilities (net)	-	-	-	64.87	-	64.87
Provisions	81.86	-	81.86	61.54	-	61.54
Other non-financial liabilities	189.38	-	189.38	148.22	-	148.22
Total Liabilities	**29,183.90**	**22,162.12**	**51,346.02**	**21,722.23**	**15,321.29**	**37,043.52**
Net			**10,922.99**			**8,559.34**





46: Change in liabilities arising from financing activities

(Rs. in millions)

Particulars	As at March 31, 2022	Cash Flows	Other*	As at March 31, 2023
Debt Securities	3,807.89	2,423.22	(15.40)	6,215.71
Borrowings other than debt securities	30,118.88	10,340.58	(59.82)	40,399.64
Subordinated Liabilities	1,643.59	0.01	5.91	1,649.51
Total liabilities from financing activities	**35,570.36**	**12,763.81**	**(69.31)**	**48,264.86**

(Rs. in millions)

Particulars	As at April 01, 2021	Cash Flows	Other*	As at March 31, 2022
Debt Securities	5,284.95	(1,473.21)	(3.85)	3,807.89
Borrowings other than debt securities	21,032.99	9,060.43	25.46	30,118.88
Subordinated Liabilities	1,638.42	-	5.17	1,643.59
Total liabilities from financing activities	**27,956.36**	**7,587.22**	**26.78**	**35,570.36**

* Other includes EIR adjustments.

47: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
In respect of income tax demand where the Company has filed appeal before tax authorities		
Income tax (AY 2017-18)	73.15	73.15
Income tax (AY 2018-19)	32.96	32.96
Income tax (AY 2020-21)	2.50	
Total	**108.61**	**106.11**

For the Assessment year 2017-18, the disputed income tax demand is on account of cash deposited during demonetization period which has been added by the department to income from other sources. However, the company has paid 20% of the disputed demand under protest amounting to 14.63 million.

For the Assessment year 2018-19, the disputed income tax demand is on account of disallowances and additions of certain items to the income. However, the company has paid 20% of the disputed demand under protest amounting to 6.59 million.

For the Assessment year 2020-21, the disputed income tax demand is on account of disallowances of certain items. The company has filed an appeal before the Commissioner of Income Tax (Appeals).

Future cashflows in respect of the above three demands are determinable only on receipt of judgement / decisions pending with tax authorities. The company is of the opinion that the above demands are not sustainable and expects to succeed in its appeal. The management believes that the ultimate outcome of the proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(B) Commitments

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous year.

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(C) Lease Disclosures

Carrying value of right of use assets at the end of the reporting period by class.

(Rs. in millions)

Particulars	Amount
Balance at April 1, 2021	72.89
Addition during the year	64.86
Less: Depreciation charge for the year	(40.46)
Balance at March 31, 2022	97.29
Addition during the year	55.92
Less: Depreciation charge for the year	(56.09)
Balance at March 31, 2023	97.12

Amounts recognised in profit or loss (Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest on lease liabilities	11.02	11.84
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Depreciation charged on right-of-use assets	56.09	40.46
Expenses relating to short-term leases	30.47	24.80
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-
Total	97.58	77.10

Amounts recognised in the Cash Flow Statement (Rs. in millions)

Particulars	31 March 2023	31 March 2022
Interest paid on Lease liabilities	11.02	11.84
Payment towards Lease liabilities	55.45	37.97
Total cash outflow for leases	66.47	49.81

Movement in Lease Labilities (Rs. in millions)

Particulars	31 March 2023	31 March 2022
Balance at March 31, 2022,2021	106.39	80.43
Net Addition	43.90	52.09
Interest on lease liabilities	11.02	11.84
Payment of lease liabilities	55.45	37.97
Balance at March 31, 2023,2022	105.86	106.39

Maturity analysis of lease liabilities (Rs. in millions)

Particulars	31 March 2023	31 March 2022
Less than one year	53.19	49.12
One to five years	52.67	57.26
More than five years	-	-
Total cash outflow for leases	105.86	106.38

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48: Related Party Disclosures
Relationship

Key Management Personnel	Dr. (Mrs.) Kalpanaa Sankar (Managing Director) Mr. K.B Balakumaran (Executive Director) Mr. George Alexander (Investor Director) Mr. George Muthoot Jacob (Investor Director) Mr. Kuttickattu Rajappan Bijimon (Investor Director) Mr. David Arturo Paradiso (Investor Director) Mr.Vijay Nallan Chakravarthi (Investor Director) Mr. Subramanian Ananthanarayanan (Independent Director) Mr. Vadakkakara Antony George (Independent Director) Mr. Venkataramnan Krishnamoorthy (Independent Director) Mr. Chinnasamy Ganesan (Independent Director) Mr. L. Muralidharan (Chief Financial Officer) Mr. Sunil Kumar Sahu (Company Secretary)
Enterprises owned or significantly influenced by key management personnel or their relatives	1. Hand in Hand Consulting Services Private Ltd 2. Hand in Hand India 3. Hand in Hand Academy for Social Entrepreneurship 4. Muthoot Securities Limited 5. Muthoot Marketing Services Private Limited. 6. Muthoot Vehicle and Asset Finance Limited.
Holding Company	Muthoot Finance Limited
Fellow Subsidiary	1. Muthoot Homefin (India) Limited. 2. Muthoot Insurance Brokers Private Limited
Entities holding substantial interest	1. Sarvam Financial Inclusion Trust 2. Maj Invest Financial Inclusion Fund II K/S 3. Arum Holdings limited (Part of Affirma Capital) 4. Augusta investments zero Private Limited (Part of Affirma Capital)
Relatives of Key Management Personnel	1. Anna alexander 2. George M George 3. George Alexander 4. Sara George 5. George Jacob 6. George Thomas 7. Susan Thomas 8. Elizabeth Jacob 7. CV Sankar 8. Bindu Dandapani

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Related Party transactions during the year:

(Rs. In millions)

Particulars	Holding Company		Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Fellow Subsidiary		Entities holding substantial interest		Key Managerial Persons		Relative of Key Managerial Persons	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Loan received	-	-	-	70.00	-	-	-	-	-	-	-	-
Loan Repaid	-	-	35.00	-	18.06	16.13	-	-	-	-	-	-
NCD's Received	-	-	-	-	-	-	-	-	-	-	-	500.00
NCD's Repaid	-	-	27.14	65.57	-	-	-	-	-	-	24.86	-
Issue of equity shares (including share premium)	-	280.00	-	-	-	-	1,100.00	2,470.00	-	-	-	-
Services rendered	-	-	28.64	22.19	-	-	-	-	-	-	-	-
Services received	-	-	-	0.95	-	-	-	-	-	-	-	-
Dividend paid on Equity Shares	8.30	7.88	0.10	0.13	-	-	5.26	3.22	0.01	0.03	0.00	0.00
Interest paid on NCD	-	-	29.08	36.15	8.40	8.40	-	-	-	-	35.79	41.29
Interest paid on Loan	-	-	4.82	0.91	1.75	3.98	-	-	-	-	-	-
Processing fee on account of loan availed	-	-	-	-	-	-	-	-	-	-	-	-
Arranger fee	-	-	-	5.00	-	-	-	-	-	-	-	-
Consultancy services availed for training	-	-	29.37	15.63	-	-	-	-	-	-	-	-
Corporate Social Responsibility	-	-	16.43	19.40	-	-	-	-	-	-	-	-
Remuneration to		-		-		-		-				-
Executive Director's	-		-		-		-		18.01	15.15	-	
Non Executive Director's	-		-		-		-		7.53	9.19	-	
Salary & Perquisite*	-	-	-	-	-	-	-	-	9.38	7.17	-	-
Balance outstanding as at the year end:		-		-		-		-		-		-
Interest Payable	-	-	-	1.61	-	0.17	-	-	-	-	-	6.49
Receivables	-	-	0.70	2.48	-	-	-	-	-	-	-	-
Loan												
Outstanding	-	-	35.00	70.00	4.85	22.91	-	-	-	-	-	-
Maximum during the Year	-	-	70.00	-	22.91	39.04	-	-	-	-	-	-
NCD's												
Outstanding	-	-	201.00	252.00	70.00	70.00	-	-	-	-	740.00	740.00
Maximum during the Year	-	-	252.00	252.00	70.00	70.00					740.00	740.00

* Salary & Perquisite includes salary to CFO & Company Secretary

Compensation of key management personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers all Directors, Chief Financial Officer and Company Secretary as key management personnel for the purposes of IND AS 24 Related Party Disclosures.

The remuneration to the key managerial personnel does not include the provisions made for gratuity, as they are determined on an actuarial basis for the company as a whole.

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49: Capital

Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

RBI has issued guidance on implementation of Indian Accounting Standards vide RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. The Regulatory capital has been computed as per above mentioned RBI notification.

(Rs. in millions)

Regulatory capital	**As at March 31, 2023**	**As at March 31, 2022**
Common Equity Tier1 capital	9,620.89	7,555.25
Other Tier 2 capital instruments	791.09	1,117.85
Total capital	**10,411.98**	**8,673.10**
Risk weighted assets	**47,388.15**	**36,041.32**
Tier I CRAR	20.30%	20.96%
Tier II CRAR	1.67%	3.10%
Total capital ratio	21.97%	24.06%

50: Events after reporting date

There are no events after the reporting date that require disclosure in these financial statements.

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51: Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as detailed below

Level 1: Quoted prices (unadjusted) for identical instruments in an active market
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

I. *The following table shows an analysis if financial instruments recorded at fair value* (Rs. in millions)

As at March 31, 2023	Level 1	Level 2	Level 3
Assets measured at fair value on a recurring basis			
Financial assets at FVTPL			
Investment	-	-	528.64
Financial liabilities at FVOCI			
Derivative Financial Instruments	-	29.32	-

(Rs. in millions)

As at March 31, 2022	Level 1	Level 2	Level 3
Assets measured at fair value on a recurring basis			
Financial assets at FVTPL			
Investment	-	-	-
Financial liabilities at FVOCI			
Derivative Financial Instruments	-	-	-

Fair value technique

Investment at fair value through profit and loss

Investments in Security receipts (SRs) are classified as Financial Assets measured at FVTPL as stated in Note No. 10 Accordingly, the fair valuation technique in this regard is classified under Level 3. Since the investment was made in the month of March 2023 and the investment value approximates the net asset value as at March 31, 2023 as confirmed by the Asset Reconstruction Company (ARC), disclosure of sensitivity of fair value measurement in unobservable inputs is not considered relevant.

Loans at FVOCI

For loans at FVOCI, valuation is done using a discounted cash flow model based on contractual cash flows using actual or estimated yields.
For Derivative Financial Instruments (asset /liabilities) at FVOCI, valuation is done using closing rate determined by the bank and is classified as Level 2

II. *The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:*

(Rs. in millions)

March 31, 2023	As at April 01, 2022	Issuances and Settlements (Net)	Transfers into Level 3	Transfers from Level 3	Net interest income	Other Comprehensive Income	As at March 31, 2023
Financial assets at FVOCI							
Loans	-	-			-	-	-
Financial assets at FVTPL							
Investment	-	528.64			-	-	528.64

(Rs. in millions)

March 31, 2022	As at April 01, 2021	Issuances and Settlements (Net)	Transfers into Level 3	Transfers from Level 3	Net interest income	Other Comprehensive Income	As at March 31, 2022
Financial assets at FVOCI							
Loans	1,034.45	-1,016.56				(17.89)	-
Financial assets at FVTPL							
Investment	-	-			-	-	-

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Fair value of financial .nstruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

(Rs. in millions)

Particulars	Note	Level	Carrying Value		Fair Value	
			Mar-23	Mar-22	Mar-23	Mar-22
Financial assets not measured at fair value						
Cash and cash equivalents	6	1	12,812.45	7,218.36	12,812.45	7,218.36
Bank Balance other than above	7	1	448.80	1,360.18	448.80	1,360.18
Trade receivables	8	3	7.61	3.46	7.61	3.46
Loans	9	3	46,275.36	35,542.53	46,275.36	35,542.53
Other Financial assets	11	3	1,318.56	669.93	1,318.56	669.93
Total financial assets			60,862.78	44,794.46	60,862.78	44,794.46
Financial Liabilities not measured at fair value						
Trade Payables	19	3	31.75	2.74	31.75	2.74
Debt Securities	20	1/3	6,215.71	3,807.89	6,340.37	3,810.64
Borrowings (other than debt securities)	21	3	40,399.64	30,118.88	40,399.64	30,118.88
Subordinated Liabilities	22	3	1,649.51	1,643.59	1,649.51	1,643.59
Other Financial liabilities	23	3	2,642.99	1,089.41	2,642.99	1,089.41
Financial Liabilities			50,939.60	36,662.51	51,064.26	36,665.26

There have been no transfers between the level 1 and level 2 during the period.

The Management has assessed that the fair value of loans, cash and cash equivalents, bank balances, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's borrowings have been contracted at market rates of interest. Accordingly, the carrying value of these approximates fair value.

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52: Risk Management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Board of Directors of the Company are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Company has a risk management policy which covers all the risk associated with its assets and liabilities.

The Company has implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company's treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

I. Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances and trade receivables. For a micro finance institution like Belstar, this assumes more significance since the lending that is carried out is not backed by any collaterals.

The credit risk management policy of the Company seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques

Risk Identification

Credit risk may originate in one or multiple of following ways mentioned below:

- Adverse selection of members for group formation eg. (bogus members, defaulters, etc.)
- Adverse selection of groups for undertaking lending activity (unknown members due to geographical vicinity, etc.)
- Gap in credit assessment of borrower's credit worthiness (Failure to collect KYC documents, verify residential address, assess income source, etc.)
- Undue influence of Animator/Representative on group members (misuses of savings of group, etc.)
- Sanction of higher loan amount
- Improper use of loan amount than the designated activity
- Over-concentration in any geography/branch/zone etc
- Change in the savings pattern/meeting pattern of group post availing loan (eg. failure of members to deposit minimum savings amount each month, absence of members from meetings, etc.)

Risk assessment and measurement

Belstar is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment.

- *Selection of client base for group formation* - Adequate due diligence is carried out for selection of women borrowers who are then brought together for SHG/ILG formation. (eg. members with same level of income, only one member from family, annual per capita income, etc.)
- *Adequate Training and Knowledge of SHG/JLG operations*
- *Credit assessment* - credit rating and credit bureau check
- *Follow up and regular monitoring of the group*

Risk Monitoring

Monitoring and follow up is an essential element in the overall risk management framework and is taken up very seriously at all levels within the organization. Monitoring and controlling risks is primarily performed based on limits established by the Company.

Borrower Risk Ratings is an effective tool to flag potential problems in the loan accounts and identify if any corrective action plan are to be taken. However, the loans originated by Belstar are mostly short tenure loans (maximum loan tenure being 30 months) and the volume of such loan origination per credit officer is also high, thereby making it practically difficult to carry out a re-rating of borrowers at regular intervals. Therefore, loans are tracked at a homogeneous pool basis by the Risk Team. Any deterioration in the performance of the pool are immediately pointed out to the Senior Management and detailed analysis are carried out to identify the trends in performance.

The risk monitoring metrics have been defined to track performance at each stage of the loan life cycle:

- *Credit Origination* - KYC pendency, if any; deviation index from the defined policies and procedures
- *Credit sanction* - Disbursement to High Risk rated groups/borrowers; Early Delinquency due to fraud
- *Credit monitoring* -
  - Portfolio at risk - The metrics provides an indication of potential losses that may arise from overdue accounts. (loans staging more than 90 Days past due);
  - Static pool analysis - Provides an indication about the portfolio performance vis-a-vis the vintage of the loans and helps compare performance of loans generated in different time periods
- Collection and Recovery - collection efficiency, Roll forward rates and roll backward rates.

Risk Mitigation

Risk Mitigation or risk reduction is defined as the process of reducing risk exposures and/or minimizing the likelihood of incident occurrence.

The following risk mitigation measures has been suggested at each stage of loan life cycle:

- *Loan Origination* - site screening, independent visit by manager, adequate training to officers.
- *Loan underwriting* - Risk rating, independent assessment, etc.
- *Loan Pre and Post Disbursement* - disbursement at the branch premises and in the bank account only, tracking to avoid misuse of funds,
- *Loan monitoring* - credit officers to attend group meeting, reminder of payment of emis on time, etc.
- *Loan collection and recovery* - monitor repayments, confirmation of balances,

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. Continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

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Notes forming part of the Ind AS Financial Statements

Impairment assessment

The Company is basically engaged in the business of providing loans and access to Credit to the Self Help Group (SHG) members / Joint Liability Group (JLG) members. The tenure of which is ranging from 12 months to 24 months. Moreover, Company has categorised its loan into two broad categories Micro Enterprise loans (MEL) and others.

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies 3.6

Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the due amount have been paid. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	*Stage I*
Standard grade	1-30 DPD	*Stage I*
Sub-standard grade	30-60 DPD	*Stage II*
Past due but not impaired	60-89 DPD	*Stage II*
Individually impaired	90 DPD or More	*Stage III*

Exposure at Default (EAD)

The outstanding balance as at the reporting date is considered as EAD by the company.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent,wherever necessary.

Loss Given Default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

LGD Rates have been computed internally based on the discounted recoveries in NPA accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Significant increase in credit risk

The internal rating model evaluates the loans on an ongoing basis. The rating model also assesses if there has been a significant increase in credit risk since the previously assigned risk grade One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.

Company's financial assets measured on a collective basis

Both LTECLs and 12mECLs are calculated at individual facility level across the stages.

Sensitivity to macro economic variables

The macro-economic variable factored into the statistical model used by the company for estimation of expected credit losses are GDP and inflation. Based on the management's assessment, a 5% increase or decrease in these variable are not likely to have a material impact on the ECL recognised in the P&L and consequently, on equity.

II. Asset Liability Management

Asset and Liability Management (ALM) is defined as the practice of managing risks arising due to mismatches in the asset and liabilities. Belstar's funding consists of both long term as well as short term sources with different maturity patterns and varying interest rates. On the other hand, the asset book also comprises of loans of different duration and interest rates. Maturity mismatches are therefore common and has an impact on the liquidity and profitability of the company. It is necessary for Belstar to monitor and manage the assets and liabilities in such a manner to minimize mismatches and keep them within reasonable limits.

The objective of this policy is to create an institutional mechanism to compute and monitor periodically the maturity pattern of the various liabilities and assets of Belstar to (a) ascertain in percentage terms the nature and extent of mismatch in different maturity buckets, especially the 1-30/31days bucket, which would indicate the structural liquidity (b) the extent and nature of cumulative mismatch in different buckets indicative of short term dynamic liquidity and (c) the residual maturity pattern of repricing of assets and liabilities which would show the likely impact of movement of interest rate in either direction on profitability. This policy will guide the ALM system in Belstar.

The scope of ALM function can be described as follows:

- *Liquidity risk management*
- *Management of market risks*
- *Others*

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52.1. Liquidity Risk

Liquidity is measured by our ability to accommodate decreases in purchased liabilities, and fund increases in assets. In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds.

The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company also enters into direct assignment of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month.

Liquidity ratios

Advances to borrowings ratios

Particulars	2023	2022
Year-end	97.86%	103.91%
Maximum	118.84%	109.26%
Minimum	97.86%	103.91%
Average	109.89%	105.92%

Borrowings from banks and financial institutions and issue of debentures are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings

The table below provide details regarding the contractual maturities of significant financial assets and liabilities as on:-

Maturity pattern of assets and liabilities as on March 31, 2023:

(Rs. in millions)

Particulars	1 - 7 days	8 - 14 days	14 - 30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings (other than debt securities)	262.75	339.14	1,137.26	1,517.15	2,330.06	6,025.24	10,950.26	17,777.78	-	-	40,399.64
Debt securities	-	-	497.75	247.74	897.83	344.12	1,238.61	2,989.66	-	-	6,215.71
Subordinated debts	-	-	-	-	-	317.10	-	684.74	647.67	-	1,649.51
Derivative financial instruments	-	-	3.05	26.27	-	-	-	-	-	-	29.32
Total	262.75	339.14	1,698.06	1,791.16	3,227.89	6,686.46	12,188.87	21,452.18	647.67	-	48,264.86
Cash and bank balance	3,238.21	3,512.50	5,845.00	216.74	-	-	-	-	-	-	12,812.45
Deposits	-	-	-	-	-	57.61	84.84	298.85	12.50	-	448.80
Derivative financial instruments	-	-	-	-	-	-	-	0.00	-	-	
Receivables	-	-	7.61	-	-	-	-	-	-	-	7.61
Loans	172.64	760.84	1213.54	2,331.47	2,394.82	7,240.23	13,720.24	18,111.87	329.65	0.06	46,275.36
Investments	-	-	-	-	-	-	-	528.64	-	-	528.64
Total	3,410.85	4,273.34	7,066.15	2,548.21	2,394.82	7,297.84	13,805.08	18,934.36	342.15	0.06	60,072.86

Maturity pattern of assets and liabilities as on March 31, 2022:

(Rs. in millions)

Particulars	1 - 7 days	8 - 14 days	14 - 30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings (other than debt securities)	40.44	318.91	1,598.40	1,153.48	2,013.41	6,385.75	8,228.58	10,379.91	-	-	30,118.88
Debt securities	-	-	-	399.12	119.25	58.29	-	3,231.23	-	-	3,807.89
Subordinated debts	-	-	-	-	-	-	-	307.91	836.52	499.16	1,643.59
Total	40.44	318.91	1,598.40	1,552.60	2,132.66	6,444.04	8,228.58	13,919.05	836.52	499.16	35,570.36
Cash and bank balance	1,322.83	2,168.00	2,639.20	1,000.00	88.33	-	-	-	-	-	7,218.36
Deposits	-	-	2.50	251.24	9.28	74.71	600.47	406.38	15.50	-	1,360.18
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	3.46	-	-	-	-	-	-	-	3.46
Loans	217.29	856.35	841.15	2,075.03	2,081.23	6,105.03	11,015.19	12,351.26	-	-	35,542.53
Investments	-	-	-	-	-	-	-	52.86	-	-	52.86
Total	1,540.12	3,024.35	3,486.31	3,326.27	2,178.84	6,179.74	11,615.66	12,810.50	15.50	-	44,177.39

52.2. Economic Risk

The Covid-19 pandemic has impacted most countries, including India. This resulted in countries announcing lockdown and quarantine measures that sharply stalled economic activity. Several countries took unprecedented fiscal and monetary actions to help alleviate the impact of the crisis.

Government of India had announced various measures to support the economy during this period. The Reserve Bank of India had also announced several measures to ease the financial system stress, including enhancing system liquidity, reducing interest rates, moratorium on loan repayments for borrowers, asset classification standstill benefit to overdue accounts where a moratorium had been granted amongst others to alleviate the economic stress induced by the pandemic which had an impact across sectors that were already showing signs of a slowdown even before the outbreak.

NBFCs were adversely impacted by COVID-related stress due to their underlying business models. On the supply side, the sources of funds dried up, more so for the small and mid-sized NBFCs, on account of reduced risk appetite of lenders for low rated and unrated exposures. The situation was worsened by the unprecedented redemption pressure on the mutual fund industry, resulting in a spike in spreads.

The challenges for the NBFCs have moved from the liability to the asset side in terms of liquidity and asset quality with the outbreak of Covid19. The liquidity covers of NBFCs is largely dependent on collections and the ability to raise resources. The collections of NBFCs witnessed decline during the six month moratorium on the payment of instalments in respect of all term loans to their borrowers for the period from March 1, 2020 to August 31, 2020 .

However, the impact of Covid-19 on financial activities have significantly come down during the year as there has been no major business disruptions or government restrictions after March 2022. The collection efficiency metrices of the company also witnessed a significant improvement during the year. The impact of Covid-19 induced delinquency on the loan exposure has also tapered during the year. As at March 31,2023, the company's gross exposure to loans restructured under the Covid restructuring framework is Rs. 443.40 Million against provisions carried to the tune of Rs. 239.95 millions .

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52.3. Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates and other market changes. The Company is exposed to certain types of market risk as follows:

52.3.1. Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Asset Liability Committee shall manage its rate sensitivity position to ensure the long run earning power of the company. In addressing this challenge, the ratios of rate sensitive assets (RSA) to rate sensitive liabilities (RSL) and gap (RSA minus RSL) to equity, as well as gap to total assets will be reviewed based on 30, 60, 90, 180, and 365-day, 1-2 year, and greater than 2 year definitions. More importantly, however, special emphasis is to be placed on the change in net interest income that will result from possible fluctuations in interest rates, changing account volumes, and time.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

Management of Interest Margin

The spread or interest margin, otherwise known as "Gap", is the difference between the return on assets and the expenses paid on liabilities. Assets are classified as Rate Sensitive Assets and fixed Rate Assets. Liabilities are classified as Rate Sensitive Liabilities and fixed Rate Liabilities. An asset or liability is identified as sensitive if cash flows from the asset or liability change in the same direction and general magnitude as the change in short-term rates. The cash flows of insensitive (or non-sensitive) assets or liabilities do not change within the relevant time period.

The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non–trading financial assets and financial liabilities held at March 31, 2023.

The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before tax affected through the impact on floating rate borrowings, as follows:

(Rs. in millions)

Particulars	Effect on Statement of Profit and loss for the year 2022-23	Effect on Statement of Profit and loss for the year 2021-22
0.50% increase	(202.00)	(150.59)
0.50% decrease	202.00	150.59

52.3.2. Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surpluses in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

52.3.3. Currency Risk

Foreign currency risk for the Company arise majorly on account of foreign currency borrowings.The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2023 by entering into forward contracts with the intention of covering the entire term of foreign currency exposure . The counterparties for such hedge transactions are banks.

The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

(Rs. in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Foreign Currency Non-Resident Loans.	2,716.03	-

The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment and hence the hedge ratio is 1:1.

Disclosure of Effects of Hedge Accounting

Cash flow Hedge

As at March 31, 2023

(Rs. in millions)

Type of hedge and risks	Carrying amount of hedging instrument		Carrying amount of hedged item		Balances in the cash flow hedge reserve for	Hedging Gain or loss	Nominal Amount of Hedging instrument (USD)
	Liability	Line item in Balance Sheet	Liability	Line item in Balance Sheet			
Cash Flow Hedge (Currency Risk)	29.32	Derivative financial instruments	2,727.30	Borrowings (other than debt securities)	(0.17)	(0.17)	33.24

The Company has entered into foreign currency forward contracts to hedge the currency risk of its borrowings denominated in foreign currency. The critical terms such as due date, amount involved etc of the hedged item and the hedging instrument exactly matches. Further, the company has designated the spot element of foreign currency forward contracts as hedging instrument . Accordingly, there is no ineffective portion of the above hedge to be recognised in profit or loss and consequently, disclosures in respect of the change in fair value of the hedged item and the hedging instrument used as the basis for recognising hedge ineffectiveness for the period, as required under Ind AS 107 is not relevant.

52.3.4. Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate mortgages when interest rates fall.

III. Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

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53: Micro Enterprises and Small Enterprises

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are given as follows:

(Rs. In millions)

Particulars	March 31, 2023	March 31, 2022
a) Principal amount due Interest due on the above	7.20 -	- -
b) Interest paid during the period beyond the appointed day	-	-
c) Amount of payment made to the supplier beyond the appointed day during the accounting year	-	-
d) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-
e) Amount of interest accrued and remaining unpaid at the end of the period	-	-
f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as deductible expenditure under section 23 of the Act.		

54: Foreign Currency Expenditure

54.1. Foreign Currency Expenditure

(Rs. In millions)

Particulars	March 31, 2023	March 31, 2022
Professional Fees	0.47	1.29
Dividend	3.42	1.24

Interest on Foreign currency borrowing which are fully hedged through forward contracts are not considered for the purpose of above disclosure

54.2. Unhedged Foreign Currency

The Company did not have any unhedged Foreign currency exposure as at 31 March 2023 is Rs. Nil (PY Nil).

55: Segment Information

The Company is primarily engaged in the business of Micro Financing. As per the Chief Operating decision maker, all the activities of the Company revolve around the main business and there is no other relevant segment. Further, the Company does not have any separate geographical segments other than India. As such there are no separate reportable segments as per Ind AS -108 "Operating Segments".

56: Additional Disclosures pursuant to Reserve Bank of India Directions

56.1. Disclosure Pursuant to RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 (as amended)

(Rs. In millions)

S. No	Particulars	As at March 31, 2023		As at March 31, 2022	
		Amount Outstanding	Amount Over Due	Amount Outstanding	Amount Over Due
	Liabilities :			-	-
1	Loans and advances availed by the NBFC inclusive of interest accrued thereon not paid:			-	-
(a)	Debentures & Preference shares			-	-
	-Secured	6,215.71	-	3,807.89	-
	-Unsecured	1,400.29	-	1,394.62	-
	(Other than falling within the meaning of Public deposits)			-	-
(b)	Deferred Credits			-	-
(c)	Term Loans	37,683.61	-	30,118.88	-
(d)	Inter-Corporate Loans and Borrowings		-	-	-
(e)	Commercial Paper	-	-	-	-
(f)	Foreign Currency Non-Resident (FCNR-B) Loans.	2,716.03		-	
(g)	Other Loans (Nature of other Loans, CC etc.)	249.22	-	248.97	-

S. No	Particulars	As at March 31, 2023	As at March 31, 2022
	Assets		
2	Breakup of Loans and Advances including Bills Receivables [Other than those included in (3) below] :		
(a)	Secured	35.54	12.06
(b)	Unsecured (including interest accrued and Loans to staff)	47,296.65	37,768.06
3	Break up of Leased Assets and Stock on Hire and other Assets counting towards AFC activities.		
(i)	Leased Assets including Leased Rentals Accrued and Due:		
	(a) Financial Lease	-	-
	(b) Operating Lease	-	-
(ii)	Stock on hire including Hire charges under Sundry Debtors:		
	(a) Assets on Hire	-	-
	(b) Repossessed Assets	-	-
(iii)	Other Loans counting towards AFC activities		
	(a) Loans where Assets have been Repossessed	-	-
	(b) Loans Other than (a) above	-	-
4	Breakup of Investments		
	Current Investments		
I	Quoted:		
(i)	Shares : (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Fund	-	-
(iv)	Government Securities	-	-
(v)	Others (Please Specify)	-	-
II	Unquoted:		
(i)	Shares : (a) Equity	-	-
(ii)	(b) Preference	-	-
(iii)	Debentures and Bonds	-	-
(iv)	Units of Mutual Fund	-	-
(v)	Government Securities	-	-
	Others (Please Specify)	-	-
	Long Term Investments		
I	Quoted:		
(i)	Shares : (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Fund	-	-
(iv)	Government Securities	-	-
(v)	Others (Please Specify)	-	-
II	Unquoted:		
(i)	Shares : (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Fund	-	-
(iv)	Government Securities	-	-
(v)	Security Receipts	528.64	-





5 Borrower Group Wise classification of Assets financed as in (2) and (3) above

(Rs. in millions)

S. No	Category	Net of provisions as at March 31, 2023			Net of provisions as at March 31, 2022		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties	-	-	-	-	-	-
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the Same Group	-	-	-	-	-	-
	(c) Other Related Parties	-	-	-	-	-	-
2	Other than Related Parties	35.54	46,239.82	46,275.36	12.06	35,530.47	35,542.53
	Total	35.54	46,239.82	46,275.36	12.06	35,530.47	35,542.53

(Rs. in millions)

6	Other Information		Amount outstanding as at March 31, 2023	Amount outstanding as at March 31, 2022
(i)	Gross Non-Performing Assets *	Related Parties	-	-
		Other than Related Parties	1,144.81	2,145.00
(ii)	Net Non-Performing Assets *	Related Parties	-	-
		Other than Related Parties	305.27	525.75
(iii)	Assets Acquired in Satisfaction Debt	Related Parties	-	-
		Other than Related Parties	-	-

*Assets classified as Stage 3 as per Ind AS Classification

7.' Disclosures in terms of RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022: Sectoral exposure

Sectors	Market value / Breakup Value or Fair Value or Net Asset Value			Market value / Breakup Value or Fair Value or Net Asset		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	38,849.03	837.69	2.16%	25,940.74	1,276.86	4.92%
2. Industry						
Production or Manufacturing	1,453.95	20.91	0.22%	436.11	35.60	0.53%
Trade and Business	8,044.54	267.56	2.82%	6,323.68	403.71	5.97%
Total of Industry	9,498.48	288.47	3.04%	6,759.79	439.31	6.50%
3. Services						
Services	12,399.14	399.68	3.22%	9,703.66	673.92	6.94%
Total of Services	12,399.14	399.68	3.22%	9,703.66	673.92	6.94%
4. Personal Loans						
Others	1,174.28	46.30	3.94%	1,244.79	90.26	7.25%
Total of Personal Loans	1,174.28	46.30	3.94%	1,244.79	90.26	7.25%
Total	61,920.94	1,572.13	2.54%	43,648.98	2,480.35	5.68%

8.'Provisions and Contingencies

Particulars	March 31, 2023	March 31, 2022
Category wise breakup of Provisions & Contingencies shown in Statement of Profit and Loss		
Provision towards non-performing assets*	(779.71)	1,001.56
Provision made towards income tax	48.16	422.77
Provision for gratuity	15.42	12.15
Provision for standard assets#	(500.85)	255.81
Provision for Other Financial Asset	7.77	9.18
Provision for other assets	(0.88)	2.62

* Represents impairment loss allowance on stage 3 loans. (Net of reversal on account of write off)

Represents impairment loss allowance on stage 1 and stage 2 loans.

