

To
**The Debenture Holders,
Kosamattam Finance Limited (“Issuer”)**

Subject: No Objection Certificate in relation to further borrowing and Credit Facility.

This is with reference to the listed, secured, non-convertible debentures (“NCDs”) issued by Kosamattam Finance Ltd (“Issuer”) from time to time under various Debenture Trust Deeds (collectively referred to as “Existing DTD”) wherein you all are the Debenture holder/s (“Existing Debenture Holder/s”) as per the latest BENPOS for the respective NCD issuances.

In relation to the above, we have been informed that the Issuer has proposed public issue of Secured, Redeemable, Non-Convertible Debentures ("NCDs") and Credit Facilities availed as per the below:

1. Proposed Public issue (debenture trustee- Vistra ITCL (India) Limited) of Secured NCDs of Rs.400 Cr.
2. Credit facility availed from IDFC first Bank of Rs.105 Cr.
3. Credit facility availed from Northern Arc Capital Limited of Rs.40 Cr.
4. Credit facility availed from Tata Capital Limited of Rs.16.07 Cr.
5. Credit facility availed from Canara bank of Rs.25 Cr.
6. Credit facility availed from Indian bank of Rs.25 Cr.
7. Credit facility availed from Equitas Small Finance Bank Limited of Rs.15 Cr.
8. Credit facility availed from federal bank of Rs.60 Cr.
9. Proposed Credit facility from State bank of India of Rs.150 Cr.

In this connection, please be informed that as per the covenants under the Existing DTD executed for the various NCD issuances, the Issuer shall not create any further encumbrances on the Security, except with the prior consent / NOC of the Debenture Trustee. In the event of receipt of such request by the Issuer and upon receipt of a Chartered Accountant certificate suggesting that even after creation of such further charge on the Security the Security Cover required under the Existing DTD shall continue to be maintained, as per the requirements of the applicable SEBI regulations, Debenture Trustee is required to provide 5 working days to the Existing Debenture Holders and seek their approval for creation of further charge.

Accordingly, please note that the Issuer has obtained and submitted to us a Chartered Accountant Certificate (*as attached*), which indicates that there would be no dilution of Security below the Security Cover stipulated under the Existing DTD and that the Issuer has maintained and will continue to maintain the stipulated security cover under Existing DTD to secure the existing outstanding NCDs.

In light of the above, considering the stipulated Security Cover as stated under the Existing DTD is maintained, there is no specific requirement for Vistra to obtain ‘consent’ from the Existing Debenture Holders under the Existing DTD, prior to providing the NOC to the Issuer for proposed Public Issue of Secured, Redeemable, Non-Convertible Debentures ("NCDs") and credit facilities from various banks. However, irrespective of the same as a prudent trustee and as per the requirement under the applicable law, we would hereby inform you of receipt of the said request from the Issuer for proposed public issue. Kindly note that this is for your information and records and we await your objection/observation, if any, within 5 working days.

In case of any additional information required, please feel free to enquire us. We will assist you with the same and facilitate the response your queries from the Issuer.

Thanks & Regards
Vistra ITCL (India) Limited | Trust Operations

19.11.2022

Vistra ITCL (India) Limited
6th Floor, The IL&FS Financial Center
Plot No. C-22, G Block,
Bandra Kurla Complex
Bandra (East), Mumbai 400051

Sir,

Sub: Request for issuing NOC

Ref:

1. Proposed Public issue (debenture trustee- Vistra ITCL (India) Limited) of Secured NCDs of Rs.400 Cr.
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5. Credit facility availed from Canara bank of Rs.25 Cr.
6. Credit facility availed from Indian bank of Rs. 25 Cr.
7. Credit facility availed from Equitas Small Finance Bank Limited of Rs.15 Cr.
8. Credit facility availed from federal bank of Rs. 60 Cr.
9. proposed Credit facility from State bank of India of Rs. 150 Cr.

In order to strengthen the working capital of base of the Company, the Board of directors of the company availed or proposed to avail the above referred credit facilities.

In connection therewith, we are required to create a first ranking pari passu floating charge over the assets of the Company, in favour of the Bank as follows;

1. IDFC First Bank:-

Loan Amount:- ₹ 100 crores Term Loan and ₹ 5 crores CC limit

Security details:-

Primary- First pari-passu charge of present and future book debts and receivables.

Collateral:-15%

Margin:- 15%

2. Federal Bank:-

Loan Amount:- ₹ 60 crores WCDL

Security details:-

Primary:- First Ranking paripassu charge by way of hypothecation over the gold loan receivables along with debenture trustees and other Banks/Financial institutions in the Multiple Banking arrangement.

Collateral:-25%

Margin: 25%

3. Northern Arc Capital Limited

Loan Amount:- ₹ 40 crores Term Loan

Security details:-

Primary:- First pari passu charge on all existing and future, moveable assets including intangibles, book debts, and current assets of the borrower including Gold loan receivables, book debts stock in trade etc. subject to the charge the Income Tax Department has in terms of applicable law on the furniture and fixtures of written down value of ₹ 10.81 crores.

