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CIN.U65929KL1987PLC004729

Kosamattam Finance Ltd.

(₹ In Lakhs Except Face Value of Shares and EPS)

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2021				
PARTICULARS	6 Months Ended March 31, 2021	6 Months Ended March 31, 2020	Current Year ended March 31, 2021	Previous Year Ended March 31, 2020
	Audited	Audited	Audited	Audited
Revenue from operations				
Interest Income	29,561.03	27,812.90	53,841.02	49,510.43
Dividend Income				
Net gain on fair value changes				
Fees and commission Income	166.25	228.81	382.81	412.99
Sale of services				
Total Revenue from operations	**29,727.28**	**28,041.71**	**54,223.83**	**49,923.42**
Other Income	0.05	2.46	2.14	10.00
Total Income (I+II)	**29,727.33**	**28,044.17**	**54,225.97**	**49,933.42**
Expenses				
Finance Costs	16,407.28	14,344.53	31,592.56	28,106.98
Impairment on financial instruments	373.28	64.25	732.78	199.94
Employee Benefits Expenses	4,460.82	3,394.68	7,399.53	6,609.32
Depreciation, amortization and impairment	1,347.05	1,144.39	2,409.31	2,465.84
Others expenses	1,568.84	1,995.02	2,492.43	3,305.44
Total Expenses (IV)	**24,157.27**	**20,942.87**	**44,626.61**	**40,687.52**
Profit / (loss) before exceptional items and tax (III-IV)	5,570.06	7,101.30	9,599.36	9,245.90
Exceptional items	-	-	-	-
Profit/(loss) before tax (V -VI)	5,570.06	7,101.30	9,599.36	9,245.90
Tax Expense:				
Current Tax	1,469.52	1,859.75	2,529.52	2,387.31
Deferred Tax	295.66	(347.12)	228.53	(383.21)
Income Taxes relating to earlier years	309.73	2,478.79	309.73	2,478.79
Profit / (loss) for the period from continuing operations(VII-VIII)	3,495.15	3,109.88	6,531.58	4,763.01
Profit/(loss) for the period	**3,495.15**	**3,109.88**	**6,531.58**	**4,763.01**
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss	4.89	6.19	(9.32)	4.51
(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.23)	(1.56)	2.35	(1.14)
Subtotal (A)	**3.66**	**4.63**	**(6.97)**	**3.37**
B (i) Items that will be reclassified to profit or loss				
(ii) Income tax relating to items that will be reclassified to profit or loss				
Subtotal (B)				
Other Comprehensive Income (A + B)	**3.66**	**4.63**	**(6.97)**	**3.37**
Total Comprehensive Income for the period	**3,498.81**	**3,114.51**	**6,524.61**	**4,766.38**
Earnings per equity share				
(Face value of Rs. 10/- each)				
Basic (Rs.)	1.76	1.62	3.31	2.49
Diluted (Rs.)	1.66	1.55	3.12	2.36

See accompanying notes to the financial statements

Place : Kottayam
Date : June 28, 2021

For Kosamattam Finance Limited

Mathew K. Cherian
Managing Director
DIN:01286073

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Kosamattam Finance Ltd.

(₹ in Lakhs)

AUDITED STATEMENT OF ASSETS AND LIABILITIES (BALANCE SHEET) AS AT MARCH 31, 2021		
PARTICULARS	As at March 31, 2021	As at March 31, 2020
	Audited	Audited
ASSETS		
Financial assets		
Cash and cash equivalents	16,358.86	3,493.19
Bank Balance other than above	17,200.26	11,395.58
Receivables		
I) Trade Receivables	7.37	11.36
II) Other Receivables	22.33	36.76
Loans	3,47,826.38	2,97,247.02
Other Financial assets	1,544.91	1,387.12
Non-financial Assets		
Current tax assets (net)	1,095.74	981.63
Deferred tax assets (net)	843.13	1,069.31
Property, Plant and Equipment	12,278.28	12,242.33
Right of use assets	3,650.13	2,785.69
Other Intangible assets	261.14	285.67
Other non financial assets	1,466.63	859.86
TOTAL ASSETS	**4,02,555.16**	**3,31,795.52**
LIABILITIES AND EQUITY		
Financial Liabilities		
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises		
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	364.40	463.31
Debt Securities	2,28,322.99	2,04,104.16
Borrowings (other than debt securities)	85,261.02	52,188.37
Subordinated Liabilities	31,987.38	29,752.86
Lease liabilities	3,777.99	2,737.50
Other Financial liabilities	194.82	281.57
Non-financial Liabilities		
Current tax liabilities (net)		-
Provisions	431.06	140.52
Deferred tax liabilities (net)		
Other non-financial liabilities	156.65	80.59
Equity		
Equity share capital	20,250.05	19,160.18
Other equity	31,808.80	22,886.46
TOTAL LIABILITIES AND EQUITY	**4,02,555.16**	**3,31,795.52**

