

PNY SABHA FINANCE LIMITED

CIN: U65910KL1995PLC009493

Reg. Office: 7/276A, Peringottukara Namboothiri Yogakshema Sabha Building, Anthikad, Thrissur – 680 641

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DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2024-25

To

The Members,

Your directors have pleasure to present the highlights of your company's performance during the financial year 2024-25 Detailed information about the financial data are given in the 30th Annual Report along with the Audited balance sheet as of 31ST March 2025 and the profit and loss account for the year end on that date

Financial Highlights:

During the year under review, performance of your company was as under (in ₹ lakh):

Particulars	Year ended 31 st March 2025	Year ended 31 st March 2024
Revenue	2876	2488
Expense	2927	2844
Profit/(Loss) before taxation	(51)	(356)
Less : Tax Expense	27	(11)
Profit/(Loss) after tax	(78)	(345)

State of the Company's Affairs and Future Outlook:

The company has earned revenue from operations amounting to ₹ 2870 lakhs in the FY 2024-25 compared to ₹ 2400 lakhs earned in the FY 2023-24. The company has earned total revenue amounting to ₹ 2876 lakhs in the FY 2024-25 compared to ₹ 2488 lakhs in the FY 2023-24 registering growth of 16%. A commendable achievement despite the adverse situations

The company has incurred loss before taxation amounting to ₹ 51 lakhs during the current FY as against loss before taxation amounting to ₹ 355 lakhs incurred during previous FY. The company has incurred loss after tax amounting to ₹ 78 Lakhs during FY 2024-25 as against loss after tax amounting to ₹ 345 lakhs incurred during FY 2023-24.

The company's operational revenue has gradually and steadily improved, contributing to a reduction in losses compared to the previous year. Had there been not an enhanced provision of gratuity of ₹119.53 lakh to mitigate the less provisions of previous years, company would have achieved the dream target of net profit of RS 41.60 lakh this year itself and company would have maintained the employees cost to 1113.67 lakh instead of 1233.20 lakh.

Furthermore, we have been able to recover a sum of Rs 513.10 lakh during the year 2024-25 and ₹65.72 lakh out of the total NPA of Rs 3234.91 lakh. As on date the NPA stands reduced to 2853.06 lakh. We are anticipating a further collection of Rs 400.00 lakh during the remaining period of this

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year, and we expect a minimum collection of Rs 10.00 crore from NPA during the next financial year. We are glad to announce here that we shall definitely achieve the RBI guide lines of achieving Rs 10.00 crore net owned fund by 31.03 2027

All these NPA amount collected together with the amount of proposed preferential shares issue will be directly inducted in to the working capital which will further increase the company's net owned fund and meet the working capital requirement , which will strengthens the company's financials and improve profitability

The Board of directors has initiated adequate measures to curb the expenses and enhance profitability of the company. The Board expects better prospects in the coming year and is confident in achieving better targets and attain good profitability. Backed by a robust standing and resistant spirit we face the future with determination sensitivity and responsiveness to the market and customers need for high quality services. We establish long term relationship with our customers. Our intellectual honesty with all we deal, makes us confident and will achieve very high volume of business in both quality and quantity and will achieve profitability and will service our shareholders and all other stake holders in the years to come

Change in nature of business:

During the year of report there was no change in the nature of business of the company.

Dividend:

The Board of Directors has not recommended any dividend to its members during the year and wish to consolidate and grow in the coming years. However we expect a very qualitative change in the coming two years and our earnest desire to reward our valuable customers will be fulfilled

Amounts Transferred to Reserves:

The company has not transferred any amount to its reserve during the year of report.

Changes in Share Capital:

The authorized share capital of the company has remained unchanged during the year. The issued, subscribed and paid up share capital of the company has increased from ₹ 50,13,85,910/- as on FY ended 31.03.2024 to ₹ 54,89,59,410/- as on FY ended 31.03.2025. Company has been able to induct fresh equity capital to the tune of 47573500.00 as a part of our strategic approach to make our company fundamentally strong and achieve higher efficiency and profitability .

Company is envisaging to bifurcate the Authorised capital of 75000000. Equity shares of 10 .00 each to 65000000 equity shares of 10.00 each totalling 650000000 and 10000000 convertible preference shares of 10 each amounting to 100000000. This process will help the company to issue convertible preference shares to the tune of Rs 10 crore which will induct fresh capital to the business and further strengthen the financial stability of the company a golden path to a better tomorrow.

