

No. CTL/DEB/20-21/Noting Certificate/3050

November 17, 2020

To Whomsoever It May Concern,

CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by **Varthana Finance Private Limited (“the Company”)** for the Half year ended September 30, 2020.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For **Catalyst Trusteeship Limited**

DEESHA SRIKKANTH
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by DEESHA
SRIKKANTH
Date: 2020.11.17
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Authorised Signatory

Encl: Results submitted by Company





Varthana Finance Private Limited

12 November 2020

The Sr General Manager,
BSE Limited
1st Floor, PJ Towers, Dalal Street
Mumbai 400001

Dear Sir/ Madam,

Sub: Half Yearly communication for dissemination to the debenture holders For HY Ended 30 September 2020.

We, Thirumeni Finance Private Limited, submit herewith the documents and statements as required by SEBI and BSE under the Listing Agreement, for dissemination to the Debenture Holders.

1. The latest credit rating in respect of all NCD issuance is [ICRA] **BBB+** (Negative outlook).

2. The previous due date for payment of interest under the Issue and date of payment

S no	ISIN	Previous Interest Payment Due Date	Actual Interest Payment Date	Interest Amount Paid (Net)	Next Interest Payment Due Date
1	INE125T07121	12 Dec 2019	16 June 2020	1,27,23,046.93	16 Dec 2020
2	INE125T07055	25 Oct 2019	27 April 2020	2,55,25,197	27 Oct 2020
3	INE125T07063	30 Jan 2020	31 July 2020	2,44,65,573.77	31 Jan 2021
4	INE125T07071	22 Aug 2019	23 Aug 2020	40,56,181.03	23 Aug 2020
5	INE125T07089	12 Mar 2020	13 Sep 2020	1,70,91,178.84	13 Mar 2020
6	INE125T07105	12 Nov 2020	13 May 2020	1,94,34,563.38	13 Nov 2020
7	INE125T07113	31 Jan 2020	05 Aug 2020	70,55,977.03	05 Nov 2020
8	INE125T07139	NA	NA	NA	15 Dec 2020

3. The next due date for payment of interest is as mentioned above in point no: 4.



Varthana Finance Private Limited
(Formerly known as Thirumeni Finance Private Limited)

Registered Office: Varasiddhi, 3rd Floor, 5 BC-110 Service Road, 3rd Block, HRBR Layout, Bangalore 560043

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Varthana Finance Private Limited

4. Following issue of Private Placement Debt Instruments have been listed with your Exchange:

Sr No	ISIN	Date of Issue	Date of Listing	Description	No. of NCDs	Face Value	Issue Amount
1	INE125T07121	15-Dec-2016	26-Dec-2016	12.72% Secured, Listed, Non-Convertible Debentures, (Series H-2016-17)	400	Rs. 500,000 (Rs. Five Lacs each)	Rs.20,00,00,000/-
2	INE125T07055	26 Apr 2017	NA	12.75%, Secured, Unlisted, Unrated and Non-Convertible Debenture	400	Rs. 10,00,000 (Rupees Ten Lacs Each)	Rs.40,00,00,000/-
3	INE125T07063	30-Jul-2017	04-Aug-2017	12.30% Secured, Listed, Rated and Non-Convertible Debenture	400	Rs. 10,00,000 (Rupees Ten Lacs Each)	Rs.40,00,00,000/-
4	INE125T07071	22-Aug-2017	NA	3.07% Secured, Unlisted, Unrated and Non-Convertible Debenture	280	Rs. 5,00,000 (Rupees Five Lacs Each)	Rs.14,00,00,000/-
5	INE125T07089	23 Aug 2018	NA	11.60% Secured Unlisted, Rated Non-Convertible Debenture	620	Rs. 5,00,000 (Rupees Five Lacs Each)	Rs.31,00,00,000/-
6	INE125T07105	30 Mar 2019	NA	12.75% Secured Rated Unlisted Redeemable Non-Convertible Debenture	648	Rs. 5,00,000 (Rupees Five Lacs Each)	Rs.32,40,00,000/-
7	INE125T07113	15 May 2019	NA	11.86% Secured Rated Unlisted Redeemable non-convertible debenture	2500	Rs. 1,00,000 (Rupees One Lacs each)	Rs. 25,00,00,000/-
8	INE125T07139	18 Aug 2020	28 Sep 2020	9.25% secured listed rated non-convertible redeemable senior Debentures.	320	Rs. 10,00,000 (Ten Lakhs rupees each)	Rs. 32,00,00,000/-

5. Debenture Redemption Reserve- NA

6. Net Worth- Rs 38,476 Lakhs



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7. Net Loss After Tax- Rs. (1,572) Lakhs
8. Earnings Per Share (*Dilute*)- Rs. (205) Lacs (not annualised)
9. Disclosures of debt service coverage ratio, asset cover and interest service coverage ratio shall not be applicable to the Company as we are registered with the Reserve Bank of India as non-banking financial company.

