VARTHANA FINANCE PRIVATE LIMITED

Limited Review for the Quarter ended 30 June 2026

(All amounts in ₹ lakhs unless otherwise stated)

Sl No	Particulars	Quarter ended			Year ended
		30 June 2026	31 March 2026	30 June 2025	31 March 2026
		(Unaudited)	(Unaudited) (refer note 9)	(Unaudited)	(Audited)
1	**Revenue from operations**				
	Interest income	7,809	8,465	8,466	34,559
	Fees and commission income	646	612	257	2,036
	Net gain on fair value changes	397	248	43	713
	Net gain on security receipts	159	85	39	380
	Net gain / (loss) on derecognition of financial instruments under amortised cost category #	246	(325)	536	775
	Bad debt recoveries	204	254	171	1,005
	Other operating income	159	135	94	350
	Total Revenue from operations	**9,620**	**9,474**	**9,606**	**39,818**
2	Other income	2	4	3	13
3	**Total revenue (1+2)**	**9,622**	**9,478**	**9,609**	**39,831**
4	**Expenses**				
	Finance costs	4,814	5,025	5,265	21,188
	Impairment on financial instruments	1,182	276	1,840	4,135
	Employee benefit expense	1,954	1,796	2,150	8,014
	Depreciation and amortisation expense	136	141	134	570
	Other expenses	840	833	772	3,296
	Total expenses	**8,926**	**8,071**	**10,161**	**37,203**
5	**Profit before exception items and tax (3-4)**	**696**	**1,407**	**(552)**	**2,628**
6	Exceptional item (Refer Note 6)	-	-	-	146
7	**Profit before tax for the period/ year (5-6)**	**696**	**1,407**	**(552)**	**2,482**
8	**Tax expense**				
	Current tax	122	70	-	208
	Deferred tax expense/ (credit)	53	302	(140)	434
	Tax adjustment of earlier years	-	(26)	-	(25)
	Total tax expenses	**175**	**346**	**(140)**	**617**
9	**Profit after tax for the period/ year (7-8)**	**521**	**1,061**	**(412)**	**1,865**
10	**Other comprehensive income**				
	(i) Items that will not be reclassified to profit or loss	-	34	(4)	27
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(8)	1	(7)
	(iii) Items that will be reclassified to profit or loss	(710)	1,368	(144)	1,391
	(iv) Income tax relating to items that will be reclassified to profit or loss	179	(344)	36	(350)
	Total other comprehensive income, net of tax	**(531)**	**1,050**	**(111)**	**1,061**
11	**Total comprehensive income for the period**	**(10)**	**2,111**	**(523)**	**2,926**
12	Paid-up Equity Share Capital (Face Value of Rs.100 each)	38	38	38	38
13	Other equity				58,980
14	**Earnings per share (not annualised)**				
	Class A shares				
	Basic (₹)	165.37	337.79	(147.99)	592.89
	Diluted (₹)	165.24	337.78	(147.99)	592.88
	Class B shares				
	Basic (₹)	-	-	-	-
	Diluted (₹)	-	-	-	-
	See accompanying notes to the financial results				

Net gain on derecognition of financial instruments under amortised cost category represents Rs. 246 lakhs of Direct assignment upfront income (net of reversal of Rs. 185 lakhs on account of prepayment of loans) for quarter ended 30 June 2026 and Rs. 775 lakhs for year ended 31 March 2026.

Bangalore 560 043

Registered Office:

Varasiddhi, 3rd Floor, 5 BC-110 Service Road, 3rd Block, HRBR Layout, Bangalore - 560 043

080-68455777 | care@varthana.com | www.varthana.com

CIN: U65923KA1984PTC096528

VARTHANA FINANCE PRIVATE LIMITED

Financial Results for the Quarter ended 30 June 2026

Notes

1 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on **11 August 2026 and 12 August 2026** respectively and are subjected to limited review by the Statutory Auditors of the Company. An unqualified report was issued by them thereon.

2 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.

3 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 quarter ended 30 June 2026.

(All amounts in ₹ lakhs unless otherwise stated)

Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31 March 2026(A)	Of (A), aggregate debt that has moved to standard normal advance during the quarter ended 30 June 2026	Of (A), amount written off during the quarter ended 30 June 2026	Of (A) amount paid by the borrowers during the quarter ended 30 June 2026	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 30 June 2026
1,422	93	67	39	1,223

4 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.

