

RATING RATIONALE

13 Mar 2026

PNY Sabha Finance Limited

Brickwork Ratings upgrades the rating for the Bank Loan facilities of Rs 6.25 Crores (Reduced from Rs 18 Crores) of PNY Sabha Finance Limited.

Particulars:

Facilities**	Amount Rs. Crs.		Tenure	Rating [^]	
	Previous	Present		Previous (26 May 2025)	Present
Fund-Based Bank Loan Facilities Cash Credit/ Overdraft	18.00	6.25	Long Term	BWR C/ Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	BWR B-/stable/ Upgraded/ Removal from ISSUER NOT COOPERATING* category
Total	18.00	6.25	Rupees Six Crores Twenty Five lakhs Only		

[^]Please refer to BWR website www.brickworkratings.com/ for the definition of the ratings

** Details of Facilities are provided in Annexure-I

*Issuer did not cooperate; based on best available information

Please Note- The reduction in the rated amount is based on the latest sanction and repayment of term loans as conveyed by the company, and confirmed by the lenders.

RATING ACTION / OUTLOOK: UPGRADE/ STABLE

Brickwork Ratings (BWR) upgrades the rating to BWR B-/Stable for the Bank Facilities of Rs 6.25 Crores (Reduced from Rs 18.00 Crores) of PNY Sabha Finance Limited.

The company’s rating upgrade reflects its efforts in improving the performance, on capitalisation levels, earnings profile, growth in business i.e. the assets under management (AUM), and ongoing efforts to improve upon the asset quality—though NPAs were at elevated levels which will be monitorable. The liquidity seems stretched, however with healthy collections from the expanding gold loan portfolio shall support in timely servicing of its debt obligations over the next 12 months.

BWR has also removed the rating from the ISSUER NOT COOPERATING category, as the company has provided the required financial information for review, shared the NDS statements, conducted management discussions, and expected continued cooperation with BWR for the periodic review of the rating.

BWR also assigns a stable outlook to the company, with expectations that the company will gradually strengthen its capitalisation levels and further reduce NPAs through sustained recovery efforts, which are anticipated to support profitability going forward.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED:

The terms of sanction of the rated facilities include standard covenants normally stipulated for such facilities.

KEY RATING DRIVERS

Credit Strengths:-

- **Experience Management Team:** The Company has nine directors as its Board Members with Mr. Divakaran Pazhangaparambu Unnikrishnan as Chairman and Mr. Predeep Mankore Sankaran as Managing Director. The top-level management team has over two decades of experience in the field of financial services sector. The Managing Director has a Master's degree in Economics. BWR notes that with the continued support of the experienced management team, the company shall continue to improve upon its performance gradually.
- **Steady Improvement of Asset Under Management:** The overall loan portfolio of the company has been improving gradually for the last three years, which marginally increased by 1.06% to Rs 145.26 Crores in FY25 as compared to Rs 143.73 Crores in FY24. The increase was largely driven by an 8.43% increase in loans and advances on Gold loans to Rs 108.85 Crores in FY25 from Rs 100.39 Crores in FY24. The growing disbursement over the years also contributed to the overall loan portfolio improvement. As of 31 Dec 2025, the AUM further grew to Rs 148.08 Crores.

Credit Risks:-

- **Average profitability with net loss, albeit a reduction in net loss over the years:** The company has reported continuous net losses over the past three years, though these losses have been gradually reducing due to steady growth in Assets Under Management (AUM) and rising interest income. In FY25, the net loss narrowed to Rs 0.78 Crores. Return ratios (Return on Equity and Return on Assets) remain negative but have improved compared to FY24. Net Interest Margin strengthened to 8.38% in FY25, driven mainly by higher interest income from gold loans, while income from other loans declined.
- **Average Asset Quality:** The company's asset quality has been average, with Gross NPA (GNPA) ratios historically ranging between 19–23%. In FY25, GNPA in absolute amount declined to Rs 28.02 Crores (down 13.38% from FY24), driven by a sharp 51.54% drop in slippages and a strong 110.12% increase in recoveries. As a result, the GNPA ratio improved to 19.28% in FY25 from 22.54% in FY24. The company is also in the process of recovering NPAs. The company is expecting to recover the majority of NPA in FY27. As of 31 Dec 2025, GNPA ratio further reduced to 17.24% with further reduction of slippages and improvement in recovery to Rs 2.73 Crores. While this shows gradual improvement, the GNPA ratio remains high, making sustained asset quality—particularly GNPA levels—a key monitorable for the near to medium term.
- **Weak Capitalisation Position, albeit improving:** The company's capitalisation remains weak, with CRAR at 13.45% in FY25—below the RBI's 15% requirement—due to a

sharp rise in Risk-Weighted Assets despite increases in Tier I and II capital. However, as of 9MFY26, CRAR improved to 15.07%, with a rise in capital to Rs 10.80 Crores, however the ratio is just above the threshold, which remains a key monitorable. Net worth rose to Rs 16.92 Crores in FY25 (from Rs 12.94 Crores in FY24), driven by higher share capital, but still lags behind GNPA of Rs 28.02 Crores, which will be monitorable. Gearing, however, improved to 8.66x in FY25 from 9–11x in prior years, supported by net worth expansion.

ANALYTICAL APPROACH - STANDALONE

For arrive at its ratings, BWR has evaluated the risk profile of PNY Sabha Finance Limited Private Limited on a standalone basis.

RATING SENSITIVITIES

Going forward Company's ability to improve overall portfolio, scale up operations while maintaining stable Asset quality, Capitalisation above the Regulatory requirement and adequate liquidity will be key monitorables.