9.'Movement of NPA

Particulars	March 31, 2023	March 31, 2022
Net NPAs to net advances (%)	0.66%	1.44%
Movement of NPAs (Gross)		
(a) Opening balance	2,145.00	783.18
(b) Additions during the year	3,751.64	1,619.79
(c) Reductions during the year	4,751.83	257.97
Closing balance	1,144.81	2,145.00
Movement of Net NPAs		
(a) Opening balance	525.75	165.49
(b) Additions during the year	1,620.40	389.91
(c) Reductions during the year	1,840.88	29.66
Closing balance	305.27	525.75
Movement of provisions for receivables under financing activities		
(a) Opening balance	1,619.25	617.69
(b) Provisions made during the year	2,131.24	1,229.88
(c) Write-off / write-back of excess provisions	2,910.95	228.31
Closing balance	839.54	1,619.25

10. Concentration of advances, exposures and NPAs:-

Particulars	March 31, 2023	March 31, 2022
Concentration of Advances		
Total Advances to twenty largest borrowers	13.04	10.18
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.03%	0.02%
Concentration of Exposures		
Total Exposure to twenty largest borrowers / customers	13.04	10.18
Percentage of Exposures to twenty largest borrowers/customers to total exposure	0.03%	0.02%
Concentration of NPAs		
Total Exposure to top four NPA accounts	1.26	0.69

11. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC

The Company did not exceed the limits prescribed for single and group borrower during the current and previous year.

12. Disclosures on Risk Exposure in Derivatives

The Company has a Board approved policy in dealing with derivative transactions. The Company undertakes derivative transactions for hedging foreign currency exposures to mitigate the foreign currency risk. During the year, the company has hedged its foreign currency borrowings through forward exchange contracts. The Asset Liability Management Committee monitors such transactions and reviews the risks involved. The derivative transactions are accounted in accordance with Ind AS 109 and the accounting policy for recording hedge transactions and valuation of outstanding contracts is detailed in Note 3.8
Refer Note - 18 " Derivative financial instruments" and Note- 52.3.3 " Disclosure of Effects of Hedge Accounting"

13. Unsecured advances

Refer note 9 for details of unsecured advances





Notes forming part of the Ind AS Financial Statements

14. Disclosures in terms of RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022: Disclosure of complaints

Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	March 31, 2023	March 31, 2022
Complaints received by the NBFC from its customers		
Number of complaints pending at beginning of the year	2	3
Number of complaints received during the year	730	655
Number of complaints disposed during the year	720	656
Of which, number of complaints rejected by the NBFC	0	0
Number of complaints pending at the end of the year	12	2
Maintainable complaints received by the NBFC from Office of Ombudsman		
Number of maintainable complaints received by the NBFC from Office of Ombudsman	7	6
Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	0	0
Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	1	0
Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
Number of Awards unimplemented within the stipulated time [other than those appealed]	0	0

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
			March 31, 2023		
Wrong Mobile Number	0	396	12%	2	0
Digital Transactions	0	97	52%	0	0
Employee Related	0	67	272%	1	0
Recovery Practices	2	59	-14%	1	0
Insurance claim settlement	0	86	-40%	6	3
Others	0	75	-16%	2	1
Total	2	730	11%	12	4
			March 31, 2022		
Wrong Mobile Number	0	355	655%	0	0
Recovery Practices	0	69	-19%	2	0
Digital Transactions	1	64	137%	0	0
Insurance claim settlement	1	60	300%	0	0
Loan Enquiry	0	29	-3%	0	0
Others	1	78	179%	0	0
Total	3	655	182%	2	0

15. Disclosures in terms of RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022: Breach of covenant

The Company has been regular in serving all its borrowings though there has been breach of some of the covenants relating to borrowings during the year ended and as at 31 March 2023 (as summarised below). The company has intimated these breaches were predominalty due to impact of COVID Pandemic, to the respective lenders and based on discussions with them, does not anticipate any adverse action such as levy of higher interest or recall of the facility in this regard

Summary of Financial Covenant Stipulated in respect of loan availed or debt securities issued	Number of facilities with instances of breach			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Maximum threshold for GNPA Ratio	18	19	7	1
Maximum threshold for NNPA Ratio	23	26	11	0
Maximum threshold for Portfolio At Risk (PAR) Accounts >30 Days	7	7	4	4
Maximum threshold for Portfolio At Risk (PAR) Accounts >90 Days	7	6	4	4

56.2. Disclosure pursuant to RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

Details of stressed loans classified as NPA transferred to ARC during the Year ended 31st March 2023

Particulars	March 31, 2023	March 31, 2022
No: of accounts	1,23,681.00	-
Aggregate principal outstanding of loanstransferred	2,500.96	-
Weighted average residual tenor of the loans transferred	4.91	-
Net book value of loanstransferred (at the time oftransfer)	636.94	-
Aggregate consideration	830.00	-
Additional considerationrealized in respect of accountstransferred in earlier years	-	-
Investmentin Security Receipts	528.64	-

The Company has reversed Rs.193.06 Million Provision on account of the sale of Stressed Loan (Refer Note 9.1)

56.3. Disclosure pursuant to RBI Notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

As at March 31, 2023 (Rs. in millions)

Asset classification as per RBI norms	Asset classification as per IND AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing asset						
Standard	Stage 1	45,770.14	30.77	45,739.37	182.74	-151.97
	Stage 2	317.44	86.72	230.72	1.34	85.38
Subtotal		46,087.58	117.49	45,970.09	184.08	-66.59
Non-Performing asset (NPA)						
Substandard	Stage 3	1,144.81	839.54	305.27	605.03	234.51
Doubtful						
upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,144.81	839.54	305.27	605.03	234.51
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3		-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	45,770.14	30.77	45,739.37	182.74	-151.97
	Stage 2	317.44	86.72	230.72	1.34	85.38
	Stage 3	1,144.81	839.54	305.27	605.03	234.51
	Total	47,232.39	957.03	46,275.36	789.11	167.92





BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

As at March 31, 2022

(Rs. in millions)

Asset classification as per RBI norms	Asset classification as per IND AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing asset						
Standard	Stage 1	33,834.19	114.09	33,720.10	447.36	-333.27
	Stage 2	1,800.93	504.25	1,296.68	125.40	378.85
Subtotal		35,635.12	618.34	35,016.78	572.76	45.58
Non-Performing asset (NPA)						
Substandard	Stage 3	2,145.00	1,619.25	525.74	1,135.09	484.16
Doubtful						
upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		2,145.00	1,619.25	525.74	1,135.09	484.16
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	33,834.19	114.09	33,720.10	447.36	-333.27
	Stage 2	1,800.93	504.25	1,296.68	125.40	378.85
	Stage 3	2,145.00	1,619.25	525.74	1,135.09	484.16
	Total	37,780.12	2,237.59	35,543.53	1,707.85	529.74

As per guidance on implementation of Indian Accounting Standards vide RBI/2019-20/170 DOR (NBFC) CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. Since the impairment allowance under IND AS 109 is higher than the provisioning required under IRACP (including standard asset provisioning), the Company has not created any Impairment Reserve. The gross carrying amount of asset as per Ind AS 109 includes interest accrual on stage - 3 assets (measured at net of loss allowances) as permitted under Ind AS 109. While, the provisions required as per IRACP norms does not include any such interest as interest accrual on NPAs is not permitted under IRACP norms. However, even if the impact of the same is respectively included in the provision under IRACP and loss allowances (provisions) as required under Ind AS 109, the loss allowances (provisions) as required under Ind AS 109 would be still higher than the IRACP provision.

E. 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

Type of Borrower	Number of accounts where resolution plan has been implemented under this window	exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan*
Personal Loans	-	-	-	-	-
Corporate Person	-	-	-	-	-
Of Which MSMEs	-	-	-	-	-
Others	3,941.50	820.60	-	1,103.44	2,852.61
Total	3,941.50	820.60	-	1,103.44	2,852.61

* Provisions given above are total ECL calculated as per Ind AS
Include cases where request received till September 30, 2021 and implemented subsequently.

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.

There were 12,30 . borrower accounts having an aggregate exposure of Rs. 212.39 Million to the Bank,where resolution plans had been implemented under RBI's Resolution Framework 1.0 dated August 6, 2020 and now modified under RBI's Resolution Framework 2.0 dated May 5, 2021

56.4.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 . (Rs in Million)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at end of the previous half-year i.e 30th Sep 2023	Of (A), aggregate debt that slipped into NPA during the half year ended 31st March 2023	Of (A), amount written off during the half-year ended 31st March 2023	Of (A), amount paid by the borrowers during the half year ende 31st March 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half year i.e 31st March 2023 *
Personal Loans	-	-	-	-	-
Corporate Persons	-	-	-	-	-
Of Which MSMEs	-	-	-	-	-
Others	432.96	74.56	7.93	255.83	105.82
Total	432.96	74.56	7.93	255.83	105.82

* There were 11,316 borrower accounts having an aggregate exposure of Rs. 58.90 Million to the Bank,where resolution plans had been implemented under RBI's Resolution Framework 1.0 dated August 6, 2020 and now modified under RBI's Resolution Framework 2.0 dated May 5, 2021.

VARMA & VARMA CHARTERED ACCOUNTANTS CHENNAI

BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

Notes forming part of the Ind AS Financial Statements

56.5. Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

As at 31st March, 2023 - Borrowings

(Rs. In Million)

Number of Significant Counterparties	Amount (Rs. In Million)	% of Total deposits	% of Total Liabilities
23	43,002.02	Not Applicable	83.75%

As at 31st March, 2022 - Borrowings

(Rs. In Million)

Number of Significant Counterparties	Amount (Rs. In Million)	% of Total deposits	% of Total Liabilities
27	31,586.29	Not Applicable	85.27%

Notes: A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

(ii) Top 20 large deposits (amount in ₹ Millions and % of total deposits)

Not applicable. The company being a Systematically Important Non-Deposit taking Non- Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

(iii) Top 10 borrowings (amount in ₹ Millions and % of total borrowings)

(Rs. In Million)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Amount (Rs. In Million)	% of total Borrowings	Amount (Rs. In Million)	% of total Borrowings
Top 10 Borrowings	33,236.90	68.83%	19,421.60	54.59%

(iv) Funding Concentration based on significant instrument/product*

(Rs. In Million)

Name of the instrument/product	31-Mar-23	% of Total Liabilities	31-Mar-22	% of Total Liabilities
Term Loans	40,399.64	78.68%	31,762.50	81.31%
Non-Convertible Debentures	6,215.71	12.11%	3,807.90	10.28%
Subordinate Debt	1,649.51	3.21%	1,643.59	4.44%

Notes: A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines

(iv) Stock Ratios

As at 31st March, 2023

Particulars	As a % of Total Public Funds *	As a % of Total Liabilities *	As a % of Total Assets
Other short Term Liabilities *	60.47%	56.84%	46.87%

As at 31st March, 2022

Particulars	As a % of Total Public Funds *	As a % of Total Liabilities *	As a % of Total Assets
Other short Term Liabilities *	57.10%	54.84%	44.55%

*Notes

1. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.
2. "Public funds" shall include funds raised either directly or indirectly through public deposits, commercial paper, debentures, inter-corporate deposits and bank finance but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue as defined in Regulatory Framework for Core Investment Companies issued vide Notification No. DNBS (PD) CC.No. 206/03.10.001/2010-11 dated January 5, 2011
3. Other short term liabilities, if any as a % of total public funds, total liabilities and total assets

(v) Institutional set-up for liquidity risk management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk.

The Board of Directors approved the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC (Board) are held at quarterly interval and more frequently as warranted from time to time. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk return perspective and within the risk appetite approved by the Board.

The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month. The minutes of ALCO meetings are placed before the RMC in its next meeting for its perusal/approval/ratification.

(vi) Being an NBFC- MFI, the company's loan portfolio consists of large number of small ticket loans to individual borrowers and hence, disclosures in respect of concentration of advances (including NPA) is not considered relevant.

57: Fraud

Disclosure of Frauds reported during the year to RBI vide DNBS PD.CC NO. 256 / 03.10.042 / 2012 -13 dated 2 March 2012:

(Rs. In millions)

Particulars	March 31, 2023	March 31, 2022
Number of frauds reported during the year to Reserve Bank of India	1	9
Amount involved in such frauds and provided for	0.25	25.57
Total	0.25	25.57

58: RBI Compliance

Particulars	For the Year ended	
	March 31, 2023	March 31, 2022
Average interest (a)	20.42%	19.67%
Average effective cost of borrowing (b)	9.57%	9.82%
Net interest margin (a-b)	10.85%	9.85%

59: Exposures

(1) The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous year.
(2) The Company has not purchased /sold non-performing financial assets in the previous year
(3) The Company does not finance the products of the parent / holding company.
(4) The Company is not registered with any other financial sector regulators.
(5) No penalty has been imposed by RBI and other regulators during current and previous year.

VARMA & VARMA CHENNAI

BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

BELSTAR MICROFINANCE LIMITED

Notes forming part of the Ind AS Financial Statements

56.5. Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019:

(Rs. in millions)

	Particulars	Quarter March 31, 2023		Quarter Dec 31, 2022		Quarter Sep 30, 2022		Quarter June 30, 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	**Total High Quality Liquid Assets(HQLA)								
	Cash and bank balance	12,812.45	12,812.45	7,015.61	7,015.61	4,967.83	4,967.83	6,818.54	6,818.54
	Unencumbered fixed deposit	76.26	76.26	155.47	155.47	181.22	181.22	196.51	196.51
		12,888.71	12,888.71	7,171.08	7,171.08	5,149.05	5,149.05	7,015.05	7,015.05
Cash Outflows									
2	Deposits (for deposit taking companies)								
3	Unsecured wholesale funding								
4	Secured wholesale funding								
5	Additional requirements, of which								
(i)	*Outflows related to derivative exposuresand other collateral requirements*								
(ii)	*Outflows related to loss of funding ondebt products*								
(iii)	*Credit and liquidity facilities*								
6	Other contractual funding obligations	5,092.92	5,856.86	2,543.55	6,066.12	2,416.92	3,718.17	2,225.92	5,283.60
7	Other contingent funding obligations								
8	TOTAL CASH OUTFLOWS	**5,092.92**	**5,856.86**	**2,543.55**	**6,066.12**	**2,416.92**	**3,718.17**	**2,225.92**	**5,283.60**
Cash Inflows									
9	Secured lending								
10	Inflows from fully performing exposures	2,642.41	1,981.81	2,543.55	1,907.66	2,416.92	1,812.69	2,225.92	1,669.44
11	Other cash inflows	-	-	-	-	-	-	-	-
12	TOTAL CASH INFLOWS	**2,642.41**	**1,981.81**	**2,543.55**	**1,907.66**	**2,416.92**	**1,812.69**	**2,225.92**	**1,669.44**
13	TOTAL HQLA		12,888.71		7,171.08		5,149.05		7,015.05
14	TOTAL NET CASH OUTFLOWS		3,875.05		3,217.82		1,627.75		1,616.65
15	LIQUIDITY COVERAGE RATIO (%)		333%		223%		316%		434%

VARMA & VARMA CHENNAI CHARTERED ACCOUNTANTS

BELSTAR MICROFINANCE LIMITED CHENNAI 600 083

Notes forming part of the Ind AS Financial Statements

60: Rating

Ratings assigned by credit rating agencies

Instrument	As at March 31, 2023		As at March 31, 2022	
	Rating agency	Rating/ Grading	Rating agency	Rating/ Grading
Long Term Bank Facilities	CRISIL	CRISIL AA-	CRISIL	CRISIL AA-
Non-Convertible Debentures	CARE	CARE AA-	CARE	CARE A+
Non-Convertible Debentures	CRISIL	CRISIL AA-	CRISIL	CRISIL AA-
Subordinated Debts	ICRA	ICRA A+	ICRA	ICRA A+
Subordinated Debts	CARE	CARE AA-	CARE	CARE A+
Market Linked Debenture	CRISIL	CRSIL PPMLD AA -	CRISIL	CRSIL PPMLD AA -r
Market Linked Debenture	ACUITE	ACUTIE PPMLD AA/Stable		

61: Previous year comparatives

Previous year's figures have been regrouped / reclassified, wherever considered necessary, to conform with current year's presentation.

The accompanying notes are an integral part of the financial statements
As per our Report of even date attached

For and on behalf of Board of Directors

For M/s. Varma & Varma
Chartered Accountants
Firm No. 004532S

P.R Prasanna Varma
Partner
M. No.025854
Place: Chennai
Date: May 9, 2023

VARMA & VARMA * CHENNAI * CHARTERED ACCOUNTANTS

Dr.Kalpanaa Sankar
Managing Director
(DIN. 0192654S)

B Balakumaran
Wholetime Director
(DIN. 09099182)

L Muralidharan
Chief Financial Officer

Sunil Kumar Sahu
Company Secretary

(This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus)

No.: 2025-26/Ser-01

Date: June 16,2025

KEY INFORMATION DOCUMENT
(FOR PRIVATE PLACEMENT)

by

BELSTAR MICROFINANCE LIMITED

(the "Company" or the "Issuer")

A public limited company incorporated under the Companies Act, 1956

Corporate Identification Number (CIN): U06599TN1988PLC081652 **Permanent Account Number (PAN):** AAACB5855H **Date of Incorporation:** January 11,1988 **Place of Incorporation:** Bangalore, India **Registration/identification number issued by the relevant regulator:** B-07.00792 **Website:** https://belstar.in/	**Registered Office:** No 33, 48th Street, 9th Avenue, Ashok Nagar, Chennai - 600083 **Corporate Office:** M V Square, No 4/14, Soundarapandian Street Ashok Nagar- Chennai-600083 **Telephone No.:** 044-43414567 **Email:** cs@belstar.in

Key information document for issue of Debentures on a private placement basis under Schedule I of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time in relation to the issue 10,000 nos of senior, unsecured, rated, listed, redeemable, taxable, non-convertible debentures denominated in Indian Rupees, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 100,00,000 (Indian Rupees One Hundred Crore) including green-shoe option upto INR 50,00,00,000 (Indian Rupees Fifty Crore) ("Debentures" or "NCDs") on a private placement basis (the "Issue") for cash at par on a fully paid-up basis. Certain details of the Debentures are as follows:

(a) **Rating**: The Debentures are rated as "AA" by CRISIL Ratings Limited pursuant to the letter dated May 28 ,2025 and the rating rationale dated May 27, 2025. Please refer to Annexure I below for the rating letter, press release and rating rationale. No other credit ratings have been obtained for the purposes of this Issue.

(b) **Listing**: The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) of the BSE Limited within the time period prescribed under the SEBI Listing Timelines Requirements (as defined below).

(c) **Eligible Investors**: Please refer Section 9.7 below.

(d) **Coupon related details**: The Coupon Rate is 9.15% (Nine decimal One Five percent) per annum. Please refer to Section 8.1 below for other details about coupon payment frequency, redemption date, redemption amount.

(e) **Underwriting**: Not Applicable.

(f) **Details of Electronic Book Mechanism**: Please refer Section 9 below.

ISSUE SCHEDULE

Issue Opening Date	Issue Closing Date	Date of earliest closing of the issue, if any	Deemed Date of Allotment
June 16, 2025	June 16, 2025	N.A.	June 17, 2025

KEY OFFICERS OF THE ISSUER

Compliance Officer	Company Secretary	Chief Financial Officer	Promoters
Sunil Kumar Sahu **Tel**: 04443414503 **Email**: sunilkumar.k@belstar.in	Mr. Sunil Kumar Sahu **Tel**: 04443414503 **Email**: sunilkumar.k@belstar.in	Mr. L Muralidharan **Tel**: 04443414505 **Email**: muralidharan.l@belstar.in	Muthoot Finance Limited (**Tel:** (+91 484) 239 4712; **Fax:** (+91 484) 239 6506, Email: ncd@muthootgroup.com **Dr. Kalpanaa Sankar** (Tel: 044-43414503; Email: kalpana.sankar@belstar.in) **Sarvam Financial Inclusion Trust** (Tel:044-67276077; Email: sfit@hihseed.org)

DETAILS OF STAKEHOLDERS

Debenture Trustee	Registrar & Transfer Agent	Credit Rating Agency	Statutory Auditors
Vardhman Trusteeship Private Limited **Address**: The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (E), Mumbai 400 051. **Tel.:** +91 22 4264 8335; **Email**:corporate@vardhmantrustee.com Website: https://vardhmantrustee.com SEBI Registration Number: ND000000611	**MUFG Intime India Private Limited** **Address**: C-101, 1st Floor, 247 Park L.B.S. Marg Vikhroli (West), Mumbai 400 083, Maharashtra, India Tel: +91 810 811 4949 **E-mail**: debtca@in.mpms.mufg.com **Website**: https://in.mpms.mufg.com Contact Person: Mr Ganesh Jadhav	**CRISIL Ratings Limited** **Address**: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076, India **Tel**: (+91 22) 3342 3000 (B); **Fax**: (+91 22) 3342 3050 Contact person: Ms. Poonam Upadhyay	**Sundaram & Srinivasan, Chartered Accountant** **Address**: 23, CP Ramaswamy Iyer Rd, Sriram Colony, Abiramapuram, Chennai -600018 **Website**: https://sundaramandsrinivasan.com **Tel**.: 044-24988762 **Contact person**: Mr. KS. Radhakrishnan

Contact person: Mr Rushabh Desai	SEBI Registration Number: INR000004058	Email:crisilratingdesk@crisil.com Website: https://www.crisil.com SEBI Registration Number: IN/CRA/001/1999	

BACKGROUND

This Key Information Document (as defined below) is related to the Debentures to be issued by Belstar Microfinance Limited (the "**Issuer**" or "**Company**") on a private placement basis and contains information and disclosures supplemental to those set out in the General Information Document (as defined below), as are required for the purpose of issuing of the Debentures. The issue of the Debentures described under this Key Information Document has been authorised by the Issuer through the special resolution dated September 13, 2024 of the shareholders of the Issuer pursuant to Sections 180(1)(c) of the Companies Act, 2013 and the resolution dated August 02, 2024 of the board of directors of the Issuer read with resolution dated June 11, 2025 of the finance committee of the board of directors of the Issuer, and the memorandum of association and articles of association of the Issuer.

Pursuant to the special resolution dated September 13, 2024 of the shareholders of the Issuer pursuant to Section 180(1)(c) of the Companies Act, 2013, the Issuer has been authorised to raise funds upon such terms and conditions as the Board may think fit for aggregate amounts not exceeding INR 15000,00,00,000 (Indian Rupees Fifteen Thousand Crore). The present issue of Debentures in terms of this Key Information Document is within the overall powers of the Board as per the above shareholder resolution(s).

Issuer's Absolute Responsibility
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Key Information Document contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in this Key Information Document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this Key Information Document as a whole or any of such information or the expression of any such opinions or intentions misleading.

DISCLAIMERS

- This Key Information Document contains no unsubstantiated forward-looking statements. To the extent there are any unsubstantiated forward-looking statements under this Key Information Document, such statements shall be considered to be null and void.

- This issue document does not include any statement purporting to be made by an expert other than if the expert is a person who is not, and has not been, engaged or interested in the formation or promotion or management, of the Issuer and has given their written consent to this issue of this Key Information Document and has not withdrawn such consent before the delivery of a copy of this Key Information Document to the Registrar (as applicable) for registration.

- Various disclosures set out in this Key Information Document have been linked to the disclosures set out in the General Information Memorandum. There are no changes to the disclosures which have been linked to the disclosures set out in the General Information Document, and in the case of any conflict/difference between the provisions of the General Information Document and this Key Information Document, the provisions of this Key Information Document shall be applicable to this issuance of Debentures.

- This Issue does not form part of non-equity regulatory capital for the purposes of Chapter V of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Chapter XIII (*Issuance, Listing and Trading Non-Equity Regulatory Capital*) of the master circular issued by SEBI bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024 on "*Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*". The face value of each debt security issued on private placement basis under this Issue is INR 1,00,000 (Indian Rupees One Lakh).

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Key Information Document.

SL.	TERM	DEFINITION
1.	Act/Companies Act	means the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
2.	Allot/Allotment/Allotted	means the allotment of the Debentures pursuant to this Issue.
3.	Applicable Accounting Standards	means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable, and includes the Indian Accounting Standards (IND-AS).
4.	Applicable Law	means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
5.	Applicant	means a person who has submitted a completed Application Form to the Issuer, and "Applicants" shall be construed accordingly.
6.	Application Form	means the application form to apply for subscription to the Debentures, which is in the form annexed to this Key Information Document and marked as **Annexure III**.
7.	Application Money	means the subscription amounts paid by the Applicant at the time of submitting the Application Form.
8.	Assets	means, for any date of determination, the assets of the Issuer on such date as the same would be determined in accordance with the Applicable Accounting Standards.
9.	Beneficial Owners	means the holders of the Debentures in dematerialised form whose names are recorded as such with the Depository(ies) in the Register of Beneficial Owners, and "Beneficial Owner" shall be construed accordingly.
10.	Board / Board of Directors	means the board of directors of the Issuer.
11.	BSE	means BSE Limited.
12.	Business Day	means: (a) subject to (b) and (c) below, means any day on which commercial banks in Mumbai, India and Chennai, India are open for business; (b) for the period commencing on the Issue Opening Date until the Issue Closing Date, any day (other than a Saturday, Sunday or a public holiday under Section 25 of the Negotiable Instruments Act, 1881), on which commercial banks in Mumbai, India and Chennai, India are open for business; and (c) for the period commencing on the Issue Closing Date until the listing of the Debentures in accordance with the DTD, any trading day of BSE, other than a Saturday, Sunday or a bank holiday, as specified by SEBI, and "Business Days" shall be construed accordingly.
13.	Capital Adequacy Ratio	means the capital adequacy ratio determined in accordance with the NBFC Directions.
14.	CDSL	means Central Depository Services (India) Limited.
15.	Company/Issuer/Belstar	means Belstar Microfinance Limited.
16.	Conditions Precedent	means the conditions precedent set out in Section 8.1 (*Summary Terms*) of this Key Information Document.
17.	Conditions Subsequent	means the conditions subsequent set out in Section 8.1 (*Summary Terms*) of this Key Information Document.
18.	Constitutional Documents	means the certificate of incorporation of the Issuer, the memorandum of association and articles of association of the Issuer and the certificate of registration issued by the RBI to the Issuer.
19.	Control	has the meaning given to it in the Companies Act.
20.	Debentures/NCDs	means 10,000 (ten thousand) rated, listed, senior, unsecured, redeemable, taxable, non-convertible debentures denominated in INR, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 100,00,00,000 (Indian Rupees One

SL.	TERM	DEFINITION
		Hundred Crore) including green shoe option upto INR 50,00,00,000 (Indian Rupees Fifty Crore).
21.	Debenture Holders / Investors	means each person who is: (a) registered as a Beneficial Owner; and (b) registered as a debenture holder in the Register of Debenture Holders. Sub-paragraphs (a) and (b) shall be deemed to include transferees of the Debentures registered with the Issuer and the Depository(ies) from time to time, and in the event of any inconsistency between (a) and (b) above, (a) shall prevail, and "Debenture Holder" or "Investor" shall be construed accordingly.
22.	Debenture Trust Deed/DTD	means the debenture trust deed executed / to be executed by and between the Debenture Trustee and the Issuer *inter alia* setting out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
23.	Debenture Trustee	means Vardhman Trusteeship Private Limited
24.	Debenture Trustee Agreement	means the debenture trustee agreement executed / to be executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
25.	Debenture Trustees Regulations/ SEBI Debenture Trustees Regulations	means the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended, modified, supplemented or restated from time to time.
26.	Debt Disclosure Documents	means, collectively, the PPOA, the General Information Document, and this Key Information Document, and "Debt Disclosure Document" means any one of them.
27.	Debt Listing Regulations/ SEBI Debt Listing Regulations	means the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, modified, supplemented or restated from time to time.
28.	Deemed Date of Allotment	means June 17, 2025
29.	Demat	means dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
30.	Depositories Act	means the Depositories Act, 1996, as amended from time to time.
31.	Depositories	means the depositories with which the Issuer has made arrangements for dematerialising the Debentures, being NSDL and CDSL, and "Depository" means any one of them.
32.	Depository Participant / DP	means a depository participant as defined under the Depositories Act.
33.	Director(s)	means the director(s) of the Issuer.
34.	DP ID	means Depository Participant Identification Number.
35.	DRR	means the Debenture Redemption Reserve.
36.	Due Dates	means the dates on which any interest, any Outstanding Principal Amounts, any additional interest, any liquidated damages, any premature redemption amount and/or any other amounts payable are due and payable, including without limitation, the Interest Payment Dates, the Final Redemption Date, or any other date on which any payment is to be made by the Issuer under the Transaction Documents, and "Due Date" shall be construed accordingly.
37.	EBP Platform	has the meaning given to it under the EBP Requirements.
38.	Electronic Book Provider/ EBP	has the meaning given to it under the EBP Requirements.
39.	Effective Date	means the date of execution of the DTD.
40.	EFT	means Electronic Fund Transfer
41.	Eligible Investors	has the meaning given to it in Section 9.7.
42.	Event of Default	means the events set out in Section 8.2.6.2 (*Events of Default*), and "Event of Default" shall be construed accordingly.
43.	Final Redemption Date	means the date occurring on the expiry of a period of 24 (Twenty-Four) months from the Deemed Date of Allotment, being June 17, 2027.
44.	Final Settlement Date	means the date on which all Obligations have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Holders.

SL.	TERM	DEFINITION
45.	Financial Indebtedness	means any indebtedness for or in respect of: (a) moneys borrowed; (b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Applicable Accounting Standards, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (h) shares which are expressed to be redeemable or shares which are the subject of a put option or any form of guarantee; (i) any obligation under any put option in respect of any securities; (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (k) any corporate/personal guarantee, a letter of comfort or any other similar contractual comfort issued or incurred in respect of a liability incurred by any other third person; and (l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.
46.	Financial Year/ FY	means each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year.
47.	General Information Document/GID	means the general information document dated June 05, 2025 issued by the Issuer for subscription to non-convertible securities to be issued by the Issuer (including the Debentures) on a private placement basis in accordance with the Debt Listing Regulations.
48.	Governmental Authority	means any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organisation, established under any Applicable Law, and "Governmental Authorities" shall be construed accordingly.
49.	ICCL	means the Indian Clearing Corporation Limited.
50.	INR/Rs.	means Indian Rupees.
51.	Interest Payment Dates	means the dates on which interest is payable on the Debentures, and "Interest Payment Date" shall be construed accordingly. The interest payment dates are set out in Annexure IV below.
52.	Interest Rate / Coupon Rate	means 9.15% (Nine decimal One Five percent) per annum.
53.	Issue	means this issue of the Debentures.
54.	Issue Closing Date	Means June 16, 2025.
55.	Issue Opening Date	Means June 16, 2025.
56.	Key Information Document	means this document which sets out the terms and conditions for the issue and offer of the Debentures by the Issuer on a private placement basis and contains the relevant information in this respect.
57.	Listed NCDs Master Circular	means the master circular issued by SEBI bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2024/54dated May 22, 2024 on "*Master*

SL.	TERM	DEFINITION
		Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper", as amended, modified, supplemented or restated from time to time.
58.	Listing Period	has the meaning given to it in Section 8.1 (*Summary Terms*).
59.	LODR Regulations/SEBI LODR Regulations	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, modified, supplemented or restated from time to time.
60.	Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 51% (fifty one percent) of the value of the Outstanding Principal Amounts of the Debentures.
61.	Majority Resolution	means a resolution approved by the Majority Debenture Holders.
62.	Material Adverse Effect	(a) means the Material Adverse Effect set out in Section 8.1 (*Summary Terms*) of this Key Information Document.
63.	N.A.	Not Applicable
64.	NBFC	means non-banking financial company.
65.	NBFC - MFI	means non-banking financial company - micro finance institution.
66.	NBFC Directions	means the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 and/or the Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as may be applicable, read together with the Master Circular on "*Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) - Direction*" issued by the RBI on July 1, 2015, the Master Direction no. DoR.FIN.REC.95/03.10.038/2021-22 on "*Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022*" issued by the RBI on March 14, 2022 and the RBI's circular no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on "*Implementation of Indian Accounting Standards*" and the RBI's circular no. DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021 on "*Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications*", each as amended, modified, supplemented, or restated from time to time.
67.	Net Worth	means the net worth of the Issuer determined in accordance with the Companies Act, the NBFC Directions and/or the Applicable Accounting Standards.
68.	NSDL	means National Securities Depository Limited
69.	Obligations	means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Issuer to the Debenture Holders or the Debenture Trustee under the Transaction Documents, including without limitation, the making of payment of any interest, redemption of principal amounts, the interest amounts, default interest, additional interest, liquidated damages and all costs, charges, expenses and other amounts payable by the Issuer in respect of the Debentures.
70.	Outstanding Amounts	means, at any date, the Outstanding Principal Amounts together with any interest, additional interest, costs, fees, charges, and other amounts payable by the Issuer in respect of the Debentures.
71.	Outstanding Principal Amount	means, at any date, the principal amounts outstanding under the Debentures.
72.	PAN	means Permanent Account Number
73.	Payment Default	means any event, act or condition which, with notice or lapse of time, or both, would constitute an Event of Default under Section 8.2.6.2(a) (*Payment Defaults*).
74.	Private Placement Offer cum Application Letter/PPOA	means the private placement offer and application letter dated on or about the date of the DTD issued/to be issued by the Issuer for subscription to the Debentures on a private placement basis in accordance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
75.	Promoters	has the meaning given to it in Section 8.1 (*Summary Terms*).
76.	Promoter Group	has the meaning given to it in Section 8.1 (*Summary Terms*).

