

## Varthana Finance Private Limited

CIN: U65923KA1984PTC096528

Reg Office: Varasiddhi, 3rd Floor, No. 5BC-110 Service Road, 3rd Block, HRBR Layout, Bengaluru, Karnataka, India 560 043

## Financial Results for the Quarter and Half year ended 30 September 2025

(All amounts in ₹ lakhs unless otherwise stated)

SI No	Particulars	Quarter year ended			Half year ended		Year ended
		30-Sep-25	30-Jun-25	30-Sep-24	30-Sep-25	30-Sep-24	31-Mar-25
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Revenue from operations</b>						
	Interest income	8,914	8,466	6,846	17,380	12,758	28,340
	Fees and commission income	460	257	250	717	393	1,104
	Net gain on fair value changes	222	43	235	265	443	669
	Net gain on security receipts	-	39	-	39	-	174
	Net gain on derecognition of financial instruments under amortised cost category #	255	536	-	791	-	866
	Bad debt recoveries	253	171	441	424	633	1,121
	Other operating income	53	94	105	147	161	274
	<b>Total Revenue from operations</b>	<b>10,157</b>	<b>9,606</b>	<b>7,877</b>	<b>19,763</b>	<b>14,388</b>	<b>32,548</b>
2	Other income	2	3	5	5	10	21
3	<b>Total revenue (1+2)</b>	<b>10,159</b>	<b>9,609</b>	<b>7,882</b>	<b>19,768</b>	<b>14,398</b>	<b>32,569</b>
4	<b>Expenses</b>						
	Finance costs	5,639	5,265	3,957	10,904	7,400	16,411
	Impairment on financial instruments	643	1,840	391	2,483	824	1,858
	Employee benefit expense	1,990	2,150	1,964	4,140	3,629	7,493
	Depreciation and amortisation expense	136	134	111	270	223	501
	Other expenses	835	772	865	1,607	1,547	3,139
	<b>Total expenses</b>	<b>9,243</b>	<b>10,161</b>	<b>7,288</b>	<b>19,404</b>	<b>13,623</b>	<b>29,402</b>
5	<b>Profit before tax for the period/ year (3-4)</b>	<b>916</b>	<b>(552)</b>	<b>594</b>	<b>364</b>	<b>775</b>	<b>3,167</b>
6	<b>Tax expense</b>						
	Current tax	4	0	227	4	407	945
	Deferred tax expense/ (credit)	227	(140)	(77)	87	(212)	(144)
	<b>Total tax expenses</b>	<b>231</b>	<b>(140)</b>	<b>150</b>	<b>91</b>	<b>195</b>	<b>801</b>
7	<b>Profit after tax for the period/ year (5-6)</b>	<b>685</b>	<b>(412)</b>	<b>444</b>	<b>273</b>	<b>580</b>	<b>2,366</b>
8	<b>Other comprehensive income</b>						
	(i) Items that will not be reclassified to profit or loss	(3)	(4)	(52)	(7)	(52)	(17)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1	1	13	2	13	4
	(iii) Items that will be reclassified to profit or loss	201	(144)	(55)	57	(157)	(290)
	(iv) Income tax relating to items that will be reclassified to profit or loss	(50)	36	14	(14)	40	73
	<b>Total other comprehensive income, net of tax</b>	<b>149</b>	<b>(111)</b>	<b>(80)</b>	<b>38</b>	<b>(156)</b>	<b>(230)</b>
9	<b>Total comprehensive income for the year</b>	<b>834</b>	<b>(523)</b>	<b>364</b>	<b>311</b>	<b>424</b>	<b>2,136</b>
10	Paid-up Equity Share Capital (Face Value of Rs. 100 each)	38	38	38	38	38	38
11	Other equity						55,870
12	<b>Earnings per share (not annualised)</b>						
	Basic (₹)	245.66	(147.99)	159.46	97.67	207.99	849.02
	Diluted (₹) (Refer Note 10)	245.65	(147.99)	159.44	97.66	207.96	848.91

See accompanying notes to the financial results.

# Net gain on derecognition of financial instruments under amortised cost category represents Rs. 791 lakhs of Direct assignment upfront income (net of reversal of Rs. 271 lakhs on account of prepayment of loans) for half year ended 30 September 2025 and Rs. 866 lakhs for year ended 31 March 2025.



## Registered Office:

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INDIA  
2023

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Financial Results for the Quarter and Half Year ended 30 September 2025

Statement of assets and liabilities as at 30 September 2025

(All amounts in ₹ lakhs unless otherwise stated)

SI No	Particulars	Half year ended	Year ended
		30-Sep-25	31-Mar-25
		Unaudited	Audited
	<b>ASSETS</b>		
<b>1</b>	<b>Financial Assets</b>		
(a)	Cash and cash equivalents	27,593	26,741
(b)	Bank balances other than (a) above	2,616	12,465
(c)	Derivative financial instruments	1,655	
(d)	Loans	1,85,083	1,80,557
(e)	Investments	5,728	6,029
(f)	Other financial assets	1,463	954
		<b>2,24,138</b>	<b>2,26,746</b>
<b>2</b>	<b>Non-financial assets</b>		
(a)	Current tax assets (net)	558	406
(b)	Deferred tax assets (net)	2,285	2,385
(c)	Property, plant and equipment	451	538
(d)	Intangible assets	590	718
(e)	Intangible assets under development	212	47
(f)	Other non-financial assets	1,492	1,142
		<b>5,588</b>	<b>5,236</b>
	<b>Total assets</b>	<b>2,29,726</b>	<b>2,31,982</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
<b>1</b>	<b>Financial liabilities</b>		
(a)	Trade payables	6	2
	-Total outstanding dues of micro enterprises and small enterprises		
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	531	607
(b)	Derivative financial instruments		23
(c)	Debt securities	38,543	38,012
(d)	Borrowings (other than debt securities)	1,31,897	1,34,680
(e)	Other financial liabilities	513	1,103
		<b>1,71,490</b>	<b>1,74,427</b>
<b>2</b>	<b>Non-financial liabilities</b>		
(a)	Provisions	718	643
(b)	Other non-financial liabilities	1,216	1,004
		<b>1,934</b>	<b>1,647</b>
<b>3</b>	<b>Equity</b>		
(a)	Equity share capital	38	38
(b)	Other equity	56,264	55,870
		<b>56,302</b>	<b>55,908</b>
	<b>Total liabilities and equity</b>	<b>2,29,726</b>	<b>2,31,982</b>

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Financial Results for the Half year ended 30 September 2025

## Cash Flow Statement for the Half year ended 30 September 2025

(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	Half year ended	Half year ended	Year ended
	30-Sep- 25 Unaudited	30-Sep- 24 Unaudited	31-Mar-25 Audited
<b>Cash flow from operating activities</b>			
Profit before tax	364	774	3,167
Adjustment for:			
Interest income	(17,380)	(12,758)	(28,340)
Depreciation and amortisation expenses	270	223	501
Employee stock option plan expense	84	12	21
Impairment on financial instruments	2,483	824	1,858
Gain on redemption of investment in security receipts	(39)	-	(174)
Profit on sale of investments in mutual funds	(265)	(443)	(669)
Net gain on derecognition of financial instruments under amortised cost category	(791)	-	(866)
Provision for employee benefits	141	123	185
Finance Cost	10,904	7,400	16,411
Net gain on amortisation of processing fees and financial assets	(285)	650	593
Interest accrued on non-performing assets	(84)	49	76
	(4,598)	(3,145)	(7,237)
Cash flow from interest on loans	15,624	12,550	27,199
Cash outflow towards finance cost	(10,355)	(6,383)	(14,760)
<b>Operating profit before working capital changes</b>	<b>671</b>	<b>3,022</b>	<b>5,202</b>
<b>Changes in working capital:</b>			
Increase/(decrease) in other financial liabilities	(590)	(484)	(273)
Increase/(decrease) in other non financial liabilities	140	178	79
Increase/ (decrease) in other payables	(73)	(239)	(45)
(Increase)/ decrease in loans and advances	(4,744)	(25,686)	(59,204)
(Increase)/ decrease in Investment in security receipts	301	905	1,548
(Increase)/ decrease in other financial assets	226	(41)	17
(Increase)/ decrease in other non financial assets	(350)	(204)	(425)
(Increase)/ decrease in margin money deposit (net)	9,850	(211)	(9,749)
<b>Cash Used from operations</b>	<b>5,431</b>	<b>(22,760)</b>	<b>(62,850)</b>
Income taxes paid (net of refunds)	(156)	(289)	(1,276)
<b>Net cash flow used from operating activities (A)</b>	<b>5,275</b>	<b>(23,049)</b>	<b>(64,126)</b>
<b>Cash flows from investing activities</b>			
Purchase of Property, plant and equipment	(220)	(232)	(628)
Sale proceeds from Property, plant and equipment	-	-	4
Purchase of investment	(75,057)	(65,687)	(1,27,683)
Proceeds from sale of investments in mutual funds	75,361	59,407	1,28,352
<b>Net cash flow generated from investing activities (B)</b>	<b>84</b>	<b>(6,512)</b>	<b>45</b>
<b>Cash flows from financing activities</b>			
Lease payments	(99)	(111)	(219)
Long-term borrowings availed	33,977	39,216	1,22,489
Long-term borrowings Repaid	(38,385)	(25,978)	(58,668)
<b>Net cash flow generated from/ (used in) financing activities (C)</b>	<b>(4,507)</b>	<b>13,127</b>	<b>63,602</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A + B + C)</b>	<b>852</b>	<b>(16,434)</b>	<b>(479)</b>
Cash and cash equivalents at the beginning of the period	26,741	27,272	27,220
<b>Cash and cash equivalents at the end of the period</b>	<b>27,593</b>	<b>10,838</b>	<b>26,741</b>
<b>Components of cash and cash equivalents</b>			
Cash in hand ₹ 5,428 (2025: ₹ 19,829)	0	0	0
Balances with banks in current and deposit accounts	27,593	10,838	26,741
<b>Total cash and cash equivalents</b>	<b>27,593</b>	<b>10,838</b>	<b>26,741</b>

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## Financial Results for the Quarter and Half year ended 30 September 2025

## Notes

3 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11 November 2025 and 12 November 2025 respectively and are subjected to limited review by the Statutory Auditors of the Company. An unqualified report was issued by them thereon.

4 These financial results have been prepared in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations, 2015') and the recognition and measurement principles as laid down under Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") of the Indian Accounting Standards (Ind-AS) as notified under Section 133 of the the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015. Further, guidance/clarifications/ directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/ applicable.

5 Disclosure as per the format prescribed as per the notification no. RBI/2021-22/32DOR.STR.REC.12/21.04.048/2021-22 dated 05 May 2021 on "Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)" having exposure less than or equal to ₹25 crores for the year ended 30 September 2025.

Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at 31 March 2025(A)	Of (A), aggregate debt that has moved to standard normal advance during the year ended 30 September 2025	Of (A), amount written off during the year ended 30 September 2025	Of (A) amount paid by the borrowers during the year ended 30 September 2025	Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at 30 September 2025
2,648	0	198	774	1,676

6 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.

7 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The total impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at 30 September 2025 and accordingly, no amount is required to be transferred to impairment reserve.

8 With respect to some of the lenders there are few deviations as regards certain lending covenants. The management is in process of obtaining formal waiver from the respective lenders.

9 With respect to certain student loans disbursed in the earlier years with aggregate outstanding value of Rs 29.82 crores, there have been instances of delays in collection on account of various reasons including non-fulfilment of commitments by the training institute. The management is actively working to address these matters and have agreed upon a resolution plan with training institute. Considering the proactive steps taken by the management and the provision already made as per the ECL model, no further provision is required at this stage.

10 The impact of Employee Stock Option Plan (ESOP) on EPS for quarter ended 30th June 2025 would be anti-dilutive and hence not considered for calculation of diluted EPS. However, for the quarter and half year ended 30th September 2025, quarter and half year ended 30th September 2024 and year ended 31st March 2025, the company was having profit and hence impact of ESOP was considered while calculating diluted EPS.

11 The figures for the quarter ended September 30, 2024 are the balancing figures between reviewed figures for the half year ended September 30, 2024 and management certified figures for the quarter ended June 30, 2024.

12 Previous period/ year figures have been regrouped/ rearranged wherever necessary to confirm to the current period/ year figures.

13 Other disclosures

(i) Pursuant to Regulation 52(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, we hereby confirm that issue proceeds of Non-Convertible Debentures (NCDs) issued by the Company have been utilised as per the objects stated in the offer document as on 30 September 2025. Further, we also confirm that there have been no deviations in the use of proceeds of issue of NCDs from the objects stated in the offer document.

(ii) Pursuant to Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, we would like to state that all secured & redeemable listed debt securities issued by the Company and outstanding as on 30 September 2025 are fully secured by first charge / paripassu charge, as the case may be, on the present & future receivables, book debts, loans and other financial assets. Accordingly, the Company is maintaining asset cover of 1 x or such higher asset cover required as per the terms of offer document/Information Memorandum.



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## Financial Results for the Quarter and Half year ended 30 September 2025

(iii) Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015

Additional Information	Quarter ended 30-Sep-25 Unaudited	Half year ended 30-Sep-25 Unaudited	Year ended 31-Mar-25 Audited
	3.02	3.02	3.08
Debt-equity Ratio (Refer note 1 below)	3.02	3.02	3.08
Net worth (Rs.in Lakhs) (Refer note 2 below)	54,017	54,017	53,522
Debt Service Coverage Ratio (Refer note 3 below)	NA	NA	NA
Interest Service Coverage Ratio (Refer note 3 below)	NA	NA	NA
Outstanding redeemable preference shares (no.of shares)	NA	NA	NA
Outstanding redeemable preference shares (including dividend accrued but not due) (Rs.in Millions) (Face Value of ₹ 100/- each)	NA	NA	NA
Capital redemption reserve (Rs.in Lakhs)	NIL	NIL	NIL
Debenture redemption reserve	NA	NA	NA
Net profit after tax (Rs.in Lakhs)	685	273	2,366
Earnings Per Share (₹) (Face Value of ₹ 100/- each)	245.66	97.67	849.02
- Basic	245.65	97.66	848.91
- Diluted	74.11%	74.11%	74.33%
Total debt to Total assets (%) (Refer note 4 below)	6.75%	1.38%	7.26%
Net profit margin (%) (Refer note 5 below)	27.16%	27.16%	28.53%
Sector specific relevant ratios :			
(a) CRAR (%)	2.46%	2.46%	1.94%
(b) Gross Stage 3 asset (%)	1.38%	1.38%	0.93%
(c) Net Stage 3 asset (%)			

1. Debt- Equity Ratio = (Debt securities + Borrowings other than Debt securities )/ Equity
2. Net worth = Total Equity - Deferred tax assets
3. The Company being an NBFC, this disclosure is not applicable pursuant to Regulation 52(4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015.
4. Total debt to Total Assets = (Debt securities + Borrowings other than Debt securities )/ Total Assets
5. Net profit margin = Net Profit after tax for the period / Total Income
6. Current ratio, Long term debt to working capital, Bad Debts to account receivables ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin (%) are not applicable

For and on behalf of the Board of Directors of  
Varthana Finance Private Limited

  
Brajesh Kumar Mishra  
Director  
DIN: 02292429  
Place:Bengaluru  
Date: 12 November 2025



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