

THIS KEY INFORMATION DOCUMENT IS PREPARED IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, READ WITH THE SEBI MASTER CIRCULAR DATED 22 MAY 2024, THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS REGULATIONS), 2015 AND THE COMPANIES ACT, 2013 (AS APPLICABLE), EACH AS AMENDED FROM TIME TO TIME. THIS KEY INFORMATION DOCUMENT IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS.



KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

(a body corporate constituted by the Kerala Infrastructure Investment Fund Act, 1999 (as amended by the Kerala Infrastructure Investment Fund (Amendment) Act, 2016) and incorporated on 11 November 1999 in Kerala)

Corporate Identification Number (CIN): Not Applicable; **PAN:** AAJJK0192K; **RBI Registration No:** Not Applicable
Date and Place of Incorporation: Incorporated on 11 November 1999 in Kerala
Registered Office: 2nd Floor, Felicity Square, MG Road, Statue, Thiruvananthapuram – 695 001
Corporate Office: 2nd Floor, Felicity Square, MG Road, Statue, Thiruvananthapuram – 695 001
Tel.: 0471-2780900; **Email:** financeadmin@kiifb.org; **Website:** <https://kiifb.org/>
Company Secretary and Compliance Officer: Mr. Sabareeswar Thampam; **Tel.:** 9645544074; **E-mail:** co_fa@kiifb.org
Promoter: State Government of Kerala

PRIVATE PLACEMENT OF UNSECURED, RATED, REDEEMABLE, TAXABLE, LISTED NON-CONVERTIBLE DEBENTURES (“DEBENTURES”) BY WAY OF ISSUANCE, COMPRISING SEVEN STRPPs 'A' THROUGH 'G' OF FACE VALUE OF INR 1,00,000 (INDIAN RUPEES ONE LAKH ONLY) EACH (“FACE VALUE”) WITH EACH BOND AGGREGATING TO A VALUE OF INR 7,00,000 (INDIAN RUPEES SEVEN LAKH ONLY), FOR AMOUNTS OF UP TO INR 500,01,00,000 (INDIAN RUPEES FIVE HUNDRED CRORES AND ONE LAKH ONLY), WITH A GREEN-SHOE OPTION TO RETAIN OVERSUBSCRIPTION OF UP TO INR 500,01,00,000 (INDIAN RUPEES FIVE HUNDRED CRORES AND ONE LAKH ONLY), BY KERALA INFRASTRUCTURE INVESTMENT FUND BOARD (“ISSUER”) AND COUPON OF 9.49% PER ANNUM PAYABLE QUARTERLY FOR A TENOR OF APPROXIMATELY 4 - 10 YEARS, AT PAR AGGREGATING TO TOTAL ISSUE SIZE NOT EXCEEDING INR 1000,02,00,000 (INDIAN RUPEES ONE THOUSAND CRORES AND TWO LAKHS ONLY) UNDER ISINs [•] (“ISSUE”).

THIS ISSUANCE WOULD BE UNDER THE ELECTRONIC BOOK MECHANISM FOR ISSUANCE OF DEBT SECURITIES ON PRIVATE PLACEMENT BASIS AS PER SEBI MASTER CIRCULAR ISSUED BY SEBI UNDER THE SEBI NON-CONVERTIBLE SECURITIES LISTING REGULATIONS. THE ISSUER INTENDS TO USE BSE LIMITED (“BSE”) ELECTRONIC BIDDING PLATFORM (“BSE-BOND EBP”) FOR THIS ISSUE. THIS KEY INFORMATION DOCUMENT WILL BE UPLOADED ON THE BSE BOND-EBP TO COMPLY WITH THE SEBI MASTER CIRCULAR READ WITH THE OPERATIONAL GUIDELINES FOR ISSUANCE OF SECURITIES ON PRIVATE PLACEMENT BASIS THROUGH THE ELECTRONIC BOOK MECHANISM ISSUED BY BSE DATED 17 APRIL 2023 AND AN OFFER WILL BE MADE TO SUCCESSFUL BIDDERS IN ACCORDANCE WITH THE APPLICABLE LAW. NEITHER THE ISSUER NOR ANY OF ITS MEMBERS HAVE BEEN DECLARED AS A WILFUL DEFAULTER.

This Key Information Document dated 3 October 2024 contains relevant information and disclosures required for issue of the Debentures. The issue of the Debentures comprised in the Issue and described under this Key Information Document has been authorised by the Issuer through the resolution passed by the board of members of the Issuer on 12 July 2024 and the investment management committee of the Issuer on 11 September 2024. The Issue shall be subject to the provisions of the Kerala Infrastructure Investment Fund Act, 1999 as amended by the Kerala Infrastructure Investment Fund (Amendment) Act, 2016 (the “KIIF Act”), the Act (as applicable), the rules notified pursuant to the Act (as applicable), the terms and conditions of this Key Information Document and the General Information Document filed with the relevant Stock Exchanges, the Application Form, and other terms and conditions as may be incorporated in the Debenture Trust Deed and other documents in relation to each such Issue. The present issue of Debentures is not underwritten.

THESE DEBENTURES TO BE ISSUED DO NOT FORM PART OF NON-EQUITY REGULATORY CAPITAL MENTIONED UNDER CHAPTER V OF THE SEBI NON-CONVERTIBLE SECURITIES LISTING REGULATIONS.

GENERAL RISK

Investment in non-convertible securities is risky and Investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, Investors must rely on their examination of the issue including the risks involved in it. Specific attention of Investors is invited to statement of risk factors contained in Section 1 (*Risk Factors*) of this Key Information Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or Investor's decision to purchase such securities.

LISTING

The Debentures offered through this Key Information Document are initially proposed to be listed on the Wholesale Debt Market (“WDM”) Segment of the Stock Exchange. The Issuer, with prior notice to the Debenture Trustee, may get the Debentures listed on other material stock exchanges as it deems fit. The Issuer shall comply with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the listing agreement (to the extent applicable) on a continuous basis.

ELIGIBLE INVESTORS

The Eligible Investors are: (a) resident individuals; (b) HUF; (c) trust; (d) limited liability partnerships; (e) partnership firm(s); (f) portfolio managers registered with SEBI; (g) association of persons; (h) companies and bodies corporate including public sector undertakings; (i) scheduled commercial banks; (j) regional rural banks; (k) financial institutions; (l) insurance companies; (m) mutual funds; (n) foreign portfolio investors (if permitted under Applicable Law); and (o) any other investor eligible to invest in these Debentures in accordance with Applicable Law.

CREDIT RATING

The Debentures have been rated:

- “Provisional IND AA (CE)” with stable outlook by India Ratings and Research Private Limited for an amount up to INR 2999,99,00,000 (Indian Rupees Two Thousand Nine Hundred Ninety Nine Crores Ninety Nine Lakhs only) *vide* its rating letter dated 21 August 2024.
- “Provisional ACUTE AA (CE)” with stable outlook by Acuite Ratings & Research Limited for an aggregate amount up to INR 3000,00,00,000 (Indian Rupees Three Thousand Crores only) *vide* its rating letter dated 26 August 2024.

Instruments with the above rating are considered to have a high degree of safety regarding timely service of financial obligations. Such instruments carry low credit risk.

The above ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decisions. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and the ratings should be evaluated independently of any other rating. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc. The Issuer declares that the credit ratings assigned to the Debentures are valid as on the date of issuance and listing. Please refer to Schedule II (*Credit Rating Letter(s) and Rating Rationale from the Credit Rating Agency(ies)*) of this Key Information Document for rationale for the above ratings.