SL.	TERM	DEFINITION
77.	Purpose	has the meaning given to it in Section 8.1 (*Summary Terms*).
78.	Quarterly Date	means each of March 31, June 30, September 30 and December 31 of a calendar year, and "Quarterly Dates" shall be construed accordingly.
79.	Rating	means the credit rating for the Debentures from the Rating Agency, being, "AA" affirmed/assigned by the Rating Agency through its letter dated May 28, 2025.
80.	Rating Agency	means CRISIL Ratings Limited.
81.	RBI	means the Reserve Bank of India.
82.	Record Date	means the date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (fifteen) calendar days prior to any Due Date.
83.	Relative	Shall have the same meaning as mentioned in the Companies Act 2013.
84.	Recovery Expense Fund/REF	means the recovery expense fund established/to be established and maintained by the Issuer in accordance with the provisions of Chapter IV (*Recovery Expenses Fund*) of the SEBI Debenture Trustees Master Circular.
85.	Register of Beneficial Owners	means the register of beneficial owners of the Debentures maintained in the records of the Depositories.
86.	Register of Debenture Holders	means the register of debenture holders maintained by the Issuer in accordance with Section 88 of the Companies Act.
87.	R&T Agent/Registrar	means the registrar and transfer agent appointed for the issue of Debentures, being Integrated Registry Management Services Private Limited.
88.	ROC	means the jurisdictional registrar of companies.
89.	RTGS	means Real Time Gross Settlement.
90.	SEBI	means the Securities and Exchange Board of India.
91.	SEBI Debenture Trustees Master Circular	means the master circular issued by SEBI bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 on "*Master Circular for Debenture Trustees*", as amended, modified, supplemented or restated from time to time.
92.	SEBI EBP Requirements/EBP Requirements	means the requirements with respect to electronic book mechanism prescribed in Chapter VI (*Electronic Book Provider platform*) of the Listed NCDs Master Circular, and the operational guidelines issued by the relevant electronic book provider, as may be restated, amended, modified or updated from time to time.
93.	SEBI Listed Debentures Circulars	means, collectively, the Listed NCDs Master Circular, the SEBI Debenture Trustees Master Circular, the SEBI Debt Listing Regulations, the SEBI LODR Master Circular and the LODR Regulations (to the extent applicable).
94.	SEBI Listing Timelines Requirements	means the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the Listed NCDs Master Circular, read with, to the extent applicable, the SEBI EBP Requirements.
95.	SEBI LODR Master Circular	means the master circular issued by SEBI bearing reference number SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dated May 21, 2024 on "*Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities*", as amended, modified, supplemented, or restated from time to time.
96.	Special Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures.
97. \	Special Resolution	means resolution approved by the Special Majority Debenture Holders.
98.	Stressed Assets Framework	means the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "*Prudential Framework for Resolution of Stressed Assets*", as amended, modified, supplemented or restated from time to time.
99.	Tax	means any present or future tax (direct or indirect), levy, duty, charge, fees, deductions, withholdings, surcharges, cess, turnover tax,

SL.	TERM	DEFINITION
		transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter, imposed pursuant to any Applicable Law or by any Governmental Authority.
100.	Tax Deduction	means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.
101.	Total Assets	means, for any date of determination, the total Assets of the Issuer on such date including owned, securitised and managed (non-owned) portfolio.
102.	Transaction Documents	means: (a) the DTD; (b) the Debenture Trustee Agreement; (c) the Debt Disclosure Documents; (d) the letters issued by the, and each memorandum of understanding/agreement entered into with, the Rating Agency, the Debenture Trustee and/or the Registrar; (e) each tripartite agreement between the Issuer, the Registrar and the relevant Depository; (f) the resolutions and corporate authorisations provided pursuant to the Conditions Precedent; and (g) any other document that may be designated as a Transaction Document by the Debenture Trustee or the Debenture Holders, and "Transaction Document" means any of them.
103.	WDM	means the Wholesale Debt Market segment of the BSE
104.	Wilful Defaulter	means an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such.

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

Please refer to Section 2.1 of the General Information Document for the disclaimers by the Issuer.

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE KEY INFORMATION DOCUMENT OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE ISSUER AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

Please refer to Section 2.2 of the General Information Document for the disclaimers in respect of the stock exchanges.

2.3 DISCLAIMER CLAUSE OF RBI

Please refer to Section 2.3 of the General Information Document for the disclaimers in respect of the RBI.

2.4 DISCLAIMER CLAUSE OF SEBI

Please refer to Section 2.4 of the General Information Document for the disclaimers in respect of the SEBI.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE KEY INFORMATION DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS

PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE KEY INFORMATION DOCUMENT. THE LEAD MANAGER(S) (IF ANY) HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE KEY INFORMATION DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

Please refer to Section 2.5 of the General Information Document for the disclaimers in respect of the jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCY

Please refer to Section 2.6 of the General Information Document for the disclaimers in respect of the Rating Agency.

2.7 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

Please refer to Section 2.7 of the General Information Document for the disclaimers in respect of issuances of the Debentures in dematerialised form.

SECTION 3: DETAILS OF PROMOTERS OF THE ISSUER

Please refer to Section 3 of the General Information Document for the details of the promoters of the Issuer.

SECTION 4: RISK FACTORS

Please refer to Section 4 of the General Information Document for the risk factors in respect of the issuance of Debentures.

SECTION 5: [INTENTIONALLY LEFT BLANK]

SECTION 6: REGULATORY DISCLOSURES

This Key Information Document is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this Section 6, the Issuer has set out the details required as per the SEBI Debt Listing Regulations (including Schedule I thereof).

6.1 **The Issuer shall file the following documents along with the listing application to the stock exchange and with the Debenture Trustee**

Along with this Key Information Document and the corporate authorisations for this issuance of the Debentures, the documents set out in Section 6.1 of the General Information Document have been / shall be submitted along with the listing application to the BSE and with the Debenture Trustee.

6.2 **The Issuer shall file the following documents to the Debenture Trustee**

Along with this Key Information Document and the corporate authorisations for this issuance of the Debentures, the documents set out in Section 6.2 of the General Information Document have been / shall be submitted to the Debenture Trustee.

6.3 **The following documents have been / shall be submitted to BSE at the time of filing the draft of this Key Information Document:**

Due diligence certificates from the Debenture Trustee as per the format specified in the SEBI Debenture Trustees Master Circular and in the SEBI Debt Listing Regulations.

6.4 **Details of credit rating along with the latest press release of the Credit Rating Agency in relation to the issue and declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue.**

CRISIL Ratings Limited has affirmed/assigned a rating of "AA" through its letter dated May 28,2025 for the Debentures to be issued in the proposed Issue. The rating letter from the Rating Agency, the rating rationale from the Rating Agency and the detailed press release are provided in Annexure I of this Key Information Document.

The Issuer hereby declares that the rating is and shall be valid as on the date of issuance and listing of any Debentures.

6.5 **Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s). If non-convertible securities are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue. The issuer shall specify the stock exchange where the recovery expense fund is being or has been created, as specified by the Board:**

The Debentures are proposed to be listed on the WDM segment of the BSE within the time period prescribed under the SEBI Listing Timelines Requirements. The Debentures are not proposed to be listed on more than one stock exchange.

The Issuer has obtained the in-principle approval for the listing of the debentures in accordance with the General Information Document from BSE, and the same is annexed in Annexure III of the General Information Document.

The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis. The Recovery Expense Fund shall be created by the Issuer with BSE in accordance with Chapter IV of the SEBI Debenture Trustees Master Circular.

6.6 **Issue Schedule:**

PARTICULARS	DATE
Issue Opening Date	June 16, 2025
Issue Closing Date	June 16, 2025
Pay In Date	June 17, 2025
Deemed Date of Allotment	June 17, 2025

6.7 **Name, logo, addresses, website URL, email address, telephone number and contact person of specific entities in relation to the Issue:**

(a) **Legal Counsel**

Name	N.A. The Issuer has been advised by its in-house legal and compliance team.
Logo	N.A.
Address	N.A.
Website	N.A.
E-mail address	N.A.
Telephone Number	N.A.
Contact Person Details	N.A.

(b) Merchant Banker and co-managers to the issues

Name	N.A.
Logo	N.A.
Address	N.A.
Website	N.A.
E-mail address	N.A.
Telephone Number	N.A.
Contact Person Details	N.A.

(c) Guarantor

Name	N.A.
Logo	N.A.
Address	N.A.
Website	N.A.
E-mail address	N.A.
Telephone Number	N.A.
Contact Person Details	N.A.

(d) Arrangers

Name	A K Capital Services Limited
Logo	
Address	601-602, 6th floor, Windsor, off CST Road, Kalina, Santacruz – (East), Mumbai – 400 098
Website	www.akgroup.co.in
E-mail address	compliance@akgroup.co.in
Telephone Number	+91-22-67546500
Contact Person Details	Mr. Tejas Davda

(e) Debenture Trustee to the Issue

Name	Vardhman Trusteeship Private Limited
Logo	
Address	The Capital, A Wing, 412A Bandra Kurla Complex, Bandra (East), Mumbai 400 051.
Website	https://vardhmantrustee.com/
E-mail address	corporate@vardhmantrustee.com
Telephone Number	+91 22 4264 8335
Contact Person Details	Mr Rushabh Desai

(f) Credit Rating Agency for the Issue

Name	CRISIL Ratings Limited
Logo	CRISIL An S&P Global Company
Address	CRISIL House, Central Avenue Hiranandani Business Park, Powai Mumbai 400 076, Indi
Website	www.crisil.com
E-mail address	crisilratingdesk@crisil.com
Telephone Number	(+91 22) 3342 3000
Contact Person Details	Ms. Poonam Upadhyay

(g) Registrar the Issue

Name	MUFG Intime India Private Limited
Logo	MUFG
Address	C-101, 1st Floor, 247 Park L.B.S. Marg Vikhroli (West), Mumbai 400 083, Maharashtra, India
Website	https://in.mpms.mufg.com
E-mail address	debtca@in.mpms.mufg.com
Telephone Number	91 810 811 4949
Contact Person Details	Mr Ganesh Jadhav

(h) Statutory Auditors

Name	Sundaram and Srinivasan, Chartered Accountant
Logo	SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS Offices: Chennai - Mumbai - Bangalore - Madurai
Address	23, CP Ramaswamy Iyer Rd, Sriram Colony, Abiramapuram, Chennai -600018
Website	https://sundaramandsrinivasan.com
E-mail address	yessendes@sundaramandsrinivasan.com
Telephone Number	044-24988762/24988463/ /42106952
Contact Person Details	Mr.KS.Radhakrishnan

6.8 **About the Issuer**

The following details pertaining to the issuer:

(a) **Overview and a brief summary of the business activities of the Issuer**

Please refer to Section 6.8(a) of the General Information Document for overview and a brief summary of the business activities of the Issuer.

(b) **Structure of the group/Issuer:**

Please refer to Section 6.8(b) of the General Information Document for overview and a brief summary of the business activities of the Issuer.

(c) **A brief summary of the business activities of the subsidiaries of the issuer:**

Please refer to Section 6.8(c) of the General Information Document for a brief summary of the business activities of the subsidiaries of the Issuer.

(d) **Details of branches or units where the issuer carries on its business activities, if any:**

Please refer to Section 6.8(d) of the General Information Document for the of branches or units where the issuer carries on its business activities of the Issuer.

(e) **Project cost and means of financing, in case of funding of new projects**

Not Applicable.

6.9 **Expenses of the Issue: Expenses of the issue along with a break up for each item of expense, including details of the fees payable to separately as under (in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size), as applicable:**

S.NO	PARTICULARS	FEE/EXPENSE AMOUNT(INR)	% OF TOTAL ISSUE EXPENSES	% OF TOTAL ISSUE SIZE
1.	Lead Manager(s) fees/Arranger fees	23,50,000	28.25%	0.47%
2.	Underwriting commission	N. A.	N. A.	N. A.
3.	Brokerage, selling commission and upload fees	N. A.	N. A.	N. A.
4.	Fees payable to the registrars to the issue	N. A.	N. A.	N. A.
5.	Fees payable to the legal advisors	N. A. *	N. A. *	N. A. *
6.	Advertising and marketing expenses	1,70,000	2.04%	0.03%
7.	Fees payable to the regulators, including stock exchanges	N. A. **	N. A. **	N. A. **
8.	Expenses incurred on printing and distribution of issue stationary	N. A. **	N. A. **	N. A. **
9.	Any other fees, commission or payment under whatever nomenclature a. One-time upfront processing fees payable to the Investor(s) b. Other Miscellaneous Fee (Corporate action fees of NSDL & CDSL, Stamp duty, Settlement Guarantee fund, etc.)	 50,00,000 8,00,000	 60.10% 9.62%	 1.00% 0.16%
	Total	83,20,000	100	1.66

#all the expenses mentioned in the table above are on base issue size
* As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific advertising and marketing expenses are envisaged to be payable in respect of such issue of Debentures.

** As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific expenses are envisaged to be incurred on printing and distribution of issue stationary in respect of such issue of Debentures.

Note: Issuer may remit Issue related expenses including but not limited to the fees/ charges / arrangers fees/ advisory fees/ brokerage / selling commission / marketing/ advertising fees, distribution fees/ any other miscellaneous fees directly or indirectly to any intermediary (ies) appointed by the Issuer or any other representative/s / agent/s as may be appointed by the intermediary (ies) who may further utilize the same, for marketing purposes, including distributor payouts, either in full or part. Such fees may be finalized depending upon number of factors including but not limited to issue subscription, market conditions, terms of the issue, nature and scope of assignment, profile of counter party etc.

6.10 **Financial Information**

(a) **The audited financial statements (i.e. profit and loss statement, balance sheet and cash flow statement) both on a standalone and consolidated basis for a period of three completed years, which shall not be more than six months old from the date of the issue**

document or issue opening date, as applicable. Such financial statements shall be should be audited and certified by the statutory auditor(s) who holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India ("ICAI").

However, if the issuer, being a listed REIT/listed InvIT, has been in existence for a period of less than three completed years, and historical financial statements of such REIT/InvIT are not available for some portion or the entire portion of the reporting period of three years and the interim period, the combined financial statements shall be disclosed for the periods for which such historical financial statements are not available.

Please refer Annexure I of the General Information Document for the audited financial statements of the Issuer for the Financial Years ended March 31, 2023, March 31, 2024, and March 31, 2025.

(b) **Listed issuers (whose debt securities or specified securities are listed on recognised stock exchange(s)) in compliance with the listing regulations, may disclose unaudited financial information for the interim period in the format as specified therein with limited review report in the issue document, as filed with the stock exchanges, instead of audited financial statements for the interim period, subject to making necessary disclosures in this regard in issue document including risk factors.**

Not Applicable

(c) **Issuers other than REITs/ InvITs desirous of issuing debt securities on private placement basis and who are in existence for less than three years may disclose financial statements mentioned at (a) above for such period of existence, subject to the following conditions:**

(i) The issue is made on the Electronic Book Platform of the stock exchange, irrespective of the issue size; and

(ii) In case of issue of securities on a private placement basis, the issue is open for subscription only to qualified institutional buyers

Not applicable. The Issuer has been in existence for more than 3 (three) years.

(d) **The above financial statements shall be accompanied with the auditor's report along with the requisite schedules, footnotes, summary etc.**

Please refer Annexure I of the General Information Document for the audited financial statements of the Issuer for the Financial Years ended March 31, 2023, March 31, 2024, and March 31, 2025 along with the auditor's report along with the requisite schedules, footnotes, summary etc.

(e) **Key Operational and Financial Parameters on a consolidated basis and on a standalone basis:**

Please refer Section 6.10(e) of the General Information Document for disclosures for the Financial Years ended March 31, 2023, March 31, 2024 and March 31, 2025 on a standalone basis.

(f) **Details of any other contingent liabilities of the Issuer based on the latest audited financial statements including amount and nature of liability:**

Please refer Section 6.10(f) of the General Information Document for the details of the contingent liability of the Issuer as of March 31, 2025.

(g) **The amount of corporate guarantee or letter of comfort issued by the issuer along with details of the counterparty (viz. name and nature of the counterparty, whether a subsidiary, joint venture entity, group company etc.) on behalf of whom it has been issued**

Please refer Section 6.10(g) of the General Information Document for the details of corporate guarantee or letter of comfort issued by the Issuer.

6.11 **A brief history of Issuer since its incorporation giving details of its following activities:**

(a) **Details of Share Capital as on last quarter end**:

Please refer Section 6.11(a) of the General Information Document for the details of the share capital of the Issuer as of March 31, 2025.

(b) **Changes in its capital structure as on last quarter end, for the preceding three financial years and current financial year:**

Please refer Section 6.11(b) of the General Information Document for the details of change in the share capital of the Issuer for the preceding three financial years and current financial year as of March 31, 2025.

(c) **Details of the equity share capital for the preceding three financial years and current financial year:**

Please refer Section 6.11(c) of the General Information Document for the details of equity share capital of the Issuer for the preceding three financial years and current financial year.

(d) **Details of any acquisition of or amalgamation with any entity in the preceding one year:**

Please refer Section 6.11(d) of the General Information Document for the details of any acquisition of or amalgamation with any entity in the preceding one year.

(e) **Details of any Reorganization or Reconstruction in the preceding one year:**

Please refer Section 6.11(e) of the General Information Document for the details of any reorganisation or reconstruction in the preceding one year.

(f) **Details of the shareholding of the Company as at the latest quarter end, as per the format specified under the listing regulations***:*

Please refer Annexure IV of the General Information Document for the shareholding pattern of the Issuer as of March 31, 2025.

(g) **List of top ten holders of equity shares of the Company as on the latest quarter end:**

Please refer Section 6.11(g) of the General Information Document for the top ten holders of equity shares of the Issuer as of March 31, 2025.

6.12 **Following details regarding the directors of the Company:**

(a) **Details of the current directors of the Company:**

Please refer Section 6.12(a) of the General Information Document for the details of the current directors of the Issuer.

(b) **Details of change in directors in the preceding three financial years and current financial year:**

Please refer Section 6.12(b) of the General Information Document for the details of change in the directors of the Issuer for the preceding three financial years and current financial year as of March 31, 2025.

(c) **Details of directors' remuneration, and such particulars of the nature and extent of their interests in the issuer (during the current year and preceding three financial years):**

(i) Remuneration payable or paid to a director by the issuer, its subsidiary or associate company; shareholding of the director in the company, its subsidiaries and associate companies on a fully diluted basis;

Please refer Section 6.12(c)(i) of the General Information Document for the details of the remuneration payable or paid to a director by the Issuer, its subsidiary or associate company, and the details of the shareholding of the director in the Issuer, its subsidiaries and associate companies on a fully diluted basis.

(ii) Appointment of any relatives to an office or place of profit of the issuer, its subsidiary or associate company;

Please refer Section 6.12(c)(ii) of the General Information Document for the details of the appointment of any relatives to an office or place of profit of the Issuer, its subsidiary or associate company.

(iii) Full particulars of the nature and extent of interest, if any, of every director:

A. in the promotion of the issuer company; or

B. in any immoveable property acquired by the issuer company in the two years preceding the date of the issue document or any immoveable property proposed to be acquired by it; or

C. where the interest of such a director consists in being a member of a firm or company, the nature and extent of his interest in the firm or company, with a statement of all sums paid or agreed to be paid to him or to the firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a director, or otherwise for services rendered by him or by the firm or company, in connection with the promotion or formation of the issuer company shall be disclosed.

Please refer Section 6.12(c)(iii) of the General Information Document for the details of the full particulars of the nature and extent of interest, if any, of every director.

(d) **Contribution being made by the directors as part of the offer or separately in furtherance of such objects.**

Please refer Section 6.12(d) of the General Information Document for the details of contribution being made by the directors as part of the offer or separately in furtherance of such objects.

6.13 **Any financial or other material interest of the directors, promoters, key managerial personnel or senior management in the offer and the effect of such interest in so far as it is different from the interests of other persons.**

Please refer Section 6.13 of the General Information Document for the details of any financial or other material interest of the directors, promoters, key managerial personnel or senior management in the offer and the effect of such interest in so far as it is different from the interests of other persons.

6.14 **Following details regarding the auditors of the Issuer:**

(a) **Details of the auditor of the Issuer:**

Please refer Section 6.14(a) of the General Information Document for the details of the auditor of the Issuer.

(b) **Details of change in auditors for preceding three financial years and current financial year:**

Please refer Section 6.14(b) of the General Information Document for the details of change in auditors for preceding three financial years and current financial year.

6.15 **Details of the following liabilities of the issuer, as at the end of the preceding quarter, or if available, a later date:**

(a) **Details of outstanding secured loan facilities**:

Please refer Section 6.15(a) of the General Information Document for the details of the outstanding secured loan facilities as of March 31, 2025.

(b) **Details of outstanding unsecured loan facilities**:

Please refer Section 6.15(b) of the General Information Document for the details of the outstanding unsecured loan facilities as of March 31, 2025.

(c) **Details of outstanding non-convertible securities:**

Please refer Section 6.15(c) of the General Information Document for the details of the outstanding non-convertible securities as of March 31, 2025.

(d) **Details of commercial paper issuances as at the end of the last quarter:**

Please refer Section 6.15(d) of the General Information Document for the details of the commercial paper issuances as of March 31, 2025.

(e) **List of top ten holders of non-convertible securities in terms of value (in cumulative basis):**

Please refer Section 6.15(e) of the General Information Document for the top ten holders of non-convertible securities as of March 31 2025.

(f) **List of top ten holders of Commercial paper in terms of value (in cumulative basis):**

Please refer Section 6.15(f) of the General Information Document for the top ten holders of commercial papers as of March 31, 2025.

(g) **Details of the bank fund based facilities/ rest of the borrowing (if any, including hybrid debt like Foreign Currency Convertible Bonds (FCCB), Optionally Convertible Debentures/ Preference Shares) from financial institutions or financial creditors:**

Please refer Section 6.15(g) of the General Information Document for the details of the bank fund based facilities/ rest of the borrowing (if any, including hybrid debt like Foreign Currency Convertible Bonds (FCCB), Optionally Convertible Debentures/ Preference Shares) from financial institutions or financial creditors as of March 31, 2025.

6.16 **The amount of corporate guarantee or letter of comfort issued by the issuer along with name of the counterparty (like name of the subsidiary, joint venture entity, group company, etc.) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc.**

Please refer Section 6.16 of the General Information Document for the details of the corporate guarantee or letter of comfort issued by the Issuer.

6.17 **Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued:**

- **in whole or part,**
- **at a premium or discount, or**
- **in pursuance of an option or not.**

Please refer Section 6.17 of the General Information Document for the details of any outstanding borrowings taken/ debt securities issued for consideration other than cash.

6.18 **Where the Issuer is a non-banking finance company or housing finance company, the required disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:**

Please refer Section 6.18 and Section 10 of the General Information Document for the disclosures required in respect of Asset Liability Management (ALM) as per the audited financial statements for the Financial Year ended March 31, 2025.

6.19 **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other**

financial indebtedness including corporate guarantee or letters of comfort issued by the company, in the preceding three years and the current financial year:

Please refer Section 6.19 of the General Information Document for the details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness in the preceding three years and the current financial year.

6.20 **Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities/ commercial paper.**

Please refer Section 6.20 of the General Information Document for the details of the material event/development or change on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.).

6.21 **Any litigation or legal action pending or taken by a Government Department or a statutory body or regulatory body during the three years immediately preceding the year of the issue of the issue document against the promoter of the company:**

Please refer Section 6.21 of the General Information Document for the details of the any litigation or legal action pending or taken by a Government Department or a statutory body or regulatory body during the three years immediately preceding the year of the issue of the Key Information Document against the promoter of the Issuer.

6.22 **Details of default and non-payment of statutory dues for the preceding three financial years and current financial year:**

Please refer Section 6.22 of the General Information Document for the details of default and non-payment of statutory dues for the preceding three financial years and current financial year.

6.23 **Details of pending litigation involving the issuer, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the issuer, which may affect the issue or the investor's decision to invest / continue to invest in the debt securities and/ or non-convertible redeemable preference shares**

Please refer Section 6.23 of the General Information Document for the details of the relevant pending litigation involving the issuer, promoter, director, subsidiaries, group companies or any other person.

6.24 **Details of acts of material frauds committed against the issuer in the preceding three financial years and current financial year, if any, and if so, the action taken by the issuer**

Please refer Section 6.24 of the General Information Document for the details of acts of material frauds committed against the issuer in the preceding three financial years and current financial year.

6.25 **Details of pending proceedings initiated against the issuer for economic offences, if any**

Please refer Section 6.25 of the General Information Document for the details of the pending proceedings initiated against the issuer for economic offences, if any.

6.26 **Related party transactions entered during the preceding three financial years and current financial year with regard to loans made or, guarantees given or securities provided**

Please refer Section 6.26 of the General Information Document for the details of related party transactions entered during the preceding three financial years and current financial year.

6.27 **In case the issuer is a Non-Banking Finance Company (NBFC) and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:**

S. NO.	NAME OF THE BORROWER (A)	AMOUNT OF ADVANCES /EXPOSURES TO SUCH BORROWER (GROUP) (RS. CRORE) (B)	PERCENTAGE OF EXPOSURE (C)= B/TOTAL ASSETS UNDER MANAGEMENT
Not Applicable.			

6.28 **In order to allow investors to better assess the issue, the following additional disclosures shall be made by the issuer in the issue documents: (i) A portfolio summary with regards to industries/ sectors to which borrowings have been granted by NBFCs. (ii) Quantum and percentage of secured vis-à-vis unsecured borrowings granted by NBFCs. (iii) Any change in promoters' holdings in NBFCs during the preceding financial year beyond the threshold specified by the Reserve Bank of India from time to time.**

Please refer Section 6.28 of the General Information Document.

6.29 **Consent of directors, auditors, bankers to issue, trustees, solicitors or advocates to the issue, legal advisors to the issue, lead managers to the issue, Registrar to the Issue, and lenders (if required, as per the terms of the agreement) and experts.**

PARTICULARS	REFERENCING
Directors	Please refer Annexure VII in respect of the resolutions passed at the meeting of the board of directors of the Issuer and at the meeting of finance committee of the board of directors of the Issuer.
Auditors	As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, and as no auditor's report is being obtained in respect of this issue of Debentures, the Issuer believes that no specific consent from the auditor is required.
Bankers to issue	As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no bankers have been appointed in respect of such issue of Debentures.
Trustees	The consent letter from Debenture Trustee is provided in Annexure II of this Key Information Document.
Solicitors /Advocates	Not applicable.
Legal Advisors	Not applicable.
Lead Manager	Not applicable.
Registrar	The consent letter from the Registrar is provided in Annexure II of this Key Information Document.
Lenders of the Issuer	As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, and as no statements or confirmations from any lenders are being obtained in respect of this issue of Debentures, the Issuer believes that no specific consent from the lenders of the Issuer is required.
Experts	As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, and as no statements or confirmations from any experts are being obtained in respect of this issue of Debentures, the Issuer believes that no specific consent from the lenders of the Issuer is required.

6.30 **The name(s) of the debentures trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with copy of the consent letter from the debenture trustee.**

The Debenture Trustee of the proposed Debentures is Vardhman Trusteeship Private Limited. Vardhman Trusteeship Private Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Key Information Document and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in Annexure II of this Key Information Document.

6.31 **If the security is backed by a guarantee or letter of comfort or any other document of a similar nature, a copy of the same shall be disclosed. In case such document does not contain the detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the issue document.**

Not Applicable.

6.32 **Disclosure of cash flow with date of interest/dividend/ redemption payment as per day count convention**

(a) *The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made*: Actual / Actual. Please also refer to the sub-section named "*Business Day Convention*" under Section 8.1 of this Key Information Document.

(b) *Procedure and time schedule for allotment and issue of securities*: Please refer Section 9 of this Key Information Document.

(c) *Cash flows emanating from the non-convertible securities shall be mentioned in the Key Information Document, by way of an illustration*: The cashflows emanating from the Debentures, by way of an illustration, are set out under Annexure IV (*Illustration of Bond Cashflows*) of this Key Information Document.

6.33 **Disclosures pertaining to wilful defaulter:**

(a) **The following disclosures shall be made if the issuer or its promoter or director is declared wilful defaulter**:

(i) *Name of the bank declaring as a wilful defaulter:* NIL

(ii) *The year in which it was declared as a wilful defaulter:* NA

(iii) *Outstanding amount when declared as a wilful defaulter:* NA

(iv) *Name of the entity declared as a wilful defaulter:* NA

(v) *Steps taken, if any, for the removal from the list of wilful defaulters:* NA

(vi) *Other disclosures, as deemed fit* by *the issuer in order to enable investors to take informed decisions:* NA

(vii) *Any other disclosure as specified by the Board*: NA

(b) **The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages**: NA

6.34 **Undertaking by the Issuer**: Please refer to Section 7.

6.35 **Risk Factors**: Please refer to Section 4.

6.36 **Attestation by Directors**: Please refer Section 10 of the General Information Document.

6.37 **Other details:**

(a) *Creation of Debenture Redemption Reserve (DRR) / Capital Redemption Reserve (CRR) - relevant legislations and applicability*: Please refer Section 6.37(a) of the General Information Document for the details in respect of the creation of DRR.

(b) *Issue / instrument specific regulations - relevant details (Companies Act, Reserve Bank of India guidelines etc.)*: The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing

Regulations, the LODR Regulations, the Debenture Trustees Regulations, the SEBI Listed Debentures Circulars, and other RBI guidelines and SEBI guidelines applicable to issuance of non-convertible debentures by NBFCs on a private placement basis.

(c) ***Default in payment*:** Please refer to the sub-section named "*Default Interest Rate*" and "*Additional Disclosures (Default in Payment)*" of Section 8.1 (*Summary Terms*) in respect of the additional interest in the event of a default in payment, and Section 8.2.6.2(a) in respect of the event of default in the event of a default in payment.

(d) ***Delay in listing*:** Please refer the section named "*Listing (name of stock Exchange(s) where it will be listed and timeline for listing)*" of Section 8.1 (*Summary Terms*) in relation to the listing requirements in respect of the Debentures and section named "*Additional Disclosures (Delay in Listing)*" of Section 8.1 (*Summary Terms*) in respect of the default interest in the event of delay in listing.

(e) *Delay in allotment of securities*:

(i) The Issuer shall ensure that the Debentures are allotted to the respective Debenture Holders and are credited into the demat accounts of the relevant Debenture Holders within the timelines prescribed under the SEBI Listing Timelines Requirements.

(ii) The Debentures shall be deemed to be allotted to the Debenture Holders on the Deemed Date of Allotment. All benefits relating to the Debentures are available to the Debenture Holders from the Deemed Date of Allotment.

(iii) Without prejudice to, and in supplement of, any other provision of the DTD, if the Issuer fails to allot the Debentures to the Applicants following the date of receipt of the Application Money within the time period prescribed under the Companies Act ("**Allotment Period**"), it shall repay the Application Money to the Applicants within 15 (fifteen) calendar days from the expiry of the Allotment Period ("**Repayment Period**").

(iv) If the Issuer fails to repay the Application Money within the Repayment Period, then Company shall be liable to repay the Application Money along with interest at 12% (twelve percent) per annum, gross of withholding taxes, from the expiry of the Allotment Period.

(f) *Issue details*: Please refer to Section 8 of this Key Information Document.

(g) *Application process*: The application process for the Issue is as provided in Section 9 of this Key Information Document.

(h) *Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any*: The finalised form of the PPOA prepared in accordance with the Form PAS 4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014 is provided in Annexure IX. Please refer Annexure IX for all disclosures required under the Companies (Prospectus and Allotment of Securities) Rules, 2014.

(i) *Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project*: Not applicable.

6.38 **Other matters and reports**:

(a) **If the proceeds, or any part of the proceeds, of the issue of the debt securities are or is to be applied directly or indirectly:**

(i) in the purchase of any business; or

(ii) in the purchase of an interest in any business and by reason of that purchase, or anything to be done in consequence thereof, or in connection therewith

the company shall become entitled to an interest in either the capital or profits and losses or both, in such business exceeding fifty per cent.

thereof, a report made by a chartered accountant (who shall be named in the issue document) upon -

(A) **the profits or losses of the business for each of the three financial years immediately preceding the date of the issue of the issue document; and**

(B) **the assets and liabilities of the business as on the latest date to which the accounts of the business were made up, being a date not more than one hundred and twenty days before the date of the issue of the issue document.**

Not Applicable. The proceeds from the issue of Debentures will be utilised in accordance with the Purpose (as set out in Section 8.1 below).

(b) **In purchase or acquisition of any immoveable property including indirect acquisition of immoveable property for which advances have been paid to third parties, disclosures regarding**

(i) the names, addresses, descriptions and occupations of the vendors;

(ii) the amount paid or payable in cash, to the vendor and where there is more than one vendor, or the company is a sub-purchaser, the amount so paid or payable to each vendor, specifying separately the amount, if any, paid or payable for goodwill;

(iii) the nature of the title or interest in such property proposed to be acquired by the company; and

(iv) the particulars of every transaction relating to the property completed within the two preceding years, in which any vendor of the property or any person who is or was at the time of the transaction, a promoter or a director or proposed director of the company, had any interest, direct or indirect, specifying the date of the transaction and the name of such promoter, director or proposed director and stating the amount payable by or to such vendor, promoter, director or proposed director in respect of the transaction:

Provided that if the number of vendors is more than five, then the disclosures as required above shall be on an aggregated basis, specifying the immoveable property being acquired on a contiguous basis with mention of the location/total area and the number of vendors from whom it is being acquired and the aggregate value being paid. Details of minimum amount, the maximum amount and the average amount paid/ payable should also be disclosed for each immovable property

Not Applicable. The proceeds from the issue of Debentures will be utilised in accordance with the Purpose (as set out in Section 8.1 below).

(c) **If:**

(i) the proceeds, or any part of the proceeds, of the issue of the debt securities are or are to be applied directly or indirectly and in any manner resulting in the acquisition by the company of shares in any other body corporate; and -

(ii) by reason of that acquisition or anything to be done in consequence thereof or in connection therewith, that body corporate shall become a subsidiary of the company, a report shall be made by a Chartered Accountant (who shall be named in the issue document) upon –

A. the profits or losses of the other body corporate for each of the three financial years immediately preceding the issue of the issue document; and

B. the assets and liabilities of the other body corporate as on the latest date to which its accounts were made up.

Not Applicable. The proceeds from the issue of Debentures will be utilised in accordance with the Purpose (as set out in Section 8.1 below).

(d) **The said report shall:**

(i) indicate how the profits or losses of the other body corporate dealt with by the report would, in respect of the shares to be acquired, have concerned members of the issuer company and what allowance would have been required to be made, in relation to assets and liabilities so dealt with for the holders of the balance shares, if the issuer company had at all material times held the shares proposed to be acquired; and

(ii) where the other body corporate has subsidiaries, deal with the profits or losses and the assets and liabilities of the body corporate and its subsidiaries in the manner as provided in Section 6.38(c)(ii) above.

Not applicable.