Regards,

For Varthana Finance Private Limited
(Formerly Thirumeni Finance Private Limited)



Authorised Signatory

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Unaudited Financial Results for the Half year ended 30 September 2020

(All amounts are in ₹ Lakhs, except for details of EPS)

Particulars	Half year ended 30 September 2020	Half year ended 30 September 2019	Year ended 31 March 2020
	Unaudited	Unaudited	Audited
Revenue from operations			
- Interest income	9,838	10,738	21,596
- Fees and commission income	50	237	656
- Net gain on fair value changes	178	160	314
Other income	62	94	240
Total income	10,128	11,229	22,806
Expenses			
Finance costs	5,386	5,038	10,466
Impairment on financial instruments	3,027	1,425	3,485
Employee benefits expense	1,718	2,189	4,340
Depreciation and amortization expense	112	107	253
Other expenses	490	869	2,066
Total expenses	10,733	9,628	20,610
Profit/ (loss) before tax	(605)	1,601	2,196
Tax expense			
Current tax	540	876	1,103
Deferred tax benefit	(639)	(383)	(435)
Profit/ (loss) for the period / year	(606)	1,108	1,528
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of the defined benefit plan	(5)	(25)	(29)
Income tax relating to the above item	1	6	7
Items that may be reclassified to profit or loss			
Fair value gain/ (loss) on derivate financial instruments	(1,419)	-	335
Income tax relating to the above item	357	-	(84)
Other comprehensive income/ (loss)	(1,066)	(19)	229
Total comprehensive income/ (loss) for the period/year	(1,572)	1,089	1,757
Earnings/ (loss) Per Share (EPS) (not annualized for six months period)			
Basic and Diluted (₹)	(204)	448	618



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Varthana Finance Private Limited

Statement of assets and liabilities

(All amounts are in ₹ Lakhs)

Particulars	30 September 2020 Unaudited	31 March 2020 Audited
Assets		
Financial assets		
Cash and cash equivalents	6,780	10,578
Bank balances other than included above	1,576	1,370
Derivative financial instruments	-	335
Loans	105,702	106,870
Investments	8,272	-
Other financial assets	82	68
	122,412	119,221
Non-financial assets		
Current tax assets (net)	412	470
Deferred tax assets (net)	2,382	1,384
Property, plant and equipment	142	189
Other intangible assets	138	169
Other non-financial assets	279	241
	3,353	2,453
Total	125,765	121,674
Financial liabilities		
Trade payables	-	-
- Total outstanding dues of micro enterprises and small enterprises	354	231
- Total outstanding dues of creditors other than of micro enterprises and small enterprises	23,113	20,744
Debt securities	61,656	59,537
Borrowings (other than debt securities)	1,084	-
Derivative financial instruments	-	212
Other financial liabilities	-	-
	86,207	80,724
Non-financial liabilities		
Current tax liabilities (net)	218	3
Provisions	322	282
Other non-financial liabilities	272	353
	812	638
Equity		
Share capital	38	38
Instruments entirely equity in nature	5,606	5,606
Other equity	33,102	34,668
	38,746	40,312
Total	125,765	121,674

Notes:

- The above financial results for the half year ended 30 September 2020 were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11 November 2020 and 12 November 2020 respectively. A limited review of the unaudited financial results for the half year ended 30 September 2020 have been carried out by the Statutory Auditors. An unqualified report was issued by them thereon.
- These financial results have been prepared in accordance with 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.



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- 3 The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. Numerous governments have introduced a variety of measures to contain the spread of the virus.

Pursuant to the Reserve Bank of India circulars dated 27 March 2020 and 23 May 2020, the Company has granted a moratorium on payments of instalments falling due between 1 March 2020 and 31 August 2020 to borrowers. For such accounts where the moratorium is granted, the asset /stage-wise classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification). Further, in management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale based on RBI directives, by itself is not considered to result in a significant increase in credit risk for such borrowers.

