

**B. K. KHARE & Co.**  
CHARTERED ACCOUNTANTS

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Independent Auditor's Review report on quarterly and year to date unaudited financial results of Vistaar Financial Services Private Limited pursuant to the Regulation 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To  
The Board of Directors of  
Vistaar Financial Services Private Limited

**INTRODUCTION**

We have reviewed the accompanying Statement of unaudited financial results of Vistaar Financial Services Private Limited (the 'Company') for the quarter and six months ended September 30, 2023 ('the Statement').

The Statement, which is the responsibility of the Company's management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our review.

**SCOPE OF REVIEW**

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

**CONCLUSION**

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B. K. Khare & Co  
Chartered Accountants  
Firm Registration Number – 105102W



Karthik Srinivasan  
Partner  
Membership No. 215782  
UDIN: 23215782BQZGQV5976  
Place: Bangalore  
Date: November 09, 2023



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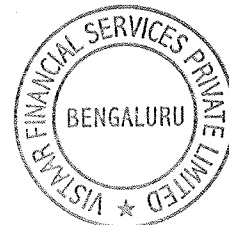
**Vistaar Financial Services Private Limited**
**Statement of assets and liabilities as at September 30, 2023**

CIN - U67120KA1991PTC059126

Plot No 59 &amp; 60 - 23, 22nd Cross, 29th Main, BTM Layout, 2nd Stage, Bengaluru – 560076

(All amounts in ₹ lakhs unless otherwise stated)

SI No	Particulars	As at	As at
		30 September 2023	31 March 2023
		Unaudited	Audited
	<b>ASSETS</b>		
<b>1</b>	<b>Financial assets</b>		
(a)	Cash and cash equivalents	17,774	25,257
(b)	Bank balances other than (a) above	7,756	5,794
(c)	Derivative financial instruments	1,778	2,106
(d)	Loans	3,20,723	2,93,052
(e)	Investments	7,276	-
(e)	Other financial assets	3,357	3,014
		<b>3,58,664</b>	<b>3,29,223</b>
<b>2</b>	<b>Non-financial assets</b>		
(a)	Current tax assets (net)	2,604	2,293
(b)	Deferred tax assets (net)	2,012	1,858
(c)	Property, plant and equipment	528	553
(d)	Right of use asset	909	914
(e)	Intangible asset under development	40	5
(f)	Other intangible assets	209	252
(g)	Other non-financial assets	3,107	1,956
		<b>9,409</b>	<b>7,831</b>
	<b>Total assets</b>	<b>3,68,073</b>	<b>3,37,054</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
<b>1</b>	<b>Financial liabilities</b>		
(a)	Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	22	7
	(ii) total outstanding dues other than micro enterprises and small enterprises	37	83
(b)	Debt securities	2,188	14,692
(c)	Borrowings (other than debt securities)	2,31,020	2,25,801
(d)	Other financial liabilities	4,057	5,364
		<b>2,37,324</b>	<b>2,45,947</b>
<b>2</b>	<b>Non-financial liabilities</b>		
(a)	Provisions	2,012	1,887
(b)	Other non-financial liabilities	712	710
		<b>2,724</b>	<b>2,597</b>
<b>3</b>	<b>Equity</b>		
(a)	Equity share capital	7,994	6,762
(b)	Other equity	1,20,031	81,748
	<b>Total equity</b>	<b>1,28,025</b>	<b>88,510</b>
	<b>Total liabilities and equity</b>	<b>3,68,073</b>	<b>3,37,054</b>



Corporate &amp; Registered Office:

Vistaar Financial Services Private Limited, Plot No. 59 &amp; 60 - 23, 22nd Cross, 29th Main, BTM Layout, 2nd Stage, Bengaluru - 560076, Karnataka, India

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**Vistaar Financial Services Private Limited**
**Statement of unaudited financial results for the quarter and half year ended 30 September 2023**

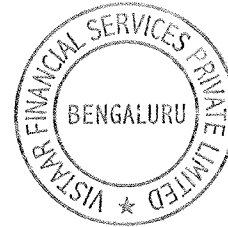
CIN - U67120KA1991PTC059126

Plot No 59 &amp; 60 - 23, 22nd Cross, 29th Main, BTM Layout, 2nd Stage, Bengaluru - 560076

(All amounts in ₹ lakhs unless otherwise stated)