CAPITAL REDUCTION

Company is seriously thinking of capital reduction of the company by writing off the existing NPA Amount. Capital reduction offers benefits like eliminating accumulated losses which strengthen the company's financial position and improves financial ratios. It can provide funds for restructuring and create a more efficient and balanced capital structure and can lead to increased investor confidence, better ability to pay future dividends and a more effective investment profile.

Issue of Equity Shares with Differential Rights/Employee Stock Options/Sweat Equity Shares:

The company has not issued any shares with differential rights or shares under an employee stock option scheme or sweat equity shares during the year.

Particulars of Loan, Guarantees and Investments under Section 186:

The company has not given any loan or guarantee or provided any security or made investments pursuant to section 186 of the Companies Act, 2013 during the year of report.

Composition of the Board:

The Board of directors of the company comprises of Ten (10) directors as on 31.03.2025. Their names, designation, date of appointment and the number of Board meetings attended by each of them are given below:

<i>Sl. No.</i>	<i>Name of Director</i>	<i>Designation</i>	<i>Date of Appointment</i>	<i>No. of Board meetings attended</i>
1.	M S Predeep	Managing Director	28.06.2007	9
2.	P U Divakaran	Director	28.06.2007	9
3.	P R. Raman Namboothiri	Director	13.08.2011	7
4.	P N Sandeep	Director	13.08.2011	9
5.	K B Brahmadathan	Independent Director	20.09.2015	5
6.	N D Unnikrishnan	Director	22.09.2017	8
7.	P K N Namboodiri	Director	22.09.2017	9
8.	M S Kesavan	Independent Director	22.10.2016	8
9.	M Vasudevan	Director	14.07.2020	8
10.	M.K.Narayanan	Director	30.05.2022	5

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Board Meetings:

During the Financial Year 2024-25, Nine (9) meetings of the Board of directors of the company were held. Board meeting dates and the attendance of directors are given below:

Sl. No.	Date of Meeting	Board Strength	No. of directors present
1.	13.04.2024	11	9
2.	15.05.2024	11	7
3.	06.08.2024	11	10
4.	03.09.2024	11	10
5.	24.10.2024	11	8

Sl. No.	Date of Meeting	Board Strength	No. of directors present
6.	27.11.2024	11	9
7.	09.01.2025	11	9
8.	07.03.2025	11	8
8.	29.03.2025	10	8

Particulars of Contract or Arrangements with Related Parties:

The company has provided remuneration to its directors during the year for carrying out day to day functions related to the management of the company. The company has been using the land owned by Peringottukara Namboothiri Yogakshema Sabha for its business activities and for which the company has been paying rent over a period of time. PNY Sabha Finance Ltd. has been acting as collection agents for private companies under the same management, PNYS Chit Funds Kerala Pvt. Ltd. and PNYS Securities India Pvt. Ltd. and for the above service rendered, the company has received commission during the year. Particulars of related party transactions pursuant to section 188 of the Companies Act, 2013, are included in Form AOC - 2 enclosed with this report.

Explanation to Auditor's Remarks:

In respect of the comments mentioned under the head 'Qualified Opinion' of Annexure B to the independent auditors' report we state that

Regarding the observation to note no 34 of the financial statement, which describes that the company has acquired two properties in satisfaction of debts. In accordance with the execution petition filed by us. The company has recorded the acquired land at 136.62 lakhs and 58.00 lakhs as per the approved valuers report. The recorded value will be revised in the books as and when the cases are finally settled

With respect to the opinion 1, the company has in the process of developing and installing new ERP software in a phased manner and majority some of them has already been installed and started working, but some are still to be modified updated and installed. The company is hopeful that the process will be completed during the current financial year. once this software becomes fully operational, the current issues relating to identification of NPA, SMA/Overdue accounts and calculation of NPA provisions along with automatic adjustment of interest reversal as per RBI prudential norms shall be eliminated completely. The board is taking at most effort to implement the ERP software and complete this process.

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- 1) Regarding opinion 2, the Company transitioned the details from a manual Property, Plant & Equipment register to a software-based system during the financial year 2024-25. The discrepancies identified in the register have been reconciled and updated accordingly, and necessary steps will be taken to avoid such discrepancies in the future.
- 2) Regarding opinion 3, the company is in the process of implementation and migration to new efficient software having the feature of recording and preserving audit trail facility (Edit log). The Board of Directors are committed to ensuring the software is implemented without further delay
- 3) Regarding the gratuity provision company has taken policy from LIC (Life insurance corporation) and is regularly paying the premium as per their valuation and demand. We have made provisions and payment as per their actuarial valuation and demand
- 4) Regarding the gold pledged as securities to south Indian bank for the purpose of loan has been cleared in April 2024 itself and now, and there is no pledged gold in favour of south Indian bank against loan taken by the company

Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo:

Considering the nature of business of the company no comment is required on conservation of energy and technology absorption.