(e) **The broad lending and borrowing policy including summary of the key terms and conditions of the term loans such as re-scheduling, prepayment, penalty, default; and where such lending or borrowing is between the issuer and its subsidiaries or associates, matters relating to terms and conditions of the term loans including re-scheduling, prepayment, penalty, default shall be disclosed**.

Please refer Section 6.38(e) of the General Information Document for the broad lending and borrowing policy of the Issuer.

(f) **The aggregate number of securities of the issuer company and its subsidiary companies purchased or sold by the promoter group, and by the directors of the company which is a promoter of the issuer company, and by the directors of the issuer company and their relatives, within six months immediately preceding the date of filing the issue document with the Registrar of Companies are as follows**.

Please refer Section 6.38(f) of the General Information Document for details of the aggregate number of securities of the issuer company and its subsidiary companies purchased or sold.

(g) **The matters relating to: (i) Material contracts; (ii) Time and place at which the contracts together with documents will be available for inspection from the date of issue document until the date of closing of subscription list**

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Issuer or entered into more than 2 (two) years before the date of this Key Information Document which are or may be deemed material have been entered into by the Issuer.

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the registered office of the Issuer between on 10.00 am to 4.00 pm Business Days.

S. No.	Nature of Contract
1.	Certified true copy of the memorandum of association, the articles of association, and the certificate of incorporation of the Issuer.
2.	Resolution dated August 02, 2024 of the board of directors of the Issuer, and the resolution dated June 11, 2025 the finance committee of the board of directors of the Issuer.
3.	Resolution dated September 13, 2024 of the shareholders of the Issuer authorizing the borrowing by the Issuer.
4.	Annual reports of the Issuer for the last 3 (three) Financial Years.
5.	Credit rating letter, the rating rationale and the press release from the Rating

	Agency.
6.	Letter from Vardhman Trusteeship Private Limited dated June 05, 2025, giving its consent to act as Debenture Trustee.
7.	Letter from Integrated Registry Management Services Private Limited dated June 05 , 2025 giving its consent to act as Register and Transfer Agent.
8.	The tripartite agreement(s) executed between the Issuer, the Registrar and the relevant Depositories.
9.	The application made to BSE for grant of in-principle approval for listing of Debentures, and the in-principle approval provided by the BSE in respect of the listing of the Debentures.
10.	The due diligence certificate(s) issued by the Debenture Trustee pursuant to the SEBI Debenture Trustees Master Circular and the other SEBI Listed Debentures Circulars.
11.	The Transaction Documents (including the Debt Disclosure Documents).

(h) **Reference to the relevant page number of the audit report which sets out the details of the related party transactions entered during the three financial years immediately preceding the issue of issue document**.

Please refer Section 6.38(h) of the General Information Document.

(i) **The summary of reservations or qualifications or adverse remarks of auditors in the three financial years immediately preceding the year of issue of issue document, and of their impact on the financial statements and financial position of the company, and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks**.

Please refer Section 6.38(i) of the General Information Document for the summary of reservations or qualifications or adverse remarks of auditors in the three financial years immediately preceding the year of issue of issue document.

(j) **The details of:**

- **any inquiry, inspections or investigations initiated or conducted under the securities laws or Companies Act, 2013 (18 of 2013) or any previous companies law;**
- **prosecutions filed, if any (whether pending or not); and**
- **fines imposed or offences compounded,**

in the three years immediately preceding the year of issue of issue document in the case of the issuer being a company and all of its subsidiaries.

Please refer Section 6.38(j) of the General Information Document.

(k) **The details of acts of material frauds committed against the issuer in the preceding three financial years and current financial year, if any, and actions taken by the issuer**

Please refer to Section 6.38(k) of the General Information Document for the details of acts of material frauds committed against the issuer in the preceding three financial years and current financial year.

6.39 **Summary Terms**: Please refer to Section 8.1 (*Summary Terms*).

SECTION 7: UNDERTAKINGS

Please refer Section 7 of the General Information Document for the undertakings by the Issuer, and attestation by the directors. Please refer below for the undertaking on security:

7.1 UNDERTAKING ON SECURITY

Not applicable. The Debentures will be unsecured debt instruments.

SECTION 8: KEY TERMS OF THE ISSUE

8.1 SUMMARY TERMS

Security Name (Name of the non-convertible securities which includes (Coupon/ dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.	**9.15% Belstar Microfinance Limited 2027**
Issuer / Company	**Belstar Microfinance Limited ("BML")**
Type of Instrument	Senior, Unsecured, Rated, Listed, Redeemable, Taxable, Non-Convertible Debentures ("NCDs" or "Debentures")
Nature of Instrument (Secured or Unsecured)	Unsecured
Seniority (Senior or Subordinated)	Senior
Mode of Issue	Private placement
Promoter & Promoter Group	• Muthoot Finance Limited ("MFL" or "Holding Company") • And Such person/s classified under the Promoter/ Promoter group as per the Companies Act, 2013 and the SEBI Regulations.
Eligible Investors	The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of the Bonds subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("Eligible Investors"): Qualified Institutional Buyers ("QIBs") means the following entities: a) A mutual fund, venture capital fund, Alternative Investment Fund and Foreign Venture Capital Investor registered with SEBI. b) Foreign portfolio investors other than individuals, corporate bodies and family offices. c) a Public Financial Institution. d) a Scheduled Commercial Bank. e) a multilateral and bi-lateral development financial institution. f) a State Industrial Development Corporation. g) An insurance company registered with Insurance Regulatory and Development Authority of India. h) A Provident Fund with minimum corpus of Rs. 25 Crores i) A Pension Fund with minimum corpus of Rs. 25 Crores j) National Investment Fund set up by resolution No: F.No.2/3/2005-DDII dated November 23, 2005, of the Government of India published in the Gazette of India. k) An insurance fund set up and managed by Army, Navy / Air force of the Union of India. l) Insurance funds set up and managed by the Department of Posts, India; and m) Systemically important Non- Banking Financial Companies. Any non-QIB including inter-alia resident individual investors, Hindu Undivided Families (excluding minors and NRIs), Partnership Firms and Limited Liability partnership firms, Trusts (including public charitable trusts), association of persons, societies registered under the Applicable Laws in India, companies, bodies corporate etc., who/ which has been authorized by the Issuer, to participate in a particular issue. The advisor(s)/ arranger(s)/ placement agent(s), broker(s) associated with the Issue and/or their affiliates/ subsidiaries/ associates/ group companies and/or their promoters/ directors/ key managerial personnel/

	officers/ employees may subscribe to the Issue as the applicable laws including but not limited to (i) SEBI (Merchant Bankers) Regulations, 1992 and Code of Conduct specified therein; (ii) Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and Code of Conduct specified therein, as applicable, do not restrict them from subscribing to the Issue. Note: Participation by potential investors in the issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	a. The NCDs are proposed to be listed on the WDM of the BSE. The NCDs shall be listed within 3 (Three) working days from the Issue Closure Date ("Listing Period"). b. The Issuer shall ensure that the Debentures continue to be listed on the wholesale debt market segment of the BSE. c. In the event there is any delay in listing the Debentures beyond the Listing Period, the Issuer will pay to the Debenture Holders a penal interest of 1% (One Percent) p.a. over the applicable Coupon Rate from the Deemed Date of Allotment until the listing of the Debentures is completed.
Rating of the Instrument (Rating)	CRISIL AA/ Stable (Pronounced as "CRISIL Double A with Stable Outlook") by CRISIL Ratings Limited The Issuer/Investor(s) reserves the right to obtain an additional credit rating from any SEBI registered Credit Rating Agency for full or part of the Issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the issue.
Credit Rating Agency	CRISIL Ratings Limited
Debenture Trustee	A SEBI Registered Debenture Trustee
Issue Size	Rs. 100,00,00,000/- (Rupees One Hundred Crores) including green shoe option Upto Rs. 50,00,00,000/- (Rupees Fifty Crores)
Minimum Subscription	The minimum application size for the Issue shall be 100 (One Hundred) Debentures and in multiples of 1 (One) Debenture thereafter.
Option to retain oversubscription	Upto Rs. 50,00,00,000/- (Rupees Fifty Crores)
Objects of the Issue / Purpose for which there is requirement of funds	The Issue Proceeds equivalent to 100% of the funds raised by the Issue will be utilized towards: a. for general corporate purposes of the Issuer. b. for utilization in the ordinary course of business of the Issuer (including repayment/re-financing of any existing Financial Indebtedness of the Issuer); and c. for deployment in the business of the Issuer, and the growth of the asset book of the Issuer. The Issuer shall not use the proceeds of the Issue towards: a. Any capital market instrument such as equity, debt, debt linked, and equity linked instruments or any other capital market related activities. b. Any speculative purposes. c. Investment in the real estate sector, including the acquisition of land, and/or any other real estate business. The expression "real estate business" has the meaning given to it in the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019. d. Making any inter-corporate deposits to/in any subsidiary and/or associate Issuer.

	e. Providing any bill discounting facilities. f. making repayment of any loans availed from its directors and/or Promoters. g. in contravention of any Applicable Law (including but not limited to the NBFC Directions and the guidelines, rules or regulations of the RBI applicable to non-banking financial companies.
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group Issuer' then disclosures shall be made in the following format:	Not Applicable
Details of the Utilization of the issue proceeds	The Issue Proceeds equivalent to 100% of the funds raised by the Issue will be utilized towards: a. for general corporate purposes of the Issuer. b. for utilization in the ordinary course of business of the Issuer (including repayment/re-financing of any existing Financial Indebtedness of the Issuer); and c. for deployment in the business of the Issuer, and the growth of the asset book of the Issuer. The Issuer shall not use the proceeds of the Issue towards: h. Any capital market instrument such as equity, debt, debt linked, and equity linked instruments or any other capital market related activities. i. Any speculative purposes. j. Investment in the real estate sector, including the acquisition of land, and/or any other real estate business. The expression "real estate business" has the meaning given to it in the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019. k. Making any inter-corporate deposits to/in any subsidiary and/or associate Issuer. l. Providing any bill-discounting facilities. m. making repayment of any loans availed from its directors and/or Promoters. n. in contravention of any Applicable Law (including but not limited to the NBFC Directions and the guidelines, rules or regulations of the RBI applicable to non-banking financial companies.
Coupon Rate	9.15% p.a. payable quarterly
Step Up Coupon Rate	In case of downgrade of the credit rating or assignment of any new credit rating which is lower than the Credit Rating, of the NCDs/ Issuer as on the Deemed Date of Allotment, the Coupon Rate for the balance period would increase by 0.25% (zero decimal two-five percent) for each notch downgrade in credit rating and the same will be with effect from the credit rating downgrade date ("Step Up Coupon Rate"). In case, credit ratings from multiple rating agencies is available, upon the downgrade, the lowest rating available for long term borrowing shall be considered for the purpose of calculation of the effective Step-Up Coupon Rate.
Coupon Payment Frequency	Quarterly and on Redemption
Coupon Payment Date(s)	The Coupon shall be payable on a quarterly basis, more specifically as mentioned in Annexure I of this termsheet.
Cumulative / non-cumulative, in case of dividend	Not Applicable
Coupon Type / Coupon Rate Parameter (Fixed, floating or other structure)	Fixed

Coupon Rate Reset Date(s)	Not Applicable
Coupon Reset Process/ Spread Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	Not Applicable
Day Count Basis (Actual/Actual)	Interest and all other charges shall accrue based on an actual/actual basis.
Interest on Application Money	At the Coupon rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment. Where pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid.
Default Interest Rate	Without prejudice to the other rights of the Debenture Trustee (including the right to call an Event of Default): a) If, at any time, a Payment Default occurs, the Issuer agrees to pay additional coupon at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding NCDs (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such Payment Default until such default is cured or the Debentures are fully redeemed. b) If, at any time, any other Event of Default occurs or breach of Financial Covenant occurs under the Transaction Documents, the Issuer agrees to pay an additional coupon at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding from the date of occurrence of such a breach/default, until the Debentures are fully redeemed or till the covenants criteria has been replenished..
Tenor	24 (Twenty-Four) Months
Redemption	Bullet, at Par
Redemption Date	June 17, 2027
Redemption Premium/ Discount	Not Applicable
Face Value	Rs. 1,00,000/- (Rupees One Lakh Only) per Debenture
Issue price	Rs. 1,00,000/- (Rupees One Lakh Only) per Debenture
Discount at which security is issued and the effective coupon as a result of such discount.	Not Applicable
Put Option	Not Applicable
Put Option Date(s)	Not Applicable
Put Option Price	Not Applicable
Put Notification Time (Timelines by which the investor needs to intimate Issuer before exercising the put)	Not Applicable
Call Option	Not Applicable
Call Option Date(s)	Not Applicable
Call Option Price	Not Applicable
Call Notification Time (Timelines by which the investor need to intimate Issuer before exercising the	Not Applicable

call)	
Minimum application and multiples of Debt securities thereafter	The minimum application size for the Issue shall be 100 (One Hundred) Debentures and in multiples of 1 (One) Debenture thereafter.
Issue Timing	
1. Issue Opening Date	June 16, 2025
2. Issue Closing Date	June 16, 2025
3. Date of earliest closing of the issue, if any.	Not Applicable
4. Pay-in Date	June 17, 2025
5. Deemed Date of Allotment	June 17, 2025
Settlement Mode of the Instrument	All interest, principal repayments, penal interest and other amounts, if any, payable by the Issuer to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders inform the Issuer in writing and which details are available with the Registrar.
Depository	NSDL and CDSL
Disclosure of Interest/Dividend/ redemption dates	Please refer to **Annexure I** for the indicative cash flows.
Record Date	A Register of Debenture Holders shall be maintained in accordance with Section 88 of the Companies Act, 2013 and the Register of Debenture Holders/the Register of Beneficial Owners, shall be closed 15 (Fifteen) Calendar days prior to each Due Date.
All covenants of the Issue (including side letters, accelerated payment clause etc.)	There are no other covenants other than as prescribed in the Key Information Document.
Description regarding Security (where applicable) including type of security (movable/ immovable/ tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security / likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Placement Memorandum.	The NCDs shall be unsecured in Nature.
Transaction Documents	The Issuer has executed/shall execute the documents including but not limited to the following, as required, in connection with the Issue as per latest SEBI guidelines/ Companies Act 2013 (as applicable) for issuance of NCDs through private placement:

	a. Debenture Trustee Agreement b. General Information Document. c. Key Information Document. d. Private Placement Offer Letter. e. Debenture Trust Deed. f. Such other documents as agreed between the Issuer and the Debenture Trustee
Conditions Precedent to Disbursement	The Issuer shall fulfill the following conditions precedent, to the satisfaction of the Debenture Trustee, prior to the Deemed Date of Allotment: a. Execution of the Transaction Documents. b. Due diligence certificate issued by the Debenture Trustee in accordance with the SEBI Master circular as amended from time to time. c. Rating Rationale and press release from the Credit Rating Agency. d. Rating Letter from the Credit Rating Agency e. Debenture Trustee Consent Letter. f. BSE in-principal approval. g. A certified copy of the resolution of the Issuer's board of directors authorizing the issuance of the Debentures to be provided prior to the Deemed Date of Allotment. h. A certified copy of the resolution of the shareholders of the Issuer under Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013 to be provided prior to the Deemed Date of Allotment. i. A certified copy of resolution of the shareholders of the Issuer under Section 42 of the Companies Act, 2013. j. Duly certified true copy of KYC Documents of the Issuer along with the LEI Number, MOA, AOA, Certificate of Incorporation and RBI Registration Certificate. k. Duly completed certified/ self-attested KYC Documents of the Authorized Signatories of the Issuer who are executing the Transaction Documents. l. The Issuer to provide a management undertaking that all the borrowing facilities of the Issuer are standard in nature, the Issuer has not defaulted in making any payments in respect thereto and the Issuer has obtained all regulatory and statutory consents to issue Debentures.
Conditions Subsequent to Disbursement	The Issuer shall fulfill the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of Allotment: a. Due diligence certificate issued by the Debenture Trustee in accordance with the SEBI Master circular as amended from time to time. b. The Issuer shall ensure that the Debentures are credited into the beneficial owner account(s) of the Debenture within 2 (Two) Business Days from the relevant Deemed Date of Allotment. c. The Issuer will ensure listing of Debentures on the BSE within 3 (Three) working days from the Issue Closure Date. d. The Issuer shall file a copy of Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the relevant registrar of companies within 15 (Fifteen) calendar days from the Deemed Date of Allotment. e. The Issuer shall provide the details on utilisation of funds raised through the issue of Debentures duly certified by the Issuer's statutory auditor to the Debenture Trustee within stipulated timelines as per applicable SEBI LODR Regulations. f. Execution of any other documents as the Debenture Trustee may require.
Representation & Warranties	The Issuer declares, represents and warrants to the Debenture Trustee and the Debenture Holders, as follows which representations and warranties shall be made as on the date of this Key Information

	Document and shall be deemed to be repeated on each date until the Final Settlement Date: 1. Status i. The Issuer has been duly incorporated, organized and is validly existing, under applicable law. ii. The Issuer is a non-banking financial company registered with the RBI or such other regulatory authority (if applicable) and such registration is valid and subsisting. iii. The Issuer has the corporate power, authority and all material permits, approvals, authorizations, licenses, registrations, and consents including registrations, to own and operate its assets and to carry on its business in substantially the same manner as it is currently conducted. 2. Binding Obligations The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations. 3. Non-conflict with other obligations The entry into and performance by the Issuer of, the transactions contemplated by the Transaction Documents do not and will not conflict with: i. any Applicable Law (including, without limitation, any laws and regulations regarding anti-money laundering or terrorism financing, and similar financial sanctions); ii. its constitutional documents. iii. any agreement or instrument binding upon it or any of its assets, including but not limited to any terms and conditions of the Financial Indebtedness availed of by the Issuer. 4. Power and authority It has the power to issue the NCDs and enter into, perform and delivers, and has taken all necessary action to authorize its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents. 5. Validity and admissibility in evidence All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable: i. to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party; ii. to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and iii. for it to carry on its business, and which are material, have been obtained or effected and are in full force and effect. 6. No default i. No Event of Default or potential event of default has currently occurred and is continuing or would be expected as a result from the execution or performance of any Transaction Documents or the issuance of the Debentures. ii. No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of

notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Issuer or which might have a Material Adverse Effect.

7. Pari-Passu Ranking

i. Each Debenture issued by the Issuer will constitute direct, senior and secured obligations of the Issuer. The claims of the Debenture Holders shall be akin to the claims of senior, secured investors / lenders and shall rank pari-passu to all senior, secured indebtedness of the Issuer.
ii. Each of the Debenture Holders shall inter-se rank pari-passu in relation to their rights and benefits in relation to the Debentures, without any preference or privilege.

8. Legal / Litigation Matters

i. There are no claims, investigations or proceedings before any court, tribunal or governmental authority in progress or pending against or relating to the Issuer, which would have a Material Adverse Effect.
ii. There are no unfulfilled or unsatisfied judgments or court orders in respect of the Issuer.
iii. The Issuer has not taken any action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings or no order has been passed for its winding-up, dissolution or re-organization or for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, trustee or other similar officer for it or in respect of its assets.

9. No misleading information

All information provided by the Issuer to the Debenture Trustee/Debenture Holders is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated and is not misleading due to omission to state a fact or otherwise.

10. Compliance; Corporate Matters

i. The Issuer has complied with Applicable Law, including without limitation, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021 and all other Applicable Law in respect of the issuance of the Debentures and for the performance of the Issuer of its obligations with respect to the Debentures, and to carry on its business.

ii. There has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of any Governmental Authority issued or outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated against the Issuer which would have a Material Adverse Effect.

iii. No notice or other communication (official or otherwise) from any Governmental Authority has been issued or is outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual

	or potential violation and/or failure to comply with any such Applicable Law or requiring them to take or omit any action. iv. The Issuer shall complete all necessary formalities including all filings with and notices to the relevant regulatory authorities as may be required, including but not limited to the designated stock exchange (if applicable) and the ROC and obtain all consents and approvals required for the completion of the Issue. v. All legal and procedural requirements specified in the Constitutional Documents or required under the Applicable Law have been duly complied with in all respects in relation to the issue of the Debentures. vi. The registers and minute books (including the minutes of the board and general meetings) required to be maintained by the Issuer under Applicable Law: 1. are up-to-date and have been maintained in accordance with the Applicable Law; 2. comprise complete and accurate records of all information required to be recorded in such books and records; and 3. no notice or allegation that any of them are incorrect and/or should be rectified has been received. 11. Financial statements; Accounts and Records i. Its audited financial statements most recently provided to the Debenture Trustee as of March 31, 2025 were prepared in accordance with Applicable Accounting Standards consistently applied save to the extent expressly disclosed in such financial statements. ii. Its audited financial statements as of March 31, 2025 provided to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the Financial Year to the extent expressly disclosed in such financial statements. iii. The books of accounts of the Issuer have been fairly and properly maintained, the accounts of the Issuer have been prepared in accordance with Applicable Law and the Applicable Accounting Standards, so as to give a true and fair view of the business (including the assets, liabilities and state of affairs) of the Issuer and its subsidiaries. The Issuer has a proper, efficient and effective book-keeping and accounting system in place as well as adequate professional staff, including maintaining of accounts showing the loan drawings, payments, interest etc. 12. Solvency i. The Issuer is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended from making payments of any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of Applicable Law, nor will it become unable to pay its debts for the purposes of Applicable Law as a consequence of entering into the Transaction Documents. ii. The Issuer, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Financial Indebtedness. iii. No insolvency or bankruptcy process has commenced under Applicable Law in respect of the Issuer (including pursuant to

	the IBC and the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019) as amended from time to time. iv. No reference has been made, or enquiry or proceedings commenced, in respect of the Issuer, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework). 13. Material Adverse Effect i. No Material Adverse Effect has occurred, including without limitation, in relation to the business, condition, operations, performance or prospects of the Issuer. ii. There are no circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect. 14. Illegality It is not illegal or unlawful for the Issuer to perform any of its obligations under the Transaction Documents. 15. Tax Laws i. The Issuer has complied with all the requirements as specified under the Tax laws as applicable to the Issuer in relation to returns, computations, notices and information which are, or are required to be made or given by the Issuer to any Tax authority for taxation, and for any other Tax or duty purposes, have been made and are correct. ii. The Issuer has not received any notice of any Tax disputes or other liabilities of Taxes in respect of which a claim has been made or notice has been issued against the Issuer. 16. No Immunity Neither the Issuer nor its assets are entitled to immunity from suit, execution, attachment or other legal process in its jurisdiction of incorporation. The issuance of the Debentures (and the Transaction Documents) constitutes, and the exercise of the Issuer's rights and performance of and compliance with its obligations in relation thereto, will constitute, private and commercial acts done and performed for private and commercial purposes. 17. Confirmations pursuant to the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021, as amended from time to time: With effect from the date of filing of the Transaction Documents as applicable with the BSE, as on the date of filing of the Debt Disclosure Documents with the BSE in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021: i. the Issuer or the Promoter/ Promoter Group of the Issuer, or the directors of the Issuer have not been debarred from accessing the securities market or dealing in securities by the Securities and Exchange Board of India;

	ii. no Promoter of the Issuer or director of the Issuer is a promoter or director of any another Issuer which is debarred from accessing the securities market or dealing in securities by Securities and Exchange Board of India; iii. no Promoter of the Issuer or director of the Issuer is a fugitive economic offender; and iv. no fines or penalties levied by Securities and Exchange Board of India or designated stock exchange is pending to be paid by the Issuer. For the purposes of the Key Information Document: "**Material Adverse Effect**" means in relation to any entity, the effect or consequence of an event, circumstance, occurrence or condition, including, change in the statutory auditor of the Company other than required by the applicable law or change in applicable regulation by any regulatory authority impacting the current business model or could reasonably be expected to cause a material and adverse effect on (i) the financial condition, business or operation of the entity which in the opinion of the Debenture Holder is prejudicial to the ability of the entity to perform its obligations under the Transaction Documents; (ii) on the rights or remedies of the Debenture Holder hereunder or under any other Transaction Document (iii) Any legal or regulatory decision resulting in the debarment / suspension/ revocation of the NBFC license/ business activities / prohibition of further sanctions/ disbursals/ collection of loans of the Issuer.; (iv) the ability of the entity to perform its obligations under the Transaction Documents; or (v) the legality, validity or enforceability of any of the Transaction Documents or (vi) event, occurrence, fact, condition, change, development or effect, pending or threatened litigation, investigation or proceeding, that is or may be materially adverse for the Security. **"Final Settlement Date"** shall mean the date on which all payments have been irrevocably discharged in full and all the Debentures have been redeemed by the Issuer in full in accordance with the terms of the Transaction Documents and the Debenture Holders have provided a written confirmation of the same to the Issuer (with a copy marked to the Debenture Trustee).
Affirmative and Reporting Covenants	The Issuer hereby covenants with the Debenture Trustee that the Issuer shall at all times till the Final Settlement Date: 1. Use of Proceeds use the proceeds of the Issue only for the Purpose and in accordance with Applicable Law and the Transaction Documents. 2. Costs and Expenses pay all reasonable costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of the Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Company before they are incurred and shall not include any foreign travel costs; 3. Payment of Rents, etc. pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise

	imposed upon or payable by the Company as and when such amounts are payable; 4. Preserve Corporate Status (i) diligently preserve and maintain its corporate existence and status and all rights, privileges, and concessions now held or hereafter acquired by it in the conduct of its business; (ii) comply with all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any Governmental Authority; and (iii) not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the Outstanding Amounts might or would be hindered or delayed; 5. Pay Stamp Duty pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the applicable state laws. In the event the Company fails to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee shall be at liberty (but shall not be bound) to pay such amounts and the Company shall reimburse the aforementioned amounts to the Debenture Trustee on demand; 6. Furnish Information to Debenture Trustee (i) provide to the Debenture Trustee or its nominee(s)/agent(s) such information/copies of relevant extracts as they may require on any matters relating to the business of the Company or to investigate the affairs of the Company; (ii) allow the Debenture Trustee to make such examination and investigation as and when deemed necessary and shall furnish the Debenture Trustee with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation; (iii) furnish reports to the Debenture Trustee any and all information required to be provided to the Debenture Holders under Applicable Law; 7. Redressal of Grievances promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance; 8. Comply with Investor Education and Protection Fund Requirements comply with the provisions of the Companies Act relating to

	transfer of unclaimed/ unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund ("IEPF"), if applicable to it. The Company hereby further agrees and undertakes that until the Final Settlement Date it shall abide by the regulations, rules or guidelines/listing requirements if any, issued from time to time by the Ministry of Corporate Affairs, RBI, SEBI or any other competent Governmental Authority; 9. Corporate Governance; Fair Practices Code comply with any corporate governance requirements applicable to the Company (as may be prescribed by the RBI, or any other Governmental Authority) and the fair practices code prescribed by the RBI; 10. Further Assurances (i) provide details of any litigation, arbitration or administrative proceedings; (ii) comply with any monitoring and/or servicing requests/calls from the Debenture Trustee on a quarterly basis and at such other time periods as the Debenture Trustee may reasonably request; (iii) execute and/or do, at its own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Applicable Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee; (iv) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorizations and licenses necessary to enable it to lawfully enter into and perform its obligations under this Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of this Deed; (v) comply with: (A) all Applicable Law (including but not limited to the Companies Act, the environmental, social and taxation related laws, all directions issued by regulatory authority, as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time; (B) the Debenture Trustees Regulations as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 of the Debenture Trustees Regulations thereof in performance of their duties in accordance

	therewith to the extent applicable to the Debentures; (C) the provisions of the Companies Act in relation to the Issue; (D) procure that the Debentures are rated and continue to be rated until the Final Settlement Date; (E) ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Company shall do so in the manner that is in accordance with Applicable Law relating to Tax but without, in any way requiring the Company to incur any additional costs, expenses or taxes and the Company shall avail of all the benefits available under any treaty applicable to the Company and/or the Debenture Holders; and (F) if so required, the terms of Chapter XI (Operational framework for transactions in defaulted debt securities post maturity date/ redemption date) of the Listed NCDs Master Circular, and provide all details/intimations to the Debenture Trustee, the Depositories, and BSE (as the case may be) in accordance with therein; (vi) to the extent applicable, it will submit to the Debenture Trustee, on a quarterly basis, a certificate from the statutory auditor of the Company giving the value of receivables/book debts; and (vii) it will provide all necessary assistance and cooperation to, and permit the Debenture Trustee to conduct periodical checks, verifications, due diligence and other inspections (at such frequency and within such timelines as may be determined by the Debenture Trustee) in respect of the books and accounts of the Company; 11. Filings; Compliance with Applicable Law the Company hereby further agrees, declares and covenants with the Debenture Trustee as follows: (i) the Company shall comply with the relevant provisions of the SEBI LODR Regulations applicable to listed entities which have listed their non-convertible securities, including (to the extent applicable), the provisions of Chapter II (Principles governing disclosures and obligations of listed entity), Chapter III (Common obligations of listed entities), Chapter IV (Obligations of a listed entity which has listed its specified securities and non-convertible debt securities), and Chapter V (Obligations of listed entity which has listed its non-convertible securities) of the SEBI LODR Regulations; (ii) it will provide all such assistance to the Debenture Trustee as may be required by it, to carry out the necessary due diligence and monitor the security cover in the manner as

	may be specified by SEBI from time to time. In this regard, in accordance with Chapter VI (Periodical/ Continuous Monitoring by Debenture Trustee) of the SEBI Debenture Trustees Master Circular, the Company undertakes and agrees to provide all relevant documents/information, as applicable, to enable the Debenture Trustee to submit the following reports/certifications to BSE in accordance with Chapter VI (Periodical/ Continuous Monitoring by Debenture Trustee) of the SEBI Debenture Trustees Master Circular. (iii) it will submit to the BSE, on a periodical basis and/or on an 'as and when' basis (depending upon the occurrence of any event), such information as prescribed under the SEBI Centralized Database Requirements, in such format as may be prescribed by the BSE; (iv) it will provide/fill all such information as prescribed under the SEBI Centralized Database Requirements at the time of allotment of the International Securities Identification Number (ISIN) in respect of the Debentures; (v) it will provide such assistance as may be required by the Debenture Trustee to, prior to the creation of charge to secure the Debentures, exercise independent due diligence to ensure that such security is free from any encumbrance or that the necessary consent(s) from other charge-holders (if applicable) have been obtained in the manner as may be specified by the SEBI from time to time; 12. Execution of Transaction Documents In the event of any delay in the execution of any Transaction Document, the Company will, at the option of the Debenture Holders, either: (i) if so required by the Debenture Holders, refund the Application Money together with interest (including interest accrued) at the Interest Rate/discharge the Secured Obligations; and/or (ii) pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum on the Outstanding Amounts (including the Outstanding Principal Amounts and accrued interest) in addition to the Interest Rate from the date of closing of the Issue until the relevant Transaction Document is duly executed or the security is duly created and/or perfected in terms thereof or the Secured Obligations are discharged (whichever is earlier); 13. Internal Control maintain internal control for the purpose of: (i) preventing fraud on amounts lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes; 14. Audit and Inspection

subject to the providing of a prior notice of 15 (fifteen) days, permit visits and inspection of books of records, documents and accounts to the Debenture Trustee and other authorised representatives of the Debenture Holders at such time periods as may be reasonably requested by them;

15. Filings, Information to the Debenture Trustee

a. The Issuer shall submit to the Debenture Trustee and to the Debenture Holder(s), if so requested) within 120 (One Hundred and Twenty) days from the close of each Financial Year:

i. its duly audited annual financial statements;
ii. a certificate from a director of the Issuer/ the chief financial officer of the Issuer confirming that no Event of Default or potential Event of Default has occurred or is subsisting;
iii. all information/ documents required to be submitted by the Issuer to the RBI on an annual basis in respect of such Financial Year.
iv. Such other information as may be required to be complied by the Issuer as per the applicable regulations.

b. The Issuer shall submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested), within 45 (Forty-Five) calendar days from the close of each quarter in a Financial Year:

i. its quarterly financials along with the relevant schedules thereto;
ii. MIS on operations , Static Portfolio Cuts, Portfolio at Risk data & write-off, Restructured Portfolio, in the format acceptable to the Debenture Holder;
iii. the list of the directors on the board of directors of the Issuer and the shareholding pattern of the Issuer;
iv. Asset liability management ("ALM") statement of the Issuer for such quarter;
v. Liquidity position of the Issuer at the end of such quarter, in a format acceptable to the Debenture Holders;
vi. Information on any fraud amounting to more than 5 Crores;
vii. Such other information as may be required to be complied by the Issuer as per the applicable regulations;

c. **Event Based Reporting**

1. The Issuer shall provide to the Debenture Trustee and to the Debenture Holder(s), information in respect of the following events forthwith and in any event not later than 5 (Five) calendar days from the occurrence of such event:

i. Any amendment to the constitutional documents of the Issuer;
ii. Any Material Adverse Effect;
iii. Any dispute, litigation, investigation or other proceeding against the Issuer and/ or any notice in this regard received by the Issuer;
iv. Resignation of the Statutory Auditor of the Company along with its resignation letter;
v. Any prepayment of Financial Indebtedness by the Issuer or any notice received for prepayment of any Financial Indebtedness of the Issuer that would lead to a negative

	mismatch on cumulative basis in any of the buckets till one year of the ALM of the Issuer; 2. The Issuer shall provide to the Debenture Trustee and to the Debenture Holder(s), information in respect of the following events forthwith and in any event not later than 1 (One) business day from the occurrence of such event: i. default in any Financial Indebtedness/ obligations to any creditors. ii. Any application or petition filed for the dissolution or re-organization of the Issuer; iii. Occurrence of any Event of Default or potential Event of Default 16. Other notification/ intimation to the Debenture Trustee: The Issuer shall provide information to the Debenture Trustee in respect of the following promptly on the occurrence of such event: **A.** notify the Debenture Trustee in writing, of any notice of an application or petition for insolvency and/ or winding up having been made or receipt of any statutory notice of insolvency and/ or winding up under the provisions of the Act or any other notice under any other Applicable Law or otherwise of any suit or legal process intended to be filed affecting the title to the property of the Issuer; **B.** notify the Debenture Trustee in writing, if it becomes aware of any fact, matter or circumstance which would cause any of the representations and warranties under any of the Transaction Documents to become untrue or inaccurate or misleading in any respect; **C.** provide to the Debenture Trustee such further information regarding the financial condition, business and operations of the Issuer as the Debenture Trustee may request; **D.** notify the Debenture Trustee promptly of any revision in the rating or assignment of a fresh rating provided by any Rating Agency to the Debentures; **E.** The Issuer shall forthwith provide a written intimation to the Debenture Trustee of any event which constitutes an Event of Default or which may with the expiry of time be classified as an Event of Default, specifying the nature of such event and any steps the Issuer is taking and proposes to take to remedy the same. **F.** The Issuer shall keep the Debenture Trustee and Debenture Holders informed of all the orders, directions or notices of any court or tribunal affecting or likely to affect the assets (or any part thereof) of the Issuer. **G.** The Issuer shall forthwith provide to the Debenture Trustee the details of any litigation, arbitration or administrative proceedings filed or initiated against the Issuer. **H.** Submit to the Debenture Trustee, if so requested, a statement that the assets of the Issuer which are available by way of security is/are sufficient to discharge the claims of the Debenture Holders as and when they become due.