5 Disclosures pursuant to the Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions and the Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions dated 28 November 2025 are given below:

i)The Company has not transferred / acquired any stressed loans to / from ARCs or any other Financial Institutions during the quarter ended 30 June 2026.

ii) Details of loans (not in default) transferred through assignment as given below:

Particulars	Quarter ended 30 June 2026	Quarter ended 31 March 2026	Year ended 31 March 2026
Number of accounts assigned through Direct Assignment	95	-	254
Amount of loan account assigned (Rs. in Lakhs)	4,860	-	14,256
Retention of beneficial economic interest (MRR)	10%	-	10%
Weighted average residual maturity (in months)	73	-	105
Weighted average holding period (in months)	73	-	106
Coverage of tangible security	100%	-	100%
Rating-wise distribution of rated loans	Unrated	-	Unrated

iii) The Company has not acquired any loan not in default through assignment during the quarter ended 30 June 2026.

iv) The Company has not entered into any co-lending arrangements during the quarter ended 30 June 2026. Hence, no disclosure is required pertaining to co-lending arrangements.

6 The company had accounted for the impact of the new labour code in the earlier period / year.

The Company continues to monitor the finalisation of 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.

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 June 2026 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. In the opinion of the management the same are not material / extra ordinary matters and the management has obtained formal waivers except in respect of two lending arrangements maturing in FY 2026-27, for which the waivers are in the process of being obtained. Further, in respect of arrangements where waivers have been obtained, the Company has considered the borrowings as payable as per normal maturity.

9 The figures for the quarter ended 31 March 2026 are the balancing figures between the audited figures in respect of the full financial year and the unaudited published figures for the nine months ended 31 December 2025 which were subject to limited review by the Statutory Auditor.

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

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VARTHANA FINANCE PRIVATE LIMITED

Financial Results for the Quarter ended 30 June 2026

Notes

11 Subsequent to the quarter, Home Credit India, a part of TVS Venu, has entered into an agreement to acquire 100% stake in the Company through an all-cash transaction. The proposed transaction is subject to receipt of applicable regulatory approvals, including approval from the Reserve Bank of India, and fulfilment of customary closing conditions.

12 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 and outstanding as on 30 June 2026 have been utilised as per the objects stated in the offer document. 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 June 2026 are fully secured by first charge / paripassu charge, as the case may be, on the property and on 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.

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

Additional information	Quarter ended 30 June 2026	Year ended 31 March 2026
	Unaudited	Audited
Debt-equity Ratio (Refer note 1 below)	2.60	2.71
Net worth (Rs.in Lakhs) (Refer note 2 below)	57,312	57,423
Debt Service Coverage Ratio (Refer note 3 below)	NA	NA
Interest Service Coverage Ratio (Refer note 3 below)	NA	NA
Outstanding redeemable preference shares (no. of shares)	NA	NA
Outstanding redeemable preference shares (including dividend accrued but not due)	NA	NA
Capital redemption reserve (Rs.in Lakhs)	NIL	NIL
Debenture redemption reserve	NA	NA
Net profit after tax (Rs.in Lakhs)	521	1,865
Earnings Per Share (₹) (Face Value of ₹ 100/- each)		
Class A shares		
- Basic	165.37	592.89
- Diluted	165.24	592.88
Class B shares		
- Basic	-	-
- Diluted	-	-
Total debt to Total assets (%) (Refer note 4 below)	70.66%	71.37%
Net profit margin (%) (Refer note 5 below)	5.41%	4.68%
Sector specific relevant ratios :		
(a) CRAR (%)	29.15%	28.32%
(b) Gross Stage 3 asset (%)	3.52%	3.14%
(c) Net Stage 3 asset (%)	1.98%	1.91%

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

Steven Edwin Hardgrave
Vice Chairman and Director
DIN: 02189073

Place: Bengaluru
Date: 12 August 2026

VARTHANA FINANCE PVT. LTD. Bangalore 560 043

Registered Office:

Varasiddhi, 3rd Floor, 5 BC-110 Service Road, 3rd Block, HRBR Layout, Bangalore - 560 043

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