There has not been any foreign exchange earnings or outgo during the financial year.

Material Changes Affecting the Financial Position of the Company:

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year and the date of the report.

Details of Subsidiary, Joint Venture or Associates:

No other company had become a Subsidiary, Joint Venture or Associate of the company or ceased to be so during the year.

Risk Management Policy:

The company has taken measures to formulate a policy for the effective management of risks faced by the company.

Details of significant & material orders passed by the regulators or courts or tribunal:

The regulators or courts or tribunals had not passed any significant and material orders during the year which impacted the going concern status of the company or the company's operations in future.

Adequacy of Internal Financial Control with Reference to the Financial Statements:

The company has an effective and adequate financial control system commensurate with its size and operations. The Board has adopted policies and procedures to ensure the orderly and efficient conduct of its business, safeguarding of its assets, the prevention and detection of frauds and errors and the accuracy and completeness of accounting records.

Company has an effective internal audit system which helps the company better asset protection enhanced efficiency and regulatory compliance. It is worth to note that company has a permanent internal auditor who regularly conducts the internal audit very effectively and report to the management and further such audit reports are reviewed by the audit committee and board and if required remedial/improvement measures are being taken instantly. we are further enhancing the scope of internal audit and will execute further measures in this area

Deposits:

The company has not accepted any deposits covered under the provisions of the Companies Act, 2013, and also there are no outstanding deposits as at the end of the financial year.

Commission:

The company has not provided any commission to its MD/WTD and hence the provisions relating to disclosure as required under section 197(14) of the Companies Act, 2013 are not applicable.

Corporate Governance:

Details of remuneration provided to directors during the year as required under Schedule V of the Companies Act, 2013 are as follows:

Sl. No.	Director	Remuneration (₹)
1.	M S Predeep	3,84,000
2.	P N Sandeep	5,23,804
3.	M S Kesavan	3,48,000

Independent Director:

The independent directors have provided to the Board the declaration as required under section 149(7) of the Companies Act, 2013 regarding the criteria of independence laid down in section 149(6) of the Companies Act, 2013.

Details of Directors and Key Managerial Personnel:

Sri. Predeep Mankore Sankaran (DIN: 00323900) was reappointed as the Managing Director of the company for a two-year term, effective from January 1, 2026, at the meeting of Board of Directors

of the company held on 07th December, 2023. Therefore, resolution regarding reappointment of Managing Director is included in the Notice of ensuing Annual General Meeting for the approval of members of the company

Sri. P.K Narayanan Namboothiri (DIN: 07642603), Sri.P.N Sandeep (DIN: 03589892) and Sri M.K Narayanan (DIN 02105409) are retiring by rotation in this AGM, being eligible seeking for their re-appointment except SRI M.K Narayanan.

There were no other changes among directors of the company during the year under report.

Audit Committee:

The audit committee consists of Sri. M Vasudevan (Chairman), Sri. K B Brahmadathan, Sri. P U Divakaran and Sri. M K Narayanan as its members.

During the FY 2024-25, Three (03) meetings of the audit committee were held on 02/08/2024, 09/01/2025 and 24/02/2025 respectively. The meetings were attended by all the members of the committee.

During the year there were no cases of non acceptance of recommendations of the audit committee by the Board of directors.

Nomination & Remuneration Committee:

The nomination and remuneration committee consists of Sri. K B Brahmadathan (Chairman), Sri. P M Vasudevan and Sri. P U Divakaran as its members.

During the FY 2024-25, One (01) meeting of the nomination and remuneration committee were held on 06/08/2024. The meetings were attended by all the members of the committee.

The committee chiefly deals with matters relating to the size and composition of the Board, succession plans, evaluation of performance, Board diversity and remuneration framework and policies thereon. The committee is in the process of formulating detailed criteria relating to the determination of qualifications, positive attributes and independence of directors and recommendation of candidates to the Board as well as a policy relating to remuneration of directors, key managerial personnel and other employees.

Secretarial Audit Report:

The provisions of the Companies Act, 2013 and the rules framed there under relating secretarial audit report are applicable to the company.