The pandemic has also resulted in a significant lower loan originations and put constraints on recovery of overdues from customers. The Company has sufficient funds which are adequate for the foreseeable future. Accordingly, the Company does not expect a stress in the liquidity situation in the immediate future.

The Company has recognized provisions as on 30 September 2020 towards its loan assets, based on the information available at this point of time including economic forecasts, in accordance with the Expected Credit Loss method. The Company believes that it has considered all the possible impact of the known events arising out of COVID-19 pandemic in the preparation of financial results.

However, the extent to which the COVID-19 will impact the Company's operations and financial metrics will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic.

- 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 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 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 2020 and accordingly, no amount is required to be transferred to impairment reserve.
- 6 The Honourable Supreme Court of India (Hon'ble SC) , in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated September 3, 2020 (interim order), directed that borrowers who were not declared Non Performing Assets (NPA) till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Company has classified borrowers as NPA in compliance with the interim order from August 31, 2020 and not as per RBI Prudential norms, until further orders. However, loan loss provision for all borrowers have been made appropriately in accordance with Company's expected credit loss policy.
- 7 Previous period/year figures have been regrouped/rearranged wherever necessary to conform to the current period/year figures.

For Varthana Finance Private Limited

Steven Edwin Hardgrave
Director
DIN: 02189073

Place: Bengaluru
Date: 12 November 2020



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Disclosures under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

- 1 Credit rating:

Deposit instrument	Name of rating agency	Rating assigned
Non-Convertible Debentures	ICRA Limited	[ICRA] BBB+(Negative)
Term loans	ICRA Limited	[ICRA] BBB+(Negative)

There has been no change in the aforesaid rating from the previous period.
- 2 Debt-Equity Ratio:

Debt-Equity ratio of the Company as on 30 September 2020 is 2.19 as per Unaudited Financial Results of the Company.
- 3 Previous due date for payment of principal/interest on Non Convertible Debentures ("NCDs")

NCD	ISIN number	Due date (from 01 April 2020 to 30 September 2020)	
		Principal	Interest
Calvert Social Investment Foundation	INE125T07121	Not Due	16 June 2020
Blueorchard Microfinance Fund	INE125T07063	Not Due	31 July 2020
AAV Sarl	INE125T07089	Not Due	13 September 2020
AAV Sarl	INE125T07105	Not Due	13 May 2020
Masala Investments Sarl	INE125T07055	Not Due	27 April 2020
Tridos Microfinance Fund	INE125T07071	Not Due	23 August 2020
Micheal and Susan dell foundation	INE125T07113	Not Due	06 August 2020
Mahallanes Impacto	INE125T07113	Not Due	Not Due
Northern Arc Capital Limited	INE125T07113	Not Due	Not Due
SLS trust	INE125T07113	Not Due	Not Due

The Company has paid the interest and principal on NCDs on the respective due dates mentioned above.
- 4 Previous due date for payment of principal/interest on Non Convertible Preference Shares - Not applicable.
- 5 Outstanding redeemable preference shares - Not applicable.
- 6 Debenture Redemption Reserve (DRR) - No DRR is required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of the Companies (Share Capital and Debenture) Rules, 2014.
- 7 Net Worth as on September 30, 2020 - ₹ 38,746 lakhs
- 8 Net loss after tax - ₹ (1,572) lakhs
- 9 Basic loss per share (not annualised) for the half year ended 30 September 2020:

Basic and Diluted - ₹ (204) per share
- 10 Additional information as required under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure



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Independent Auditor's Review Report on Unaudited Half-Yearly Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Varthana Finance Private Limited (formerly known as Thirumeni Finance Private Limited)

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Varthana Finance Private Limited ('the Company') for the half year ended 30 September 2020, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandio & Co LLP is registered with limited liability with Identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker Chandiok & Co LLP

Emphasis of Matter – COVID-19

5. We draw attention to Note 3 to the accompanying Statement, which describes the uncertainty relating to the effects of COVID-19 pandemic on the Company's operations and the impact on the impairment provision recognized towards the loan assets outstanding as at 30 September 2020. Our conclusion is not modified in respect of this matter.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Mehulkumar Sharadkumar Janani

Partner

Membership No. 118617

UDIN: 20118617AAAABG9918



Digitally signed
by Mehulkumar
Sharadkumar
Janani
Date:
2020.11.12
16:54:00 +05:30

Place: Hyderabad

Date: 12 November 2020