

## Peermade Development Society

March 17, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	14.54	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Negative and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	6.50	CARE A4; ISSUER NOT COOPERATING*	Downgraded from CARE A4+ and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Peermade Development Society (PDS) to monitor the rating vide e-mail communications dated March 05, 2026, and February 18, 2026, February 10, 2026, February 06, 2026 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Limited (CareEdge Ratings) has reviewed the rating on the basis of the best available information which however, in CARE Ratings Limited (CareEdge Ratings)'s opinion is not sufficient to arrive at a fair rating. The ratings on PDS's bank facilities will now be denoted as **CARE BB-; Stable; ISSUER NOT COOPERATING/ CARE A4; ISSUER NOT COOPERATING**.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings assigned to the bank facilities of Peermade Development Society (PDS) have been revised on account of non-availability of requisite information. The ratings assigned to the bank facilities of PDS remained constrained on account of society's small scale of operations and volatile margins, revenue concentration from spices division, society's operations being restricted to few districts in Kerala, sensitivity of performance of the spices division to vagaries of climatic conditions and risks associated with microfinance lending. However, ratings continue to draw strength from the long-standing experience of the management team in developmental activities, diversified stream of activities undertaken by PDS and established relationship with government bodies and institutions.

**Analytical approach:** Combined. For the purpose of analysis, CARE Ratings has combined the financials of all divisions of PDS as they are controlled by the same governing body of the society and there exists cash flow fungibility between the divisions.

**Outlook:** Stable

### Detailed description of the key rating drivers

At the time of last rating on April 03, 2025 the following were the rating strengths and weaknesses

#### Key weaknesses

##### Small scale of operations with revenue concentration and volatile profitability margins

The operations of PDS are limited to five regions covered under three districts which restrict its growth opportunities. It is dependent on organic spices division which is prone to climatic risks and fluctuation in prices of spices. PDS also faces competition from other societies, non-governmental organizations (NGOs) and government-promoted initiatives for rural development which cover larger sections of society with wider reach and strong financial support. The total operating income for FY24 is ₹32.49 crore (PY: ₹26.76 crore) with 80% contributed by the spices division. PBILDT margin of PDS has come down to 1.91% in FY24 (PY: 16.51%) and it has reported a net loss of Rs 0.26 crores in FY24. The drop in margin was majorly on account of volatility in raw material prices in spices division.

##### Susceptibility of revenue from spices division to vagaries of climate

The performance of the spice division is susceptible to vagaries of climatic conditions and volatility in price of spices. Pepper, which is the major spice sold by PDS requires optimum rainfall and a warm and humid climate. Extremes of temperature result in poor yield of pepper. Similarly, turmeric, the second-largest contributor to the divisions' revenue, is sensitive to low temperatures.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

### Credit risk associated with microfinance lending

PDS, through its microfinance unit, is engaged in lending microfinance loans to self-help groups (SHGs) affiliated with the society and who do not have access to banking channels. The marginal credit profile of the borrowers exposes PDS to associated credit risk. However, the society lends largely to existing clients and lends on joint liability basis which reduces the credit risk to an extent.

### Fragmented structure

PDS operates through 15 separate units and maintains separate books of accounts for each unit. The surplus from all units is transferred to PDS and there is a separate set of financials for PDS. The units also avail debt from banks or related parties which appear only in the accounts of units and not in the books of accounts of society. Apart from the units, PDS also undertakes various adhoc projects for which PDS has given substantial amount of advances.

### Key strengths

#### Long experience of management in developmental activities

PDS is engaged in social welfare activities for over 45 years. The current activities are managed by Dr. Sabu John, acting as the Executive Director, who is involved in the developmental activities of the rural community for many years. The other members of the senior management are also highly qualified and experienced in similar field.

#### Established relationship with government bodies and institutions

PDS receives funds from both domestic and foreign donors. The society is associated with a set of donors in domestic as well as foreign countries like NABARD, Kerala State Social Welfare Board, among others. for more than a decade and receives funds every year to support its projects. The society also receives funds from individuals and institutions in Germany, France, United Kingdom, Austria among others. In few projects, the funding partners also work along with PDS.