Positive:

- Comfortable Capitalisation level with CRAR ratio of 16% and Net worth amount exceeds Gross NPA in absolute amount.
- Consistent growth in the assets under management
- GNPA ratio below 5x
- Substantial improvement in the income and net profits will be key rating positives.

Negative:

- Asset quality deterioration of the GNPA ratio from the current levels
- Substantial decline in profitability over the previous year shall be the key rating negatives

LIQUIDITY POSITION - Stretched

Stretched liquidity is characterised by an insufficient cushion of cash and bank Balances of Rs 3.83 Crores as of FY25, which is not sufficient to meet the repayment obligations Rs 33.19 Crores for the next 12 months (Apr 2026- Mar 2027). However the average monthly collection of Rs 36.64 Crores is expected to support the company's repayment obligations. Additionally The company had unutilized bank facility limits of Rs 0.90 Crores as of 31 Dec 2025.

ENVIRONMENTAL, SOCIAL, GOVERNANCE - ESG PRACTICES

The Federation demonstrates an adequate ESG profile based on its environmental, social, and governance practices. The ESG profile for financial sector entities typically factors governance as a key differentiator.

- **Environmental:** Environmental evaluation considers lending restrictions on environmentally sensitive sectors and the extent of support for green or sustainable-financing products (such as sustainable livelihood activities, including dairy farming).

- **Social:** Social assessment covers employee welfare initiatives, diversity and inclusion practices (women workforce more than 20% as all the directors are women), and financial-inclusion measures. customer service and grievance-resolution systems, data privacy and information-security measures and community development or CSR initiatives.
- **Governance:** Governance analysis includes the effectiveness of investor and stakeholder grievance-redressal mechanisms, the structure and independence of the board (with 22% independent directors and a maximum tenure of 5 years), adherence to regulatory and ethical standards, and workforce-governance policies promoting fairness and equity.

COMPANY PROFILE

PNY SABHA FINANCE LTD was incorporated on the 6th day of October 1995, as Shine Sun Finance Ltd, a Public limited company under the Indian Companies Act 1956. Later it was acquired by Peringottukara Namboothiri Yogakshema Sabha on the 8th day of April 2005 and renamed as Peringottukara Namboothiri Yogakshema Sabha Credit & Investments Ltd. The name PNY Sabha Finance Ltd came into effect from August 13th 2011.

PNY Sabha Finance Ltd (PSFL) is a public limited company registered under Indian Companies Act 1956 and a Non-Banking Finance Company (Non-deposit accepting- NBFC) approved and licensed by the Reserve Bank of India. Services offered: gold loans, pro note loans, business loans, SHG loans, vehicle loans, group loans etc. The Company is a premier financial service company having branch network in the majority of districts of Kerala. It is a part of the 104-year-old Peringottukara Namboothiri Yogakshema Sabha and has the legacy of serving the society with "honesty, transparency and credibility"

KEY FINANCIAL INDICATORS – Standalone

Key Parameters	Units	FY 24 (Audited)	FY 25 (Audited)	9MFY26 Unaudited/ Provisional
Asset Under Management	In Crs	143.73	145.26	148.08
Disbursement	In Crs	263.18	309.27	329.84
Recoveries	In Crs	NA	362.05	356.94
Gross NPA	%	22.54	19.28	17.24
Net NPA	%	9.92	8.37	10.09
Net Worth	In Crs	12.94	16.92	22.64
Borrowings	In Crs	139.76	146.61	144.57
CRAR	%	NA	13.29	15.07
Gearing Ratio	%	10.80	8.66	NA

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY:

No outstanding non-cooperation rating with other Credit Rating Agencies.

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

S. No	Facilities	Current Rating (13 Mar 2026)			Rating History		
		Type	Amount Outstanding (Rs in Cr)	Rating	2025 26 May 2025	2024 6 May 2024	2023 6 Feb 2023
1	Fund-Based Bank Loan Facilities Cash Credit/ Overdraft	Long Term	6.25	BWR B-/ stable/ Removal from ISSUER NOT COOPERATING* G* category/ (Upgraded)	BWR C/ Continues to be in ISSUER NOT COOPERATING* category/ Reaffirmed (BLR - Rs 18 Crores)	BWR C / /Continues to be ISSUER NOT COOPERATING* / Downgraded (BLR - Rs 18 Crores)	BWR C+ /Stable /ISSUER NOT COOPERATING* / Downgraded (BLR - Rs 18 Crores)
	Total		6.25		Rupees Six Crores Twenty Five lakhs Only		

*Issuer did not cooperate; based on best available information

Hyperlink/Reference to applicable Criteria:

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [NBFC Criteria](#)

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PNY Sabha Finance Limited

ANNEXURE I

Details of Bank Loan Facilities rated by BWR:

Sl	Name of Banker	Type of Facility	Long term (Rs Crs)	Short Term (Rs Crs)	Total (Rs Crores)	Complexity of the Instrument*
1	South Indian Bank	Cash Credit/Over draft	4.75	–	4.75	Simple
2	Dhanlaxmi Bank	Cash Credit	1.50	-	1.50	Simple
	Total Bank Facility		6.25	-	6.25	
Rupees Six Crores Twenty Five lakhs Only						

*For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

ANNEXURE II

(NCD/Bonds/CP/FDs) DETAILS

Instrument	Issuance date	Amount (Rs Crs)	Coupon Rate	Maturity Date	ISIN number	Complexity Level
NA	NA	NA	NA	NA	NA	NA

ANNEXURE-III

List of Entities Consolidated - None

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
NA	NA	NA	NA

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