COMPLIANCE CLAUSE OF EBP

The Issue shall be open for bidding in accordance with the SEBI Non-Convertible Securities Listing Regulations, read with the circulars/guidelines/notifications issued by SEBI (including the SEBI Master Circular) and related operational guidelines issued by BSE as the electronic bidding platform (“EBP Platform”) provider from time to time including the EBP Guidelines issued by BSE.

ISSUE PROGRAMME*

ISSUE OPENING DATE	ISSUE CLOSING DATE	DATE OF EARLIEST CLOSING
7 October 2024	7 October 2024	Not applicable

COUPON	COUPON PAYMENT FREQUENCY	REDEMPTION DATE	REDEMPTION AMOUNT
9.49% per annum	Quarterly	8 October 2034	INR 1,00,000 per Debenture

ARRANGER TO THE ISSUE DEBENTURE TRUSTEE REGISTRAR TO THE ISSUE

 TIP SONS <small>Creating Value Since 1951</small>	 CATALYST <small>TRUSTEESHIP LIMITED</small>	 CAMEO
TIPSONS CONSULTANCY SERVICES PRIVATE LIMITED Address: Shaeraton House, Opp Keshav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad, 380015 Tel.: 9099933611 Website: www.tipsons.com Email: sandeep.bhansali@tipsons.com	CATALYST TRUSTEESHIP LIMITED Address: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Kothrud, Pune – 411 038. Contact Person: Mr. Umesh Salvi, Managing Director Tel: +91 20 66807200 Website: www.catalysttrustee.com Email: mailto:dt@ctltrustee.com ComplianceCTL– Mumbai@ctltrustee.com	CAMEO CORPORATE SERVICES LIMITED Address: Subramanian Building, #1, Club House Road, Chennai 600 002 - India. Contact Person: Mr. RD Ramaswamy Tel: 044 – 40020710/044 - 2846 0390 Website: https://cameoindia.com Email: cameo@cameoindia.com

CREDIT RATING AGENCIES STATUTORY AUDITOR

 Acuite <small>RATINGS & RESEARCH</small>	 India Ratings & Research <small>A Fitch Group Company</small>	M/s SURI & CO., CHARTERED ACCOUNTANTS Address: TC 25/434, 44 Santhi Nagar, Near Housing Board Junction, Thiruvananthapuram – 695 001 Contact Person: CA Gopikrishnan S Tel: 0471 2333053 Website: www.suriandco.com Email: surikiib@suriandco.com Peer Review Certificate No:016670
ACUITE RATINGS & RESEARCH LIMITED Address: 708, Lodha Supremus Lodha iThink Techno Campus, Kanjurmarg (East), Mumbai 400 042. Contact Person: Ms. Varsha Bist Tel: 91 2249294000/ 022-49294011 Website: https://www.acuite.in Email: info@acuite.in	INDIA RATINGS AND RESEARCH PRIVATE LIMITED Address: Wockhardt Towers, 4th Floor, West WinG, Bandra Kurla Complex, Bandra East, Mumbai – 400051. Contact Person: Mr. Suyash Gangwal Tel: +91 22 4000 1700; +91 22 4035 6125 Website: https://www.indiaratings.co.in/ Email: infogrp@indiaratings.co.in	

* The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole and absolute discretion without giving any reasons or prior notice. In the event of a change in the above issue schedule, the Issuer shall communicate the revised issue schedule to the Investors.

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ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms (i) that this Key Information Document contains all information with regard to the Issuer and the Issue which are material in the context of the Issue; (ii) that the information contained in this Key Information Document is true and correct in all material aspects and is not misleading; and (iii) that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

DISCLAIMERS

DISCLAIMER OF THE ISSUER

The distribution of this Key Information Document and the Issue, to be initially listed on the WDM segment of the BSE, is being made strictly on a private placement basis. This Key Information Document is not intended to be circulated to any person other than Eligible Investors. Multiple copies hereof or of any Key Information Document given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the Debentures to the public of India in general. This Key Information Document should not be construed to be a prospectus or a statement in lieu of prospectus under Applicable Law. Apart from this Key Information Document, no offer document or prospectus has been or will be prepared in connection with the offering of the Debentures or in relation to the Issuer nor is such a prospectus required to be registered under Applicable Laws. This Key Information Document has been prepared in conformity with the SEBI Non-Convertible Securities Listing Regulations and the rules thereunder.

This Key Information Document has been prepared to provide key information about the Issuer to potential Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Key Information Document does not purport to contain all the information that any potential Eligible Investor may require. Neither this Key Information Document nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Key Information Document should not consider such receipt a recommendation to purchase any Debentures. Each Eligible Investor contemplating purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer as well as the structure of the Issue. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such Investor's particular circumstances. It is the responsibility of the potential Investors to also ensure that they will sell these Debentures in strict accordance with this Key Information Document, the Debenture Trust Deed, and Applicable Laws, so that the sale does not constitute an offer to the public in terms of Applicable Law. Neither the intermediaries nor their agents nor advisors associated with the Issue undertake to review the financial condition nor affairs of the Issuer during the life of the arrangements contemplated by this Key Information Document or have any responsibility to advise any Eligible Investor or potential Eligible Investors on the Debentures of any information coming to the attention of any other intermediary.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Key Information Document contains all information with regard to the Issuer and the Issue, that the information contained in this Key Information Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Key Information Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer has no side letter with any debt securities holder except the ones disclosed in this Key Information Document. Any covenants later added shall be disclosed on the stock exchange website where the Debentures are listed. No person has been authorised to give any information or to make any representation not contained or incorporated by reference in this Key Information Document or in any material made available by the Issuer to any potential Eligible Investor pursuant hereto and, if given or made, such information or representation

must not be relied upon as having been authorised by the Issuer. The legal advisors to the Issuer and any other intermediaries and their agents or advisors associated with the Issue have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any such legal advisors or intermediary as to the accuracy or completeness of the information contained in this Key Information Document or any other information provided by the Issuer. Accordingly, the legal advisors to the Issuer and other intermediaries associated with the Issue shall have no liability in relation to the information contained in this Key Information Document or any other information provided by the Issuer in connection with the Issue.

The Issuer does not undertake to update the Key Information Document to reflect subsequent events after the date of the Key Information Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Key Information Document nor any Issue made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

Recipients shall not be entitled to use any of the information otherwise than for the purpose of deciding whether or not to invest in the Debentures.

This Key Information Document and the contents hereof and thereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the or on behalf of the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Key Information Document and any other information supplied in connection with this Key Information Document or the Debentures are intended to be used only by those potential Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by them or the disseminated recipient.

Invitations, offers and allotment of the Debentures shall only be made pursuant to this Key Information Document. You may not be and are not authorised to (1) deliver this Key Information Document or any other information supplied in connection with this Key Information Document or the Debentures to any other person; or (2) reproduce this Key Information Document or any other information supplied in connection with this Key Information Document or the Debentures in any manner whatsoever. Any distribution or reproduction of this Key Information Document in whole or in part or any public announcement or any announcement to third parties regarding the contents of this Key Information Document or any other information supplied in connection with this Key Information Document or the Debentures. Failure to comply with this instruction may result in a violation of the SEBI Non-Convertible Securities Listing Regulations or other Applicable Laws of India and other jurisdictions. This Key Information Document has been prepared by the Issuer for providing information in connection with the proposed Issue described in this Key Information Document.

Each person receiving this Key Information Document acknowledges that such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein and such person has not relied on any intermediary associated with the Issue in connection with its investigation of the accuracy of such information or its investment decision. Each person in possession of this Key Information Document should carefully read and retain this Key Information Document. However, each such person in possession of this Key Information Document is not to construe the contents of this Key Information Document as investment, legal, accounting, regulatory or tax advice, and such persons in possession of this Key Information Document should consult with their own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Debentures.

Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of the Issuer and the offer including the risks involved. The Debentures have not been recommended or approved by any regulatory authority in India, including the SEBI nor does SEBI guarantee the accuracy or adequacy of this Key Information Document. Specific attention of Investors is invited to the statement of 'Risk factors' under the Section 1 (Risk Factors) of the General Information Document.

The Issue will be a domestic issue restricted to India and no steps have been taken or will be taken to facilitate the Issue in any jurisdictions other than India. This Key Information Document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where distribution or use of such information would be contrary to law or regulation. This Key Information Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. Persons into whose possession this Key Information Document comes are required to inform themselves about and to observe any such restrictions. This Key Information Document is made available to Investors in the Issue on the strict understanding that it is confidential and may not be transmitted to others, whether in electronic form or otherwise.

DISCLAIMER OF THE SECURITIES AND EXCHANGE BOARD OF INDIA

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS KEY INFORMATION DOCUMENT WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS KEY INFORMATION DOCUMENT. THE ARRANGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS KEY INFORMATION DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

As per the provisions of the SEBI Non-Convertible Securities Listing Regulations, it is not stipulated that a copy of this Key Information Document has to be filed with or submitted to SEBI for its review/approval. It is to be distinctly understood that this Key Information Document should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures are issued/ proposed to be issued, or for the correctness of the statements made or opinions expressed in this Key Information Document.

DISCLAIMER OF THE ARRANGER

The Issuer has prepared this Key Information Document and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental and corporate approvals for the issuance of the Debentures. All the information contained in this Key Information Document has been provided by the Issuer or is publicly available information, and such information has not been independently verified by the Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this Key Information Document or any of the information or opinions contained therein, and the Arranger hereby expressly disclaims, to the fullest extent permitted by law, any responsibility for the contents of this Key Information Document and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Key Information Document or any information or errors contained therein or any omissions therefrom. By accepting this Key Information Document, you agree that the Arranger will not have any such liability.

You should carefully read and retain this Key Information Document. However, you are not to construe the contents of this Key Information Document as investment, legal, accounting, regulatory or tax advice, and you should consult with your own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Debentures.

DISCLAIMER IN RESPECT OF JURISDICTION

The Issue will be made to the Investors as specified under “Eligible Investors” of this Key Information Document, who shall be specifically approached by the Issuer. This Key Information Document does not constitute an offer to sell or an invitation to subscribe to the Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the jurisdiction of the

courts and tribunals of Thiruvananthapuram. This Key Information Document does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any jurisdiction and to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

DISCLAIMER OF THE BSE

As required, a copy of this Key Information Document has been submitted to BSE. It is to be distinctly understood that the aforesaid submission or hosting the same on the website of BSE in terms of the SEBI Non-Convertible Securities Listing Regulations, should not in any way be deemed or construed to mean that this Key Information Document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Key Information Document; nor does it warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does it take any responsibility for the financial or other soundness of the Issuer, its members, its management or any scheme or project of the Issuer.

Every person who desires to apply for or otherwise acquire any securities of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER OF THE CREDIT RATING AGENCIES

All credit ratings assigned are subject to certain limitations and disclaimers. Please read these limitations and disclaimers on the website of the Credit Rating Agencies. In addition, rating definitions and the terms of use of such ratings are available on the public website of the Credit Rating Agencies. published ratings, criteria, and methodologies are available from this site at all times. Code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures may also apply.

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Credit Rating Agencies has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Credit Rating Agencies do not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities or instruments are rated by the Credit Rating Agencies have paid a credit rating fee, based on the amount and type of bank facilities/instruments. Further, in this connection, please also refer to the copies of the rating letter, press release and the rating rationale issued by the Credit Rating Agencies in respect of the rating for the Debentures provided in this Key Information Document.

DISCLAIMER OF THE DEBENTURE TRUSTEE

Unless as required under Applicable Law, the Debenture Trustee does not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Key Information Document and does not have any responsibility to advise any Investor or prospective Investor in the Debentures of any information available with or subsequently coming to the attention of the Debenture Trustee, its agents or advisors except as specifically provided for in the Debenture Trust Deed.

The Debenture Trustee has not separately verified the information contained in this Key Information Document, accordingly no representation, warranty or undertaking express or implied, is made and no responsibility is accepted by Debenture Trustee as to the accuracy or any other information provided by the Issuer. Accordingly, the Debenture Trustee associated with the Issue shall have no liability in relation to the information contained in this Debenture Trustee or any other information provided by the Issuer in connection with this Issue.

The Debenture Trustee, "ipso facto" does not have the obligations of the Issuer or a principal debtor or a guarantor as to the monies paid / invested by the Investors for the Debentures.

CONFIDENTIALITY

The information and data contained herein is submitted to each recipient of this Key Information Document on a strictly private and confidential basis. By accepting a copy of this Key Information Document or any other

information supplied in connection with this Key Information Document or the Debentures, each recipient agrees that neither it nor any of its employees or advisors will use the information contained herein for any purpose other than evaluating the specific transactions described herein or will divulge to any other party any such information. This Key Information Document or any other information supplied in connection with this Key Information Document or the Debentures must not be photocopied, reproduced, extracted or distributed in full or in part to any person other than the recipient without the prior written consent of the Issuer.

CAUTIONARY NOTE

The Investors have confirmed that they, (i) are knowledgeable and experienced in financial and business matters, have expertise in assessing credit, market and all other relevant risk and are capable of evaluating, and have evaluated, independently the merits, risks and suitability of purchasing the Debentures; (ii) understand that the Issuer has not provided, and will not provide, any material or other information regarding the Debentures, except as included in the General Information Document and this Key Information Document, (iii) have not requested the Issuer to provide it with any such material or other information, (iv) have not relied on any investigation that any person acting on their behalf may have conducted with respect to the Debentures, (v) have made their own investment decision regarding the Debentures based on their own knowledge (and information they have or which is publicly available) with respect to the Debentures or the Issuer, (vi) have had access to such information as deemed necessary or appropriate in connection with purchase of the Debentures, (vii) are not relying upon, and have not relied upon, any statement, representation or warranty made by any person, including, without limitation, the Issuer, and (viii) understand that, by purchase or holding of the Debentures, they are assuming and are capable of bearing the risk of loss that may occur with respect to the Debentures, including the possibility that they may lose all or a substantial portion of their investment in the Debentures, and they will not look to the Debenture Trustee appointed for the Debentures for all or part of any such loss or losses that they may suffer.

No person, including any employee of the Issuer, has been authorised any information or to make any representation not contained in this Key Information Document. Any information or representation not contained herein must not be relied upon as having been authorised on behalf of the Issuer. Neither the delivery of this Key Information Document at any time nor any statement made in connection with the offering of the Debentures shall under the circumstances imply that any information/ representation contained herein is correct at any time subsequent to the date of this Key Information Document. The distribution of this Key Information Document and the offer, sale, pledge or disposal of the Debentures may be restricted by law in certain jurisdictions. This Key Information Document does not constitute an offer to sell or an invitation to subscribe to the Debentures in any other jurisdiction and to any person to whom it is unlawful to make such offer or invitation in such jurisdiction. Persons into whose possession this Key Information Document comes are required by the Issuer to inform themselves about and observe any such restrictions.

FORWARD LOOKING STATEMENTS

Certain statements in this Key Information Document are not historical facts but are “forward-looking” in nature. Forward-looking statements appear throughout this Key Information Document, including, without limitation, under Section 1 (Risk Factors) of this Key Information Document. Forward-looking statements include statements concerning the Issuer’s plans or financial performance, capital expenditure, etc. If any, the Issuer’s competitive strengths and weaknesses and the trends the Issuer anticipates in the industry, along with the political and legal environment, and geographical locations, in which the Issuer operates, and other information that is not historical information.