	17. The Issuer hereby agrees and undertakes that the Promoter Debt if any shall at all times be contractually subordinated (in ranking and payment) to the Secured Obligations, at any time after the occurrence of an Event of Default/ Optional Accelerated Redemption Event, no payments shall be made in respect of the Promoter Debt except with the express prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders). 18. Filings The Issuer shall cooperate with the Debenture Trustee/ Debenture Holders in connection with any assistance the Debenture Trustee/ Debenture Holders may require for the purpose of submitting information in relation to the Debentures and the Transaction Documents to any relevant information utility in accordance with the IBC, and to confirm or authenticate all filings and information sought to be uploaded, and update or modify or rectify any errors in such financial information submitted. For the purposes of this Key Information Document: "**Financial Year**" shall mean the financial year of the Issuer used for the purposes of accounting; "**IBC**" shall mean the Insolvency and Bankruptcy Code, 2016 and the rules and regulations issued in respect thereof, as the same may be amended, modified and supplemented from time to time; "**Majority Debenture Holder(s)**" shall mean Debenture Holder(s) holding an aggregate amount representing not less than 51% (Fifty-One per cent) of the value of the nominal amount of the Debentures for the time being outstanding; "**Promoter Debt**" shall mean all existing and future Financial Indebtedness availed of by the Issuer from the Promoters. "**Secured Obligations**" shall means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Company to the Debenture Holders or the Debenture Trustee under the Transaction Documents, including without limitation, the making of payment of any interest/ interest accrued thereon, redemption of principal amounts, the default interest, additional interest, liquidated damages and all fees, costs, charges, expenses and other amounts payable by the Company in respect of the Debentures.
Negative Covenants	The Company hereby covenants with the Debenture Trustee that the Company shall not undertake any of the following without obtaining prior written consent of the Majority Debenture Holders. Provided however, that in the event the Company seeks a prior written consent from all the Debenture Holder(s) in relation to any action under any of the below covenants that the Company proposes to take and the Majority Debenture Holders do no respond within a period 30 (Thirty) calendar days from the date of such written request (even upon a written reminder made by the Company to all the Debenture Holder(s) after the expiry of

	15 (Fifteen) calendar days from the date of such written request), the consent of the Majority Debenture Holders shall be deemed to be provided to the Company for undertaking any such action and the Company shall be permitted to undertake such action without obtaining any further consent from the Majority Debenture Holder(s): a) Change the general nature of its business from that which is permitted as 'Non-Banking Financial Company by the RBI. b) Change its Constitutional Documents in any material way or reduce its authorized capital in any way which would prejudicially affect the interests of the Debenture Trustee. c) Change in the financial year-end from 31st March unless such change is mandatorily required to be made for compliance with under Applicable Law. d) Declare or pay any dividend or make any distributions on its share capital (other than dividends or distributions payable on shares of the Company), unless: i. the proposed payment or distribution is out of net income of the current Financial Year (excluding any amount resulting from the revaluation of any of the Company's assets); ii. No Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result of such payment or declaration of any dividend or distribution and after giving effect to any such action; and iii. The Company is in compliance with the financial covenants iv. pay or declare any dividend to its shareholders in any year, during the tenor of the Debentures, until the Issuer has paid or has made satisfactory provision for payment of the installments of the principal due and interests/coupon due on the Debentures; e) Undertake or permit any merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction. f) Acquire any company, business or undertaking if the amount of the acquisition cost, whether paid by cash or otherwise, when aggregated with the aggregate acquisition cost of any other company, business or undertaking acquired by it during that financial year exceeds 10% (Ten per cent) of the Equity. g) Acquire (or agree to acquire) any shares, stocks, securities or other interest in any joint venture; or transfer any assets or lend to or guarantee or indemnify or give security for the obligations of a joint venture (or agree to transfer, lend, guarantee, indemnify or give security for the obligations of a joint venture). h) The Issuer shall not: i. enter into or establish any partnership, profit sharing, royalty agreement or other similar other arrangement whereby the Company's income or profits are, or might be, shared with any other person other than in the ordinary course of business on an arms' length basis and in compliance with applicable law; or ii. enter into any management contract or similar arrangement whereby its business or operations are managed by any other person.

	i) Effect any change in the statutory auditors of the Issuer, other than as per the mandatory requirement under Applicable Law. j) Undertake any new business outside financial services or any diversification of its business outside financial services. k) Appoint or continue to the appointment of any person as a director/ or a key managerial person of the Company who is classified as a willful defaulter as a director. l) Enter into any contractual obligation which may adversely affect the financials standing. m) Apply to the court for the winding up of the Company or agree to the winding up of the Company. n) Sell, transfer, or otherwise dispose of in any manner whatsoever any assets of the Company, other than any securitization/ direct assignment transaction undertaken by the Company in the ordinary course of its business per applicable RBI Master Directions or any amendment, supplement or restatement thereto. It is clarified that, a securitization/ direct assignment representing an exit of line of business will not be construed as being in the ordinary course of business of the Company and the Company shall not be permitted to effect the same except after obtaining the prior written consent of the Debenture Trustee o) Enter into compromise or arrangement or settlement with any of its creditors (secured and unsecured) that would prejudicially affect the interest of the Debenture Holders. p) Participate in any involuntary process under the IBC or Undertake/permit any voluntary process under the IBC. q) Unsecured loans / borrowings from Promoters/ related parties/ Inter Corporate Deposits held by the Issuer shall not be repaid (except by way of equity conversion) in case of Event of Default.
Financial Covenants	The Issuer shall maintain the below mentioned covenants during the entire tenor of the Debentures and till all the amounts outstanding is being duly repaid: a) Total Debt/Tangible Net Worth ratio to be within 5.5x b) Capital Adequacy Ratio (CAR) of at least 17% or as per applicable RBI regulation, whichever is higher. Of the above CAR, Tier-I to remain at a minimum of 15%. c) Net NPA to Gross Loan Portfolio shall not exceed 1.5%. d) Earnings: After-tax Net Income (excluding extraordinary income) to remain positive from June 30, 2026 and quarterly thereafter. e) The Issuer shall maintain the Liquidity Coverage Ratio (LCR) as prescribed by RBI from time to time. f) There shall not be any negative mismatches on cumulative basis in any of the buckets till the next one year of ALM statement as prescribed by RBI. .

All covenants except clause d) would be tested on quarterly basis i.e. as on 31 March, 30 June, 30 Sept and 31 Dec every year, starting from June 30, 2025, on consolidated and standalone balance sheet until the NCDs is being duly repaid. The clause d) covenant as mentioned above shall be starting from June 30, 2026 and quarterly thereafter. The covenants shall be certified by the Statutory Auditor within 45 days from the end of each reporting quarter.

In case of breach of any of the financial covenants as mentioned above, the Issuer shall have an option to seek waiver by providing a written request immediately but not later than 2 (Two) working days from the reporting date(s) of such breach to all the Debenture Holder(s) ("Waiver Notice"). The Debenture Holder(s) shall be required to provide its consent within 25 (Twenty-Five) Calendar Days from the written receipt of request by the debenture holders ("Waiver Notice Period").

In case the Debenture Holder(s) do not respond within a period of 25 (Twenty-Five) calendar days from the date of such written request by the Issuer or the Debenture Holder(s) do not provide its consent for waiver of such breach within the Waiver Notice Period, the Issuer shall mandatorily redeem the debentures of such dissenting Debenture Holder(s) and shall pay outstanding principal amounts along-with accrued interest of such debentures, within 25 (Twenty-Five) calendar days from the expiry of the Waiver Notice Period.

Definitions:

i. "**Total Debt**" shall include the following:
   - All Long-Term Borrowings, including ineligible portion of subordinated debt in form of Tier II Capital including current maturities
   - All Short-Term Borrowing
   - Financial Guarantees Provided if any
   - Letter of Comfort/Shortfall undertaking provided by the Issuer, if any

ii. "**Equity/Net Worth**" Shall Include the following:
   - Equity Share issued by the Issuer
   - CCPS issued by the Issuer
   - Reserve and Surplus of the Issuer

iii. "**Capital Adequacy Ratio**" means the capital adequacy ratio as defined by the Reserve Bank of India from time to time;
For the purpose of calculation of minimum capital ratio: (i) credit enhancements provided by the Company on securitization shall be reduced from Tier I Capital and Tier II Capital without any ceiling. The deduction shall be made at 50 per cent from Tier I Capital and 50 per cent from Tier II Capital. (ii) First/Second loss default guarantee provided by the Company on Co-lending/business correspondent portfolio shall be reduced from Tier I Capital without any ceiling. (iii) It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II Capital, the aforementioned subordinated debt shall be subject to discounting as prescribed by RBI.

	iv. "**Gross NPA**" shall be arrived at in accordance with applicable RBI regulations governing asset classification and provisioning for NBFCs. v. "**Gross Loan Portfolio**" shall include on balance sheet portfolio including Securitization. vi. "**PAT**" shall be profit after tax and shall include one-time time / exceptional items (profit or loss) in its computation. vii. "**Net NPA**" shall be arrived at in accordance with applicable RBI regulations governing asset classification and provisions for NBFCs. viii. "**Tangible Net-worth**" shall mean the Equity, as reduced by the, intangible assets, goodwill, deferred tax assets, revaluation reserve, miscellaneous expenses, investment in security receipts and any credit enhancement provided by the Company on managed asset book. ix. "**Financial Guarantee**" shall mean and include all type of guarantees (excluding First/ Second Loss Default Guarantees), having financial implications whether contingent or otherwise. (Excluding Guarantees provided by the Promoter to the Issuer).
Rating Covenants	The Issuer shall maintain the below mentioned covenants during the entire tenor of the NCDs and till all the amounts outstanding is being duly repaid: 1. The Issuer shall ensure that there is no suspension of the credit rating of the Issuer/Instrument and due to the Company not cooperating with the credit rating agency. 2. The Issuer shall ensure that it shall maintain the current credit rating (i.e. AA/Stable) of the Company/Instrument from the Credit Rating Agency. 3. The Issuer shall ensure that there is no downgrade of existing credit rating(s) as on Deemed Date of Allotment of NCDs or assignment of new long-term credit rating below "AA-" from any credit rating agency. The occurrence of events above will be determined by the Debenture Holders solely and at its discretion.
Holding and Management Covenants	The Company undertakes that the following covenants ("Holding and Management Covenant(s)") shall be maintained at all times until the Redemption Date, unless the prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) is obtained: a. The Issuer shall continue to be the Subsidiary of the Muthoot Finance Limited. b. The Holding Company shall continue to hold minimum 51% (Fifty-One Percent) unencumbered equity share capital in the Issuer, on fully diluted basis and to have Management Control of the Issuer. c. Muthoot Finance Limited to have minimum two board representations on the Board of the Issuer, until the Redemption Date. For the purpose of this clause "Management Control" means: • the right to appoint majority of the directors and • to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or

	indirectly, by virtue of their shareholding or management rights or shareholders agreements or voting agreements.
Optional Accelerated Redemption	The Debenture Holder(s) shall have the right but not an obligation to require the Issuer to redeem the Debentures along with accrued coupon/interest upon the occurrence of any of the below mentioned events ("Optional Accelerated Redemption Events"): 1. Breach of any of the covenants mentioned under the Financial Covenants. 2. Breach of any of the covenants as mentioned under the Rating Covenants. 3. Breach of any of the covenants as mentioned under the Holding and Management Covenants. 4. Any legal or regulatory decision resulting in the debarment / suspension/ revocation, etc. of the NBFC license/ business activities / prohibition of further sanctions/ disbursals/ collection of loans of the Issuer. The Debenture Holder(s) shall have the option to require the Issuer to redeem the debentures (Optional Accelerated Redemption") on happening of any of the Optional Accelerated Redemption Events. Upon the exercise of the 'Optional Accelerated Redemption" by the Debenture Holder(s), the Debenture Trustee shall issue a notice to the Issuer for redemption of all amounts outstanding in relation to such debentures (including any unpaid principal, accrued but unpaid Coupon/Interest, Default Interest (if applicable)) as on the date of exercise of the 'Optional Accelerated Redemption' Option (**"Optional Accelerated Redemption Date").** The Issuer shall be required to make payment of the aggregate amounts outstanding in relation to such debentures, to the exercising Debenture Holder(s) including any unpaid Principal Amount, accrued but unpaid Coupon/Interest, Default Interest (if applicable) and liquidated damages (if applicable) within 25 (Twenty-Five) calendar days of the Optional Accelerated Redemption Date. Provided that if the Issuer fails to redeem the Debentures and pay outstanding amounts to such Debenture Holder(s) within the specified time period, the Issuer shall pay default interest as per the applicable regulations.
Issuance mode of the Instrument	On a Private Placement basis on a dematerialized form
Trading mode of the Instrument	Dematerialized form
Event of Defaults (including manner of voting /conditions of joining Inter Creditor Agreement)	An Event of Default ("Event of Default") shall have occurred upon the happening of any event or circumstances mentioned hereunder: 1. <u>Payment based Defaults</u>: (a) The Issuer does not pay on the Due Date(s) any amount payable in terms of the Transaction Documents at the place at and in the tenor in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 1 (One) business day of the relevant Due Date and / or the payment made by the Company is returned due to the bank details provided by Debenture Holder(s) being incorrect or invalid; (b) An event of default shall arise if the Issuer: i. defaults in any payment of Financial Indebtedness beyond the period of grace if any, provided in the instrument or agreement under which such Financial Indebtedness was created; or

	ii. defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity; or iii. any Financial Indebtedness of the Issuer is declared to be due and payable, or would permit to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof; provided that if the above-mentioned Event of Default is capable of being remedied in the sole discretion of the Debenture Holders, the Majority Debenture Holders may provide a cure period as deemed appropriate to them; (c) Failure of the Issuer to make payment of the aggregate amounts outstanding along with the accrued interest and other charges in relation to the Debentures within stipulated timelines in terms of the Transaction Documents upon exercise of the Optional Accelerated Redemption Option. (d) The Issuer admits in writing its inability to pay its debts as they fall due or suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with one or more creditors with a view to rescheduling its indebtedness; 2. <u>Covenants & Information based Defaults:</u> (a) Breach of any terms, covenants (including, without limitation, negative covenants, affirmative covenants, reporting covenants) or obligation under the Transaction Documents. (b) If the Issuer fails to share any information within 5 (five) calendar days upon the request by a debenture holder(s). 3. <u>Defaults relating to validity of the Transaction Documents</u> (a) Any of the Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable. (b) It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any other obligation of the Issuer under any transaction documents are not or cease to be valid, binding or enforceable. (c) Any representation or warranty made by the Issuer in any transaction document or in any certificate, financial statement or other document delivered to the Debenture Trustee/ Debenture Holders by the Issuer is/are incorrect, false or misleading in any respect when made or deemed made; (d) The Issuer repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents; 4. <u>Other Defaults</u>

	(a) There shall have occurred Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified within a period of 15 (Fifteen) calendar days; (b) Any corporate action, legal proceedings or other procedure or step is taken in relation to: i. the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer; ii. the composition, compromise, assignment or arrangement with any creditor of the Issuer; iii. the appointment of a liquidator, receiver or similar other officer in respect of a composition, compromise, assignment or arrangement with any creditor of the Issuer; iv. enforcement of any security over any assets of the Issuer or any analogous procedure or step is taken in any jurisdiction; v. any other event occurs or proceeding is instituted that under any applicable law would have an effect analogous to any of the events listed in paragraph (i), (ii), (iii) and (iv) above; (c) Any Governmental Authority including without limitation Central Bureau of Investigation (CBI), Directorate of Enforcement, Serious Fraud Investigation office (SFIO), condemns, nationalizes, seizes, expropriates or otherwise assumes custody or control of all or any substantial part of the business, operations, property or other assets of the Issuer or of its share capital, or takes any action for the dissolution of the Issuer or any action that would prevent the Issuer or its officers from carrying on all or a substantial part of its business or operations; (d) The Issuer's organizational status or any licenses or franchise is revoked or suspended by any government agency or authority after the Issuer has exhausted all remedies and appeals relating thereof; (e) Surrender, revocation or suspension of the Issuer's certificate of registration as a non-banking financial Issuer by the Reserve Bank of India provided that this shall not apply where such certificate of registration is surrendered pursuant to obtaining a banking license; (f) The listing of the Debentures ceases or is suspended at any point of time prior to the Final Redemption Date. (g) The Issuer ceases to carry on its business or any substantial part thereof or gives notice of its intention to do so. (h) The Issuer has taken or suffered to be taken any action for reorganization of its capital or any rearrangement, merger or amalgamation without prior approval of the Debenture Holders in terms hereof; (i) Any material act of fraud, embezzlement, misstatement, misappropriation, or siphoning off of the Issuer's/Promoter's funds or revenues or any other act having a similar effect being committed by the management of the Issuer/ Promoter.

	(j) The Promoters and/or the directors/ or the key managerial personnel of the Issuer are charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the Promoters and/or the directors and/ or the key managerial personnel of the Issuer, including any accusations, charges and/or convictions of any offence relating to bribery or being declared a wilful defaulter. (k) In the event that an application for corporate insolvency resolution process of the Issuer is filed or any form of communication indicating an intention to file such application is issued or any creditor of the Issuer takes any steps requesting the filing of such application, in each case, by the appropriate regulator, under the IBC and the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019; (l) If the Issuer commences any voluntary proceedings under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect (including by passing any resolution of the Board or the shareholders/creditors of the Issuer) or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment of or the taking of possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property; (m) If a petition is filed for the winding up of the Issuer under the Companies Act, 2013 and the same is not stayed or dismissed within a period of 15 days of its filing; (n) Any order/ judgement passed by any of the regulatory authorities against any of the Promoter / Promoter Group /Issuer resulting in debarment of the Promoter / Promoter Group/Issuer for raising funds from the financial markets. (o) The Issuer commences negotiations with one or more of its lenders/ debenture trustees/ debenture holders with a view to rescheduling any of its indebtedness or failure or inability of the Issuer to pay its debts as they mature. In case of breach of any of the above-mentioned covenants, the Issuer shall have a cure period of 15 calendar days to rectify such breach. However, there shall be no cure period for Payment based Defaults, and Covenants & Information based defaults. Subject to the approval of the debenture holders and the conditions as may be specified by the appropriate authority from time to time, the Debenture Trustee, on behalf of the debenture holders, may enter into inter-creditor agreements provided under the framework specified by the Reserve Bank of India. The voting shall be through show of hands or poll or through such other manner as the Majority Debenture Holder/s may deem fit.
Provisions related to Cross Default Clause	As mentioned in paragraph Clause 1 (b) of the section titled 'Events of Default'
Consequences Of Events Of Default	On and at any time after the occurrence of an Event of Default, the Debenture Trustee shall if so directed by any of the Debenture Holder(s) or in case of a Payment Default on the instructions of any Debenture

	Holder: declare that all or part of the obligations be immediately due and payable, whereupon they shall become immediately due and payable; • Accelerate the redemption of the Debentures. • Declare that all or part of the obligations be immediately due and payable, whereupon they shall become immediately due and payable. • enforce such security in such a manner as the Debenture Holders may deem fit. • Disclosure of information to the relevant authorities or regulatory such as Credit Information Bureau (India) Limited and/or any other agency so authorized by the Reserve Bank of India in any such manner that deem fit to the Debenture Trustee. • Exercise all the rights and remedies available to it in such manner as Debenture Holder may deem fit without intervention of the Court and without having to obtain any consent of the Issuer. • without prejudice to its other rights hereunder or under IBC or any other applicable Law, in its sole discretion to exercise all the rights, powers and remedies vested in it for the protection, perfection and enforcement of its rights in respect of the Security herein. • Appoint a Nominee Director.
Creation of recovery expense fund	The Issuer shall create a recovery expense fund in accordance with the applicable SEBI regulations, including but not limited to the SEBI circular dated October 22, 2020 (bearing reference number: SEBI/HO/MIRSD/CRADT/CIR/P/2020/207) and inform the Debenture Trustee of the same. The recovery expense fund shall be utilised in such manner and for such purposes as is more particularly provided under the said Regulations and Applicable Law.
Conditions for breach of covenant (as specified in the Debenture Trust Deed)	The Conditions for breach of covenants if any shall be specified in the Debenture Trust Deed.
Right to Re-purchase and Re-issue the Debenture	The Issuer, subject to the prevailing guidelines, rules/regulations of the Reserve Bank of India, the Securities and Exchange Board of India and other Authorities, shall have the option from time to time to repurchase a part or all of the Debentures from the secondary markets or otherwise, on prior mutual consent(s) from the debenture holder(s), at any time prior to the date of maturity. In the event of a part or all of its Debentures being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Issuer shall have, and shall be deemed to have had, the power to reissue the Debentures either by reissuing the same Debentures or by issuing other Debentures in their place. Further the Issuer, in respect of such repurchased/redeemed Debentures shall have the power exercisable either for a part or all of those Debentures, to cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as permitted by the Applicable Law.
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
Risk Factors pertaining to the Issue	As mentioned in the General Information Document under captioned "Risk Factor"
Business Day	Any day of the week (excluding, Sundays and any day which is a public holiday) on which banks are normally open for business in Mumbai, India),
Business Day Convention	If any Coupon Payment Date(s) or any other Due Date(s) for the

	performance of any event falls on a day that is not a Business Day, then the succeeding Business Day will be considered as the effective date. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact. If the Final Redemption Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.
Reissuance	Issuer reserves the right to make multiple issuances under the same ISIN with reference to SEBI circular SEBI/HO/DDHS/P/CIR/2023/119 dated 10th August 2021 or such other amended circular issued by the SEBI from time to time. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium / par / discount as the case may be in line with said SEBI circular.
Indemnification	The Issuer, Promoters and Promoters Group shall indemnify and hold harmless and agree to keep the Debenture Trustee and its Directors / employees / representatives indemnified against any loss or deficiencies suffered or liabilities and expenses incurred including penalties and interest or withholding of taxes, statutory liabilities or in the event of breach by the Issuer of or any agreement and their obligations during the tenor of the Debentures and any non-compliance with the Applicable Laws;
Confidentiality	The terms and conditions described in this Key Information Document, including its existence, shall be confidential information and shall not be disclosed to any third party except to each Party's advisors and counsel. Provided however that if any of the Parties is required by law to disclose information regarding this Key Information Document, or to file this Key Information Document, with any regulatory body, it shall disclose or file the same at a reasonable time only after informing the other party(ies).
Transaction Costs	The Issuer shall bear all transaction related costs incurred by the Debenture Holders/ Debenture Trustee with respect to the legal counsel, valuers and auditors/ consultants. Such costs include: • Debenture Trustee fees; • Rating fees; • Stamping and registration costs in relation to all Transaction Documents; • Any other reasonable transaction related expenses incurred by the Debenture Holders/ Debenture Trustee.
Taxes, Duties, Costs and Expenses	All relevant taxes, duties, levies, charges, fees or any other amounts payable until the Final Settlement Date under this issuance are to be borne by the Issuer.

Note:

a. If there is any change in coupon rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and events which lead to such change should be disclosed.

b. The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.

c. The issuer shall provide granular disclosures in their Key Information Document, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".

d. the debt securities are unsecured.

e. The Online Bond Platform Providers ("OBPPs" only for offering NCDs in the secondary markets), shall be permitted to use the Issuer's name, logo, and relevant Issue details in advertisements, or promotional and marketing materials for the purpose of marketing and promoting the NCDs on their websites, mobile applications, or other digital platforms. It is the responsibility of the Issuer to ensure compliance with Applicable Laws and further ensure that the same does not constitute an offer to the public.

8.2 **DETAILS AS PER CHAPTER VI OF SEBI MASTER CIRCULAR FOR ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES, SECURITISED DEBT INSTRUMENTS, SECURITY RECEIPTS, MUNICIPAL DEBT SECURITIES AND COMMERCIAL PAPER DATED 22 MAY 2024:**

Details of issue-wise green shoe option exercised vis-a-vis the base issue size and green shoe portion as specified in issues undertaken in the previous financial year.

(Rs. in Crores)

Series No.	ISIN No.	Date of Allotment	Base Issue (Face Value)	Green Shoe (Face Value)	Total Amount Raised (Face Value)	Green Shoe Option Availed (Face Value)
NIL						

SECTION 9: OTHER INFORMATION AND APPLICATION PROCESS

Please refer the application procedure set out in Section 9 of the General Information Document. Certain additional details are set out below.

9.1 Issue Procedure

Only Eligible Investors as given hereunder may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the Applicant's bank, type of account and account number must be duly completed by the Applicant. This is required for the Applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

The Applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account as per the details mentioned in the Application Form.

The subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the EBP Requirements by placing bids on the EBP Platform during the Issue period. The Issuer will make the bidding announcement on the EBP Platform at least 1 (one) Business Day before initiating the bidding process in accordance with the EBP Requirements. In case the Eligible Investors are not registered on the EBP Platform, they will have to register themselves as an "investor" on the EBP Platform (as a one-time exercise) and also complete the mandatory "know your customer" verification process. The Eligible Investors should also refer to the operational guidelines of the relevant EBP in this respect. The disclosures required pursuant to the EBP Requirements are set out herein below:

Details of size of issue including green shoe option, if any and a range within which green shoe may be retained (if applicable)	Rs. 100,00,00,000/- (Rupees One Hundred Crores) including green shoe option Upto Rs. 50,00,00,000/- (Rupees Fifty Crores)
Interest Rate Parameter	Fixed coupon (being, 9.15% (Nine decimal One Five percent) per annum).
Bid opening and closing date	Bid opening date: June 16, 2025 Bid closing date: June 16, 2025
Minimum Bid Lot	The minimum application size for the Issue shall be 100 (One Hundred) Debentures and in multiples of 1 (One) Debenture thereafter.
Manner of bidding in the Issue	Open bidding
Manner of allotment in the Issue	Multiple Yield Allotment
Manner of settlement in the Issue	Pay-in of funds through ICCL. The pay-in of the Application Money for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below.
Settlement Cycle	T+1, where "T" refers to the date of bidding. Settlement of the Issue will be on June 17, 2025
Pay-in date	June 17, 2025 (i.e., T+1, where "T" refers to the date of bidding)
Anchor Portion Details (if any)	Not Applicable

Process flow of settlement:

The Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Key Information Document along with the PPOA have been issued by the Issuer and who have submitted/shall submit the Application Form ("**Successful Bidders**"), shall make the payments in respect of the Application Money in respect of the Debentures towards the allocation made to them, into the bank account of the ICCL, the details of which are as set out in the section named "INSTRUCTIONS" of the Application Form, on or before 10:30 hours on the pay-in date.

The pay-in of the Application Money by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by them in the EBP system. Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Upon the transfer of funds into the aforesaid account of ICCL and the Issuer confirming its decision

to proceed with the allotment of the Debentures in favour of the Successful Bidders to the ICCL, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the R&T Agent, the R&T Agent shall provide corporate action file along with all requisite documents to the relevant Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into the Issuer's bank account, the details of which are as set out below:

Name of the beneficiary	Belstar Microfinance Limited
Name of the Bank	State Bank of India
Branch Address:	State Bank of India, Krm Plaza, Ground Floor, No. 2, Harrington Road, Chetpet, Chennai – 600031
IFSC Code	SBIN0009930
Account Number	40354198964

It must be noted that all funds pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties will be applicable as specified by the EBP Requirements and other Applicable Law.

9.2 Eligible Investors should refer to the Operational Guidelines

The details of the Issue shall be entered on the EBP Platform by the Issuer in accordance with the EBP Requirements and the operational guidelines of the relevant EBP. The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the EBP Platform.

9.3 Application Procedure

The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule, and the procedure will be subject to the EBP Requirements. Where an Eligible Investor (as defined below) is participating/bidding on the EBP Platform through an arranger or a custodian, such Eligible Investor must follow, and must ensure that the arranger or a custodian representing it, follows, the procedure and the bidding threshold requirements prescribed under the EBP Requirements.

Potential Investors may also be invited to subscribe by way of the Application Form prescribed in this Key Information Document during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons.

9.4 Fictitious Applications

All fictitious applications will be rejected. Each Eligible Investor shall provide a confirmation to the EBP that it is not using any software, algorithm, "Bots" or other automation tools, which would give unfair access for placing bids on the EBP Platform.

9.5 Basis of Allotment

Notwithstanding anything stated elsewhere, the Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. The allotment and settlement amount for the bidders shall be determined in accordance with the EBP Requirements and the operational guidelines issued by the relevant EBP. The bids for the purposes allotment and settlement shall be arranged on a "price time priority" basis in accordance with the EBP Requirements. If two or more bids made by Eligible Investors have the same coupon/ price/spread and time, then allotment shall be done on a "pro rata" basis. The investors will be required to remit the funds in the account of the ICCL as well as submit the duly completed Application Form along with other necessary documents to the Issuer by the Deemed Date of Allotment.

If so required by the Issuer, within 1 (one) Business Day of completion of the allotment, to enable the Issuer to comply with the requirements applicable to it under the EBP Requirements, successful Applicants shall provide the following details (in the form specified below) to the Issuer:

Details of Investors to whom allotment has been made			
Name	**QIB/ Non-QIB**	**Category i.e. Scheduled Commercial Banks, MF, Insurance Company,**	**Amount invested (in Rs. Crore)**

		Pension Fund, Provident Fund, FPI, PFI, Corporate, Others	

9.6 **Payment Instructions**

The Application Form should be submitted directly. The entire amount of INR 1,00,000 (Indian Rupees One Lakh) per Debenture is payable along with the making of an application. Applicants can remit the application amount on the Pay-in Date in the account of ICCL mentioned under Section 9.1 above.

9.7 **Eligible Investors**

As prescribed in the EBP Requirements, "Qualified Institutional Buyers" or "QIBs" (as defined in the EBP Requirements) and non-QIBs authorized by an issuer to participate on an issuer on the EBP Platform are eligible participants (i.e., bidders) on an EBP Platform to participate in a particular issue on the EBP Platform. In furtherance of the above, to the extent applicable, the following categories of Investors ("**Eligible Investors**"), when specifically approached, and identified upfront by the Issuer, shall be eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them and by completing the participation/nodding requirements prescribed for the EBP Platform and/or by submitting all the relevant documents along with the Application Form:

(a) Mutual Funds
(b) NBFCs
(c) Provident Funds and Pension Funds
(d) Corporates
(e) Banks
(f) Foreign Institutional Investors (FIIs)
(g) Qualified Foreign Investors (QFIs)
(h) Foreign Portfolio Investors (FPIs)
(i) Insurance Companies
(j) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures.

By participating/bidding in the EBP Platform, each Eligible Investor represents and confirms that it has completed all enrollment and "know-your-customer" verification and other requirements prescribed under the EBP Requirements in the manner prescribed in the EBP Requirements. Where an Eligible Investor (as defined below) is participating/bidding on the EBP Platform through an arranger or a custodian, such Eligible Investor must follow, and must ensure that the arranger or a custodian representing it, follows, the procedure and the bidding threshold requirements prescribed under the EBP Requirements.

Investors, who are registered on the EBP Platform and are eligible to make bids for the Debentures of the Issuer and to whom allocation is to be made by Issuer pursuant to selection under the electronic book mechanism for issuance of securities on private placement basis in terms of the EBP Requirements and the Electronic Book Providers shall be considered as "identified persons" for the purposes of Section 42(2) of the Companies Act, 2013, to whom the Issuer shall make private placement of the Debentures and only such "identified persons" shall receive a direct communication from the Issuer with offer to subscribe to the Debentures and only such "identified persons" shall be entitled to subscribe to the Debentures.

Additionally, those arrangers/brokers/intermediaries etc. (as per the defined limits under the EBP Requirements) specifically mapped by the Issuer on the EBP Platform are also eligible to bid/apply/invest for this Issue.

All Eligible Investors are required to check and comply with Applicable Law(s) including the relevant rules / regulations / guidelines applicable to them for investing in this Issue of Debentures. The Issuer, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, nor is the Issuer required to check or confirm the above.

Hosting of this Debt Disclosure Documents on the website of the BSE/EBP should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the Debt Disclosure Documents has been hosted only as this is stipulated under the SEBI Debt Listing Regulations read with the EBP Requirements. Eligible Investors should check their eligibility before making any investment.

All Eligible Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

9.8 **Post-Allocation Disclosures by the EBP**

Upon final allocation by the Issuer, the Issuer shall disclose the relevant details (such as Issue Size, coupon rate, ISIN, number of successful bidders, category of the successful bidder(s), etc.), in accordance with the EBP Requirements and the operational guidelines of the relevant EBP. The EBP shall upload such data, as provided by the Issuer, on its website to make it available to the public.

