

May 22, 2025

Varthana Finance Private Limited (erstwhile Thirumeni Finance Private Limited): Rating withdrawn

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-convertible debentures	27.00	27.00	[ICRA]BBB (Stable); withdrawn
Total	27.00	27.00	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating outstanding on the Rs. 27.00-crore non-convertible debenture (NCD) programme of Varthana Finance Private Limited (Varthana; erstwhile Thirumeni Finance Private Limited) at the request of the company as the instrument has been fully redeemed and no amount is outstanding against the same. The rating was withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings. The key rating drivers, liquidity position, and rating sensitivities have not been captured as the rated instrument has been withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Policy on withdrawal of credit ratings Rating methodology for non-banking finance companies (NBFCs)
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

About the company

Varthana 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. Varthana offers credit facilities to private schools, including affordable private schools, for improvement, capacity expansion and growth. It also acquired the entire loan book of Indian School Finance Company Limited (ISFC) in FY2024 for Rs. 92.6 crore on a slump sale basis. The company 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. Varthana recorded a profit after tax of Rs. 23.7 crore in FY2025 on total income of Rs. 314.5 crore.

Key financial indicators

Varthana Finance Private Limited	FY2023	FY2024	FY2025
Total income	171.1	256.2	314.5
Profit after tax	5.4	30.9	23.7
Total managed assets	1,180.0	1,701.7	2,319.8
Return on managed assets	0.5%	2.1%	1.2%
Managed gearing (times)	1.2	2.0	3.1
Gross stage 3	8.4%	2.8%	1.9%
CRAR	58.9%	40.5%	28.5%

Source: Company, 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

Current (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	May 22, 2025	Date	Rating	Date	Rating	Date	Rating
NCDs	LT	27.00	[ICRA]BBB (Stable); withdrawn	Jun 07, 2024	[ICRA]BBB (Stable)	Jun 16, 2023	[ICRA]BBB- (Stable)	Sep 20, 2022	[ICRA]BBB- (Stable)
Term loan	LT	-	-	Jun 07, 2024	[ICRA]BBB (Stable); withdrawn	Jun 16, 2023	[ICRA]BBB- (Stable)	Sep 20, 2022	[ICRA]BBB- (Stable)

LT – Long term

Complexity level of the rated instruments

Instrument	Complexity indicator
Non-convertible debentures	Simple

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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
INE125T07154	NCD	Dec 23, 2021	12.00%	Jan 01, 2025	27.00	[ICRA]BBB (Stable); withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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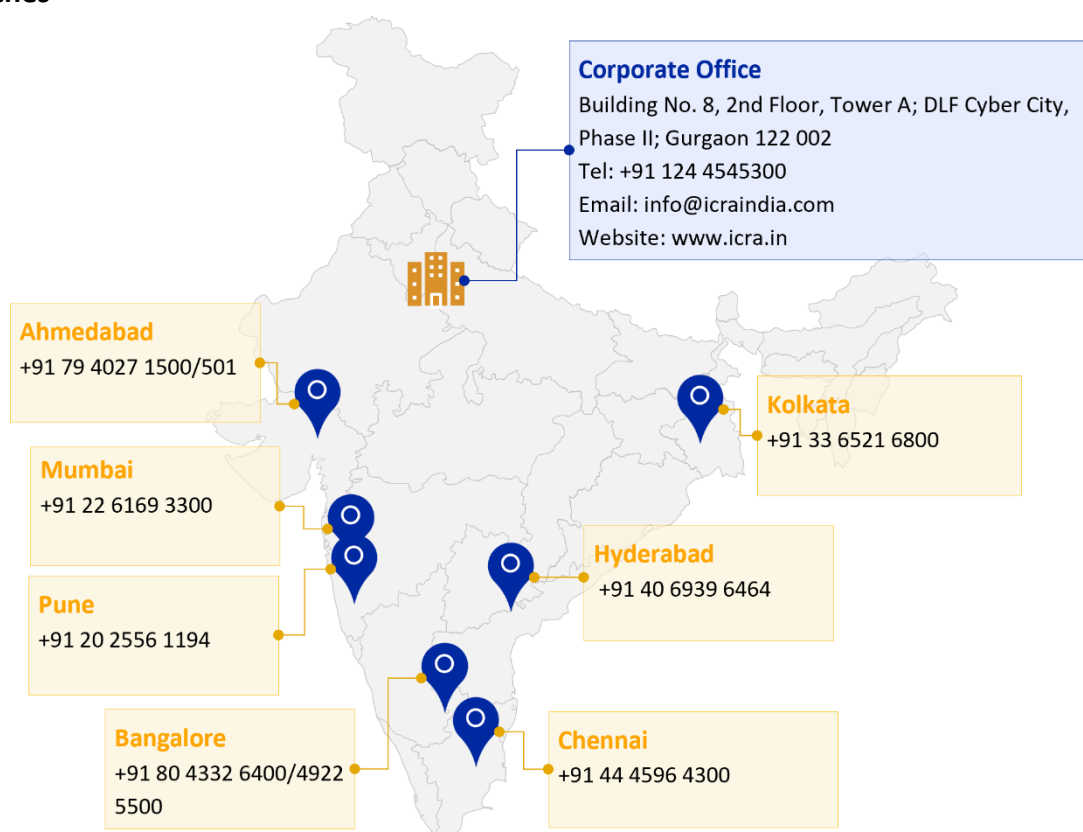
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