Words such as “aims”, “anticipate”, “believe”, “could”, “continue”, “estimate”, “expect”, “future”, “goal”, “intend”, “is likely to”, “may”, “plan”, “predict”, “project”, “seek”, “should”, “targets”, “would” and similar expressions, or variations of such expressions, are intended to identify and may be deemed to be forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and assumptions about the Issuer, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved.

These risks, uncertainties and other factors include, among other things, those listed under the Section 1 (Risk Factors) of this Key Information Document, as well as those included elsewhere in this Key Information

Document. Prospective Investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited, to:

- *General, political, economic, social and business conditions in Indian and other global markets;*
- *The Issuer's ability to successfully implement its strategy, growth and expansion plans;*
- *Competition in the Indian markets;*
- *Adverse rulings against the Issuer by courts or tribunals in the legal proceedings;*
- *Inability of the Issuer to employ substantial number of qualified personnel for operating its business and project operations;*
- *Occurrence of strikes, work stoppages and/or increased wage demands by the employees/labour employed for the Issuer's business operations, resulting in a material adverse effect on the business of the Issuer, results of operations and cash flows;*
- *Availability of adequate debt financing at reasonable terms;*
- *Inability of the Issuer to obtain or maintain adequate insurance cover for its projects;*
- *Performance of the Indian debt and equity markets; and*
- *Changes in laws and regulations applicable to body corporates in India, including foreign exchange control regulations in India.*

For a further discussion of factors that could cause the Issuer's actual results to differ, please refer to the Section 1 (Risk Factors) of this Key Information Document. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. Although the Issuer believes that the expectations reflected in such forward-looking statements are reasonable at this time, the Issuer cannot assure Investors that such expectations will prove to be correct. Given these uncertainties, the Investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of the Issuer's underlying assumptions prove to be incorrect, the Issuer's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements. As a result, actual future gains or losses could materially differ from those that have been estimated. The Issuer undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date hereof.

Forward looking statements speak only as of the date of this Key Information Document. None of the Issuer, its members, its officers or any of their respective affiliates or associates has any obligation to update or otherwise revise any statement reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

DEFINITIONS AND ABBREVIATIONS

References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made under that provision.

Capitalised terms used, but not defined herein shall have the meaning ascribed to it under the General Information Document. Unless the context otherwise indicates or requires, the following terms used in this Key Information Document shall have the meanings given below.

TERM	DESCRIPTION
“Accounts Agreement”	Means the accounts agreement entered into by the Issuer, the Account Bank and the Debenture Trustee (as amended from time to time).
“Account Bank”	Means State Bank of India, City Branch, Thiruvananthapuram branch or any other replacement, branch, or scheduled commercial bank, acceptable to the Debenture Trustee.
“Applicants”	Means and refer to the Persons, who have made an application for subscription to the Debentures pursuant to this Key Information Document.
“Application Form”	Means an application form to be filled by the Eligible Investors for the subscription of the Debentures.
“Critical Rating Downgrade Event”	Means the downgrade of the credit rating of the Debentures by any Credit Rating Agency, to below A+ (A or below) (i.e., a three-notch credit downgrade (or any subsequent credit downgrade therefrom) from the credit rating allotted at the time of issuance of the Debentures by a Credit Rating Agency)
“Credit Rating Agencies”	Means: (a) India Ratings and Research Private Limited; and (b) Acuité Ratings & Research Limited
“Debenture Trust Deed”	Means the debenture trust deed entered into by and between the Issuer and the Debenture Trustee (as amended from time to time).
“Debenture Trustee”	Means the trustee for the Debenture Holders, in this case being Catalyst Trusteeship Limited, a company incorporated under the provisions of the Companies Act, 1956 and existing under the Act, with corporate identification number U74999PN1997PLC110262 and having its registered office at GDA House, First Floor, Plot No. 85, Bhusari Colony (Right), Kothrud, Pune, Maharashtra, India, 411038.
“Debenture Trustee Agreement”	Means the debenture trustee agreement dated 1 October 2024 entered into by and between the Issuer and the Debenture Trustee (as amended from time to time).
“Debentures”	Unsecured, rated, redeemable, taxable, listed non-convertible debentures comprising seven STRPPs 'A' through 'G' of a face value of INR 1,00,000 (Indian Rupees One Lakh only) each (with each bond aggregating to a value of INR 7,00,000 (Indian Rupees Seven Lakh only)), for amounts of up to INR 500,01,00,000 (Indian Rupees Five Hundred Crores and One Lakh only), with a green-shoe option to retain over-subscription of up to INR 500,01,00,000 (Indian Rupees Five Hundred Crores and One Lakh only), such that the aggregate issue size of the Debentures does not exceed an amount of up to INR 1000,02,00,000 (Indian Rupees One Thousand Crores and Two Lakhs only) through private placement route under the terms of the Debenture Trust Deed, General Information Document and this Key information Document as issuance of Debentures under

TERM	DESCRIPTION
	ISIN [●]. This issuance of Debentures under ISIN [●] is made pursuant to the SEBI Non-Convertible Securities Listing Regulations and the SEBI DT Master Circular.
“Debt Service Reserve Account”	Means the no lien, no set-off bank account of the Issuer, titled “Kerala Infrastructure Investment Fund Board” bearing account number 43266109223, opened and maintained by the Issuer with the Account Bank and IFSC Code SBIN0008635.
“Deed of Guarantee”	Means the deed of guarantee executed by GoK in favour of the Debenture Trustee (as amended from time to time).
“Deed of Hypothecation”	Means the deed of hypothecation entered into by and between the Issuer and Debenture Trustee (as amended from time to time).
“Deemed Date of Allotment”	The day on which the Issuer receives the Subscription Amount (which, for avoidance of doubt, shall mean the day on which the Subscription Amount is paid into the Issue Proceeds Account), and such date shall be no later than 2 (two) Working Days from the Issue Closing Date.
“Default”	Means an Event of Default, or any event or circumstance specified in Clause 2.1 of Article XXVI (<i>Remedies and Events of Default</i>) of the Debenture Trust Deed, which would (pursuant the expiry of a grace period (if any) and/or the giving of notice) be or become an Event of Default.
“Default Interest”	Has the meaning as provided in Row 31 (<i>Default Interest Rate</i>) of the Section 6 (<i>Summary of Terms</i>) under this Key Information Document.
“EBP Guidelines”	Means the SEBI Master Circular read with the “Operational Guidelines for participation on BSE-BOND (EBP platform of BSE)” issued by BSE dated 17 April 2023 in relation to EBP, as amended, modified and supplemented, from time to time.
“Eligible Investors”	Shall have the meaning as provided on the first page of this Key Information Document.
“Events of Default”	Means any event or circumstances as specified in Row 64 (<i>Event of Default</i>) of the Section 6 (<i>Summary of Terms</i>) of this Key Information Document.
“General Information Document”	Means the general information document dated 18 April 2024 issued by the Issuer in respect of the issue of the Debentures.
“Interest” / “Coupon”	Means in respect of a Debenture, the accrued interest on each Debenture calculated at the Interest Rate (as provided in this Key Information Document) on each applicable Interest Payment Date (as provided in the Row 18 (<i>Coupon/Dividend Rate</i>) of the Section 6 (<i>Summary of Terms</i>) under this Key Information Document).
“Interest Payment Date”/ “Coupon Payment Date”	Has the meaning ascribed to such term in Row 21 (<i>Coupon/Dividend Payment Date(s)</i>) of the Section 6 (<i>Summary of Terms</i>) under this Key Information Document.
“Interest Rate/Coupon Rate”	Means the rate of interest on the face value of the Debentures which is as provided in Row 18 (<i>Coupon/Dividend Rate</i>) of Section 6 (<i>Summary of Terms</i>) under this Key Information Document.
“Issue Closing Date”	Means 7 October 2024
“Issue Opening Date”	Means 7 October 2024
“Issue Proceeds Account”	Means the no lien account opened by the Issuer with State Bank of India, in their branch office at Palayam, Trivandrum bearing account number 43266109563 and IFSC SBIN0008635, wherein the Subscription Amount shall be deposited by the