9.9 **Tax Deductions**

(a) Interest on NCDs issued pursuant to this Issue is subject to deduction of income tax under the provisions of the Income Tax Act, 1961 **("IT Act")** or any other statutory modification or re-enactment thereof, as applicable. NCD Holders desirous of claiming non-deduction or lower deduction of tax at source under applicable laws, as the case may be, shall be required to submit the declaration/ certificates as per format prescribed under applicable laws with the Issuer and the RTA at the below mentioned address on or prior to the relevant Record Date for payment of interest on the NCDs:

Particulars	Contact Details of the Issuer	Contact Details of the RTA
Name	Belstar Microfinance Limited	MUFG Intime India Private Limited
Correspondence Address	M V Square, No 4/14, Soundarapandian Street Ashok Nagar- Chennai-600083	C-101, 1st Floor, 247 Park L.B.S. Marg Vikhroli (West), Mumbai 400 083, Maharashtra, India
Contact Person	Mr. V Balaji	Mr Ganesh Jadhav
Designation	DGM Finance	Senior Associate Vice President
E-mail ID	taxexemption@belstar.in	debtca@in.mpms.mufg.com
Tel. No.	91-44-43414517	91 810 811 4949
Link for online submission	NA	https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html

(b) In case of non-receipt of such prescribed declaration/ certificate from the NCD Holders claiming non-deduction or lower deduction of tax at source under applicable laws, on or prior to the relevant Record Date, the Issuer shall make TDS deductions in accordance with the prescribed rates prior to credit of interest on NCDs.

(c) Income Tax is deductible at source at the rate of 10% on interest on NCDs held by resident Indians in accordance with Section 193 of the IT Act or such other rate as may be applicable from time to time. In cases where interest is to be paid to an Individual or Hindu Undivided Family (**"HUF"**) (being the NCD Holder) is less than Rs. 5,000 and interest is to be paid by way of account payee cheque then the relevant NCD Holder may seek non deduction of tax at source on the interest on NCDs by submitting the prescribed declaration/certificates with the Issuer and the RTA at the aforesaid address on or prior to the relevant Record Date.

(d) In case of NCD Holder who is a resident Individual or resident HUF claiming non-deduction or lower deduction of tax at source under section 193 of the IT Act, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by Individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Debenture Holders (other than companies and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all Debenture Holders (including companies and firms) by making an application in the prescribed form i.e. Form No. 13.

(e) Debenture Holders may seek/ may be granted, as the case may be, non-deduction or lower deduction of tax at source in following instances under the IT Act:

i. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed by the NCD Holder with

the Company before the Record Date for payment of interest;

ii. When the resident Debenture Holder with Permanent Account Number (**"PAN"**) (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

iii. Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the IT Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL;

iv. All mutual funds registered under Securities and Exchange Board of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10 (23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it;

v. For any NCDs held by Foreign Institutional Investors/ Foreign Portfolio Investors/ Qualified Foreign Investors, interest income earned by FIIs/FPIs should be chargeable to tax at the rate of 20% plus surcharge and education cess under section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein;

vi. Interest payable to Life Insurance Corporation, General Insurance Corporation and any other insurers are exempted from deductions of tax at source under Section 193 of the IT Act;

vii. Interest payable to entities falling under the list of entities exempted from TDS by the circular no. 18/2017 by Central Board of Direct Taxes (whose income is unconditionally exempt under Section 10 of the IT Act and who are also statutorily not required to file return of income as per Section 139 of the IT Act);

viii. Any other specific exemption available to any other category of investors under the IT Act.

(f) In case(s) where the NCD Holder(s) do not submit the declaration/ certificates as per format prescribed under applicable laws with the Issuer and the RTA at the specified address on or prior to the relevant Record Date for payment of interest on the NCDs, the Issuer shall not be liable to refund the applicable amount of tax deducted at source and the NCD Holders would be required to directly take up with the tax authorities for refund, if any.

(g)

SECTION 10: DECLARATION

A. The Issuer has complied with the provisions of the Companies Act, 2013 and the rules made hereunder.

B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of the Debentures, if applicable, is guaranteed by the Central Government.

C. The monies received under the offer shall be used only for the purposes and objects indicated in this Key Information Document.

D. The Issuer has complied with, and nothing in the Key Information Document is contrary to, the provisions of Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, and the rules and regulations made thereunder.

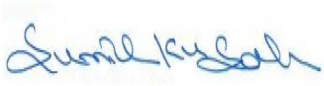
We are authorized by the board of directors of the Company dated August 02, 2024 read with the resolution dated June 11, 2025 of the Finance Committee of the board of directors of the Issuer, to sign this General Information Document and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with.

Whatever is stated in this Key Information Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Key Information Document has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Key Information Document.

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Key Information Document is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Key Information Document is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in this Key Information Document is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

For Belstar Microfinance Limited



Authorised Signatory

Name: Sunil Kumar Sahu
Title: Company Secretary

For Belstar Microfinance Limited



Authorised Signatory

Name: L Muralidharan
Title: Chief Financial Officer

Place: Chennai, India
Date: June 16,2025

ANNEXURE I: RATING LETTER, RATING RATIONALE AND DETAILED PRESS RELEASE FROM THE RATING AGENCY

Crisil Ratings

CONFIDENTIAL

RL/BLTIF/369543/NCD/0525/118707/88434854
May 28, 2025

Mr. L Muralidharan
Chief Financial Officer
Belstar Microfinance Limited
No.33, Old No.14, 48th Street,
9th Avenue,
Ashok Nagar,
Chennai - 600083
9789989570

Dear Mr. L Muralidharan,

Re: Review of Crisil Rating on the Rs.500 Crore Non Convertible Debentures of Belstar Microfinance Limited

All ratings assigned by Crisil Ratings are kept under continuous surveillance and review.

Crisil Ratings has, after due consideration, reaffirmed its Crisil AA/Stable (pronounced as Crisil double A rating with Stable outlook) rating on the captioned debt instrument. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from Crisil Ratings will be necessary.

As per our Rating Agreement, Crisil Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. Crisil Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which Crisil Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable Crisil Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Prashant Pratap Mane
Associate Director - Crisil Ratings

Nivedita Shibu
Director - Crisil Ratings

***Disclaimer**: A rating by Crisil Ratings reflects Crisil Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by Crisil Ratings. Our ratings are based on information provided by the issuer or obtained by Crisil Ratings from sources it considers reliable. Crisil Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by Crisil Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. Crisil Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. Crisil Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. Crisil Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. Crisil Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by Crisil Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at Crisilratingdesk@crisil.com or at 1800-267-3850*

Crisil Ratings Limited
Corporate Identity Number: U67100MH2019PLC326247
Registered Office: Lightbridge IT Park, Saki Vihar Road, Andheri East, Mumbai 400 072, India.
Phone: +91 22 6137 3000 | www.crisilratings.com

a company of S&P Global

Crisil Ratings

Rating Rationale

May 27, 2025 | Mumbai

Belstar Microfinance Limited

Rating reaffirmed at 'Crisil AA/Stable'; Long Term Principal Protected Market Linked Debentures Withdrawn

Rating Action

Total Bank Loan Facilities Rated	Rs.7500 Crore
Long Term Rating	Crisil AA/Stable (Reaffirmed)

Rs.300 Crore Long Term Principal Protected Market Linked Debentures	Withdrawn (Crisil PPMLD AA/Stable)
Rs.500 Crore Non Convertible Debentures	Crisil AA/Stable (Reaffirmed)
Rs.50 Crore Subordinated Debt	Crisil AA/Stable (Reaffirmed)
Rs.100 Crore Subordinated Debt	Crisil AA/Stable (Reaffirmed)

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has reaffirmed its rating on the long-term bank loan facilities and debt instruments of Belstar Microfinance Limited (Belstar) at 'Crisil AA/Stable'.

Crisil Ratings has also **withdrawn** its rating on Rs 300 crore Long Term Principal Protected Market Linked Debentures and Rs 283 crore Non-Convertible Debentures (see the 'Annexure - Details of Rating Withdrawn' for details) on receipt of independent confirmation that these instruments are fully redeemed, in line with its withdrawal policy.

The overall rating on the company continues to factor-in expectation of continued support from its parent Muthoot Finance Ltd (Muthoot Finance; 'Crisil AA+/Crisil PPMLD AA+/Stable/Crisil A1+') given the high strategic importance and benefits of operational support from the Hand in Hand group. The rating further takes into consideration Belstar's adequate capital position and its diversified resource profile. These strengths are partially offset by geographical concentration in portfolio, moderate asset quality and susceptibility of the microfinance sector to regulatory and legislative changes.

Belstar's portfolio quality has been in line with several issues faced by the sector during the last 2-3 quarters. However, overall asset quality (in terms of collections) has started showing some stability particularly during the fourth quarter of fiscal

2025. The collection efficiency under non-overdue bucket has remained at over 99% during last 3-4 months of fiscal 2025. The company's 90+ days past due (dpd) delinquency ratio stood at 7.1% as on March 31, 2025 as against 2.6% as on March 31, 2024. As far as, Gross Non-Performing Assets (GNPA) are concerned, it stood at 4.98% as of March 31, 2025 as against 1.8% as of March 31, 2024. Apart from challenges faced by the sector, this increase in delinquencies is also attributed to reduction in asset book leading to a base effect. The company's assets under management (AUM) degrew by almost ~20% during fiscal 2025. Nevertheless, the company has maintained adequate provisions for its stressed accounts. The provision cover stood at 91% as on March 31, 2025. Crisil Ratings believes that despite some early signs of improvement in collections (in terms of collection efficiency under non-overdue bucket), the ability of the company to show substantial improvement in portfolio quality will be closely monitored.

The impact on higher delinquencies resulted in elevation of credit costs (on account of higher provisions and write-offs) which in turn affected the overall profitability of the company. The company's credit costs increased to around 8.2% (including write-offs) during fiscal 2025 from 3.4% during fiscal 2024. Apart from credit costs, the company's operating expense also remained high at 5.7% during fiscal 2025 (5.4% during fiscal 2024) owing to the implementation of enhanced collection incentives to drive recovery and addition of new branches in selected geographies. The combined effect of higher credit costs and higher operating costs coupled with negative growth in AUM, resulted in lower topline and profitability. As a result, the company's profit after tax fell to Rs 46.5 crore with return on managed assets (RoMA) at 0.5% during fiscal 2025 as against PAT Rs 339 crore and 3.6%, respectively, in fiscal 2024.

From capital position perspective, Belstar's position remained adequate with networth of Rs 1,771 crore and gearing of 3.2 times as of March 2025 (networth of Rs 1728 crore and gearing of 4.2 times as of March 31, 2024). The capital position of the company also benefits from having strong parentage which enables the company to raise funds in timely manner.

Analytical Approach
Crisil Ratings has assessed the standalone financial and business risk profiles of Belstar and has factored in its strategic importance to, and the strong financial support expected from Muthoot Finance.

Key Rating Drivers & Detailed Description
Strengths:
Strategic importance to, and expectation of continued financial support from, the parent: Muthoot Finance will likely continue to support Belstar both on an ongoing basis and during distress, given its majority ownership and presence on the board of directors of Belstar, and the strategic importance of the latter to the group. Muthoot Finance is expected to maintain majority shareholding in the company. The microfinance business helps diversify the financial product suite of the parent. The business is established and growing at a healthy pace and formed ~6.5% of the group AUM as on March 31, 2025. Muthoot Finance has also infused capital of Rs 300 crore in Belstar in the month of March of fiscal 2024. Also, the business is scalable and expected to grow steadily over the medium term. While Belstar does not have a common branding with the Muthoot group, it carries a tagline as part of its name to clearly state that it is a subsidiary of Muthoot Finance. The Muthoot group has a strong presence on the board of Belstar through Mr George Alexander (son of the managing director of Muthoot Finance), Mr George M Jacob (son of the joint managing director of Muthoot Finance) and Mr K R Bijimon (key management person).

Healthy capital position: The company's capital position benefits from regular capital raise. The company has raised capital aggregating Rs 685 crore over the last 6 fiscals including Rs 300 crore raised in last quarter of fiscal 2024 from Muthoot Finance. The networth to Rs 1771 crore and adjusted gearing at 3.3 times as of March 2025 and the networth stood at Rs 1729 crore and adjusted gearing at 4.4 times as on March 31, 2024. The company has also filed for IPO in the month of May of fiscal 2024 to further raise capital. In addition, the internal accruals have supported the company's capital position between fiscal year 2022 till fiscal year 2025, with subdued profitability only in fiscal year 2025, due to increased credit costs. With the expected internal accruals and capital infusion, the overall capitalization profile is expected to remain adequate. The on-book gearing should be around 5 times on a steady state basis over the medium term.

Diversified resource profile: Strong relationships of the parent company and steady-state profitable operations have helped the company to develop a base of approximately 30 lenders as on March 31, 2025. Currently, the average cost of borrowing stood at around 10.7%. The company has raised funds amounting to Rs 3615 Crore in fiscal 2025 and sanctioned limits of Rs 2038 Crore by various financial institutions, which has not been utilized yet. Along with the normal funding limit, the company is active in securitization transactions. Crisil Ratings overall believes, given the company has reasonable growth plans, its ability to continue to raise funds at competitive rates will remain monitorable.

Weaknesses:

Geographical concentration of portfolio: Tamil Nadu accounts for a large proportion of the portfolio, though its share has reduced to 42.6% as on March 31, 2025, from 76% as on September 30, 2018. The high geographical concentration is mainly on account of association with the hand in hand group, which has a strong presence in the state. More importantly, 15.7% of the loan book is concentrated in top five districts and ~26% in ten districts, all of which are located contiguously. The concentration, especially in contiguous districts, is higher compared with other MFIs rated by Crisil Ratings. This increases susceptibility to local socio-political risks inherent in the microfinance business. Nevertheless, the strong local presence of the Hand in Hand group in these districts might be a mitigant. Belstar is focusing on other states to drive incremental growth and reduce the share of Tamil Nadu. Amidst fast growth in the portfolio, efforts to reduce concentration and establish presence in new geographies will be key monitorable.

Modest asset quality: In terms of asset quality, the 90+ dpd increased to 7.1% as on March 31, 2025, from 2.6% as on March 31, 2024. The company's asset quality has been impacted by the increase in indebtedness across customers, along with external challenges such as heat waves, elections, ground-level attrition. Also this increase in delinquencies can also be attributed to a reduction in asset book leading to a base effect. However, the overall asset quality situation (in terms of collections) started showing some stability particularly during the fourth quarter of fiscal 2025. The collection efficiency under non-overdue bucket has remained above 99% consistently during the last 3-4 months of fiscal 2025. The overall average collection efficiency stood at 91.8% during the last six months showing signs of portfolio quality stabilising (on an incremental basis). The company did an ARC sale of Rs 259 Crore in December 2024. Owing to the weakening in asset quality, credit costs increased to 8.2% during the fiscal 2025 from 3.4% in fiscal 2024 and 2.2% in fiscal 2023. The company cumulatively wrote off Rs 681 crore in fiscal 2025 and Rs 177 crore during fiscal 2024. However, to manage the asset quality issues, the company has maintained higher provision to cover most of its stressed accounts. The provision cover stood at 91% as on March 31, 2025.

The impact on higher delinquencies resulted in elevation of credit costs (on account of higher provisions and write-offs) which in turn affected the overall profitability of the company. Apart from credit costs, the company's operating expense also remained high at 5.7% during fiscal 2025 (5.4% during fiscal 2024) owing to the implementation of enhanced collection incentives to drive recovery. The combined effect of higher credit costs and higher operating costs coupled with negative growth in AUM, resulted in lower topline and profitability. As a result, the company's profit after tax fell to Rs 46.5 crore with return on managed assets (RoMA) at 0.5% during fiscal 2025 as against PAT Rs 339 crore and 3.6%, respectively, in fiscal 2024.

Risks arising from exposure to borrowers with inherently weak credit risk profiles and socio-political issues in the sector: A significant portion of the company's portfolio comprises loans given to individuals under the joint-liability group (JLG) mechanism. Its customers generally have below-average credit risk profiles with lack of access to formal credit. Such borrowers are typically farmers, tailors, cattle owners/traders, small vegetable vendors, teashop owners and dairy farmers. The incomes of these households could be volatile and dependent on the performance of the local economy.

The microfinance sector has witnessed various events over the years, including regulatory and legislative challenges, that have disrupted operations. Some of these events include the Andhra crisis, demonetisation in 2016, Covid-19 pandemic and sociopolitical issues in certain states. These events adversely affected the sector, elevated delinquencies and hurt the profitability and capitalisation metrics of NBFC-MFIs. These challenges underscore the vulnerability of the microfinance

business model to external risks. Covid-19 introduced new challenges, aggravating existing vulnerabilities in the microfinance sector by heightening credit risks and the likelihood of loan default by borrowers. While the sector has navigated these events, it remains susceptible to issues, including local elections, natural calamities and borrower protests, which may increase delinquencies for a while. Nevertheless, the company was able to manage its portfolio well without any significant impact on recoveries. However, MFIs remain vulnerable to socially sensitive factors and the macroeconomic scenario. Furthermore, the sector is regulated by multiple bodies which, from time to time, have been providing several directives to maintain credit discipline and avoid over indebtedness for borrowers.

Liquidity: Strong

The asset-liability management (ALM) profile was comfortable, with cumulative positive mismatches across all buckets up to one year as on March 31, 2025. Cash and equivalent, including liquid investments, stood at Rs 515.5 crore as on March 31, 2025. Liquidity is supported by a steady monthly collection of over Rs 740 crore (excluding prepayments) in the past 5-6 months, which was adequate to meet monthly debt obligation and operating expenses. Liquidity is cushioned by Rs 2,038 crore sanctioned by various financial institutions, which has not been utilized yet. Crisil Ratings understands Muthoot Finance will provide funding support to ensure timely servicing of debt.

Outlook: Stable

Crisil Ratings believes that Belstar will continue to receive strong operational, financial, and managerial support from Muthoot Finance and maintain adequate capitalisation over the medium term.

Rating sensitivity factors

Upward factors

- Upward revision in the rating on Muthoot Finance or change in the company name to reflect stronger association with the parent
- Improvement in earnings with RoMA of over 3.0% on steady-state basis
- Significant geographical diversification while maintaining asset quality

Downward factors

- Dilution of the stake of Muthoot Finance in the company below majority or downward revision in the rating on Muthoot Finance or change in the support philosophy of the parent
- Increase in steady-state adjusted gearing to over 6 times
- Weakening earnings due to deterioration in asset quality

About the Company

Belstar was incorporated in January 1988 in Bengaluru. It obtained a non-banking financial company (NBFC) license from the RBI in March 2001 and was reclassified as an NBFC-MFI in 2013. The company was acquired by the Hand in Hand group, a non-governmental organisation, in September 2008. Muthoot Finance, the largest gold loan NBFC in the country, made an equity investment in Belstar in 2016 and held stake of 64% as on March 31, 2024. Belstar had a portfolio of Rs 10,023 crore as on March 31, 2024, with operations in 17 states and 2 UTs. Under the SHG model, it has groups of 10-20 people and an average ticket size of Rs 45,000, and in the joint liability group model, it has groups of 4-10 people and an average ticket size of Rs 25,000.

Key Financial Indicators

Particulars	Unit	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
Total assets	Rs crore	7,588	9,359	6,227	4,560	3,467
Total income	Rs crore	2,125	1,851	1,038	728	553
Profit after tax	Rs crore	46	340	130	45	47
Gross NPAs (90+ dpd)*	%	7.1	2.6	2.6	5.8	2.9
Gearing	Times	3.2	4.2	4.4	4.2	5.4
Return on managed assets	%	0.5	3.6	2.0	1.0	1.3

Gross NPAs (90+dpd) is for overall AUM base (i.e On Book +Managed Book Portfolio).

Any other information: Not Applicable

Note on complexity levels of the rated instrument:
Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook
INE443L08156	Non Convertible Debentures	01-Aug-23	10.00	01-Aug-25	217.00	Simple	Crisil AA/Stable
INE443L08149	Subordinated Debt	19-Jun-23	11.00	19-Jul-29	150.00	Complex	Crisil AA/Stable
NA	Cash Credit	NA	NA	NA	104.00	NA	Crisil AA/Stable
NA	Non-Fund Based Limit^	NA	NA	NA	20.00	NA	Crisil AA/Stable
NA	Overdraft Facility	NA	NA	NA	0.50	NA	Crisil AA/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	1466.36	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	15-Feb-25	8.45	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	28-Feb-26	25.00	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	03-Dec-26	263.54	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	25-Jul-26	185.50	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	30-Oct-26	117.07	NA	Crisil AA/Stable

NA	Term Loan	NA	NA	23-Apr-27	680.75	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	29-Feb-28	200.00	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	20-Mar-26	105.00	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	25-Mar-27	125.00	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	31-May-26	25.00	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	23-Feb-26	116.67	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	31-Jul-26	202.46	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	30-Oct-26	81.25	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	19-Oct-27	36.37	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	31-Jul-25	8.25	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	17-Apr-25	13.89	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	25-Sep-26	37.50	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	30-Jun-26	174.64	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	30-Oct-26	86.00	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	31-Mar-26	124.45	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	30-Apr-26	91.67	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	28-Apr-26	193.38	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	29-Mar-27	92.17	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	30-Apr-27	91.67	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	10-May-27	498.76	NA	Crisil AA/Stable

NA	Term Loan	NA	NA	30-Apr-27	168.71	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	20-Feb-27	16.65	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	27-Mar-27	300.00	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	31-Aug-26	647.17	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	15-Jun-26	86.35	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	22-Dec-26	379.17	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	01-Jun-26	54.58	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	18-Jun-25	6.25	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	01-Mar-27	46.65	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	16-May-27	220.00	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	31-May-27	100.00	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	31-May-27	125.00	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	27-May-27	85.00	NA	Crisil AA/Stable
NA	Term Loan	NA	NA	26-May-27	89.17	NA	Crisil AA/Stable

^CEL for hedging forex liability

Annexure - Details of Rating Withdrawn

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook
INE443L08164	Non Convertible Debentures	06-Oct-23	10.00	31-Mar-26	283.00	Complex	Withdrawn

INE443L07166	Long Term Principal Protected Market Linked	31-Oct-22	G-SEC LINKED	31-Oct-24	300.00	Highly Complex	Withdrawn

Annexure - Rating History for last 3 Years

	Current			2025 (History)		2024		2023		2022		Start of 2022
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	7480.0	Crisil AA/Stable		--	27-11-24	Crisil AA/Stable	21-12-23	Crisil AA/Stable	16-11-22	Crisil AA-/Stable	Crisil AA-/Stable
			--		--	04-10-24	Crisil AA/Stable	15-12-23	Crisil AA/Stable / Crisil A1+	21-10-22	Crisil AA-/Stable	--
			--		--	28-05-24	Crisil AA/Stable	19-07-23	Crisil AA-/Positive / Crisil A1+	11-06-22	Crisil AA-/Stable	--
			--		--	09-02-24	Crisil AA/Stable	17-07-23	Crisil AA-/Positive / Crisil A1+	02-03-22	Crisil AA-/Stable	--
			--		--		--	15-06-23	Crisil AA-/Positive / Crisil A1+	24-02-22	Crisil AA-/Stable	--
			--		--		--	01-06-23	Crisil AA-/Positive / Crisil A1+		--	--
			--		--		--	19-05-23	Crisil AA-/Positive / Crisil A1+		--	--
			--		--		--	12-05-23	Crisil AA-/Positive		--	--
			--		--		--	07-02-23	Crisil AA-/Stable		--	--
Non-Fund Based Facilities	LT	20.0	Crisil AA/Stable		--	27-11-24	Crisil AA/Stable	21-12-23	Crisil AA/Stable		--	--
			--		--	04-10-24	Crisil AA/Stable	15-12-23	Crisil AA/Stable		--	--
			--		--	28-05-24	Crisil AA/Stable	19-07-23	Crisil AA-/Positive		--	--
			--		--	09-02-24	Crisil AA/Stable	17-07-23	Crisil AA-/Positive		--	--
Non Convertible Debentures	LT	500.0	Crisil AA/Stable		--	27-11-24	Crisil AA/Stable	21-12-23	Crisil AA/Stable	16-11-22	Crisil AA-/Stable	Crisil AA-/Stable
			--		--	04-10-24	Crisil AA/Stable	15-12-23	Crisil AA/Stable	21-10-22	Crisil AA-/Stable	--
			--		--	28-05-24	Crisil AA/Stable	19-07-23	Crisil AA-/Positive	11-06-22	Crisil AA-/Stable	--
			--		--	09-02-24	Crisil AA/Stable	17-07-23	Crisil AA-/Positive	02-03-22	Crisil AA-/Stable	--
			--		--		--	15-06-23	Crisil AA-/Positive	24-02-22	Crisil AA-/Stable	--

			--		--		--	01-06-23	Crisil AA-/Positive		--	--
			--		--		--	19-05-23	Crisil AA-/Positive		--	--
			--		--		--	12-05-23	Crisil AA-/Positive		--	--
			--		--		--	07-02-23	Crisil AA-/Stable		--	--
Subordinated Debt	LT	150.0	Crisil AA/Stable		--	27-11-24	Crisil AA/Stable	21-12-23	Crisil AA/Stable		--	--
			--		--	04-10-24	Crisil AA/Stable	15-12-23	Crisil AA/Stable		--	--
			--		--	28-05-24	Crisil AA/Stable	19-07-23	Crisil AA-/Positive		--	--
			--		--	09-02-24	Crisil AA/Stable	17-07-23	Crisil AA-/Positive		--	--
			--		--		--	15-06-23	Crisil AA-/Positive		--	--
			--		--		--	01-06-23	Crisil AA-/Positive		--	--
Long Term Principal Protected Market Linked Debentures	LT	300.0	Withdrawn		--	27-11-24	Crisil PPMLD AA/Stable	21-12-23	Crisil PPMLD AA/Stable	16-11-22	Crisil PPMLD AA- r /Stable	--
			--		--	04-10-24	Crisil PPMLD AA/Stable	15-12-23	Crisil PPMLD AA/Stable	21-10-22	Crisil PPMLD AA- r /Stable	--
			--		--	28-05-24	Crisil PPMLD AA/Stable	19-07-23	Crisil PPMLD AA-/Positive	11-06-22	Crisil PPMLD AA- r /Stable	--
			--		--	09-02-24	Crisil PPMLD AA/Stable	17-07-23	Crisil PPMLD AA-/Positive	02-03-22	Crisil PPMLD AA- r /Stable	--
			--		--		--	15-06-23	Crisil PPMLD AA-/Positive	24-02-22	Crisil PPMLD AA- r /Stable	--
			--		--		--	01-06-23	Crisil PPMLD AA-/Positive		--	--
			--		--		--	19-05-23	Crisil PPMLD AA-/Positive		--	--
			--		--		--	12-05-23	Crisil PPMLD AA-/Positive		--	--
			--		--		--	07-02-23	Crisil PPMLD AA-/Stable		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	100	State Bank of India	Crisil AA/Stable
Cash Credit	2	YES Bank Limited	Crisil AA/Stable
Cash Credit	2	Kotak Mahindra Bank Limited	Crisil AA/Stable
Non-Fund Based Limit[&]	20	State Bank of India	Crisil AA/Stable
Overdraft Facility	0.5	IDFC FIRST Bank Limited	Crisil AA/Stable
Proposed Long Term Bank Loan Facility	1466.36	Not Applicable	Crisil AA/Stable
Term Loan	220	YES Bank Limited	Crisil AA/Stable
Term Loan	100	The Hongkong and Shanghai Banking Corporation Limited	Crisil AA/Stable
Term Loan	125	Bandhan Bank Limited	Crisil AA/Stable
Term Loan	85	SBM Bank (India) Limited	Crisil AA/Stable
Term Loan	89.17	Standard Chartered Bank	Crisil AA/Stable
Term Loan	8.45	Tata Capital Financial Services Limited	Crisil AA/Stable
Term Loan	125	Standard Chartered Bank	Crisil AA/Stable
Term Loan	25	SBM Bank (India) Limited	Crisil AA/Stable
Term Loan	81.25	Bajaj Finance Limited	Crisil AA/Stable
Term Loan	37.5	Kookmin Bank	Crisil AA/Stable
Term Loan	16.65	Punjab and Sind Bank	Crisil AA/Stable
Term Loan	6.25	Sumitomo Mitsui Banking Corporation	Crisil AA/Stable
Term Loan	263.54	DBS Bank India Limited	Crisil AA/Stable
Term Loan	116.67	YES Bank Limited	Crisil AA/Stable
Term Loan	36.37	Canara Bank	Crisil AA/Stable
Term Loan	174.64	UCO Bank	Crisil AA/Stable
Term Loan	25	Bank of Bahrain and Kuwait B.S.C.	Crisil AA/Stable
Term Loan	202.46	Axis Bank Limited	Crisil AA/Stable
Term Loan	8.25	Union Bank of India	Crisil AA/Stable
Term Loan	86	The Karnataka Bank Limited	Crisil AA/Stable

Term Loan	300	IDFC FIRST Bank Limited	Crisil AA/Stable
Term Loan	185.5	YES Bank Limited	Crisil AA/Stable
Term Loan	124.45	Punjab National Bank	Crisil AA/Stable
Term Loan	647.17	State Bank of India	Crisil AA/Stable
Term Loan	117.07	Kotak Mahindra Bank Limited	Crisil AA/Stable
Term Loan	13.89	Aditya Birla Finance Limited	Crisil AA/Stable
Term Loan	91.67	The Hongkong and Shanghai Banking Corporation Limited	Crisil AA/Stable
Term Loan	91.67	HDFC Bank Limited	Crisil AA/Stable
Term Loan	86.35	Indian Bank	Crisil AA/Stable
Term Loan	680.75	YES Bank Limited	Crisil AA/Stable
Term Loan	92.17	Bandhan Bank Limited	Crisil AA/Stable
Term Loan	379.17	Bank of Baroda	Crisil AA/Stable
Term Loan	200	Bank of India	Crisil AA/Stable
Term Loan	193.38	ICICI Bank Limited	Crisil AA/Stable
Term Loan	54.58	IDBI Bank Limited	Crisil AA/Stable
Term Loan	498.76	Small Industries Development Bank of India	Crisil AA/Stable
Term Loan	168.71	The Federal Bank Limited	Crisil AA/Stable
Term Loan	46.65	NABKISAN Finance Limited	Crisil AA/Stable
Term Loan	105	RBL Bank Limited	Crisil AA/Stable

& - CEL for hedging forex liability

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for Finance and Securities companies (including approach for financial ratios)
Criteria for factoring parent, group and government linkages

Media Relations	Analytical Contacts	Customer Service Helpdesk
Ramkumar Uppara Media Relations Crisil Limited	Ajit Velonie Senior Director Crisil Ratings Limited	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 3850

ANNEXURE II: CONSENT LETTER FROM THE DEBENTURE TRUSTEE AND REGISTRAR

CIN: U65993WB2010PTC152401

VARDHMAN TRUSTEESHIP PVT LTD
Nurturing & Protecting Your Trust
(Formerly known as Ativir Stock Broking Pvt. Ltd.)

CL/MUM/25-26/DEB/41
Date: June 5, 2025

To,
Belstar Microfinance Limited
No 33, 48th Street,
9th Avenue, Ashok Nagar,
Chennai- 600083

Kind Attn: Mr. Sunil Kumar Sahu

Dear Sir,

Consent to act as Debentur Trustee for rated, listed, senior, unsecured, redeemable, taxable Non-Convertible Debentures ("NCDs" or "Debentures") amounting to INR. 100,00,00,000/- (Indian Rupees One Hundred Crores Only) inclusive of a green shoe option of 50,00,00,000/- (India Rupees Fifty Crores Only) (the "Issue") to be issued by Belstar Microfinance Limited.

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the Information Memorandum/disclosure document/listing application or any other document to be filed with the BSE/NSE Limited ("Stock Exchange") or any other authority as required. The following details with respect to us may be disclosed:

Name	Vardhman Trusteeship Private Limited
Address	The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai-400051
Tel	22 4264 8335/ 22 4014 0832
Email	corporate@vardhmantrustee.com
Website	https://vardhmantrustee.com
Contact Person	Rushabh Desai
SEBI Registration No	IND000000611
CIN	U65993WB2010PTC152401
Logo	VARDHMAN TRUSTEESHIP PVT LTD Nurturing & Protecting Your Trust

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as Annexure A and declaration regarding our registration with SEBI as Annexure B. We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues.

Yours faithfully,

For Vardhman Trusteeship Private Limited

Authorised Signatory

MUFG Intime India Private Limited
(Formerly Link Intime India Private Limited)
CIN: U67190MH1999PTC118368
Registered Address:
C-101, 1st Floor, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400083.
Tel: +91 22 4918 6000
Website: www.in.mpms.mufg.com

June 16,2025

To
Belstar Microfinance Limited
Registered Office :No 33, 48th Street ,9th Avenue ,
Ashok Nagar, Chennai- 600083
Corporate office : M V Square, No 4/14,
Soundarapandian Street ,
Ashok Nagar, Chennai- 600083

Dear Sir/Madam,

Sub.: Consent to act as Registrar to the Proposed issue of "Senior, Unsecured, Rated, Listed, Redeemable, Taxable, Non-Convertible Debentures Of Face Value Of Rs One Lakh Each For Cash At Par Aggregating To Rs. 100 Crores to be issued on private placement basis

We refer to the subject issue and hereby accept our appointment as 'Registrar' for Electronic Connectivity Provider to issue of "Senior, Unsecured, Rated, Listed, Redeemable, Taxable, Non-Convertible Debentures Of Face Value Of Rs One Lakh Each For Cash At Par Aggregating To Rs.100 Crores (and give our consent to incorporate our name as "Registrar to the Issue" in the offer documents.

Our Permanent SEBI Registration No.: INR000004058

Date : 06/06/2025
To,

Thanking You.

Yours faithfully,

For MUFG Intime India Private Limited

Ganesh Jadhav
Senior Associate Vice President-Depository Operations

A Part of MUFG Corporate Markets, a division of MUFG Pension & Market Services

ANNEXURE III: APPLICATION FORM

BELSTAR MICROFINANCE LIMITED
A public limited company incorporated under the Companies Act, 1956
Date of Incorporation: January 11, 1988
Registered Office: No 33, 48th Street ,9th Avenue, Ashok Nagar, Chennai- 600083
Telephone No.: 044-43414567
Website: https://belstar.in/

DEBENTURE SERIES APPLICATION FORM SERIAL NO.										