Corporate Social Responsibility (CSR) Policy:

The provisions of the Companies Act, 2013 and the rules made there under relating to Corporate Social Responsibility are not applicable to the company.

Annual Evaluation:

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of governance. The main aspects of evaluation included the contribution to governance, participation in planning and fulfillment of obligations and responsibilities.

Vigil Mechanism:

The company has established a vigil mechanism for the directors and employees of the company to report their genuine concerns or grievances as per section 177 of the Companies Act, 2013. The audit committee of the Board shall deal with the grievances raised under the vigil mechanism. The company had not received any complaints/grievances during the year under report.

Internal Complaints Committee:

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013].

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

The company has not received any complaints during the financial year.

Disclosure u/s 143(12):

The auditors of the company have not reported any fraud pursuant to section 143(12) of the Companies Act, 2013.

Statutory Auditors:

The present statutory auditors of the company, M/s. T V Ganesa Iyer & Co., Chartered Accountants, Thrissur, were appointed for a period of five years in the 25th Annual General Meeting held on 30.12.2020. The statutory auditors shall hold office till the conclusion of the 30th Annual General Meeting of the company.

Company has appointed subject to the AGM approval , new statutory auditor's M/S NSSRAND ASSOCIATES Chartered Accountants(Reg no 028594)who will hold the office for a term of five years ie from the conclusion of the 30th Annual General meeting of the company till 35 th Annual General meeting ,at such remuneration as may be approved by the audit committee/board of directors of the company

Cost Auditors:

The company is not required to appoint a Cost Auditor pursuant to the provisions of the Companies Act, 2013.

Cost Records:

The company is not required to maintain cost records pursuant to Section 148(1) of the Companies Act, 2013.

Directors Responsibility Statement:

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a. in the preparation of the annual accounts for the financial year ended 31st March 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2025 and of the loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Annual Return:

Pursuant to section 92(3) read with Section 134(3)(a) the Annual Return is available on the company's website at http://pnysabha.com/images/finance/Form_MGT_7-PNY-SABHA.pdf

Compliance with the secretarial standards:

The Company has complied with the Secretarial Standards specified by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs under Section 118(10) of the Companies Act, 2013.

Acknowledgment:

We are grateful for the steadfast support of both state and central Government of India and the Ministry of corporate affairs, RBI , NSDL CDSL, DHANLAKSHMI BANK, SOUTH INDIAN BANK for their timely help and advises. we also extend our sincere gratitude to our employees, customers and stake holders, regulatory bodies and the valued shareholders. We also thank our auditor's M/s T.V GANESA IYER AND CO AND V VASUDEVAN &CO SECRETARIAL AUDITORS for the innumerable and timely services. Together, let us continue to build an enterprise that paves the way for a brighter tomorrow

For and on behalf of the Board of Directors

Place: Thrissur
Date : 03.09.2025

Sd/-
M S Predeep
(DIN: 00323900)

Sd/-
P U Divakaran
(DIN: 01608147)

From No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

Sl. No.	Particulars	Details
a.	Name(s) of the related party and nature of relationship	Nil
b.	Nature of contracts/ arrangements/ transactions	Nil
c.	Duration of the contracts / arrangements/ transactions	Nil
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
e.	Justification for entering into such contracts or arrangements or transactions	Nil
f.	Date(s) of approval by the Board	Nil
g.	Amount paid as advances, if any:	Nil
h.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

2. Details of material contracts or arrangements or transactions on an arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval, if any:	Amount paid as advances, if any:
M S Predeep	Remuneration to managing director	Ongoing	3,84,000.00	29.12.2021	Nil
P N Sandeep	Remuneration to directors appointed in office or place of profit		5,23,804.00	01.03.2008	Nil
M S Kesavan			3,48,000.00	01.03.2008	Nil
Peringottukara Namboothiri Yogakshema Sabha	Rent		12,75,750.00	01.01.2018	Nil
PNYS Chit Funds (Kerala) Pvt. Ltd.	Commission received for services rendered to private companies under the same management		50,24,065.00	17.10.2014	Nil
PNYS Securities (India) Pvt. Ltd.			14,63,272.00	10.08.2015	Nil

For and on behalf of the Board of Directors

Place: Thrissur

Sd/-

Sd/-

Date : 03.09.2025

M S Predeep
(DIN:00323900)
(Managing Director)

P U Divakaran
(DIN: 01608147)
(Chairman)