



PRESS RELEASE

Update on Financial Covenant Compliance under Secured NCDs and Sub-Debt Private Placement Programmes

October 1, 2026

Kosamattam Finance Limited ("the Company") wishes to provide an update regarding compliance with certain financial covenants prescribed under the Offer Documents relating to its Secured NCDs and Sub-Debt private placement programmes.

Financial Covenant Deviations

Under the applicable terms and conditions and Offer Documents relating to certain Sub-Debts and Secured NCD private placements, the Company is required to maintain a minimum Tier 1 Capital ratio of 16% and a Debt-to-Tangible Net Worth ratio of not more than 5.50x, respectively. The Company was unable to maintain the prescribed ratios as on June 30, 2026.

The aforesaid ratios were finalised as part of the limited review process, the results of which are required to be filed with BSE within 45 days from the end of the relevant quarter. Following finalisation of the ratios, the Company evaluated the position and discussed with the Debenture Trustee and informed BSE.

The Company clarifies that financial covenants of this nature are not applicable to the majority of its other lending arrangements. Nevertheless, the Company has been actively evaluating and pursuing appropriate measures to address the deviations and restore the ratios within the prescribed limits.

Corrective Measures

As part of the corrective measures, the Board of Directors, at its meeting held on September 30, 2026, approved the proposed infusion of additional Tier 1 capital.

Upon completion of the proposed capital infusion, the Company expects both the Tier 1 Capital ratio and the Debt-to-Tangible Net Worth ratio to be brought within their respective prescribed limits during the first week of November 2026. The proposed capital infusion is expected to address the covenant-related matters.

The Company has also discussed the matter with the initial major investors who participated in the relevant NCD programmes. Based on these discussions, the investors have indicated their continued support for the Company and their willingness to support the proposed course of action.

Default Interest

In accordance with the terms and conditions applicable to the relevant private placements, the Company will pay the applicable default interest arising on account of the non-compliance of covenants.





The default interest shall be calculated with effect from July 1, 2026 and shall be paid to the respective eligible Debenture Holders based on the beneficiary position as on the applicable record date for each respective monthly interest due date, commencing from July 2026.

The default interest payable to the eligible Debenture Holders up to the latest interest due date shall be paid on October 1, 2026. The default interest accruing thereafter shall be paid along with the respective interest payments on the applicable interest due dates, in accordance with the terms and conditions applicable to the relevant Secured NCDs/Sub-Debts.

Debenture Holder Meetings

In parallel, the Debenture Trustee has proposed to convene ISIN-wise meetings of the Debenture Holders to discuss the covenant deviations, the corrective measures being undertaken by the Company and the proposed course of action.

The Company will extend its full cooperation in connection with these meetings and provide the necessary information to the Debenture Trustee and the Debenture Holders, as applicable.

Commitment to Stakeholders

The Company regrets these deviations, particularly as these constitute the first instances of such non-compliance. The Company remains committed to maintaining the prescribed financial covenants, strengthening its capital position and implementing appropriate measures to prevent recurrence.

The Company values the continued confidence and support of its stakeholders and assures them that all necessary steps are being taken to address the matter expeditiously and in the best interests of all stakeholders.

For Kosamattam Finance Limited


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