Collateral:- Nil

Margin:-10%

4. Tata Capital Financial Services Limited

Loan Amount:- ₹ 16.07 crores Term Loan

Security details:-

Primary:- First Ranking pari passu charge by way of hypothecation over loan assets/book debts of the company (both present and future).

Collateral:-15%

Margin: 25%

5. Equitas Small Finance Bank

Loan Amount:- ₹ 15 crores Term Loan

Security details:-

Primary:- First pari passu charge by way of hypothecation of all chargeable current assets, book debts, loans and advances and receivables including gold loan receivables of the company, both present and future.

Collateral:-10%

Margin: 10%

6. Canara Bank

Loan Amount:- ₹ 25 crores Term Loan

Security Details:-

Primary security:- First charge over all movable assets and current assets, including book debts and receivables, cash and bank balances, both present and future of the company excluding value of furniture and fixtures to the extent of 10.81 Crores on which Income tax department shall have first charge on on pari passu basis with all working capital lenders and debenture holders with ACR of 1.33 times.

Collateral Security:- 25% Cash Deposit

Margin: 25%

7. Indian Bank

Loan Amount:- ₹ 25 crores Term Loan

Security Details:-

Primary security:- Paripassu charge by way of hypothecation/assignment over specific standard receivables/book debts in respect of specific loans (excluding assets ineligible for bank financing, asset securitised and pertaining to group concerns) disbursed by the company to individual borrowers with 1.20 times coverage of loan outstanding at any point of time by replacing the closed loans/NPA loans with fresh loans

Collateral Security:- 10% Cash Deposit

Margin: 20%

8. State Bank of India:-

Loan Amount:- ₹ 120 crores Term Loan and ₹ 30 crores Working Capital

Security Details:-

Primary security:- First charge over entire current assets, including book debts and receivables, cash and bank balances, both present and future of the company on pari passu basis along with other secured creditors including debenture trustees and other banks/FIs in the Multiple Banking Arrangement.

Collateral Security:- 21% (Landed Collateral + Cash Deposit)

Margin: 25%

9. Vistra ITCL (India) Limited

Nature of Credit facility : Proposed public issue of Secured NCDs

Security Details:- The principal amount of the NCDs to be issued in terms of the Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of creating security over on all movable assets (excluding charge on the written down value of furniture and fixtures to the extent of ₹10,80,91,696/-), including book debts and receivables, cash and bank balances, loans and advances, both present and future of the Company equal to the value of one time of the NCDs outstanding plus interest accrued.

We kindly seek your no-objection at the earliest from the date of this letter. We would also request you to please confirm that the Company is not in violation of any of the terms and conditions, including any covenants or restrictions imposed on the Company by any of the documents entered into by the Company with you, and that no cross default or event of default has occurred till date.

Copy of security cover certificate issued by the Statutory Auditor is also enclosing herewith for your reference.

We look forward to receiving your consent at the earliest.

Yours sincerely,

For Kosamattam Finance Limited


Mathew K. Cherian
Managing Director
DIN:01286073





S G S & COMPANY

Chartered Accountants

To

Vistra ITCL (India) Limited
IL&FS Financial Centre,
Plot C-22, G- Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai- 400051

CERTIFICATE ON SECURITY COVER AS ON SEPTEMBER 30, 2022

Based on examination of books of accounts and other relevant records/documents, we hereby certify that:

Security Cover for listed debt securities:

- The financial information as on September 30, 2022 has been extracted from the books of accounts for the period ended September 30, 2022 and other relevant records of the listed entity;
- The assets of the listed entity provide coverage of 1.20 times of the interest and principal amount of Secured NCDs, which is in accordance with the terms of issue/ debenture trust deed (calculation as per statement of security coverage ratio for the Secured debt securities - Table - I)

Table - I:

(₹ in lakhs)

Sr. No.	Particulars		Amount
i.	Total assets available for secured Debt Securities' – (secured by either Paripassu or exclusive charge on assets) (mention the share of Debt Securities' charge holders)	A	3,39,576.49
	Property Plant & Equipment (Fixed assets) - movable/immovable property etc.		3,098.07
	Loans /advances given (net of provisions, NPAs and sell down portfolio), Debt Securities, other credit extended etc.		4,32,837.51
	Cash and cash equivalents and other current/ non-current assets (Note No-1)		87,608.95
	Less: Secured Working Capital Loan & TL		(1,55,960.12)
	Less: Income Tax Charge U/s 281		(1,080.92)
	Less: Loan Sanctioned which is not availed from Canara Bank of ₹ 2500 Lakhs as on September 30, 2022		(2,500.00)
	Less: Loan Sanctioned which is not availed from Federal Bank of ₹ 6000 Lakhs as on September 30, 2022		(6,000.00)
	Less: Loan Sanctioned which is not availed from IDFC First Bank of ₹ 500 Lakhs as on September 30, 2022		(500.00)
	Less: Un-availed portion of the term loan sanctioned from Tata Capital Financial Services of ₹ 1,607 Lakhs as on September 30, 2022		(427.00)
	Less: Un-availed portion of the term loan sanctioned from Northern Arc of ₹ 4,000 Lakhs as on September 30, 2022		-
	Less: Un-availed portion of the term loan sanctioned from Equitas Small Finance Bank of ₹ 1,500 Lakhs as on September 30, 2022		-
	Less: Loan Sanctioned which is not availed from SBI of ₹ 15,000 Lakhs as on September 30, 2022		(15,000.00)
	Less: Loan Sanctioned which is not availed from Indian Bank of ₹ 2500 Lakhs as on September 30, 2022		(2,500.00)