SI No	Particulars	Quarter ended	Quarter ended	Quarter ended	Six months ended	Six months ended	Year ended
		30 Sept 2023	30 June 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022	31 March 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Revenue from operations</b>						
	Interest income	14,789	14,027	11,865	28,816	23,203	48,143
	Fees and commission income	775	688	553	1,463	1,062	2,354
	Net gain on fair value changes	305	320	122	625	185	526
	Net gain on derecognition of financial instruments	224	1,419	2,271	1,643	2,388	2,837
	<b>Total revenue from operations</b>	<b>16,093</b>	<b>16,454</b>	<b>14,811</b>	<b>32,547</b>	<b>26,838</b>	<b>53,860</b>
2	Other income	8	9	6	17	12	30
3	<b>Total income (1+2)</b>	<b>16,101</b>	<b>16,463</b>	<b>14,817</b>	<b>32,564</b>	<b>26,850</b>	<b>53,890</b>
4	<b>Expenses</b>						
	Finance costs	5,828	6,256	4,875	12,084	9,451	20,161
	Fee and commission expense	197	214	158	411	353	737
	Impairment of financial instruments	946	877	504	1,823	1,440	2,963
	Employee benefits expense	4,127	3,845	3,449	7,972	6,569	13,330
	Depreciation and amortisation expense	238	227	198	465	372	782
	Other expenses	622	804	578	1,426	1,161	2,424
	<b>Total expenses</b>	<b>11,958</b>	<b>12,223</b>	<b>9,762</b>	<b>24,181</b>	<b>19,347</b>	<b>40,397</b>
5	<b>Profit before tax for the period / year (3-4)</b>	<b>4,143</b>	<b>4,240</b>	<b>5,055</b>	<b>8,383</b>	<b>7,503</b>	<b>13,493</b>
6	<b>Tax expense</b>						
	Prior year taxes	-	-	(0)	-	21	47
	Current tax	1,163	1,125	1,592	2,288	2,346	3,816
	Deferred tax (credit)/ expense	(90)	10	(341)	(80)	(476)	(373)
	<b>Total tax expense</b>	<b>1,073</b>	<b>1,135</b>	<b>1,251</b>	<b>2,208</b>	<b>1,891</b>	<b>3,490</b>
7	<b>Profit after tax for the period / year (5-6)</b>	<b>3,070</b>	<b>3,105</b>	<b>3,804</b>	<b>6,175</b>	<b>5,612</b>	<b>10,003</b>
8	<b>Other comprehensive income/ (loss)</b>						
	(i) Items that will not be reclassified to profit or loss	(59)	-	(41)	(59)	(41)	(17)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	15	-	10	15	10	4
	(iii) Items that will be reclassified to profit or loss	11	(246)	228	(235)	216	92
	(iv) Income tax relating to items that will be reclassified to profit or loss	(3)	62	(57)	59	(54)	(23)
	<b>Total other comprehensive income/ (loss), net of tax</b>	<b>(36)</b>	<b>(184)</b>	<b>140</b>	<b>(220)</b>	<b>131</b>	<b>56</b>
9	<b>Total comprehensive income for the period / year (7+8)</b>	<b>3,034</b>	<b>2,921</b>	<b>3,944</b>	<b>5,955</b>	<b>5,743</b>	<b>10,059</b>
10	Paid-up equity share capital (face value of ₹ 10 each)	7,894	7,894	799	7,894	799	799
11	<b>Earnings per share (not annualised for the quarter)</b>						
	Basic (₹)	3.91	4.19	5.53	7.97	8.16	14.54
	Diluted (₹)	3.77	4.03	5.48	7.67	8.08	14.40
	Face value per share (₹)	10	10	10	10	10	10

See accompanying notes to the financial results



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**Notes:**

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors of Vistaar Financial Services Private Limited ('the Company') at their meetings held on 07 November 2023 and 09 November 2023 respectively.
- The statement of unaudited financial results has been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and also read with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and circular no CIR/IMD/DFI/69/2016 dated 10th August, 2016 and other accounting principles generally accepted in India.
- As per the terms of Information Memorandum, the Non Convertible Debentures issued are adequately secured during the period by first pari passu mortgage and charge over identified book debts. The asset cover ratio as on September 30, 2023 is as follows;

ISIN	Scrip Code	Maturity	Secured by way of	Amount (Rs Lakhs)	Asset Cover
INE016P07187	973892	30-Mar-26	Exclusive first charge via deed of hypothecation over specific standard asset portfolio of receivables	2,407	110%

- Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 are given below.

