

April 14, 2025

Varthana Finance Private Limited (erstwhile Thirumeni Finance Private Limited): Rating withdrawn for PTCs issued under a school finance receivable securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Amount O/s after Last Surveillance (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Patshala 05 2022	PTC Series A1	38.78	1.44	0.00	[ICRA]AA+(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating for pass-through certificates (PTCs) issued under school finance receivables securitisation transactions originated Varthana Finance Private Limited (erstwhile Thirumeni Finance Private Limited) (VFPL (rated [ICRA]BBB(Stable))). All the payouts to the investors in the above-mentioned instruments have been made and no further payments are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn. The previous detailed rating rationales of previous rating exercise is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal of Credit Rating
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

VFPL is a non-deposit taking non-banking financial company, incorporated in Cochin (Kerala) in June 1984. It was acquired by the current promoters (Mr. Steve Hardgrave and Mr. Brajesh Mishra) in May 2012 and commenced financing operations in January 2013. As on December 31, 2023, the promoters held a 9.4% stake in the company with the balance held by institutional investors (85.4%), individual investors (2.1%) and an employee share ownership trust (3.05%). VFPL offers credit facilities to private schools, including affordable private schools, for improvement, capacity expansion and growth. It operates in 15 states and 1 Union Territory, including Karnataka, Maharashtra, Madhya Pradesh, Tamil Nadu, Odisha, Rajasthan, and Chhattisgarh, with its head office in Bengaluru. As on March 31, 2024, VFPL had managed assets of Rs. 1,702 crore.

Key financial indicators (standalone)

	FY2022	FY2023	FY2024
	Audited	Audited	unaudited
Total income	639	824	256.2
Profit after tax	(141)	116	30.9
Total Managed assets	3,908	6,007	1,701.7
Gross stage 3	3.9%	2.6%	2.8%
CRAR	25.9%	36.0%	40.5%

Source: Lendingkart, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sr. No.	Trust Name	Instrument	Initial Amount Rated (Rs. crore)	Current Rating (FY2026)		Chronology of Rating History for the Past 3 Years			
				Current Amount Rated (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	
					Apr 14, 2025	Oct 22, 2024	Oct 30, 2023	Oct 13, 2022	Jul 04, 2022*
1	Patshala 05 2022	PTC Series A1	38.78	0.00	[ICRA]AA+(SO); Withdrawn	[ICRA]AA+(SO)	[ICRA]A-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)

*Initial rating assigned

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Patshala 05 2022	PTC Series A1	Moderately Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website [Click here](#)

Annexure I: Instrument details

Trust Name	Instrument Name	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating
Patshala 05 2022	PTC Series A1	June 30, 2022	12.00%	April 20, 2027	0.00	[ICRA]AA+(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

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