H.O. : X/657/B, CA-MED Tower, Pallikulam Road, Near Chaldean Centre, Thrissur - 680001.
PH.: (O) 0487-2446109, 2425420, e-mail: mail@sgsandcompany.com, web.: sgsandcompany.com

Branches

Kochin : Grace Nest, Near Park Central Hotel, Kadavanthara Road, Kaloore, Cochin - 682017, Ph : 0484 4011990
Chennai : A-15, Ben Foundation, Orchard West End, Near Velammal Matriculation School,
T.S. Krishna Nagar, Mogappair East, Chennai - 600037
Calicut : 4/631-D5, Maity Bhavan, Behind SNES College, Near 4th Gate, Therveed Lane, Calicut - 673032



ii.	Total borrowing through issue of secured Debt Securities (secured by either Pari passu or exclusive charge on assets)	B	2,81,979.59
	• Debt Securities		2,22,381.94
	• Proposed Secured NCD Issue		40,000.00
	• IND - AS adjustment for effective Interest rate on secured Debt Securities		(461.29)
	• Interest accrued/payable on secured Debt Securities		20,058.94
iii.	Security Coverage Ratio (As per the terms of offer document/information memorandum/debenture trust deed the charge is restricted to 1 time of the secured NCDs outstanding plus interest accrued thereon.)	A/B	1.20

Note:

The total amount of Cash and cash equivalents and other current/ non-current assets includes:

1. the loans sanctioned till date which are not availed as on September 30, 2022 from following banks:
 - i. Canara Bank - ₹ 2,500 lakhs
 - ii. Federal Bank - ₹ 6,000 lakhs
 - iii. IDFC First Bank - ₹500 lakhs
 - iv. State Bank of India - ₹15,000 lakhs
 - v. Indian Bank - ₹ 2,500 lakhs
 - vi. Tata Capital Financial Services - ₹427 lakhs (term loan sanctioned was ₹1607 lakhs out of which ₹1180 lakhs has been availed as on 30 September 2022).
2. The proposed Secured NCD issue of ₹ 40,000 lakhs.

We further certify that Company has adequate security cover in order to meet the obligation towards the Secured Non-convertible debenture holders after considering the following credit facilities;

(₹ in lakhs)

Sl. No	Bank Name	Outstanding	Limit
1	Bandhan Bank	12,000.00	12,000.00
2	Bank of Baroda	11,756.88	11,875.00
3	Bank of Maharashtra	7,429.14	7,429.14
4	Canara Bank (includes ₹2,500 lakhs sanctioned on 29 September 2022)	7,791.01	10,291.01
5	CSB Bank	7,078.47	7,078.00
6	DCB Bank	3,971.87	4,000.00
7	Dhan Laxmi Bank	4,943.00	5,000.00
8	Equitas Small Finance Bank	1,500.00	1,500.00
9	ESAF	2,249.85	2,249.85
10	Federal Bank (includes ₹6,000 lakhs sanctioned on 27 September 2022)	5,029.23	11,067.00
11	HDFC	5,000.00	5,000.00
12	IDFC First Bank (includes ₹ 500 lakhs sanctioned on 03 September 2022)	13,153.00	13,653.00
13	Indian Bank (includes ₹2,500 lakhs sanctioned 13 October 2022)	3,141.67	5,697.00
14	Karur Vysya Bank	6,809.47	6,875.00
15	Northern Arc	7,161.89	7,161.89
16	Punjab National Bank	2,461.83	2,500.00
17	South Indian Bank	17,111.24	17,188.00
18	State Bank of India (includes ₹15,000 lakhs sanctioned on 28 September)	22,396.86	37,512.00
19	TATA Capital Financial Services	2,998.18	2,998.18
20	Union Bank of India	11,976.53	12,045.00
	Grand Total	1,55,960.12	1,83,120.07

UDIN : 22211952BDNDWG4692

Place: Thrissur

Date: 18-11-2022

For SGS & COMPANY
CHARTERED ACCOUNTANTS
F.R.N. 009889S

[Signature]
CA SANJO N.G., FCA, DISA (ICAI)
Partner (M.No. 211952)