ISSUE 10,000 (TEN THOUSAND) SENIOR, UNSECURED, RATED, LISTED, REDEEMABLE, TAXABLE, NON-CONVERTIBLE DEBENTURES DENOMINATED IN INDIAN RUPEES ("INR"), HAVING A FACE VALUE OF INR 1,00,000 (INDIAN RUPEES ONE LAKH) EACH AND AN AGGREGATE FACE VALUE OF INR 100,00,00,000 (INDIAN RUPEES ONE HUNDRED CRORE) INCLUDING GREEN SHOE OPTION UPTO INR 50,00,00,000 (INDIAN RUPEES FIFTY CRORE) ("DEBENTURES") ON A PRIVATE PLACEMENT BASIS (THE "ISSUE").

DEBENTURE SERIES APPLIED FOR:

Number of Debentures: _____In words: _____only
Amount INR _____/-_In words
Rupees:_____only

DETAILS OF PAYMENT:

Cheque / Demand Draft / RTGS
No. _____ Drawn on_____

Funds transferred to the account specified in "Instructions" below on _____

Total Amount Enclosed
(In Figures) INR _____/- (In words) _____Only

APPLICANT'S NAME IN FULL (CAPITALS)	**SPECIMEN SIGNATURE**

APPLICANT'S ADDRESS

ADDRESS					
STREET					
CITY					
PIN		**PHONE**		**FAX**	

APPLICANT'S PAN/GIR NO. _____ IT CIRCLE/WARD/DISTRICT ____

WE ARE ( ) COMPANY ( ) OTHERS (Please specify) _____
We have read and understood the terms and conditions of the issue of Debentures including the risk factors described in the general information document dated June 05, 2025, the enclosed key information document and the private placement offer cum application letter of the same date, each issued by the Issuer (collectively, the "**Debt Disclosure Documents**") and have considered these in making our decision to apply. We bind ourselves to the terms and conditions of the Debt Disclosure Documents and wish to apply for allotment of the Debentures. We request you to please place our name(s) on the register of holders.

Name of the Authorised Signatory(ies)	Designation	Signature

_____
Applicant's Signature

We the undersigned, are agreeable to holding the Debentures of the Issuer in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	**NSDL ( ) CDSL ( )**
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account: (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	

FOR OFFICE USE ONLY
DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Debt Disclosure Documents is provided by the Issuer. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: (i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, (ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, (iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Issuer shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

_____
Applicant's Signature

FOR OFFICE USE ONLY
DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note : Cheque and Drafts are subject to realisation)

----------(TEAR HERE)----------

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) **SERIAL NO.**									

Received from _____

Address_____
_____

Cheque/Draft/UTR # _____ Drawn on _____ for INR _____ on account of application of _____ Debenture

INSTRUCTIONS

1. Application form must be completed in full, IN ENGLISH.

2. Signatures must be made in English or in any of the Indian languages. Thumb Impressions must be attested by an authorized official of the Bank or by a Magistrate/Notary Public under his/her official seal.

3. Application form, duly completed in all respects, must be submitted with the respective Collecting Bankers. The payment is required to be made to the following account of ICCL by way of an electronic transfer, in accordance with the terms of the EBP Requirements:

Name of the Bank	State Bank of India
IFSC Code	SBIN0009930
Account Number	40354198964
Name of the beneficiary	Belstar Microfinance Limited

The Issuer undertakes that the application money deposited in the above-mentioned bank account shall not be utilized for any purpose other than:
(a) for adjustment against allotment of securities; or
(b) for the repayment of monies where the Issuer is unable to allot securities.

4. Outstation Cheques, Cash, Money Orders, Postal Orders and Stock Invest shall not be accepted.

5. Receipt of applicants will be acknowledged by the Issuer in the "Acknowledgement Slip" appearing below the application form. No separate receipt will be issued.

6. All applicants should mention their Permanent Account No. or their GIR No. allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR No. has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of interest including interest payable on application money.

7. The application would be accepted as per the terms of the Debentures outlined in the transaction documents for the private placement.

ANNEXURE IV: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Name of the Issuer	Belstar Microfinance Limited
Face Value	INR 1,00,000 (Indian Rupees One Lakh)
Deemed Date of Allotment	June 17, 2025
Date of Redemption	June 17, 2027
Tenure	24 Months
Coupon Rate	9.15% (Nine decimal One Five Percent)
Frequency of the Coupon Payment	Quarterly and on Redemption
Day count convention	Actual/Actual

Cash Flow on per Debenture Basis

Sl.	Coupon Payment Date(s)*	Net Cash Flow	Principal	Interest	Principal O/s
1	September 17, 2025	2,306.30	-	2,306.30	100,000.00
2	December 17, 2025	2,281.23	-	2,281.23	100,000.00
3	March 17, 2026	2,256.16	-	2,256.16	100,000.00
4	June 17, 2026	2,306.30	-	2,306.30	100,000.00
5	September 17, 2026	2,306.30	-	2,306.30	100,000.00
6	December 17, 2026	2,281.23	-	2,281.23	100,000.00
7	March 17, 2027	2,256.16	-	2,256.16	100,000.00
8	June 17, 2027	102,306.30	100,000.00	2,306.30	-

Note: *Subject to Business Day Convention

ANNEXURE V: DUE DILIGENCE CERTIFICATES

1. **Due diligence certificate as per the format specified in the SEBI Debenture Trustees Master Circular:**

CIN: U65993WB2010PTC152401

VARDHMAN
TRUSTEESHIP PRIVATE LIMITED
Nurturing & Protecting Your Trust

Ref: 769/OPR/VTPL/2025-26/DEB

Date: 17th June 2025

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Dear Sir / Madam

SUB.: ISSUE OF SENIOR, UNSECURED, RATED, LISTED, REDEEMABLE, TAXABLE, NON-CONVERTIBLE DEBENTURES ("NCDS" OR "DEBENTURES") AGGREGATING TO INR. 100 CRORES (RUPEES ONE HUNDRED CRORES) (THE "ISSUE") TO BE ISSUED BY BELSTAR MICROFINANCE LIMITED.

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

1. On the basis of examination of documents pertaining to the issue and of the discussions with the issuer, its directors and other officers, other agencies and of independent verification of the various relevant documents, reports and certifications, WE CONFIRM that:

   a. Issuer has executed the debenture trust deed as per terms of offer document/ placement memorandum and debenture trustee agreement.

   b. The issuer has made all the relevant disclosures, which are true, fair and adequate and also its continued obligations towards the holders of debt securities.

Place: Mumbai
Date: 17th June 2025

For Vardhman Trusteeship Private Limited

Vardhman Trusteeship Pvt. Ltd.

Authorized Signatory

Registered Office Turner Morrison Building, Unit No. 15, 6 Lyons Range, Kolkata - 700001.
Corporate Office The Capital, 412A, Bandra Kurla Complex, Bandra (East), Mumbai- 400051.
+91 22 4264 8335 / +91 22 4014 0832
corporate@vardhmantrustee.com www.vardhmantrustee.com

Mumbai Bengaluru Kolkata New Delhi

ANNEXURE VI: DISCLOSURES PURSUANT TO THE SEBI DEBENTURE TRUSTEES MASTER CIRCULAR

(a) **Details of assets, movable property and immovable property on which charge is proposed to be created**

Not applicable as the Debentures are unsecured debt instruments.

(b) **Title deeds (original/ certified true copy by issuers/ certified true copy by existing charge holders, as available) or title reports issued by a legal counsel/ advocates, copies of the relevant agreements/ Memorandum of Understanding**

Not applicable as the Debentures are unsecured debt instruments.

(c) **Copy of evidence of registration with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) etc**

Not applicable as the Debentures are unsecured debt instruments.

(d) **For unencumbered assets, an undertaking that the assets on which charge is proposed to be created are free from any encumbrances**

Not applicable as the Debentures are unsecured debt instruments.

(e) **For encumbered assets, on which charge is proposed to be created, the following consents along-with their validity as on date of their submission:**

(i) **Details of existing charge over the assets along with details of charge holders, value/ amount, copy of evidence of registration with Sub-registrar, Registrar of Companies, CERSAI, Information Utility (IU) registered with Insolvency and Bankruptcy Board of India (IBBI) etc. as applicable:** Not applicable as the Debentures are unsecured debt instruments.

(ii) **Consent/ No-objection certificate (NOC) from existing charge holders for further creation of charge on the assets or relevant transaction documents wherein existing charge holders have given conditional consent/ permission to the Issuer to create further charge on the assets, along-with terms of such conditional consent/ permission, if any:** Not applicable as the Debentures are unsecured debt instruments.

(iii) **Consent/ NOC from existing unsecured lenders, in case, negative lien is created by Issuer in favour of unsecured lenders:** Not applicable as the Debentures are unsecured debt instruments.

(f) **In case of personal guarantee or any other document/ letter with similar intent is offered as security or a part of security:**

(i) **Details of guarantor viz. relationship with the Issuer:** Not applicable as the Debentures are unsecured debt instruments.

(ii) **Net worth statement (not older than 6 months from the date of debenture trustee agreement) certified by a chartered accountant of the guarantor:** Not applicable as the Debentures are unsecured debt instruments.

(iii) **List of assets of the guarantor including undertakings/ consent/ NOC as per para 2.1(b) and 2.1(c) of Chapter II of the SEBI Debenture Trustees Master Circular**: Not applicable as the Debentures are unsecured debt instruments.

(iv) **Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created:** Not applicable as the Debentures are unsecured debt instruments.

(v) **List of previously entered agreements for providing guarantee to any other person along with an undertaking that there are no agreements other than those provided in the list, if any:** Not applicable as the Debentures are unsecured debt instruments.

(g) **In case of corporate guarantee or any other document/ letter with similar intent is offered as security or a part of security:**

(i) **Details of guarantor viz. holding/ subsidiary/ associate company etc**: Not applicable as the Debentures are unsecured debt instruments.

(ii) **Audited financial statements (not older than 6 months from the date of debenture trustee agreement) of guarantor including details of all contingent liabilities**: Not applicable as the Debentures are unsecured debt instruments.

(iii) **List of assets of the guarantor along-with undertakings/consent/NOC as per para 2.1(b) and 2.1(c) of Chapter II of the SEBI Debenture Trustees Master Circular**: Not applicable as the Debentures are unsecured debt instruments.

(iv) **Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created:** Not applicable as the Debentures are unsecured debt instruments.

(v) **Impact on the security in case of restructuring activity of the guarantor:** Not applicable as the Debentures are unsecured debt instruments.

(vi) **Undertaking by the guarantor that the guarantee shall be disclosed as "contingent liability" in the "notes to accounts" of financial statement of the guarantor:** Not applicable as the Debentures are unsecured debt instruments.

(vii) **Copy of Board resolution of the guarantor for the guarantee provided in respect of the debt securities of the Issuer:** Not applicable as the Debentures are unsecured debt instruments.

(viii) **List of previously entered agreements for providing guarantee to any other person along with an undertaking that there are no agreements other than those provided in the list, if any**: Not applicable as the Debentures are unsecured debt instruments.

(h) **In case of any other contractual comforts/ credit enhancements provided for or on behalf of the issuer, it shall be required to be legal, valid and enforceable at all times, as affirmed by the issuer. In all other respects, it shall be dealt with as specified above with respect to guarantees**: Not applicable as the Debentures are unsecured debt instruments.

(i) **In case securities (equity shares etc.) are being offered as security then a holding statement from the depository participant along-with an undertaking that these securities shall be pledged in favour of debenture trustee(s) in the depository system:** Not applicable as the Debentures are unsecured debt instruments.

(j) **Details of any other form of security being offered viz. Debt Service Reserve Account etc.**: Not applicable as the Debentures are unsecured debt instruments.

(k) **Any other information, documents or records required by debenture trustee with regard to creation of security and perfection of security**: Not applicable as the Debentures are unsecured debt instruments.

(l) **Declaration**: Not applicable as the Debentures are unsecured debt instruments.

(m) **Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s)**: Please refer the consent letter of the Debenture Trustee for terms and conditions of the appointment of the Debenture Trustee and fee of the Debenture Trustee.

(n) **Details of security to be created**: Not applicable as the Debentures are unsecured debt instruments.

(o) **Process of due diligence carried out by the debenture trustee under the SEBI Debenture Trustees Master Circular**: The Debenture Trustee has carried out due diligence in accordance with the manner prescribed under Applicable Law.

(p) **Due diligence certificates as per the format specified in the Debenture Trustees Master Circular and the Debt Listing Regulations**: Enclosed as Annexure V. The due diligence certificates will be submitted to BSE along with the Key Information Document.

ANNEXURE VII: BOARD RESOLUTION AND COMMITTEE RESOLUTION

Board resolution:

BELSTAR MICROFINANCE LIMITED
A Subsidiary of Muthoot Finance Limited
Registered Office : No 33, 48th Street, 9th Avenue , Ashok Nagar, Chennai- 600083
Corporate office : M V Square, No 4/14, Soundarapandian Street , Ashok Nagar, Chennai- 600083
☎ +91-44-43414567/ 43414511 www.belstar.in bml@belstar.in CIN:U06599TN1988PLC081652

CERTIFIED TRUE COPY OF THE EXTRACT FROM MINUTES OF THE SIXTH MEETING OF THE BOARD OF DIRECTORS OF BELSTAR MICROFINANCE LIMITED ("THE COMPANY") FOR THE FINANCIAL YEAR 2024-2025 HELD AT THE CONFERENCE HALL OF HOTEL HILTON, 124, 1, 100 FEET RD, POOMAGAL NAGAR, GUINDY, CHENNAI- 600032 ON FRIDAY, AUGUST 02,2024 AT 10.30 A.M.to 03.00 P.M

Authorization to Issue Secured /Unsecured Non-Convertible Debentures up to Rs. 2000 Crs. on a private placement basis.

"**RESOLVED THAT** pursuant to the provisions of Sections 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or re-enactments thereof for the time being in force ("**Companies Act**"), the Foreign Exchange Management Act, 1999 (as amended from time to time), any rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("**SEBI**"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the master circular issued by SEBI bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 on "*Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" ("**Listed NCDs Master Circular**"), each as amended, modified or restated from time to time, or any other regulatory authority (whether in India or abroad), and in accordance with the Memorandum of Association and the Articles of Association of the Company and the listing agreements entered into with the stock exchanges (the "**Stock Exchanges**") where the securities of the Company may be listed and subject to such approvals, consents, permissions and sanctions as may be required from any statutory/regulatory authority, the approval of the Board be and is hereby accorded for:

(a) offer, issue and allotment of non-convertible debentures (including without limitation, (i) subordinated, (ii) listed or unlisted, (iii) senior secured, (iv) senior unsecured, (v) unsecured, (vi) market linked debentures, (vii) non-convertible debentures to be issued or redeemed at a premium/discount, and/or (viii) any others (as may be determined)), and which may or may not be rated (as may be determined), of such face value as may be determined up to the aggregate amount of [INR 2000,00,00,000 (Indian Rupees Two Thousand Crore)] ("**Debentures**") in one or more tranches/issues ("**Tranches/Issues**"), at such interest rate as may be determined, payable at such frequency as may be determined, subject to deduction of taxes at source in accordance with applicable law, with or without gross up, and for such maturity (subject to applicable law) as may be determined, on a private placement basis to eligible investors (including without limitation, any banks, financial institutions, mutual funds, foreign portfolio investors, individuals, or any other persons/entities in accordance with applicable law) ("**Investors**") for raising debt for such purposes as may be determined; and

(b) securing the amounts to be raised pursuant to the issue of the Debentures or any Tranche/Issue together with all interest and other charges thereon (at such ranking/priority as may be agreed and up to such limits and security cover as may be agreed and within such timelines as may be agreed) by one or more of the following (i) hypothecation of certain identified loans/book debts, and/or any other assets of the Company, and/or (ii) such other security or contractual comfort (including personal and/or corporate guarantees) as may be required in terms of the issuance of the Debentures or any Tranche/Issue (the "**Security/Contractual Comfort**")."

"**RESOLVED FURTHER THAT** the Finance Committee of the Board of Directors ("**Committee**") is hereby empowered (in addition to any powers that the Committee presently has or may have from time to time), within the overall ambit of the resolutions set out herein, to (a) consider and approve the particular terms of each Tranche/Issue to more effectively implement any of the resolutions of the Board set out herein, (b) consider and approve any terms or modifications thereof for any Tranche/Issue, (c) identify the eligible investors for Section 42 of the Companies Act in respect of any Tranche/Issue, (d) direct any officers of the Company to do such things and to take such actions as the

Continuation....

Company is entitled to do or take (as the case may be) in terms of the resolutions set out herein, and (e) generally do or to take any other action, deed, or things, as may be necessary to remove any difficulties or impediments in the effective implementation of the resolutions set out herein."

"**RESOLVED FURTHER THAT** Mr. L. Muralidharan, Chief Financial Officer, Mr. Ajeethdoss, Deputy Chief Financial officer, Finance and Mr. Sunil Kumar Sahu, Company Secretary and/or such other persons as may be authorized by the Board or the Committee (collectively, the "**Authorised Persons**") be and are hereby severally authorized to do such acts, deeds, and things as they deem necessary or desirable in connection with the finalization of the terms of, and completing all applicable requirements for the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures, including, without limitation the following:

(a) seeking, if required, any approval, consent, or waiver from any/all concerned governmental and regulatory authorities, and/or any other approvals, consent, or waivers that may be required in connection with the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures.

(b) executing the term sheet in relation to the Debentures or any Tranche/Issue of the Debentures.

(c) negotiating, approving, and deciding the terms of the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures and all other related matters (including but not limited to, the amounts proposed to be raised, the Security/Contractual Comfort proposed to be provided by the Company, the rate of interest, the terms of repayment and the end use);

(d) if required by the holders of the Debentures or any Tranche/Issue of the Debentures (the "**Debenture Holders**"), seeking the listing of any of the Debentures or any Tranche/Issue of the Debentures on any Stock Exchange, submitting the listing application and taking all actions that may be necessary in connection with obtaining such listing;

(e) (if so required) issuing the Debentures or any Tranche/Issue of the Debentures through the electronic book mechanism process pursuant to the guidelines and circulars issued by the SEBI in this respect, and taking all such action and steps as may be required for the purposes of complying with relevant guidelines, including making all relevant disclosures to the "electronic book provider";

(f) (if so required) complying with the requirements prescribed under the Listed NCDs Master Circular and the master circular issued by SEBI bearing reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated March 31, 2023, on "*Master Circular for Debenture Trustees*" (as amended, modified, supplemented, or restated from time to time);

(g) preparing and finalizing the Disclosure Documents (as defined below), in accordance with all applicable laws, rules, regulations, and guidelines (including any amendments, variations, or modifications of the Disclosure Documents, as may be considered desirable or expedient), and approving the Disclosure Documents (including any amendments, variations or modifications thereof);

(h) finalizing the terms and conditions of the appointment of an arranger (if so required), a debenture trustee, a registrar and transfer agent, a credit rating agency (if so required), legal counsel (if so required), a depository and such other intermediaries including their successors and their agents, as may be required in relation to the offer, issue and allotment of the Debentures or any Tranche/Issue of the Debentures;

(i) finalizing the terms of, and completing all applicable requirements for, the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures;

(j) entering into arrangements with the depository in connection with the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures in dematerialised form;

(k) creating and perfecting the Security/Contractual Comfort as required in accordance with the terms of the

Continuation....

Transaction Documents (as defined below) in relation to the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures;

(l) finalizing the deemed date of allotment of the Debentures or any Tranche/Issue of the Debentures;

(m) negotiating, executing, filing, and delivering any documents, instruments, deeds, amendments, papers, applications, notices, or letters as may be required in connection with the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures and dealing with regulatory authorities in connection with the offer, issue and allotment of the Debentures or any Tranche/Issue of the Debentures including but not limited to the RBI, SEBI (if so required), any Stock Exchange (if so required), the relevant registrar of companies, the Ministry of Corporate Affairs, the relevant sub-registrar of assurances (if so required), Central Registry of Securitisation Asset Reconstruction and Security Interest of India, any depository(ies), and such other authorities as may be required;

(n) to execute all documents with file forms with, and submit applications to any Stock Exchange (if so required), the relevant registrar of companies, the Ministry of Corporate Affairs, the relevant sub-registrar of assurances (if so required), Central Registry of Securitisation Asset Reconstruction and Security Interest of India or any depository(ies);

(o) to sign and/or dispatch all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents.

(p) to take all steps and do all things and give such directions as may be required, necessary, expedient, or desirable for giving effect to the Transaction Documents, the transactions contemplated therein, and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and/or issue the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future:

(i) any general information document, any key information document, any private placement offer cum application letter, and/or any other offer document as may be required for the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures (as may be required) (the "**Disclosure Documents**");

(ii) the debenture trust deed, the debenture trustee agreement, the deed of hypothecation, and any other documents required for the creation of security interest over the Company's movable properties and the providing of any other Security/Contractual Comfort, or the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures (including any power(s) of attorney in connection thereto) and any other document in relation thereto ((i) and (ii) above are collectively referred to as the "**Transaction Documents**");

(iii) the debenture certificate(s) for the Debentures or any Tranche/Issue of the Debentures (if required);

(iv) any other documents required for the purposes of the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and

(v) any other document designated as a Transaction Document by the relevant debenture trustee/Debenture Holders;

(q) to pay stamp duty required to be paid for the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures, including through any intermediaries that may be authorised in this regard, in accordance with the laws of India and procure the stamped documents from the relevant governmental authorities;

(r) to do all acts necessary for the finalization of the terms of, and completing all applicable requirements for the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures in accordance with the terms set out in the Transaction Documents; and

Continuation....

(s) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations, and certificates in relation to the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures and the transactions contemplated thereby, and to give such directions as it deems fit or as may be necessary or desirable in relation to the finalization of the terms of, and completing all applicable requirements for the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures.

"RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorized to take all necessary steps relating to the creation, perfection and registration of charges and also to sign and submit the necessary forms in relation to the Security/Contractual Comfort and/or the offer, issue and allotment of the Debentures with the relevant registrar of companies, the Ministry of Corporate Affairs, the relevant sub-registrar of assurances (if so required), the depository(ies), Central Registry of Securitisation Asset Reconstruction and Security Interest of India and other relevant governmental authorities."

"RESOLVED FURTHER THAT any one of the Authorised Persons be and are hereby severally authorised to record the name of the Debenture Holders in the register of debenture holders and to undertake such other acts, deeds, and things as may be required to give effect to the issuance and allotment of the Debentures or any Tranche/Issue of the Debentures and the listing of the Debentures or any Tranche/Issue of the Debentures if and as and when required by the Debenture Holders."

"RESOLVED FURTHER THAT the Company be and is hereby authorised to open any bank accounts with such banks in India as may be required in connection with the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures and that any one of Authorised Persons, be and are hereby severally authorised to sign and execute the application form(s) and other documents required for opening the said account(s), to operate such account(s), and to give such instructions including closure thereof as may be required and deemed appropriate by them, and that such bank(s) be and is/are hereby authorised to honour all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by the aforesaid Authorised Persons on behalf of the Company."

"RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to delegate the powers to any other employee/representative/agent of the Company, as may be deemed necessary to do such acts and execute such documents as may be required in connection with any of the matters relating to the finalization of the terms of, and completing all applicable requirements for the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures."

"RESOLVED FURTHER THAT the Board hereby approves and ratifies all such acts, deeds, and actions taken by the Company till date for the purpose of the offer, issue, and allotment of the Debentures or any Tranche/Issue of the Debentures."

"**RESOLVED FURTHER THAT** the copies of the foregoing resolutions certified to be true copies by any director or the Company Secretary of the Company be furnished to such persons as may be deemed necessary."

By Order of the Board of Directors
For **Belstar Microfinance Limited**

Place : CHENNAI
Dated : August 02 , 2024

Sunil Kumar Sahu
Company Secretary
M: F22516

Committee resolution:

BELSTAR MICROFINANCE LIMITED
A Subsidiary of Muthoot Finance Limited

Registered Office : No 33, 48th Street, 9th Avenue , Ashok Nagar, Chennai- 600083
Corporate office : M V Square, No 4/14, Soundarapandian Street , Ashok Nagar, Chennai- 600083

☎ +91-44-43414567/ 43414511 www.belstar.in bml@belstar.in
CIN:U06599TN1988PLC081652

CERTIFIED TRUE COPY OF THE EXTRACT FROM THE MINUTES OF THE FOURTH FINANCE COMMITTEE OF BOARD OF DIRECTORS OF BELSTAR MICROFINANCE LIMITED ("THE COMPANY") FOR THE FINANCIAL YEAR 2025-26 HELD AT THE CORPORATE OFFICE OF THE COMPANY AT M V SQUARE, NO 4/14, SOUNDARAPANDIAN STREET, ASHOK NAGAR, CHENNAI 600083 WEDNESDAY JUNE 11, 2025, BETWEEN 11.00 A.M. TO 11.30 AM

TO ISSUE AND APPROVE OF THE ISSUE OF 10,000 NOS OF SENIOR, UNSECURED, RATED, LISTED, REDEEMABLE, TAXABLE, NON-CONVERTIBLE DEBENTURES DENOMINATED IN INDIAN RUPEES, HAVING A FACE VALUE OF INR 1,00,000 (INDIAN RUPEES ONE LAKH) EACH AND AN AGGREGATE FACE VALUE OF INR 100,00,000 (INDIAN RUPEES ONE HUNDRED CRORE) INCLUDING GREEN-SHOE OPTION UPTO INR 50,00,00,000 (INDIAN RUPEES FIFTY CRORE) ("DEBENTURES" OR "NCDS") ON A PRIVATE PLACEMENT BASIS (THE "ISSUE") FOR CASH AT PAR ON A FULLY PAID-UP BASIS.

"**RESOLVED THAT** pursuant to the powers conferred upon the Finance Committee in terms of the resolution of the Board of Directors of the Company dated August 02, 2024, and as approved by the Board of Directors of the Company by way of the aforementioned resolution and pursuant to the provisions of the Memorandum and Articles of Association of the Company, Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and any other rules made thereunder, including any statutory modifications or re-enactments thereof for the time being in force (the "**Companies Act**"),the Foreign Exchange Management Act, 1999 (as amended from time to time), rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("**SEBI**"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("**Debt Listing Regulations**"), the SEBI master circular bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 on "*Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" ("**Listed NCDs Master Circular**"), each as amended, modified or restated from time to time, or any other regulatory authority, whether in India or abroad, and in accordance with the listing agreements entered into with the stock exchange(s) (the "**Stock Exchange(s)**") where the securities of the Company may be listed, and subject to approvals, consents, sanctions, permissions as may be required from any appropriate statutory and regulatory authorities, the approval of the Committee be and is hereby accorded for:

(a) preparing and submitting to any Stock Exchange(s) a general information document prepared in accordance with the Debt Listing Regulations and the Listed NCDs Master Circular for issuance of non-convertible debentures in one or more tranches; and

(b) offer, issue and allotment of up to 10,000 nos of senior, unsecured, rated, listed, redeemable, taxable, non-convertible debentures denominated in Indian Rupees, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 100,00,000 (Indian Rupees One Hundred Crore) including green-shoe option upto INR 50,00,00,000 (Indian Rupees Fifty Crore) ("Debentures" or "NCDs") on a private placement basis (the "Issue") for cash at par on a fully paid-up basis at a coupon/interest rate of 9.15 % per annum or such other interest/coupon rate as may be determined, payable semi-annually or at such other interest periods as may be agreed, subject to deduction of taxes at source in accordance with applicable law, with or without gross up, for a period of 24 (Twenty Four) months or

such other tenure/maturity as may be determined, at par, on a private placement basis, in dematerialised form to the successful bidders who have applied for subscription of the Debentures on the electronic book platform in accordance with the SEBI EBP Requirements (as defined below) and which shall be deemed to be the persons identified by the Bank for the purposes of Section 42 of the Companies Act ("**Investor(s)**") for raising debt for (i) general corporate purposes of the Company, (ii) utilization in the ordinary course of business of the Company (including repayment/re-financing of any existing financial indebtedness of the Company), and/or (iii) such other purposes as may be agreed with the Investor(s).

RESOLVED FURTHER THAT Mr. L. Muralidharan (Chief Financial Officer), Mr. Ajeethdoss (Deputy Chief Financial Officer), and Mr. Sunil Kumar Sahu (Company Secretary) (hereinafter referred to as "**Authorised Persons**") be and are hereby severally authorised to do all such acts, deeds and things as they deem necessary or desirable in connection with the finalisation of the terms of, and completing all applicable requirements for the offer, issue, and allotment of the Debentures, including without limitation the following:

(a) seeking, if required, any approval, consent or waiver from any/all concerned government and regulatory authorities and any other person (including any lenders of the Company), and/or any other approvals, consent or waivers that may be required in connection with the offer, issue and allotment of the Debentures;
(b) negotiating, approving and deciding the terms of the issue of Debentures and all other related matters;
(c) executing the term sheet in relation to the Debentures;
(d) seeking the listing of any of the Debentures on any Stock Exchange, submitting the listing application and taking all actions that may be necessary in connection with obtaining such listing;
(e) finalising the terms and conditions of the appointment of an arranger (if so required), a debenture trustee, a registrar and transfer agent, legal counsel, a credit rating agency, a depository, a valuation agent, depository(ies), and such other intermediaries as may be required to be appointed, including their successors and their agents;
(f) preparing and finalising the Debt Disclosure Documents (as defined below), in accordance with all applicable laws, rules, regulations and guidelines (including any amendments, variations or modifications of the Debt Disclosure Documents, as may be considered desirable or expedient), and approving the Debt Disclosure Documents (including any amendments, variations or modifications thereof);
(g) to accept the subscription amounts for the Debentures in accordance with the Transaction Documents (as defined below);
(h) finalising the deemed date of allotment for the Debentures;
(i) finalisation of the terms of, and completing all applicable requirements for the offer, issue and allotment of the Debentures;
(j) entering into arrangements with the depositories in connection with issue of Debentures in dematerialised form;
(k) negotiate, execute, file and deliver any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the offer, issue and allotment of the Debentures and deal with regulatory authorities in connection with the offer, issue and allotment of the Debentures including but not limited to the RBI, SEBI (if so required), any Stock Exchange, the jurisdictional registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or any depository, and such other authorities as may be required;
(l) executing all documents and filing forms with, and submit applications to, the relevant registrar of companies, the Ministry of Corporate Affairs, the Central Registry of Securitisation Asset Reconstruction and Security Interest, any Stock Exchange or any depository;

(m) signing and/or dispatching all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents;

(n) issuing the Debentures through the electronic book mechanism process pursuant to the guidelines and circulars issued by the SEBI in this respect (including without limitation, the requirements prescribed in Chapter VI (*Electronic Book Provider platform*) of the Listed NCDs Master Circular ("**SEBI EBP Requirements**")), and taking all such action and steps as may be required for the purposes of complying with relevant guidelines, including making all relevant disclosures to the "electronic book provider";

(o) creating the recovery expense fund in accordance with the requirements of Chapter IV (*Recovery Expenses Fund*) of the SEBI master circular bearing reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated March 31, 2023 on "*Master Circular for Debenture Trustees*" ("**Debenture Trustees Master Circular**") (as amended, modified, supplemented and/or restated from time to time) read with guidance note(s) issued by the Stock Exchange(s) in this regard;

(p) complying with the requirements prescribed under the Listed NCDs Master Circular and the Debenture Trustees Master Circular;

(q) taking all steps, doing all acts, and giving such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and/or issue the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future):

(i) the general information document, the key information document in respect of issuance of Debentures and the private placement offer cum application letter for the offer, issue and allotment of the Debentures (collectively, the "**Debt Disclosure Documents**");

(ii) the debenture certificate(s) for the Debentures (if required);

(iii) the debenture trust deed, the debenture trustee agreement, and any other documents required for the offer, issue and allotment of the Debentures (including any powers of attorney in connection thereto), and any other document in relation thereto (together with the Debt Disclosure Documents, the "**Transaction Documents**");

(iv) any other documents required for the purposes of the offer, issue and allotment of the Debentures and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and

(v) any other document designated as a Transaction Document by the debenture trustee and/or the holders of the Debentures;

(r) doing all acts necessary for the finalisation of the terms of, and completing all applicable requirements for the offer, issue and allotment of the Debentures in accordance with the terms set out in the Transaction Documents; and

(s) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates in relation to the offer, issue and allotment of the Debentures, and to give such directions as it deems fit or as may be necessary or desirable with regard to the finalisation of the terms of, and completing all applicable requirements for the offer, issue and allotment of the Debentures.

"RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to take all necessary steps relating to the creation, perfection and registration of charges and also to sign and submit the necessary forms in relation to the offer, issue and allotment of the Debentures with any Stock Exchange, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the jurisdictional registrar of companies, the Ministry of Corporate Affairs, or any depository, the SEBI, or any other governmental authority. "

"RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to pay all stamp duty required to be paid for the offer, issue and allotment of the Debentures and the Transaction Documents, including through any intermediaries such as the Stock Exchanges, clearing corporations or any depositories that may be authorised in this regard, in accordance with the laws of India and procure the stamped documents from the relevant governmental authorities."

"RESOLVED FURTHER THAT the Committee hereby approves and ratifies all such acts, deeds and actions taken by the Company till date for the purpose of the offer, issue and allotment of the Debentures."

"RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to record the name of the holders of the Debentures in the register of debenture holders and to undertake such other acts, deeds and acts as may be required to give effect to the finalisation of the terms of, and completing all applicable requirements for, the offer, issue and allotment of the Debentures and the listing of the Debentures."

"RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to approve and finalise, sign, execute and deliver the Transaction Documents and such other agreements, deeds, undertakings, indemnity and documents as may be required, or any of them in connection with the Debentures to be issued by the Company.

"RESOLVED FURTHER THAT the copies of the foregoing resolutions certified to be true copies by any Director or Company Secretary of the Company be furnished to such persons as may be deemed necessary."