TERM	DESCRIPTION
	Indian Clearing Corporation Limited as per the end use in terms of the Debenture Trust Deed, the General Information Document and this Key Information Document.
“KIIFB Bond Servicing Account”	Means the no lien, no set-off bank account of the Issuer, titled “KIIFB Bond Servicing Account” bearing account number 43266104644 opened and maintained by the Issuer with State Bank of India having its branch at Palayam, Thiruvananthapuram and IFSC Code SBIN0008635.
“Listing Agreement”	Means the agreement to be entered into between the Issuer and the Stock Exchange for the purpose of listing the Debentures on the Stock Exchange.
“Nominal Value” or “Face Value”	Means INR 1,00,000 (Indian Rupees One Lakh only) being the nominal face value of each Debenture.
“Pay In Date”	Means 8 October 2024
“Permitted Investments”	Has the meaning set out in Row 81 (<i>Permitted Investments</i>) in the Section 6 (<i>Summary of Terms</i>) under this Key Information Document.
“Purpose”	Has the meaning set out in Row 16 (<i>Objects of the Issue / Purpose for which there is requirement of funds</i>) in the Section 6 (<i>Summary of Terms</i>) under this Key Information Document.
“Put Option Event”	Means the occurrence of: (a) a Cross Default; and/or (b) a Critical Rating Downgrade Event.
“Put Option Debenture Holders”	Mean the Debenture Holders who shall direct the Debenture Trustee to exercise the Put Option in respect of the Debentures held by them as per the terms of the Transaction Documents.
“Record Date”	Means the date falling 15 (fifteen) days prior to any due date. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day shall be the Record Date.
“Redemption Date”	Means 8 October 2034
“Registrar and Transfer Agent”	Means Cameo Corporate Services Limited and unless repugnant to or inconsistent with the context or meaning thereof, the term shall be deemed to mean and include its successors and permitted assigns.
“SEBI DT Master Circular”	Means the Master Circular for debenture trustees dated 16 May 2024 bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46, as amended.
“SEBI Master Circular”	Means the Master Circular for issue and listing of Non-Convertible Securities, Securities Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated 22 May 2024 issued by SEBI, as amended from time to time.
“Subscription Amount”	Means amount equivalent to the amount of the principal in respect of the Debentures which are allotted in terms of the Debenture Trust Deed, the General Information Document and Key Information Document.
“Tenor”	Means approximately 4 – 10 years under 7 different STRPPs/sub-series.
“Transaction Documents”	Means: (a) this Key Information Document; (b) the General Information Document; (c) the Debenture Trust Deed;

TERM	DESCRIPTION
	(d) the Debenture Trustee Agreement; (e) the Deed of Guarantee; (f) the Accounts Agreement; (g) the Deed of Hypothecation; and (h) any other document designated as a “Transaction Document” in writing by the Debenture Trustee and the Issuer jointly.

SECTION 1

RISK FACTORS

General Risk

Investment in non-convertible securities is risky, and Investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, Investors must rely on their examination of the issue including the risks involved in it. Specific attention of Investors is invited to statement of risk factors contained in the section on 'Risk Factors' of the General Information Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or Investor's decision to purchase such securities.

The risk factors set out in Section 1 (*Risk Factors*) of the General Information Document shall be deemed to be incorporated in this Key Information Document and shall apply *mutatis mutandis* as if it were set out in full herein.

SECTION 2

DISCLOSURES (IN ACCORDANCE WITH SEBI NON-CONVERTIBLE SECURITIES LISTING REGULATIONS)

1. **Details of credit rating along with the latest press release of the Credit Rating Agency in relation to the issue, and a declaration that the rating is valid as on the date of the issuance and listing. Such press release shall not be older than one year from the date of opening of the issue.**

India Ratings and Research Private Limited has assigned a rating of Provisional IND AA (CE) with stable outlook to the Debentures. Instruments with the above rating are considered to have a high degree of safety regarding timely service of financial obligations. Such instruments carry low credit risk. The rating letter from India Ratings and Research Private Limited is provided in Schedule II (*Credit Rating Letter(s) and Rating Rationale from the Credit Rating Agency(ies)*) of this Key Information Document. India Ratings and Research Private Limited has issued a press release of the credit rating in respect of the Debentures on 21 August 2024.

Acuité Ratings & Research Limited has assigned a rating of Provisional ACUITE AA (CE) with stable outlook to the Debentures. Instruments with the above rating are considered to have a high degree of safety regarding timely service of financial obligations. Such instruments carry low credit risk. The rating letter from Acuité Ratings & Research Limited is provided in Schedule II (*Credit Rating Letter(s) and Rating Rationale from the Credit Rating Agency(ies)*) of this Key Information Document. Acuité Ratings & Research Limited has issued a press release of the credit rating in respect of the Debentures on 26 August 2024.

These ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decisions. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and the ratings should be evaluated independently of any other rating. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc. The Issuer declares that the credit ratings assigned to the Debentures are valid as on the date of issuance and listing. Please refer to Schedule II (*Credit Rating Letter(s) and Rating Rationale from the Credit Rating Agency(ies)*) of this Key Information Document for rationale for the above ratings.

2. **Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s). If non-convertible securities are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue. The Issuer shall specify the stock exchange where the recovery expense fund is being or has been created, as specified by the Board.**

Name of the Stock Exchange	BSE
Details of in-principle approval obtained from the Stock Exchange	The Issuer has obtained an 'in-principle' approval from the Stock Exchange for listing of the Debentures <i>vide</i> letter / e-mail communication dated 16 April 2024. In-principle approval from the Stock Exchange has been appended as Schedule V (<i>In-principle Approval from the Stock Exchange</i>) to this Key Information Document.
If non-convertible securities are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue.	The Debentures are not proposed to be listed on more than one stock exchange.

Details of recovery expense fund	<p>The Issuer has created/shall create a Recovery Expense Fund for an amount equal to 0.01% of the Issue subject to maximum of INR 25,00,000 with the Stock Exchange, in accordance with the provisions of the Applicable Law, including but not limited to the SEBI DT Master Circular, as amended from time to time.</p> <p>The Recovery Expense Fund shall be utilised for meeting the expenses incurred by the Debenture Trustee with respect to enforcement of security and recovery of all outstanding amounts with respect to the Debentures.</p>
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3. Issue Schedule*

Particulars	Date
Issue Opening Date	7 October 2024
Issue Closing Date	7 October 2024
Pay In date	8 October 2024
Deemed Date of Allotment	8 October 2024

** The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole and absolute discretion without giving any reasons or prior notice. In the event of a change in the above issue schedule, the Issuer shall communicate the revised issue schedule to the Investors.*

4. Details of the following parties pertaining to the Issue:

<p>Legal counsel</p> 	<p>TRILEGAL</p> <p>Address: One World Centre, 10th Floor, Tower 2A & 2B, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013</p> <p>Tel: +912240791000</p> <p>E-mail: joseph.jimmy@trilegal.com</p> <p>Website: https://trilegal.com</p> <p>Contact Person: Joseph Jimmy</p>
<p>Guarantor</p>  <p>ഓദ്യോഗിക വെബ് പോർട്ടൽ കേരള സർക്കാർ</p>	<p>Government of Kerala</p> <p>Address: Finance Department, Government Secretariat, Statue, Thiruvananthapuram, Kerala - 695001</p> <p>Tel: 04712336576</p> <p>E-mail: Osgadibmc@gmail.com</p> <p>Website: https://kerala.gov.in/</p> <p>Contact Person: Additional Chief Secretary to Government of Kerala, Finance Department</p>
Arrangers	Specified on the front page of this Key Information Document.