	No. of accounts restructured	Amount (Rs. Lakhs)
March 31, 2023	549	3,752
September 30, 2023	413	2,670

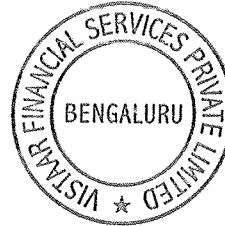
The balances represent amounts outstanding as at March 31, 2023 and September 30, 2023.

- The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.  
  
The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- The Company is primarily engaged in the business of financing and as such no separate information is required to be furnished in terms of Ind AS 108 "Operating segments" specified under section 133 of the Companies Act, 2013.
- During the half year ended September 30, 2023, the Company has converted 3,300,000 Class A CCPS of Rs. 1 each into 330,000 Class A CCPS of Rs. 10 each. Additionally, the Company has issued 2,665,469 Class B CCPS of Rs. 10 each which are partly paid up and 11,632,134 fully paid up equity shares. In respect of the above, the Company has received an amount of Rs. 32,790 lakhs from the shareholders.
- The comparative figures have been regrouped/ reclassified where ever necessary to confirm to the current financial period figures.

For and on behalf of the Board of Directors

  
Avijit Saha  
Managing Director, CEO  
DIN : 05102009

Bengaluru  
Date: 09 November 2023



Corporate & Registered Office:

**Vistaar Financial Services Private Limited**
**Statement of cash flows for the half year ended 30 September 2023**

CIN - U67120KA1991PTC059126

Plot No 59 &amp; 60 - 23, 22nd Cross, 29th Main, BTM Layout, 2nd Stage, Bengaluru – 560076

(All amounts in ₹ lakhs unless otherwise stated)

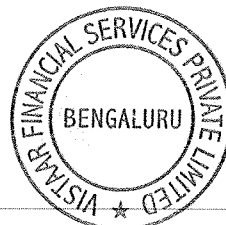
Particulars	Half year ended 30 Sept 2023	Half year ended 30 Sept 2022
<b>Cash flows from operating activities</b>		
Profit before tax	8,383	7,503
<b>Adjustments for:</b>		
Depreciation and amortisation expense	465	372
Impairment of loans	1,371	1,097
Loan assets written-off	70	(47)
Share-based payments to employees	296	128
Profit on sale of investments in mutual funds	(625)	(185)
Profit on sale of property, plant and equipment	(7)	(3)
Interest income on fixed deposits	(457)	(460)
Interest expense on lease liabilities	79	48
<b>Operating profit before working capital changes</b>	<b>9,575</b>	<b>8,453</b>
<b>Adjustment for change in working capital:</b>		
Decrease / (increase) in loans to Small Businesses		
(Increase) / decrease in loans	(29,112)	(19,143)
(Increase) / decrease in other assets	(1,491)	(1,811)
Increase / (decrease) in other liabilities and provisions	(93)	585
<b>Cash used in operating activities</b>	<b>(21,121)</b>	<b>(11,916)</b>
Income tax paid, net of refunds	(2,599)	(2,184)
<b>Net cash (used in) / generated from operating activities</b>	<b>(A) (23,720)</b>	<b>(14,100)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (net of changes in capital work in progress)	(236)	(547)
Proceeds from sale of property, plant and equipment	7	17
Purchase of investments in mutual funds	(1,01,170)	(80,421)
Proceeds from sale of investments in mutual funds	94,519	77,608
Investment in fixed deposit, (net)	(1,506)	3,429
<b>Net cash (used in) / generated from investing activities</b>	<b>(B) (8,386)</b>	<b>87</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares including securities premium, (net)	32,789	(127)
Debenture issue cost	(118)	(4)
Recovery of loan given to Trust	592	-
<b>Proceeds from term loans</b>		
Proceeds of loan availed from banks	45,043	41,032
Proceeds of loan availed from others	3,500	6,600
<b>Repayment of term loans</b>		
Repayment of loan availed from banks	(35,808)	(26,780)
Repayment of loan availed from others	(4,045)	(5,237)
Repayment of loan availed from External commercial borrowings	(12,504)	(2,794)
Repayment of loan availed from non-convertible debentures	(2,794)	(1,854)
Proceeds of short-term borrowings, (net)	-	1,075
Principal payment of lease liabilities	(270)	(117)
<b>Net cash generated from financing activities</b>	<b>(C) 26,385</b>	<b>11,794</b>
<b>Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)</b>	<b>(5,721)</b>	<b>(2,218)</b>
Cash and cash equivalents at the beginning of the year/ period	23,000	28,422
<b>Cash and cash equivalents at the end of the year (Refer note 1)</b>	<b>17,279</b>	<b>26,204</b>