See accompanying notes to the financial statements

Place : Kottayam
Date : June 28, 2021

For Kosamattam Finance Limited

Mathew K. Cherian
Managing Director
DIN:01286073

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Notes:-

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on June 24, 2021 and June 28, 2021.
2. The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

   These financial statements may require further adjustments, if any, necessitated by the guidelines/clarifications/directions issued in future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.
3. The 'severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)', generally known as COVID-19, which was declared as a global pandemic by the World Health Organisation on 11 March 2020, continues to spread across the globe and in India. Globally countries and businesses are under lockdown. On March 24, 2020, the Government of India announced a 21 days lockdown initially, which was extended by 19 days across the country to contain the spread of the virus. Considering the sever health hazard associated with COVID-19 pandemic, certain parts of the country have further extended the lockdown. Reserve Bank of India has announced certain regulatory measures in the wake of the disruptions on account of COVID-19 pandemic. In accordance with the RBI guidelines relating to COVID-19 Regulatory Package, the lending institutions have been permitted to grant a moratorium on payment of all instalments and / or interest, as applicable, to eligible borrowers in accordance with the Board approved policy. Company has not availed any moratorium from the lenders. In accordance with the regulatory package announced by Reserve Bank of India, the company has offered an optional moratorium to the eligible customers. As per the guidelines issued by the Reserve bank of India on August 06, 2020 regarding Resolution frame work for Covid-19-related stress, the lending institutions have been permitted to implement a resolution plan in respect of eligible borrowers in accordance with the Board approved policy. Since majority of our customers are short term-gold loan customers and other eligible customers also

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was not there, the number of accounts where resolution plan has been implemented under this window is 'NIL'. India entered the second year of the pandemic together with the rest of the globe. The beginning of the year rang in positivity, with declining daily cases, hope of the vaccines around the corner, and the successful management of the first wave of Covid-19. Businesses started picking up, and across sectors, reports started coming in from companies touching Pre-Covid levels. However, the much dreaded second wave of the coronavirus came in, bringing with it more deadly variants as compared to the previous cycle. While the country felt it was geared to tackle this, this could not be further from the truth on the ground. However, since majority of our loan book consists of gold loans there has no significant impact on the operations and financial position of the Company on account of the outbreak of the COVID-I9 pandemic, during the period.

4. Earnings Per equity Share for the half year ended March 31, 2020 and March 31, 2021 have not been annualised.
5. The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS – 108 dealing with Operating Segments.
6. The figures for the year ended March 31, 2021 and March 31, 2020 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to six months of relevant financial year, which were subjected to limited review by the auditors
7. Previous period /year figures have been regrouped /reclassified wherever necessary to conform to current period/year presentation.

For Kosamattam Finance Limited

Mathew K. Cherian
Managing Director
DIN:01286073

KOSAMATTAM FINANCE LTD.
Registered Office
KOTTAYAM

Vishnu Rajendran & Co
Chartered Accountants

Independent Auditor's Report

To The Members of Kosamattam Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion
We have audited the accompanying Standalone Financial Statements of **Kosamattam Finance Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter
In note no.49, accompanying the Standalone Financial Statements the management has stated that there was no significant impact of the Covid-19 pandemic on the operations and financial position of the company. So our opinion on the Standalone Financial Statements is not modified in respect of this matter.

Key Audit Matters
Key Audit Matters are those matters that, in our professional judgement were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon. So we do not provide a separate opinion on these matters. We have determined the matter described below as the Key Audit Matter to be communicated in our report.

<u>Impairment Loss Allowance</u>
Management's judgments in the calculation of impairment allowances having a significant impact on the Standalone Financial Statements, is disclosed as an accounting policies in Note 3.6 to the Standalone Financial Statements. The estimates regarding impairment allowances are complex and require a significant degree of judgment, which increased with implementation of Expected Credit Loss ("ECL") approach as required by Ind AS 109 relating to "Financial instruments."

The Management is required to determine the ECL that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset. The key areas of judgment include:

1. Categorization of loans in Stage 1, 2 and 3 based on identification of a) exposures with significant increase in credit risk since their origination and b) Individually impaired / default exposures.

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2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL are based on past experience.
3. The impact of different future macroeconomic conditions in the determination of ECL. These judgments required the models to be reassessed including the impact of COVID -19 Pandemic to measure the ECL. As per the RBI directions the Company has created the Impairment Reserve account under other equity. Management has made a number of interpretations and assumptions when designing and implementing models that are compliant with the standard. The accuracy of data flows and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Given the significance of judgments and the high complexity related particularly to the calculation of ECL we determined this area as a Key Audit Matter.

Audit Procedures adopted

- We obtained an understanding of management's assessment of impairment of loans and advances including the Ind AS109 implementation process, internal rating model, impairment allowance policy and ECL modelling methodology. We assessed the design and implementation, and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions.
- Also we assessed the key judgments and assumptions relating to the macro-economic scenarios including the impact of COVID 19 Pandemic and the associated probability weights.
- We also assessed the approach of the Company for categorization of the loans in various stages reflecting the inherent risk in the respective loans.
- For a sample of financial assets, we tested the correctness of Staging, reasonableness of PD, accuracy of LGD and ECL computation.
- We have also verified the compliance of the directions issued by the Reserve Bank of India from time to time during the year on this subject.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises information included in the Company's Annual Report, but does not include the Standalone Financial Statements and our report thereon.

Our Opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance.

In connection with our audit on the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Based on our audit findings if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to preparation of the Standalone Financial Statements that give a true and fair view of the financial position, financial performance(including other comprehensive income),changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standard (Ind AS) prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Standalone Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

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going concern basis for accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements
Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with standards on auditing, we exercise professional judgment and professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial control systems in place and operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure 1" to this report a statement on the matters specified in Paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 2016, issued by the Reserve Bank of India In exercise of the powers conferred by sub-section (1A) of Section 45MA of the Reserve Bank of India Act, 1934, we give in the "Annexure 2", an additional Audit Report addressed to the Board of Directors containing our statements on the matters specified therein.
3. As required by section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;

    c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account and returns.

    d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e. On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act.

    f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our Report in "Annexure 3"

    g. With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies(Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to explanations given to us:
        i. The company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
        ii. The Company did not have any long term contracts including derivative contracts for which there were any foreseeable losses.
        iii. According to the information made available there are no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Vishnu Rajendran & Co.**
Chartered Accountants
Firm's Reg. No. 004741S

VISHNU RAJENDRAN & CO. KOTTAYAM FRN 004741S Chartered Accountants

CA Mesfin Z Abraham FCA, DISA
Partner
Membership No-208529
UDIN: 21208529AAAAAR2145

Place: Kottayam
Date: June 28, 2021

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Annexure 1 to the Auditor's Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's report of even date to the members of Kosamattam Finance Limited (the Company) on the audit of the Standalone Financial Statements for the year ended on March 31, 2021

We report that;

i.
   a) According to the information and explanation given to us the Company has a system to maintain proper records showing full particulars, including quantitative details and situation of fixed assets.
   b) According to the information and explanation provided by the Management, the Company has a regular programme for the verification of its fixed assets. In our opinion, the periodicity of physical verification requires to be reviewed, having regard to the size and nature of the Company and the nature of its assets under normal circumstances. But the periodicity of physical verification is observed to have been disturbed during the year due to the lockdown caused by the pandemic.
   c) Based on our examination of the registered sale deed/transfer deed and other relevant records evidencing the title/possession provided to us, we report that, as at the balance sheet date, the title deeds of immovable property are held in the name of the Company.

ii. The Company is a service company, primarily rendering financial services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.

iii. The Company has granted loans, secured or unsecured to parties covered in the register maintained under Section 189 of the Companies Act.
   a) According to the information and explanation given to us, the terms and conditions in respect of the loans granted by the Company (secured/unsecured loans) to companies/firms/limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act are not prima facie prejudicial to the interest of the company.
   b) In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in the payment of interest wherever applicable.
   c) In respect of the aforesaid loans, there is no overdue amount for a period exceeding 90 days.

iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, made any investments, provided any guarantees, and given any security to which the provision of Section 185 and 186 of the Companies Act are applicable.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits and accordingly paragraph 3(v) of the order is not applicable.

vi. Being a Non- Banking Financial Company, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act. Thus paragraph 3(vi) of the order is not applicable.

vii.
   a) The Company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, goods and service tax, sales tax, wealth tax, service tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of statutory dues as at the last day of the financial year concerned for a period of more than six months from the date on which they became payable.
   b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute except the amounts disclosed in Note no.37 Contingent Liabilities forming part of the Standalone Financial Statements.

viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the period.

ix. In our opinion and according to the information and explanations given to us, money raised by way of further public offer of debt instruments and term loan obtained have been applied by the Company during the year for the purpose generally for which they were raised.

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x. According to the information and explanations given to us, instances of fraud on the Company by its officers or employees has been noticed, amounting to Rs. 1.3 Crores as per the FMR reports to RBI on 04.01.2021 and 30.01.2021 in three branches during the current year.

xi. According to the documents provided for our verification, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the entity.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the Standalone Financial Statements of the Company as required by the applicable Ind AS in Note No.38: Related Party Transactions forming part of Standalone Financial Statements of the Company.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any private placement of securities during the current year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable to the Company.

xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has obtained the required registration under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Vishnu Rajendran & Co.**
Chartered Accountants
Firm's Reg. No. 004741S

VISHNU RAJENDRAN & CO. KOTTAYAM FRN 004741S Chartered Accountants

CA Mesfin Z Abraham FCA, DISA
Partner
Membership No-208529
UDIN: 21208529AAAAAR2145

Place: Kottayam
Date: June 28, 2021

3rd Floor, CSI Commercial Centre, Baker Jn., P. B. No. 227, Kottayam - 686 001
|Tel: 0481 2301999, 2581999 |Mob: 8547224272 |Email: kottayam@vrc.co.in|

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Annexure 2 to the Auditor's Report

To the Board of Directors of Kosamattam Finance Limited,

We have audited the Balance Sheet of Kosamattam Finance Limited for the year ended on March 31, 2021, the Statement of Profit and Loss (Including Other Comprehensive Income),the statement of changes in equity and the Statement of Cash Flows for the year then ended annexed thereto. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016, and according to the information and explanations given to us, we provide herewith, a statement on the matters specified in paragraphs 3 and 4 of the aforesaid directions;

i. The company is engaged in the business of Non-Banking Financial Institution and it has obtained the certificate of registration as provided in section 45-IA of the RBI Act, 1934.
ii. The Company is entitled to continue to hold the Certificate of Registration in terms of the Asset/Income pattern as on March 31, 2021.
iii. The Board of Directors of the Company has passed a resolution for non-acceptance of public deposit.
iv. The Company has not accepted any public deposit during the period under review.
v. According to the information and explanation given to us, the Company has complied with the prudential norms on Income Recognition, Indian Accounting Standards, Asset Classification, Provisioning for bad and doubtful debts as specified in the direction issued by the Reserve Bank of India in terms of the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016.
vi. The capital adequacy ratio as disclosed in the return submitted to RBI in terms of Master Direction – Non-Banking Financial Company – Systemically Important Non- deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016, has been correctly arrived and such ratio is in compliance with the minimum CRAR as prescribed by the Reserve Bank of India.
vii. The Company has furnished to RBI the annual statement of Capital Fund, risk assets and risk assets ratio within the stipulated period.
viii. The Company has not been classified as NBFC-MFI for the year ended March 31, 2021.

The report has been issued pursuant to the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016 and is issued to the Board of Directors of the Company as required by Paragraph 2 of such directions and should not be used for any other purpose.

For **Vishnu Rajendran & Co.**
Chartered Accountants
Firm's Reg. No. 004741S

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Annexure 3 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Kosamattam Finance Limited for the year ended 31 March 2021

Report on the Adequacy of Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 3(f) under Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls with reference to the Standalone Financial Statements of Kosamattam Finance Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of the internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on auditing ("the Standards") issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of the internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of the Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and the dispositions of the assets of the Company;(2) provide reasonable assurance that transactions are recorded as

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necessary to permit preparation of the Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made in accordance with authorization of the management and directors of the Company;(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

The Company's application of information technology systems for internal financial controls over financial reporting processes are dependent on the automated controls embedded within the system. Any deficiency in the systems and procedures being implemented, and the IT infrastructure including non- upgradation of existing user systems and accessories in a timely manner, may result in control lapses, incorrect input data or wrong extraction of data, that may result in the financial accounting and reporting records being misstated. Because of these and other inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to fraud or error may occur and not be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate if the degree of compliance with the policies or procedures deteriorates.

Opinion

In our opinion, the Company has in all material respects, an adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company as per the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Vishnu Rajendran & Co.**
Chartered Accountants
Firm's Reg. No. 004741S

CA Mesfin Z Abraham FCA, DISA
Partner
Membership No-208529
UDIN: 21208529AAAAAR2145

Place: Kottayam
Date: June 28, 2021

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Kosamattam Finance Ltd.

28.06.2021

Department of Corporate Services
BSE Limited, P. J. Tower,
Dalal Street,
Mumbai - 400 001

Dear Sir/Madam,

Sub: Declaration as per Regulation 52(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations") with respect to Audit report with unmodified opinion to the Audited Financial Results for the financial year ended March 31, 2021.

We hereby certify that the Audit Report of Financial Results for the year ended March 31, 2021 is with unmodified opinion.

Thanking You,

For Kosamattam Finance Limited,

Mathew K. Cherian
Managing Director
DIN: 01286073

KOSAMATTAM FINANCE LTD.
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Kosamattam Finance Ltd.

28.06.2021
BSE Limited,
P J Towers, Dalal Street,
Mumbai-400001

Sir/Madam,

Sub: Half yearly Communication for the half year ended 31st March 2021
Ref: Clause 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We would like to submit the following details as required under Clause 52 (4) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), 2015

(a) **Credit Rating: Credit Rating:** "CARE BBB" Outlook Stable by CARE Ratings Ltd.(upto 8th tranche of public issue of debenture),"IND BBB" Outlook stable by India Ratings & Research Private Limited (From 9th tranche to 20th tranche), "BWR BBB+" Outlook stable, by Brickwork Ratings India Private Limited (21st tranche).
Date of Change: CARE Ratings Limited: 03.12.2020, India Ratings & Research Private Limited: 27.11.2018,

(b) **Debt Equity Ratio: 6.64**
(c) **(i) Previous due date for the payment of interest: 01.03.2021**

(ii) Previous due date for the payment of principal along with interest

ISSUE No.	Previous due date and amount of payment of principal along with interest (in ₹)	ISSUE No.	Previous due date and amount of payment of principal along with interest (in ₹)
NCD-V	30.11.2020 (Option 6),₹ 9,17,93,000 (ISIN INE403Q07326)	NCD-XII	07.01.2021 (Option 4 & 5),₹ 1,06,53,85,095.75 (ISIN INE403Q07813 & INE403Q07821)
NCD-VI	14.02.2020 (Option 6),₹ 12,36,76,500 (ISIN INE403Q07383)	NCD-XIII	22.10.2019 (Option 2 & 3),₹ 55,78,52,303.26 (ISIN INE403 Q07854 & INE403Q07862)
NCD-VII	08.06.2020 (Option 6),₹ 9,90,64,500 (ISIN INE403Q07466)	NCD-XIV	23.09.2020(Option 1 & 2),₹ 95,51,92,760 (ISIN INE403Q07920 & INE403Q07938)
NCD-VIII	28.09.2020 (Option 6),₹ 22,42,15,500 (ISIN INE403Q07540)	NCD-XV	30.01.2021 (Option 2),₹ 65,57,61,920 (ISIN INE403Q07995)
NCD-IX	31.03.2021 (Option 6),₹ 15,62,71,500 (ISIN INE403Q07607)	NCD-XVI	05.11.2020 (Option 1),₹ 37,81,35,465 (ISIN INE403Q07AE3)
NCD-X	08.05.2020 (Option 4 & 5),₹ 1,12,12,52,692.10 (ISIN INE403Q07664 & INE403Q07672)	NCD-XVII	24.09.2020 (Option 1),₹68,75,65,799.70(ISIN INE403Q07AK0)
NCD-XI	28.08.2020 (Option 4 & 5),₹ 74,85,25,769.6 (ISIN INE403Q07730 & INE403Q07748)		

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Kosamattam Finance Ltd.

(d) (i) Next due date for the payment of interest:01.04.2021 (paid on 29.03.2021)
(ii) Next due date for payment of principal along with interest

ISSUE No.	Next due date and amount of payment of principal along with interest (in ₹)	ISSUE No.	Next due date and amount of payment of principal along with interest (in ₹)
NCD-V	28.02.2022(Option 7 & 8),₹ 50,17,99,000 (ISIN INE403Q08043 & ISIN INE403Q08050)	NCD-XIV	23.09.2021 (Option 3 & 4),₹ 96,36,13,850 (ISIN INE403Q07946 & INE403Q07953)
NCD-VI	14.06.2022 (Option 7 & 8),₹ 58,08,19,000 (ISIN INE403Q07391 & ISIN INE403Q07409)	NCD-XV	29.01.2022 (Option 3 & 4),₹ 89,67,88,850 (ISIN INE403Q07AA1 & ISIN INE403Q07AB9)
NCD-VII	08.12.2022(Option 7 & 8), ₹ 55,05,89,000 (ISIN INE403Q07474 & ISIN INE403Q07482)	NCD-XVI	05.05.2021 (Option 2),₹30,26,54,000(ISIN INE403Q07AF0)
NCD-VIII	28.03.2023 (Option 7 & 8),₹ 38,97,64,000 (ISIN INE403Q08068 & ISIN INE403Q08076)	NCD-XVII	20.08.2021 (Option 2),₹ 30,27,91,000 (ISIN INE403Q07AL8)
NCD-IX	31.01.2022(Option 7),₹ 31,48,02,000 (ISIN INE403Q07615)	NCD-XVIII	09.06.2021 (Option 1),₹ 60,49,66,506 (ISIN INE403Q07AQ7)
NCD-X	08.09.2021 (Option 6),₹ 13,13,65,500 (ISIN INE403Q07680)	NCD-XIX	27.08.2021 (option 1),₹ 45,25,88,000 (ISIN INE403Q07AY1)
NCD-XI	28.12.2021 (Option 6),₹ 14,27,05,500 (ISIN INE403Q07755)	NCD-XX	18.11.2021 (Option 1), ₹ 82,30,36,990.50(ISIN INE403Q07BE1)
NCD-XII	07.05.2022 (Option 6),₹ 26,97,06,000 (ISIN INE403Q07839)	NCD-XXI	27.02.2022(Option 1) ,₹ 57,76,15,131(ISIN INE403Q07BM4)
NCD-XIII	22.04.2021 (Option 4 & 5), ₹ 59,49,84,933.90 (ISIN INE403Q07870 & INE403Q07888)		

(e) Debenture redemption Reserve:

As per Sec. 71 of the Companies Act, 2013 read with Rule 18(7) of Companies (Share capital and Debentures) Rules, 2014 including amendment thereof, No listed Non-Banking Financial Companies registered with Reserve Bank of India under section 45- IA of the RBI Act, 1934 shall comply with requirement of Debenture Redemption Reserve for debentures issued via both private placement and public issue.

(f) Net worth: ₹ 52,055.99 lakhs

(g) Net profit after tax: ₹ 3,495.15 lakhs

(h) Earning per share: 3.31(Basic), 3.12(Diluted)

Kindly take it on record
Yours faithfully,

Mathew K. Cherian
Managing Director
DIN: 01286073

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Registered Office
KOTTAYAM