5. Expenses of the Issue*

Particulars	Amount (INR in lakhs)	% of the total issue expense	% of total issue size
Lead manager(s) fees	[●]	[●]	[●]
Fees payable to the legal advisors	[●]	[●]	[●]
Underwriting commission	NIL	NIL	NIL
Brokerage, selling commission and upload fees	NIL	NIL	NIL
Fees payable to the registrars to the issue	[●]	[●]	[●]
Advertising and marketing expenses	NIL	NIL	NIL
Fees payable to the regulators including stock exchanges	[●]	[●]	[●]
Expenses incurred on printing and distribution of issue stationary	NIL	NIL	NIL
Any other fees, commission or payments under whatever nomenclature	NIL	NIL	NIL

*Assuming the Issue is fully subscribed. The expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of allottees, market conditions and other relevant factors.

6. Financial Information of the Issuer

- (a) **The audited financial statements of the Issuer (i.e. profit and loss statement, balance sheet and cash flow statement) on a standalone basis for a period of three completed years which shall not be more than six months old from the date of the issue document or issue opening date, as applicable. Such financial statements should be audited and certified by the statutory auditor(s) who holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (“ICAI”). The financial statements shall be accompanied with auditor’s report along with requisite schedules, footnotes, summary, etc.**

Audited financial statements on a standalone basis: The audited financial statements of the Issuer along with Auditor’s Report for the financial years 2020-2021, 2021-2022, 2022-2023 and the unaudited financial statements along with the limited review report for the period ending 31 December 2023 is provided in Annexure A (*Audited Financial Statements for the Issuer along with Auditor’s Report*) of the General Information Document read along with the audited financial statements of the Issuer along with Auditor’s Report for the complete financial year ending 31 March 2024 and the unaudited financial statements along with the limited review report for the period ending 30 June 2024 is provided in Annexure B (*Updated Financial Statements*) of this Key Information Document.

The certificate issued on 1 May 2024, bearing number: 016670, by the Peer Review Board of the Institute of Chartered Accountants of India of the Statutory Auditor is provided in Schedule VIII (*Peer Reviewed Certificate of the Statutory Auditor*) to this Key Information Document.

Audited financial statements on a consolidated basis: Not Applicable.

- (b) **Key operational and financial parameters on consolidated and standalone basis in respect of the financial information provided under paragraph 6 (a) above.**

Key operational and financial parameters on a standalone basis: The key operational and financial parameters for the financial years 2020-2021, 2021-2022, 2022-2023 and the unaudited financial statements along with the limited review report for the period ending 31 December 2023 of the Issuer are provided in Schedule I (*Key Operational and Financial Parameters of the Issuer*) of the General Information Document read along with the key operational and financial parameters of the Issuer for complete financial year ending 31 March 2024 and the unaudited financial statements along with the limited review report for the period ending 30 June 2024 are provided in Annexure C (*Key Operational and Financial Parameters of the Issuer*) of this Key Information Document.

Key operational and financial parameters on a consolidated basis: Not applicable.

- (c) **Details of any other contingent liabilities (including debt service reserve account, guarantees, any put options, etc.) of the Issuer based on the last audited Financial Statements including amount and nature of liability**

For details of the contingent liabilities and commitments, please refer to Paragraph 9(c) of Section 2 of the General Information Document.

- (d) **The amount of corporate guarantee issued by the Issuer along with details of the counterparty (like name and nature of the counterparty i.e. subsidiary, joint venture entity, group company etc.) on behalf of whom it has been issued.**

Nil.

- (e) **Material changes, if any, in the information provided in the General Information Document**

Material changes in the information are provided in Annexure A (*Material changes to information provided in the General Information Document*) of this Key information Document.

- (f) **Any material developments not disclosed in the General Information Document, since the issue of the General Information Document relevant to the offer of non-convertible securities in respect of which this Key Information Document is being issued**

Not applicable.

7. Details regarding the auditors of the Issuer:

- (a) **Details of the auditors of the Issuer**

Name of the Auditors	Address	Date of appointment
M/s Suri & Co., Chartered Accountants	Address: TC 25/434, 44 Santha Nagar, Near Housing Board Junction,	6 May 2024

Name of the Auditors	Address	Date of appointment
	Thiruvananthapuram - 695001	

(b) **Details of change in the auditor since last 3 (three) financial years and the current financial year**

Please refer to Annexure A of this Key Information Document.

8. Contribution being made by the members as part of the offer or separately in furtherance of such objects.

Not applicable.

9. Consent of directors, auditors, bankers to issue, trustees, solicitors or advocates to the issue, legal advisors to the issue, lead managers to the issue, Registrar to the Issue, and lenders (if required, as per the terms of the agreement) and experts.

Please refer to Schedule III (*Resolutions*) in respect to the resolutions passed at the meeting of the board of members of the Issuer and the investment management committee of the Issuer, Schedule I (*Consent Letter of the Debenture Trustee*) for consent letter of Debenture Trustee and Schedule VI (*Consent Letter of Registrar and Transfer Agent*) for consent letter of Registrar to the Issue.

10. Details of the Debenture Trustee

- (A) In accordance with Regulation 8 of the SEBI Non-Convertible Securities Listing Regulations, Section 71 of the Act read with (Share Capital and Debenture) Rules, 2014 and SEBI Debenture Trustees Regulations, the Issuer has appointed Catalyst Trusteeship Limited to act as debenture trustee for the Debenture Holders and Catalyst Trusteeship Limited has given its consent to the Issuer for its appointment as Debenture Trustee vide its letter dated 26 July 2024 for the Issue and for inclusion of its name in the form and context in which it appears in this Key Information Document. Copy of the consent letter dated 26 July 2024 enclosed in this Key Information Document as Schedule I (*Consent Letter of the Debenture Trustee*).
- (B) The Issuer and the Debenture Trustee have entered into a Debenture Trustee Agreement *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer, and specifying the terms and conditions of the appointment of the Debenture Trustee (including fees and remuneration) and the due diligence to be carried out by the Debenture Trustee. The Debenture Trustee Agreement has been executed as per required regulations before opening of Issue.
- (C) The Debenture Trustee shall adhere to the requirements of the SEBI DT Master Circular.
- (D) The Debenture Trustee will protect the interest of the Debenture Holders in the event of default by the Issuer in regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of the Issuer.
- (E) Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer pro-tanto to the Debenture Holder(s). The Issuer and the Debenture Trustee shall execute the debenture trust deed, within such timelines as may be specified by SEBI. In case the Issuer fails to execute the debenture trust deed, within specified timelines, without prejudice to any liability arising on account of violation of the provisions of the Act (as applicable) and the SEBI Non-Convertible Securities Listing Regulations, the Issuer shall also pay interest of at least 2% (two percent) per annum or such other rate, as specified by SEBI to

the Debenture Holders, over and above the agreed coupon/interest rate, till the execution of the debenture trust deed. In this regard, it is clarified that the debenture trust deed which shall be executed (as amended from time to time) by the Issuer and Debenture Trustee shall apply to the terms and provisions of the Debentures.

11. **If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the issue document.**

The Debentures are guaranteed by an irrevocable and unconditional guarantee issued by GoK. Copies of the government orders dated 8 August 2024, and 11 August 2024, issued by GoK approving the extension of such unconditional and irrevocable guarantee is annexed as Schedule VII (*Guarantee Orders*) to this Key Information Document.

12. **Disclosure of cash flow with date of interest/dividend/ redemption payment as per day count convention**

Illustration of Debenture Cash Flows to be shown in Key Information Document																								
Issuer	Kerala Infrastructure Investment Fund Board																							
Nominal Value (per security)	INR 1,00,000 (Indian Rupees One Lakh only)																							
Date of Allotment	8 October 2024																							
Redemption Date	8 October 2034																							
Interest Rate	9.49% p.a. payable quarterly																							
Frequency of the Interest Payment with specified dates	Quarterly. Payable at the last date falling at the expiry of each calendar quarter after the Deemed Date of Allotment, provided that the last Coupon Payment Date shall fall on the final Redemption Date.																							
	<table border="1"> <thead> <tr> <th>Sl no.</th> <th>Coupon Payment Date</th> </tr> </thead> <tbody> <tr> <td rowspan="20">1.</td> <td>Interest Payment Dates</td> </tr> <tr> <td>08/01/2025</td> </tr> <tr> <td>08/04/2025</td> </tr> <tr> <td>08/07/2025</td> </tr> <tr> <td>08/10/2025</td> </tr> <tr> <td>08/01/2026</td> </tr> <tr> <td>08/04/2026</td> </tr> <tr> <td>08/07/2026</td> </tr> <tr> <td>08/10/2026</td> </tr> <tr> <td>08/01/2027</td> </tr> <tr> <td>08/04/2027</td> </tr> <tr> <td>08/07/2027</td> </tr> <tr> <td>08/10/2027</td> </tr> <tr> <td>07/01/2028</td> </tr> <tr> <td>07/04/2028</td> </tr> <tr> <td>07/07/2028</td> </tr> <tr> <td>06/10/2028</td> </tr> <tr> <td>08/01/2029</td> </tr> <tr> <td>06/04/2029</td> </tr> <tr> <td>06/07/2029</td> </tr> </tbody> </table>	Sl no.	Coupon Payment Date	1.	Interest Payment Dates	08/01/2025	08/04/2025	08/07/2025	08/10/2025	08/01/2026	08/04/2026	08/07/2026	08/10/2026	08/01/2027	08/04/2027	08/07/2027	08/10/2027	07/01/2028	07/04/2028	07/07/2028	06/10/2028	08/01/2029	06/04/2029	06/07/2029
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		07/07/2034
		06/10/2034
Day Count Convention	Actual/actual	
Procedure and time schedule for allotment and issue of securities	As detailed in the section titled “Application Process” (in accordance with SEBI Non-Convertible Securities Listing Regulations).	

Illustrative Cash flow:

The following cash flow figures are basis the below assumptions:

Date considered for computing redemption dates	8 October 2024
Face Value	INR 1,00,000
Coupon/ Interest Rate	9.49 % p.a., payable quarterly

Days	Due Dates	Interest Payment Dates	STRPP A	STRPP B	STRPP C	STRPP D	STRPP E	STRPP F	STRPP G
92	08/01/2025 5	08/01/2025	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00
90	08/04/2025 5	08/04/2025	2,340.00	2,340.00	2,340.00	2,340.00	2,340.00	2,340.00	2,340.00
91	08/07/2025 5	08/07/2025	2,366.00	2,366.00	2,366.00	2,366.00	2,366.00	2,366.00	2,366.00

Days	Due Dates	Interest Payment Dates	STRPP A	STRPP B	STRPP C	STRPP D	STRPP E	STRPP F	STRPP G
92	08/10/2025	08/10/2025	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00
92	08/01/2026	08/01/2026	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00
90	08/04/2026	08/04/2026	2,340.00	2,340.00	2,340.00	2,340.00	2,340.00	2,340.00	2,340.00
91	08/07/2026	08/07/2026	2,366.00	2,366.00	2,366.00	2,366.00	2,366.00	2,366.00	2,366.00
92	08/10/2026	08/10/2026	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00
92	08/01/2027	08/01/2027	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00
90	08/04/2027	08/04/2027	2,340.00	2,340.00	2,340.00	2,340.00	2,340.00	2,340.00	2,340.00
91	08/07/2027	08/07/2027	2,366.00	2,366.00	2,366.00	2,366.00	2,366.00	2,366.00	2,366.00
92	08/10/2027	08/10/2027	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00
92	08/01/2028	07/01/2028	27,385.46	2,385.46	2,385.46	2,385.46	2,385.46	2,385.46	2,385.46
91	08/04/2028	07/04/2028	26,769.65	2,359.54	2,359.54	2,359.54	2,359.54	2,359.54	2,359.54
91	08/07/2028	07/07/2028	26,179.77	2,359.54	2,359.54	2,359.54	2,359.54	2,359.54	2,359.54
92	08/10/2028	06/10/2028	25,596.37	2,385.46	2,385.46	2,385.46	2,385.46	2,385.46	2,385.46
92	08/01/2029	08/01/2029		27,392.00	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00
90	08/04/2029	06/04/2029		26,755.00	2,340.00	2,340.00	2,340.00	2,340.00	2,340.00
91	08/07/2029	06/07/2029		26,183.00	2,366.00	2,366.00	2,366.00	2,366.00	2,366.00
92	08/10/2029	08/10/2029		25,598.00	2,392.00	2,392.00	2,392.00	2,392.00	2,392.00
92	08/01/2030	08/01/2030			27,392.00	2,392.00	2,392.00	2,392.00	2,392.00
90	08/04/2030	08/04/2030			26,755.00	2,340.00	2,340.00	2,340.00	2,340.00
91	08/07/2030	08/07/2030			26,183.00	2,366.00	2,366.00	2,366.00	2,366.00

Days	Due Dates	Interest Payment Dates	STRPP A	STRPP B	STRPP C	STRPP D	STRPP E	STRPP F	STRPP G
92	08/10/2030	08/10/2030			25,598.00	2,392.00	2,392.00	2,392.00	2,392.00
92	08/01/2031	08/01/2031				27,392.00	2,392.00	2,392.00	2,392.00
90	08/04/2031	08/04/2031				26,755.00	2,340.00	2,340.00	2,340.00
91	08/07/2031	08/07/2031				26,183.00	2,366.00	2,366.00	2,366.00
92	08/10/2031	08/10/2031				25,598.00	2,392.00	2,392.00	2,392.00
92	08/01/2032	08/01/2032					27,385.46	2,385.46	2,385.46
91	08/04/2032	08/04/2032					26,769.65	2,359.54	2,359.54
91	08/07/2032	08/07/2032					26,179.77	2,359.54	2,359.54
92	08/10/2032	08/10/2032					25,596.37	2,385.46	2,385.46
92	08/01/2033	07/01/2033						27,392.00	2,392.00
90	08/04/2033	08/04/2033						26,755.00	2,340.00
91	08/07/2033	08/07/2033						26,183.00	2,366.00
92	08/10/2033	07/10/2033						25,598.00	2,392.00
92	08/01/2034	06/01/2034							27,392.00
90	08/04/2034	07/04/2034							26,755.00
91	08/07/2034	07/07/2034							26,183.00
92	08/10/2034	06/10/2034							25,598.00
3652	TOTAL (in lakhs)		134,401.25	143,888.00	153,378.00	162,868.00	172,361.25	181,848.00	191,368.00

13. Undertakings by the Issuer

- (a) Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended

or approved by the any regulatory authority in India, including the SEBI nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of Investors is invited to the statement of 'Risk Factors' provided under Section 1 (*Risk Factors*) of the General Information Document and this Key Information Document.