**Note 1:** Cash and cash equivalents is net of overdrafts of Rs. 495 lakhs (Sept 2022 Rs. 819 lakhs)

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

This is the Statement of Cash Flows referred to in our report of even date.

 For and on behalf of the Board of Directors  
**Vistaar Financial Services Private Limited**

**Avijit Saha**  
 Managing Director, CEO  
 DIN : 05102009


Place: Bengaluru

Date: 09 November 2023 Office:

Disclosures under Regulation 52(4), 54(2) and 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

1 Extent and nature of security created and maintained in case of secured non convertible debt securities

ISIN	Scrip Code	Maturity	Secured by way of	Amount (Rs Lakhs)	Asset Cover
INE016P07187	973892	30-Mar-26	Exclusive first charge via deed of hypothecation over specific standard asset portfolio of receivables	2,407	110%

2 Total comprehensive income for the half year ended 30 September 2023 - ₹ 5,955 lakhs

3 Ratios

Ratios that are relevant to the Company's line of business are disclosed as follows:

Particulars	Sept '23	Sept '22	Mar'23 (YTD)	Remarks
Debt-Equity ratio	1.82	2.43	2.72	
Total debts to total assets ratio	0.64	0.70	0.72	
Net profit margin	19.0%	20.9%	18.6%	Refer Note 1 & 2
Capital redemption reserve	Nil	Nil	Nil	
Debenture Redemption Reserve (DRR)	Nil	Nil	Nil	
Net profit after tax (Rs Lakhs)	6,175	5,612	10,003	Refer Note 1
Net worth (Rs Lakhs)	1,28,025	84,226	88,510	
Earnings per share (YTD)				
Basic (Not annualised)	7.97	5.53	14.54	Refer Note 1
Diluted (Not annualised)	7.67	5.48	14.40	Refer Note 1
Debt Service Coverage Ratio	0.81	1.00	0.91	
Interest Service Coverage Ratio	1.69	1.79	1.67	
Ratios that are not applicable				
Long term debt to working capital	NA	NA	NA	
Current liability ratio	NA	NA	NA	
Debtors turnover ratio	NA	NA	NA	
Inventory turnover ratio	NA	NA	NA	
Current ratio	NA	NA	NA	
Outstanding redeemable preference shares	NA	NA	NA	
Sector specific ratios				
Gross NPA Ratio (Bad debts to accounts receivable ratio)	3.20%	3.03%	3.74%	Refer Note 4
Net NPA Ratio	1.69%	2.02%	2.42%	Refer Note 4
Capital adequacy ratio	34.96%	28.83%	26.38%	
Net interest margin on loan assets (Operating margin percentage) (Annualised)	10.7%	11.4%	10.5%	Refer Note 1 & 5
Return on average assets (Annualised)	3.9%	4.7%	3.8%	Refer Note 1 & 5

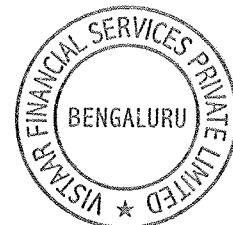
Note:

- Ratios computed on YTD basis.
- Computed based on profit after tax.
- No DRR is required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of the Companies (Share Capital and Debenture) Rules, 2014.
- Gross NPA and Net NPA have been computed in accordance requirements of the circular RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021 in respect of the above classification requirement. In respect of September 2022, the Gross NPA and Net NPA ratios are computed based on erstwhile days pending due basis. The Gross NPA and Net NPA percentages for September 2022 in accordance with the current applicable regulations would be 4.80% and 3.29%.
- Average assets for the purpose of the ratio is annual average of closing assets under management (AUM).

For and on behalf of the Board of Directors

*Avijit Saha*  
Avijit Saha  
Managing Director, CEO  
DIN : 05102009

Place: Bangalore  
Date: 09 November 2023



Corporate & Registered Office: