

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 Nine months ended 31 December 2025

(All amounts in ₹ lakhs unless otherwise stated)

SI No	Particulars	Quarter year ended			Nine months ended		Year ended
		31-Dec-25	30-Sep-25	31-Dec-24	31-Dec-25	31-Dec-24	31-Mar-25
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations						
	Interest income	8,714	8,914	7,423	26,093	20,169	28,340
	Fees and commission income	706	460	342	1,424	735	1,104
	Net gain on fair value changes	200	222	151	465	594	669
	Net gain on security receipts	256	-	-	295	-	174
	Net gain on derecognition of financial instruments under amortised cost category #	309	255	-	1,100	-	866
	Bad debt recoveries	326	253	107	751	740	1,121
	Other operating income	69	53	54	215	227	274
	Total Revenue from operations	10,580	10,157	8,077	30,343	22,465	32,548
2	Other income	4	2	6	9	16	21
3	Total revenue (1+2)	10,584	10,159	8,083	30,352	22,481	32,569
4	Expenses						
	Finance costs	5,260	5,639	4,375	16,163	11,775	16,411
	Impairment on financial instruments	1,376	643	714	3,859	1,537	1,858
	Employee benefit expense	2,078	1,990	1,891	6,218	5,521	7,493
	Depreciation and amortisation expense	159	136	133	429	356	501
	Other expenses	856	835	750	2,463	2,297	3,139
	Total expenses	9,729	9,243	7,863	29,132	21,486	29,402
5	Profit before Exceptional item and tax for the period / year (3-4)	855	916	220	1,220	995	3,167
6	Exceptional item (Refer Note 7)	146	-	-	146	-	-
7	Profit before tax for the period / year (5-6)	709	916	220	1,074	995	3,167
8	Tax expense						
	Current tax	134	4	156	138	563	945
	Deferred tax expense/ (credit)	45	227	(101)	132	(313)	(144)
	Total tax expenses	179	231	55	271	250	801
9	Profit after tax for the period / year (7-8)	530	685	165	803	745	2,366
10	Other comprehensive income						
	(i) Items that will not be reclassified to profit or loss	21	(3)	32	14	(21)	(17)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(5)	1	(8)	(3)	5	4
	(iii) Items that will be reclassified to profit or loss	(33)	201	174	24	17	(290)
	(iv) Income tax relating to items that will be reclassified to profit or loss	8	(50)	(44)	(6)	(4)	73
	Total other comprehensive income, net of tax	(9)	149	154	29	(3)	(230)
11	Total comprehensive income for the period / year	521	834	319	832	742	2,136
12	Paid-up Equity Share Capital (Face Value of Rs.100 each)	38	38	38	38	38	38
13	Other equity						55,870
14	Earnings per share (not annualised)						
	Basic (₹)	190.40	245.66	59.27	288.07	267.24	849.02
	Diluted (₹)	190.40	245.65	59.27	288.07	267.24	848.91

See accompanying notes to the financial results

Net gain on derecognition of financial instruments under amortised cost category represents Rs. 1,100 lakhs of Direct assignment upfront income (net of reversal of Rs. 428 lakhs on account of prepayment of loans) for nine month ended 31 December 2025 and Rs. 866 lakhs for year ended 31 March 2025.



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VARTHANA FINANCE PRIVATE LIMITED

Financial Results for the Quarter and Nine months ended 31 December 2025

Notes

- The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12 February 2026 and 13 February 2026 respectively and are subjected to limited review by the Statutory Auditors of the Company. An unqualified report was issued by them thereon.
- 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 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.
- 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 Nine months ended 31 December 2025.

(All amounts in ₹ lakhs)

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 Nine months ended 31 December 2025	Of (A), amount written off during the Nine months ended 31 December 2025	Of (A) amount paid by the borrowers during the Nine months ended 31 December 2025	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31 December 2025
2,648	72	198	856	1,522

- 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.
- 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 31 December 2025 and accordingly, no amount is required to be transferred to impairment reserve.
- 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.
- On 21 November 2025, the Government of India notified four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has assessed and disclosed the incremental impact of these changes on the basis of advice of labour consultant and the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Company has presented such incremental impact under "Exceptional items" in for the quarter and nine months ended 31 December 2025. The incremental impact consists of gratuity liability of Rs. 0.96 crore and compensated absences liability of Rs. 0.50 crore which primarily arises due to change in wage definition.

The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.
- During the quarter, the Company granted a total of 2,035 stock options to 8 employees and 1,630 stock options to 5 employees at a strike price of Rs. 15,531 per option. Of these, the 2,035 options will vest over a three-year period with 40% vesting at the end of the first year, 30% at the end of the second year and 30% at the end of the third year, while the 1,630 options will vest after one year from the date of grant. These grants have been accounted for in accordance with the applicable Ind AS.
- Previous period/ year figures have been regrouped/ rearranged wherever necessary to confirm to the current period/ year figures.
- Other disclosures
 - 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 which are pending to be utilised as per the objects stated in the offer document as on 31 December 2025 have been kept in Fixed deposit / Liquid Mutual fund. 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.
 - 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 31 December 2025 are fully secured by first charge / pari passu 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 Nine months ended 31 December 2025

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

Additional information	Quarter ended 31-Dec-25	Nine months ended 31-Dec-25	Year ended 31-Mar-25
	Unaudited	Unaudited	Audited
Debt-equity Ratio (Refer note 1 below)	2.94	2.94	3.08
Net worth (Rs.in Lakhs) (Refer note 2 below)	54,630	54,630	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)	530	803	2,366
Earnings Per Share (Rs.) (Face Value of ₹ 100/- each)			
- Basic	190.40	288.07	849.02
- Diluted	190.40	288.07	848.91
Total debt to Total assets (%) (Refer note 4 below)	73.23%	73.23%	74.33%
Net profit margin (%) (Refer note 5 below)	5.01%	2.64%	7.26%
Sector specific relevant ratios :			
(a) CRAR (%)	27.32%	27.32%	28.53%
(b) Gross Stage 3 asset (%)	3.10%	3.10%	1.94%
(c) Net Stage 3 asset (%)	1.43%	1.43%	0.93%

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


Braiesh Kumar Mishra
Director
DIN: 02292429
Place: Bengaluru
Date: 13 February 2026



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