#### Diversified stream of activities with relatively stable revenue

PDS is involved in various developmental activities like sales of organic spices, tea, ayurveda medicines, handcrafts, carpentry, ayurveda spa, wellness centres, and microfinance to SHGs in order to uplift the financial and social status of the farming/tribal community. About 80% (PY: 75%) of the revenue generated for PDS is from organic spices unit in FY24. PDS assists small organic farmers in cultivating various spices and exports it majorly to USA, Europe, Australia, South Africa, Egypt and South Korea. Society caters to a fixed set of clients in these countries and enjoys long standing relationship with them which facilitates stable revenues to an extent from this segment.

**Assumptions/Covenants:** Not Applicable

**Environment, social, and governance (ESG) risks:** Not Applicable

#### Applicable Criteria:

[Criteria on Information Adequacy Risk and Issuer Non-Cooperation](#)

[CARE Ratings' Policy on Default Recognition](#)

[Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[CARE Ratings' Criteria on Consolidation & Combined Approach](#)

[Financial Ratios – Non-Financial Sector](#)

[CARE Ratings' Criteria on Rating of Short Term Instruments](#)

[Rating Methodology – Services Sector](#)

[Rating Methodology - Wholesale Trading](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial Services & Supplies	Trading & Distributors

PDS was founded in 1980 by Mar Mathew Arackal, former Bishop of Syro Malabar Roman Catholic diocese of Kanjirapally (Kerala). The society is involved in social service activities, aimed at improving the living conditions and general welfare of the poor, particularly farmers and tribal community by providing employment opportunities. It operates in the regions of Mundakayam, Pathanamthitta, Kanjirapally, Kattapana, Kumily, Idukki and Peermade covering around 64 villages.

**Standalone financials of PDS**

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	2.95	2.30
PBILDT	0.31	-0.52
PAT	0.52	-0.26
Overall gearing (times)	0.24	0.28
Interest coverage (times)	3.23	-4.43

A: Audited; Note: 'the above results are latest financial results available'

**Combined financial of PDS group:**

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	26.76	32.49	29.00*
PBILDT	4.42	0.62	NA
PAT	2.98	-0.26	2.08
Overall gearing (times)	0.39	0.47	NA
Interest coverage (times)	3.06	0.71	NA

A: Audited UA: Unaudited NA: Not available; Note: 'the above results are latest financial results available'

Financials are combined after netting off the inter group transactions.

\*TOI of some trusts are not available.

**Status of non-cooperation with previous CRA:** Not applicable

**Any Other information:** Not Applicable

**Rating History for last three years:** Annexure-2

**Covenants of rated instrument / facility:** Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	3.06	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	December 2026	0.31	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	November 2025	11.17	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based - ST-Bill Discounting/ Bills Purchasing		-	-	-	2.50	CARE A4; ISSUER NOT COOPERATING*
Fund-based - ST-EPC/PSC		-	-	-	4.00	CARE A4; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	0.31	CARE BB-; Stable; ISSUER NOT COOPERATING *	1)CARE BB+; Negative (03-Apr-25)	-	1)CARE BB+; Stable (13-Feb-24)	1)CARE BB+; Stable (31-Mar-23)
2	Fund-based - LT-Cash Credit	LT	3.06	CARE BB-; Stable; ISSUER NOT COOPERATING *	1)CARE BB+; Negative (03-Apr-25)	-	1)CARE BB+; Stable (13-Feb-24)	1)CARE BB+; Stable (31-Mar-23)
3	Fund-based - ST-EPC/PSC	ST	4.00	CARE A4; ISSUER NOT COOPERATING *	1)CARE A4+ (03-Apr-25)	-	1)CARE A4+ (13-Feb-24)	1)CARE A4+ (31-Mar-23)
4	Fund-based - ST-Bill Discounting / Bills Purchasing	ST	2.50	CARE A4; ISSUER NOT COOPERATING *	1)CARE A4+ (03-Apr-25)	-	1)CARE A4+ (13-Feb-24)	1)CARE A4+ (31-Mar-23)
5	Fund-based - LT-Term Loan	LT	11.17	CARE BB-; Stable; ISSUER NOT COOPERATING *	1)CARE BB+; Negative (03-Apr-25)	-	1)CARE BB+; Stable (13-Feb-24)	1)CARE BB+; Stable (31-Mar-23)

\*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - ST-Bill Discounting/ Bills Purchasing	Simple
4	Fund-based - ST-EPC/PSC	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

### Contact us

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