/CERTIFIED TRUE COPY/
For Belstar Microfinance Limited



Date: 11.06.2025
Place: Chennai

Sunil Kumar Sahu
Company Secretary
M: F12545

ANNEXURE VIII: SHAREHOLDERS' RESOLUTIONS

BELSTAR MICROFINANCE LIMITED
(Formerly known as Belstar Investment and Finance Private Limited)
A Subsidiary of Muthoot Finance Limited
Registered Office :No 33, 48th Street, 9th Avenue , Ashok Nagar, Chennai- 600083
Corporate office : M V Square, No 4/14, Soundarapandian Street , Ashok Nagar, Chennai- 600083
☎ +91-44-43414567/ 43414511 www.belstar.in bml@belstar.in CIN:U06599TN1988PLC081652

CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED AT THE 36TH ANNUAL GENERAL MEETING OF BELSTAR MICROFINANCE LIMITED HELD ON FRIDAY, SEPTEMBER 13, 2024, AT 02.30 P.M AT THE CORPORATE OFFICE M V SQUARE, NO 4/14, SOUNDARAPANDIAN STREET, ASHOK NAGAR, CHENNAI-600083 THROUGH VIDEO CONFERENCING ('VC')/OTHER AUDIO-VISUAL MEANS ('OAVM')

Increase in borrowing powers of the Board of Directors under Section 180(1)(c) of Companies Act, 2013.

"RESOLVED THAT in in supersession of the earlier resolution passed by the members the Company in this regard and pursuant to the provisions of Sections 180(1)(c),42 and 71 of the Companies Act, 2013 and all other applicable provisions if any, of any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) applicable regulations of Reserve Bank of India, in terms of Articles of Association of the Company, and any other applicable regulations, if any, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "**the Board**" which term shall be deemed to include any Committee which the Board may constitute for this purpose) to borrow for the purpose of the business of the Company as and when required, including without limitation, from any Bank(s) and/or other Financial Institution(s) and/or foreign lender and/or anybody corporate/entity/entities and/or authority/authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, or by issuing debentures/ bonds, commercial papers, fixed/ floating rate notes or other instruments as may be deemed appropriate by the Board, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up share capital, free reserves and securities premium of the Company, provided that the total amount outstanding at any point of time shall not exceed ₹ 15,000 crores (Rupees Fifteen Thousand Crores)."

"RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to do all such acts, deeds, matters and things, arrange, give such direction as may be deemed necessary or expedient, or settle the terms and conditions of such instrument, securities, loan, debt instrument as the case may be, on which all such moneys as are borrowed, or to be borrowed, from time to time, as to interest, repayment, security or otherwise howsoever as it may think fit, and to execute all such documents, instruments and writings as may be required to give effect to this resolution and for matters connected therewith or incidental thereto, including intimating the concerned authorities or other regulatory bodies and delegating all or any of the powers conferred herein to any Committee of Directors or Officers of the Company.

"RESOLVED FURTHER THAT the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deed, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution."

/CERTIFIED TRUE COPY/

For Belstar Microfinance Limited

Date: 13.09.2024
Place: Chennai

Sunil Kumar Sahu
Company Secretary
M: F12545

BELSTAR MICROFINANCE LIMITED
(Formerly known as Belstar Investment and Finance Private Limited)
A Subsidiary of Muthoot Finance Limited
Registered Office :No 33, 48th Street, 9th Avenue , Ashok Nagar, Chennai- 600083
Corporate office : M V Square, No 4/14, Soundarapandian Street , Ashok Nagar, Chennai- 600083
+91-44-43414567/ 43414511 www.belstar.in bml@belstar.in
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CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED AT THE 36TH ANNUAL GENERAL MEETING OF BELSTAR MICROFINANCE LIMITED HELD ON FRIDAY, SEPTEMBER 13, 2024, AT 02.30 P.M AT THE CORPORATE OFFICE M V SQUARE, NO 4/14, SOUNDARAPANDIAN STREET, ASHOK NAGAR, CHENNAI-600083 THROUGH VIDEO CONFERENCING ('VC')/OTHER AUDIO-VISUAL MEANS ('OAVM')

Consent for creation of Charge/Mortgage/Hypothecation on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013.

"**RESOLVED THAT** pursuant to the provisions of Sections 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with the Rules made thereunder, as may be amended from time to time, and other applicable provisions of the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to mortgage, hypothecate, pledge and/or charge all or any of the movable and/or immovable properties of the Company (both present and future) and/or any other assets including tangible and intangible assets, current assets, book debts, loans, advances and receivables or other properties of the Company and/or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of events of defaults, in favour of the Banks, Financial Institutions, any other Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed or to be availed by the Company or subsidiary(ies) of Company, by way of loans, debentures (comprising fully/partly Convertible Debentures and/or Secured/Unsecured Nonconvertible Debentures or any other securities) or fixed rate notes or floating rate notes or otherwise, in foreign currency or in Indian rupees, from time to time, up to the borrowing limits approved or as may be approved by the members, from time to time, under Section 180(1) (c) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof) along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company in respect of such borrowings. "

"**RESOLVED FURTHER THAT** the pledge, mortgage, lien, hypothecation and/or charge created or to be created and all agreements, deeds, instruments, or documents executed or to be executed and all acts necessary in terms of this resolution required to be done by the Company or the Board are hereby approved, confirmed and ratified. "

"**RESOLVED FURTHER THAT** the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do all such acts, deeds, and things and to sign and execute all such deed, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution."

/CERTIFIED TRUE COPY/

For Belstar Microfinance Limited

Date: 13.09.2024
Place: Chennai

Sunil Kumar Sahu
Company Secretary
M: F12545

ANNEXURE IX: FORM NO. PAS-4 - PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Attached separately.

Serial No: 1
Addressed to: _____
Date: June 16, 2025

FORM NO. PAS - 4

PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

("PPOA")

Pursuant to Section 42 of the Companies Act, 2013 and Rule 14 (3) of Companies (Prospectus and Allotment of Securities) Rules, 2014.

Note: This Form No. PAS-4 is prepared in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014.

issue 10,000 nos of senior, unsecured, rated, listed, redeemable, taxable, non-convertible debentures denominated in Indian Rupees, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 100,00,000 (Indian Rupees One Hundred Crore) including green-shoe option upto INR 50,00,00,000 (Indian Rupees Fifty Crore) ("Debentures" or "NCDs") on a private placement basis (the "Issue") for cash at par on a fully paid-up basis

PART A

1. **General Information:**

a) **Name, address, website and other contact details of the Company, indicating both the registered office and the corporate office:**

Issuer / Company:	Belstar Microfinance Limited ("**Company**" or "**Belstar**" or "**Issuer**")
Registered Office:	New No. 33, Old No. 14, 48th Street, 9th Avenue, Ashok Nagar, Chennai - 600083
Corporate Office:	M V Square, No 4/14, Soundarapandian Street, Ashok Nagar, Chennai- 600083
Telephone No.:	+91 - 44-43414503
Website:	https://www.belstar.in/
Fax:	N.A.
Contact Person:	Mr. Sunil Kumar Sahu
Email:	sunilkumar.k@belstar.in

b) **Date of incorporation of the Company:** January 11, 1988

c) **Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**
Belstar Microfinance Limited (Erstwhile Belstar Investment and Finance Private Limited) (BML) was incorporated in January 1988 at Bangalore and being a Non-Banking Finance Company, the Company was registered with the RBI in March 2001. The Company has been reclassified as non-banking financial company - micro finance institution ("**NBFC-MFI**") by Reserve Bank of India ("**RBI**") effective December 12, 2013.

The Company changed its name to Belstar Microfinance Limited as part of corporate rebranding which would make the name of the Company simple, sharp and focused on Micro financing activity

BML is a NBFC-MFI and a subsidiary of Muthoot Finance Limited, Guided by an expert Board member team and an able leadership, the company has successfully transitioned in to a profitable and high-potential Microfinance Institution (MFI) with low credit risk. Belstar's business model is unique as it pursues a double bottom line focusing on both financial performance as well as social performance with the assistance of the Hand in Hand India in alleviating poverty coupled with community development.

CRISIL Ratings has revised its outlook on the long-term bank facilities and debt instruments of Belstar Microfinance Limited (Belstar) to 'Positive' from 'Stable' while reaffirming the ratings at 'CRISIL AA/CRISIL PPMLD AA.The rating revision is primarily driven by an upgrade in the rating of its parent, Muthoot Finance Limited. The ratings on Belstar centrally factors in the parent's strategic importance and strong articulation of financial support to Belstar due to latter's strategic importance.

The rating also factors in Belstar's adequate capitalisation, adequate earnings profile and benefits of operational support from Hand in Hand (HIH) group. However, these strengths are offset by geographical concentration of portfolio, moderation in asset quality and the susceptibility of the microfinance sector to various regulatory and legislative risks. This has helped Belstar focus on diversification of the funding profile expansion in operational states and making inroads into newer geographies.

- **Team:** It has created a professional management team that understands the pulse of the geography where Belstar operates with a combined experience of more than 20 years.

- **Portfolio Growth**: The Asset under management as at March 31, 2025 was Rs. 7969.48CR .is

Business Model

Belstar follows both the SHG as well as the Pragathi model of lending. Belstar does not mix SHG and Pragathi operations in the same region while they can co-exist in the same state.

SHG model

Belstar and Hand in Hand work closely together; The approach followed by Hand in Hand is a SHG model, where it initially identifies a branch, groups of women members are identified bas is the company policy, train them with life skills for a period of six months. This time is used by HI l-1 to gauge the dynamics of the group, understand their motivations to borrow, study their family income, repayment capacity and the like which enables them to make informed credit decisions. During this phase, the group is encouraged to save money; Basis the savings, at the end of the six-month training period, the group is lent money by Hand in Hand in Hand (SHG model). Minimum incubation period for a group at Hll-1 is 6 months. Post 6 months based on the company strategy, branches in certain geographies are handed over to Belstar.

Pragati (JLG model)

Pragathi model is carried out broadly similar to other MFI Pragathi models. The time taken for disbursement in a Pragathi is about 5 days to a week. The company is for using on reducing Pragathi disbursement turn-around time to around 3-5 days

Branch details

As of the date of this PPOA, the Company has 801 branches across 18 states/union territories.

Subsidiary details

As of the date of this PPOA, the Company has no subsidiaries.

d) **Brief particulars of the management of the Company:**

S. No.	Name	Designation	Profile
1	Dr. Kalpanaa Sankar	Managing Director	As the Managing Director of Belstar Microfinance Limited, she has helped build a leading microfinance institution with a social conscience and greater purpose. Dr. Kalpanaa Sankar has been involved in the self-help group movement for 21 years and has specialized in participatory assessment, and gender-differentiated impact and monitoring tools. She was the Monitoring and Evaluation Officer for IFAD and was Consultant with UNOPS, UNDP, Christian Aid and Wetlands International. She has also been a consultant with the South African government and supported poverty reduction, job creation and microfinance programmes in Afghanistan and Brazil. She has authored publications on child labour, microfinance and self-help groups
2	K.B. Balakumaran	Executive Director	Mr. Balakumaran has worked in the Indian Bank for 21 years, as Rural Development Officer, Officer in-charge of Gramodaya Kendra, Project Manager - IBSUM and Branch Manager. He has also independently managed the Agricultural Credit Desk at the Regional Office at Indian Bank. He brings with him a blend of skill and field experience in rural banking, SHG Movement and Microfinance, specifically in the areas of group formation, credit appraisal, credit linkage of SHGs, monitoring and portfolio quality. He holds a Bachelors in Agriculture and started his career as an Agricultural Officer in the extension wing of the Tamil Nadu State Agricultural Department.
3	J Balakrishnan	Chief Operating Officer	J Balakrishnan is retired General Manager commenced his professional journey at Indian Overseas Bank and built a distinguished career spanning over 39+ years, overseeing a wide spectrum of banking operations, field operations, audit and internal control, public relations, training, consultancy, credit, and project activities. He has a proven track record as an exceptional trainer, conducting successful training sessions for banking officials at various branches and centers. His expertise extends to financial inclusion, priority lending, microfinance, self-help group finance, and financial literacy, and he has effectively delivered training and skill enhancement programs for

			rural youth, focusing on entrepreneurship development. Following retirement, he served as a Financial advisor at the Technology Development Board, Government of India, where he evaluated the commercial feasibility of innovative projects for their commercial production. He is an international Basketball player who had represented Indian team and qualified Fitness trainer.
4	L. Muralidharan -	Chief Financial Officer	Has over 19 years of post qualification experience in Corporate Finance, Statutory, Internal and Management Audit of large public sector undertakings. Prior to this, he worked with IFMR Trust as VP - Finance and before that at Emirates Trading Agency LLC in Dubai in their Corporate Affairs division. Muralidharan has also worked with Reliance Industries, Mumbai in their Management Audit division and played active role at the time of setting up of RIL - Petroleum Units and Retail Outlets and Water Aid India, an International NGO as Finance Manager.
5	G Parthasarathy	Chief Risk Officer	Parthasarathy has over 18 Years' experience in Retail Banking/Finance, Business Operations, Risk Management, Legal, Collections, Credit Policies, Sales & Marketing, Business Development, Client Servicing and Team Management across multiple companies including GE Money, HDFC Bank, BEBB India and Madura Micro Finance Ltd,. He has also held pan India roles in Risk, Internal Audit, Legal and collection .He has a strong technology background and track record in establishing credit systems, policies and process formulation for Internal Audit, Risk and Collection functions. He comes with a B.Sc. in Mathematics and an MBA from Madras University as well as a LLB (Bachelor of Law) degree from SV University.
6	Mr. S. Dhanasekaran	Chief Technology Officer.	He has 25 years of experience in Banking, IT & NBFC firms like Deutsche Bank, May Bank, ABN-AMRO, OCBC Bank, Shinsei Bank, Citi Bank in Singapore and HCL Tech in India. Prior to joining Belstar, he worked with Samunnati Finance as Head of Technology.He will be based at Chennai HO. He holds Bachelor's degree in Computer Science Engineering and master's degree in management (MBA)
7	Mr. Chandramouleeswaran	Internal Audit Head	Mr Chandramouleeswaran is a Chartered Accountant and comes with over 15 years of experience. His initial years were in wholesale banking division of ICICI Bank & Standard Chartered Bank as an analyst evaluating corporate debt proposals. He subsequently moved to Power sector and worked with PPN Power, Amararaja Power Systems and IL&FS Tamilnadu Power and handled F&A, treasury & direct taxation. He was involved in large fundraising and debt restructuring transactions and also handled complex tax assignments during his stint in the power industry. Prior to joining Belstar, he was heading finance at DataTracks (an IT product & services company). He currently heads the Internal Audit function at Belstar.

e) **Names, addresses, Director Identification Number (DIN) and occupations of the directors**:

S. No	Name of the Director	Designation	DIN	Address	Occupation
1	Dr. Kalpanaa Sankar	Managing Director	01926545	No. 2/226, Second street, Karpagambal Nagar, Kottivakkam, Chennai, Tamil Nadu,600041	Employment
2	Mr. B Balakumaran	Whole Time Director	09099182	No3/1135, G2,JKB Sri Arul flats Madha nagar,2nd main road, Madhananthapuram, Mugalivakkam Chennai - 600125	Employment
3	Mr. Vadakkakara Antony George	Independent Director	01493737	Flat T-3, Shireen no.2, Karpagam Avenue,R A Puram, Chennai, Tamil Nadu,600028	Employment
4	Mr Venkataraman Krishnamoorthy	Independent Director	02443410	No 4/18, Sri Sakthi Vijayalakshmi Nagar 1st Streetoff 100 Feet Bypass Road, Velacherrychennai-600042	Retired Banker
5	Mr. Chinnasamy Ganesan	Independent Director	07615862	Flat No.1, SPA Mount 99, LDG Road, Little Mount, Saidapet Chennai 600015	Professional
6	Mrs Rajeswari Karthigeyan	Independent Director	10051618	G406, Casagrand Bellissimo, Kannan Colony, Alandur, Chennai-600016	Professional
7	Mr. V A Prasanth	Independent Director	07583586	AG-1, “Navaratna”286 Anna Street Rajiv Gandhi Salai,Kottivakkam, Chennai,Tamil Nadu-600 0	Retired Banker
8	Mr. Kuttickattu Rajappan Bijimon	Investor Director	00023071	Kuttikattu House,36/943-B,East of lissie Hospital, journalist road, Ernakulam North, Ernakulam 682018	Employment
9	Mr. George Alexander	Investor Director	00018384	Muthoot House, G-343 Panampilly Nagar Ernakulam Kerala- 682036	Employment
10	Mr. George Muthoot Jacob	Investor Director	00018955	Muthoot House, H NO: TC 4/2515 Marappalam, Pattom .PO Trivandrum, Kerla -695004	Employment
11	Mr. Vijay Nallan Chakravarthi	Investor Director	08020248	2401,Planet Goderaj Tower-1, K.K Marg , Mahalaxmi Mumbai-400011	Employment
12	Mr. Siva Chidambaram Vadivel Alagan	Investor Director	08242283	HIG 1685, TNHB Layout, Avadi, Chennai 600054	Employment

f) **Management's perception of Risk Factors**

Please refer to Section 4 of the General Information Document for the risk factors in respect of the issuance of Debentures.

g) **Risks Related To The Business Of The Issuer**

Please refer to Section 4 of the General Information Document for the risk factors in respect of the issuance of Debentures.

g) **Details of defaults, if any, including the amounts involved, duration of default, and present status, in repayment of:**

(i) Statutory Dues: **NIL**
(ii) Debentures and interest thereon: **NIL**
(iii) Deposits and interest thereon: **NIL**
(iv) Loan from any bank or financial institution and interest thereon: **NIL**

h) **Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the private placement offer process:**

Name: Sunil Kumar Sahu
Designation: Company Secretary
Address: New No. 33, Old No. 14, 48th Street, 9th Avenue, Ashok Nagar, Chennai - 600083
Phone No.: +91 – 44-43414505
Email: sunilkumar.k@belstar.in

i) **Any default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder:** Nil

2. **Particulars of the Offer:**

Financial position of the Company for the last 3 (three) financial years	Please refer Annexure I of the General Information Document for the audited financial statements of the Issuer for the Financial Years ended March 31, 2022, March 31, 2023, and March 31, 2024
Date of passing of Board Resolution	Board resolution dated August 2, 2024 read with the resolution dated June 11, 2025 of the finance committee of the board of directors of the Issuer.
Date of passing of resolution in general meeting,	Special resolution dated September 13, 2024 of the shareholders of the Issuer under Section 180(1)(c) of the Companies Act, 2013.

Kind of securities offered (i.e., whether share or debenture) and class of security; the total number of shares or other securities to be issued	10,000 nos of senior, unsecured, rated, listed, redeemable, taxable, non-convertible debentures denominated in Indian Rupees, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 100,00,000 (Indian Rupees One Hundred Crore) including green-shoe option upto INR 50,00,00,000 (Indian Rupees Fifty Crore) ("Debentures" or "NCDs") on a private placement basis (the "Issue") for cash at par on a fully paid-up basis
Price at which the security is being offered, including premium if any, along with justification of the price	The Debentures are being offered at face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture. Not applicable as each Debenture is a non-convertible debt instrument which is being offered at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.
Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer	Not applicable as each Debenture is a non-convertible debt instrument which is being offered at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.
Relevant date with reference to which the price has been arrived at [*Relevant Date means a date at least 30 days prior to the date on which the general meeting of the Company is scheduled to be held*]	Not applicable as each Debenture is a non-convertible debt instrument which is being offered at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.
The class or classes of persons to whom the allotment is proposed to be made	This Issue, offer and subscription to the Debentures shall be conducted through the electronic book mechanism as prescribed by SEBI.
Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [*Not required in case of issue of non-convertible debentures*]	Not applicable as each Debenture is a non-convertible debt instrument which is being offered at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.
The proposed time within which the allotment shall be completed	The Debentures will be deemed to be allotted on June 17, 2025 ("**Deemed Date of Allotment**"), and the Company will ensure that the Debentures are credited into the demat accounts of the holders of the Debentures ("**Debenture Holders**") within the timelines prescribed under SEBI listing time lines requirements, each in accordance with the debenture trust deed ("**DTD**") to be entered into between the Company and the debenture trustee ("**Debenture Trustee**").
The names of the proposed allottees and the percentage of post private placement capital that may be held by them [*Not applicable in case of issue of non-convertible debentures*].	Not applicable as each Debenture is a non-convertible debt instrument which is being offered at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.
The change in control, if any, in the company that would occur consequent to the private placement	Not applicable as each Debenture is a non-convertible debt instrument.

<table>
<tr><td></td><td></td></tr>
<tr><td>The number of persons to whom allotment on preferential basis/ private placement/ rights issue has already been made during the year, in terms of securities as well as price</td><td>NIL</td></tr>
<tr><td>The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer</td><td>Not applicable as each Debenture is a non-convertible debt instrument which is being offered at a face value of INR 1,00,000 (Indian Rupees One Lakh) per Debenture.</td></tr>
<tr><td>Amount, which the Company intends to raise by way of securities</td><td>10,000 nos of senior, unsecured, rated, listed, redeemable, taxable, non-convertible debentures denominated in Indian Rupees, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 100,00,000 (Indian Rupees One Hundred Crore) including green-shoe option upto INR 50,00,00,000 (Indian Rupees Fifty Crore) ("Debentures" or "NCDs") on a private placement basis (the "Issue") for cash at par on a fully paid-up basis</td></tr>
<tr><td>Terms of raising of securities:</td><td>
<table>
<tr><td>Duration, if applicable:</td><td>24(twenty four) months from the Deemed Date of Allotment, i.e., until June 17,2027 ("Final Redemption Date"), subject to the terms of the DTD and the other related transaction documents ("Transaction Documents")</td></tr>
<tr><td>Rate of Interest</td><td>APPLICABLE DEFINITIONS

"Interest Rate" means 9.15% (ten percent) per annum.

INTEREST ON DEBENTURES

(a) Subject to any premature redemption of the Debentures in accordance with the provisions of the DTD, the interest on the Debentures shall accrue at the Interest Rate from the Deemed Date of Allotment until the Debentures are repaid in full and shall be payable by the Issuer to the relevant Debenture Holders in the manner determined herein on a semi-annual basis

(b) Without prejudice to the above, if the Debentures are prematurely redeemed and/or accelerated in accordance with the provisions of the DTD, the interest and all other amounts in respect of the Debentures shall be paid in accordance with the manner set out in the DTD</td></tr>
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<tr><td>Mode of payment</td><td>Please refer Section 9 of the KID for details of the manner of payment of the Application Money.</td></tr>
<tr><td>Mode of repayment</td><td>All interest, principal repayments, penal interest and other amounts, if any, payable by the Company to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders inform the Company in writing and which details are available with the registrar and transfer agent of the Issue.</td></tr>
</table></td></tr>
<tr><td>Proposed time schedule for which the private placement offer cum application letter is valid</td><td>Issue Opening Date: June 16,2025
Issue Closing Date: June 16,2025
Pay in Date: June 17 ,2025
Deemed Date of Allotment: June 17,2025</td></tr>
<tr><td>Purpose and objects of the offer</td><td>(a) The funds raised by the Issue shall be utilized by the Issuer for the following purposes ("Purpose"):

i. for general corporate purposes of the Issuer.
ii. for utilization in the ordinary course of business of the Issuer (including repayment/re-financing of any existing Financial Indebtedness of the Issuer); and
iii. for deployment in the business of the Issuer, and the growth of the asset book of the Issuer.
(b) The funds raised by the Issue shall be utilised by the Issuer solely for the Purpose and the Issuer shall not use the proceeds of the Issue towards:

iv. Any capital market instrument such as equity, debt, debt linked, and equity linked instruments or any other capital market related activities.
v. Any speculative purposes.
vi. Investment in the real estate sector, including the acquisition of land, and/or any other real estate business. The expression "real estate business" has the meaning given to it in the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019.
vii. Making any inter-corporate deposits to/in any subsidiary and/or associate Issuer.
viii. Providing any bill-discounting facilities.
ix. making repayment of any loans availed from its directors and/or Promoters.
x. in contravention of any Applicable Law (including but not limited to the NBFC Directions and the guidelines, rules or regulations of the RBI applicable to non-banking financial companies.</td></tr>
</table>

Contribution being made by the Promoters or directors either as part of the offer or separately in furtherance of the object	Nil
Principal terms of assets charged as security, if applicable	Not appliable as the Debentures are unsecured debt instruments.
The details of significant and material orders passed by the Regulators, Courts, and Tribunals impacting the going concern status of the Company and its future operations	No significant and material orders have been passed by any regulators, courts, and tribunals that impact the going concern status of the Company and its future operations

The pre-issue and post-issue shareholding pattern of the Company in the following format (on a fully diluted basis):

Sl.	Category	Pre-issue		Post- issue	
		No of shares held	**% of shares holding**	**No of shares held**	**% of shares holding**
A	**Promoters' Holding**				
1	**Indian**				
	Individual	9,166	0.02	9,166	0.02
	Bodies Corporate	4,01,88,687	73.28	4,01,88,687	73.28
	Sub Total	4,01,97,853		4,01,97,853	
2	Foreign Promoters	0		0	
	Sub-Total (A)	**4,01,97,853**	**73.29**	**4,01,97,853**	**73.29**
B	**Non-Promoters' Holding**				
1	Institutional Investors	0		0	
2	Non- Institutional Investors	0		0	
	Private Corporate Bodies	0		0	
	Directors and Relatives	0		0	
	Indian Public	0		0	
	Others (Including Non-Resident Indians (NRIs))	1,46,46,202	26.71	1,46,46,202	26.71
	Sub –Total (B)	**1,46,46,202**	**26.71**	**1,46,46,202**	**26.71**
	GRAND TOTAL	**5,48,44,055**	**100**	**5,48,44,055**	**100**

RBI Disclaimer	The Issuer has a valid certificate of registration dated December 11,2013 issued by the RBI under Section 45-IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Issuer or the correctness of any of the statements or representations made or opinion expressed by the Issuer and for repayment of deposits/discharge of liabilities by the Issuer.

3. **Mode of payment for subscription (Cheque/ Demand Draft/ other banking channels):**

Cheque	N.A
Demand Draft	N.A
Other banking channels – RTGS/NEFT	√

4. **Disclosure with regard to interest of directors, litigation, etc:**

Any financial or other material interest of the directors, promoters or key managerial personnel in the Issue and the effect of such interest in so far as it is different from the interests of other persons	The directors, promoters and key managerial personnel do not have any financial or other material interest in the offer/ issue.
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter of the Company during the last 3 (three) years immediately preceding the year of the circulation of this private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	Nil
Remuneration of directors (during the current year and last 3 (three) financial years)	

Sno	NAME OF THE DIRECTOR	REMUNERATION PAYABLE/PAID BY THE ISSUER			SHAREHOLDING/NO. OF SHARES IN THE ISSUER (ON A FULLY DILUTED BASIS)
		FY 2022-23	FY 2023-24	FY 2024-25	
1.	**V A George**	11,00,000	11,00,000	20,50,000	-
2.	**K Venkatraman**	11,70,000	14,00,000	24,50,000	-
3.	**Chinnasamy Ganesan**	10,40,000	14,50,000	20,00,000	-
4.	**Rajeswari Karthigeyan**	NA	2,00,000	18,50,000	
5.	**K R Bijimon**	9,80,000	13,00,000	18,50,000	-
6.	**George Alexander**	7,10,000	7,00,000	12,00,000	-

		7.	**George Muthoot Jacob**	6,90,000	9,50,000	9,50,000	-
		8.	**Vijay Nallan Chakravarthi**	6,60,000	10,50,000	13,00,000	-
		9.	**Kalpanaa Sankar**	1,47,33,250	2,42,50,000	21021600	0.02%
		10.	**B. Balakumaran**	32,75,000	41,53,750	4338407	-
		11.	**Siva Chidambaram Vadivel Alagan**	NA	NIL	NIL	-
Related party transactions entered during the last 3 (three) financial years immediately preceding the year of circulation of this private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided.	Annexure I of General Information Document						
Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of private placement offer cum application letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark	Nil						
Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years immediately preceding the year of issue of private placement offer cum application letter in the case of company and all of its subsidiaries, and if there were any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of the private placement offer cum application letter and if so,	Nil						

section-wise details thereof for the company and all of its subsidiaries;	
Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the Company	Nil

5. **Financial Position of the Company:**

The capital structure of the company in the following manner in a tabular form:

<table>
<tr><td>The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)</td><td>
<table>
<tr><th>Share Capital</th><th>Aggregate Nominal Value</th></tr>
<tr><td>Authorised</td><td></td></tr>
<tr><td>Authorised Capital</td><td></td></tr>
<tr><td>Equity Share Capital</td><td></td></tr>
<tr><td>10,00,00,000 Equity Shares of Rs. 10/-each</td><td>Rs. 100,00,00,000</td></tr>
<tr><td>TOTAL</td><td>Rs. 100,00,00,000</td></tr>
<tr><td></td><td></td></tr>
<tr><td>Issued, Subscribed and Paid-up Equity Capital</td><td></td></tr>
<tr><td>5,48,44,055 Equity Shares of Rs. 10/-each</td><td>Rs. 54,84,40,550</td></tr>
<tr><td>TOTAL</td><td>Rs. 54,84,40,550</td></tr>
</table>
</td></tr>
<tr><td>Size of the Present Issue</td><td>INR 100,00,000 (Indian Rupees One Hundred Crore) including green-shoe option upto INR 50,00,00,000 (Indian Rupees Fifty Crore)</td></tr>
<tr><td>Paid-up Capital:
a. After the offer:
b. After the conversion of Convertible Instruments (if applicable)</td><td>INR 54,84,40,550
Not applicable as each Debenture is a non-convertible debt instrument which is being offered at face value.</td></tr>
<tr><td>Share Premium Account:
a. Before the offer:

b. After the offer:</td><td>Rs 9,01,45,95,033

Rs 9,01,45,95,033

There will be no change to the share premium account as each Debenture is a non-convertible debt instrument which is being offered at face value.</td></tr>
</table>

Details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:

Date of allotment	Name of Shareholder	No. of equity shares issued	Face value (in Rs.)	Price at which issued (in Rs.)	Cumulative number of equity shares	Cumulative paid up share capital (in Cr)	Form of consideration
As at March 31, 2016					1,43,57,680	14,35,76,800	Cash
26.07.2016	M/s Muthoot Finance Limited	88,88,888	10	45	2,32,46,568	23,24,65,680	
17.03.2018	M/s Muthoot Finance Limited	14,00,000	10	50	2,46,46,568	24,64,65,680	
17.07.2018	M/s Muthoot Finance Limited	3243184	10	156.77	2,78,89,752	27,88,97,520	
16.08.2018	M/s Muthoot Finance Limited	956816	10		2,88,46,568	28,84,65,680	
29.08.2018	Maj Invest Financial Inclusion Fund II K/S	4146201	10		3,29,92,769	32,99,27,690	
24.12.2018	M/s Muthoot Finance Limited	4527755	10		3,75,20,524	37,52,05,240	
29.03.2022	M/s Muthoot Finance Limited	823530	10	340	38,344,054	38,34,40,540	
	Maj Invest Financial Inclusion Fund II K/S	647059	10	340	38,991,113	38,99,11,130	
	ARUM HOLDINGS LIMITED	6617647	10	340	45,608,760	45,60,87,600	
29.06.2022	AUGUSTA INVESTMENTS ZERO PTE LTD	2205883	10	340	2,20,58,830	47,81,46,430	

	ARUM HOLDINGS LIMITED	1029412	10	340	1,02,94,120	48,84,40,550	
20.03.2024	M/s Muthoot Finance Limited	6000000	10	500	6,00,00,000	54,84,40,550	

Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the private placement offer cum application letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case:

NUMBER OF SECURITIES ALLOTTED	TYPE OF SECURITIES ALLOTTED	FACE VALUE OF EACH SECURITY (IN INR)	AGGREGATE VALUE OF SECURITIES (IN INR)	PREFERENTIAL BASIS / PRIVATE PLACEMENT/ RIGHTS ISSUE	FORM OF CONSIDERATION
NIL					

Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter

Year	FY 2022-23	FY 2023-24	FY2024-25
Profit before tax Rs (in crores)	169.31	441..85	50.88
Profit after tax (Rs in crores)	130.32	339.85	46.34

Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)

Particular	FY 2022-23	FY 2023-24	FY2024-25
Dividends Declared (Rs in crores)	2.93	4.11	_
Interest Coverage ratio	NA	NA	NA

A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this private placement offer cum application letter	Please refer Annexure I of General Information Document
Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this private placement offer cum application letter	Please refer Annexure I of General Information Document
Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company	Nil

PART B
(To be filed by the Applicant)

(i) **Name:**

(ii) **Father's name:**

(iii) **Complete Address:**

(including Flat / House Number, Street, Locality, Pin Code)

(iv) **Phone number; if any:**

(v) **Email ID, if any:**

(vi) **PAN Number:**

(vii) **Bank Account details:**

(viii) **Tick whichever is applicable:**

(a) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares.-☐ ;

(b) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith.- ☐ .

_____

Signature

_____

Initial of the Officer of the Company designated to keep the record

6. DECLARATION

A. The Company has complied with the provisions of the Companies Act, 2013 and the rules made hereunder.

B. The compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of the Debentures, if applicable, is guaranteed by the Central Government.

C. The monies received under the Offer shall be used only for the purposes and objects indicated in this private placement offer cum application letter.

I am authorized by the Board of Directors of the Company *vide* resolution dated August 2, 2024 read with the resolution dated September 15, 2023 of the finance committee of the board of directors of the Issuer to sign this private placement offer cum application letter and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this private placement offer cum application letter and in the attachments thereto is true, correct and complete and no information material to the subject matter of the private placement offer cum application letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this private placement offer cum application letter.

For **BELSTAR MICROFINANCE LIMITED**



Authorised Signatory
Name: Mr Sunil Kumar Sahu
Title: Company Secretary
Date: June 16, 2025
Place: Chennai, India