- (b) The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that the General Information Document and this Key Information Document contain all information with regard to the Issuer and the Issue, that the information contained in the General Information Document and this Key Information Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
- (c) The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the General Information Document. Any covenants later added shall be disclosed on the Stock Exchange website where the debt is listed.

14. Other details pertaining to the Issue

A. Creation of Debenture Redemption Reserve – relevant legislations and applicability

Not applicable as the Issuer is not a company incorporated under the Act.

B. Recovery Expense Fund

The Issuer has created/shall create and maintain a Recovery Expense Fund, in accordance with the regulations, guidelines and circulars issued by SEBI, and if during the currency of these presents any guidelines are formulated (or modified or revised) by any authority having authority under Applicable Law in respect of creation of the Recovery Expense Fund within the timelines prescribed under Applicable Law. The Issuer shall abide by such guidelines and issue supplemental letters, agreements and deeds of modification, as may be required, by the Debenture Holders or the Debenture Trustee and shall also cause the same to be registered, where necessary subject to the same being applicable. If a Recovery Expense Fund is created, the Issuer shall submit to the Debenture Trustee evidence in form of a certificate duly certified by the statutory auditor of the Issuer.

C. Issue/instrument specific regulations – relevant details

- (a) Securities Contracts (Regulation) Act, 1956;
- (b) Securities and Exchange Board of India Act, 1992;
- (c) The Depositories Act, 1996;
- (d) SEBI Non-Convertible Securities Listing Regulations;
- (e) SEBI LODR Regulations, 2015;
- (f) SEBI Debenture Trustees Regulations;
- (g) the KIIF Act; and
- (h) all other relevant laws (including rules, regulations, clarifications, notifications, directives, circulars as may be issued by the Securities Exchange Board of India, and any statutory, regulatory, judicial, quasi-judicial authority).

D. Default in Payment

In case of default in payment of the Interest and/or redemption on the due dates of the Debentures, additional interest shall be payable in accordance with the provisions in the Row 31 (*Default Interest Rate*) in the Section 6 (*Summary of Terms*) of this Key Information Document.

E. Delay in Listing

In case of delay in listing of the Debentures beyond 3 (three) Working Days from the date of closure of the Issue or such other timelines as prescribed under the Applicable Laws, whichever is earlier. The Issuer shall pay penal interest of 1% p.a. over the interest/ Coupon Rate for the period of delay to the Investor (i.e. from the date of allotment to the date of listing), until the Debentures are listed on the Stock Exchange. Further, the Issuer shall be permitted to utilize the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchange.

F. Delay in allotment of Debentures

The allotment shall happen in accordance with Applicable Laws within 1 (one) business day from the Issue Closing Date (as per the settlement cycle chosen by the Issuer). In the event of failure to do so, the Issuer shall pay interest for the delayed period as per the provision specified by regulatory authority from time to time.

G. Delay in execution of Debenture Trust Deed

Where the Issuer fails to execute the debenture trust deed within the period specified in the sub-regulation (1) of Regulation 18 of SEBI Non-Convertible Securities Listing Regulations as amended from time to time, without prejudice to any liability arising on account of violation of the provisions of the Act (as applicable) and the SEBI Non-Convertible Securities Listing Regulations, the Issuer shall also pay interest of at least 2% (two percent) per annum to the Debenture Holder, over and above the agreed Coupon Rate, till the execution of the debenture trust deed. In this regard, it is clarified that the debenture trust deed that shall be executed (as amended from time to time) by the Issuer and Debenture Trustee, shall apply to the terms and provisions of the Debentures.

H. Delay in allotment of securities

The allotment of securities shall be made within the timelines stipulated under SEBI Master Circular.

I. Issue Details

Terms of the offer are set out in the Section 6 (*Summary of Terms*) of this Key Information Document.

J. Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any:

Not applicable, as the Issuer is not a company incorporated under the Act.

K. Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project:

The Issue proceeds shall be used for providing financing to various infrastructure projects in the State of Kerala and to repay any financial indebtedness availed by the Issuer, as approved by the board members of the Issuer from time to time.

L. Disclosure regarding Security

The Debentures are not “secured debt securities” for the purposes of the SEBI Non-Convertible Securities Listing Regulations. The Debentures are **not** secured by creation of a charge on the properties or assets of the Issuer or its subsidiaries or its holding companies or its associate companies having a value which is sufficient for the due repayment of principal and payment of interest thereon.

SECTION 3

ADDITIONAL DISCLOSURES

1. General Information

- A. *Name, address, website and other contact details of the Issuer indicating both registered office and corporate office:*

Name of the Issuer	Kerala Infrastructure Investment Fund Board
Registered Office	2nd Floor, Felicity Square, MG Road, Statue, Thiruvananthapuram – 695 001
Corporate Office	2nd Floor, Felicity Square, MG Road, Statue, Thiruvananthapuram – 695 001
Website	https://kiifb.org/
Contact details	Tel.: 0471-2780900 Email: financeadmin@kiifb.org

- B. *Date of incorporation of the Issuer:*

11 November 1999

- C. *Business carried on by the Issuer and its Subsidiaries with the details of branches or units, if any:*

Please refer to Section 3 of the General Information Document.

- D. *Use of proceeds (in the order of priority for which the said proceeds will be utilized):*

- (i) *purpose of the placement;*

Please refer to Row 17 (*Details of the utilisation of the Proceeds*) of Section 6 (*Summary of Terms*) of this Key Information Document.

- (ii) *break-up of the cost of the project for which the money is being raised;*

Please refer to Paragraph 7(e) of Section 2 of the General Information Document.

- (iii) *means of financing for the project;*

Please refer to Paragraph 7(e) of Section 2 of the General Information Document.

- (iv) *proposed deployment status of the proceeds at each stage of the project.*

Not applicable

Brief particulars of the management of the Issuer: Please refer to Section 2 of the General Information Document.

2. **Names, addresses, director identification number and occupations of the directors:** Please refer to Section 2 of the General Information Document and Annexure A of this Key Information Document.

Management's perception of risk factors: Please refer to Section 1 of the General Information Document.

Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of: Nil

3. **Names, designation, address and phone number, email ID of the nodal/ compliance officer of the Issuer, if any, for the private placement offer process:** Please refer to Section 3 of the General Information Document.

4. **Any default in Annual filing the Issuer under the Act or the rules made thereunder:** Not applicable

Particulars of the Offer

Financial position of the Issuer for the last 3 (three) Financial Year	Please refer to Annexure A (<i>Audited Financial Statements for the Issuer along with Auditor's Report</i>) of the General Information Document read along with Annexure B (<i>Updated Financial Statements</i>) of this Key Information Document read along with the key operational and financial parameters of the Issuer for the complete financial year ending 31 March 2024 and for the period ending 30 June 2024 is provided in Annexure C (<i>Key Operational and Financial Parameters of the Issuer</i>) of this Key Information Document.
Date of passing of resolution by the board of the Issuer and the shareholders of the Issuer	Resolutions of the board of members of the Issuer passed on 12 July 2024 and the investment management committee of the Issuer on 11 September 2024. Copy of the said resolutions are annexed herewith and marked as Schedule III (<i>Resolutions</i>).
Date of passing of resolution in general meeting of the shareholders of the Issuer, authorizing the offer of securities	Not applicable
Kinds of securities offered (i.e. whether shares or debenture) and class of security; the total number of shares or debentures or other securities to be issued	Issue of unsecured, rated, listed, redeemable, taxable and non-convertible bonds, in the nature of debentures, comprising seven STRPPs/sub-series 'A' through 'G' of a face value of INR 1,00,000 (Indian Rupees One Lakh only) each (with each bond aggregating to a value of INR 7,00,000 (Indian Rupees Seven Lakh only)), for amounts of up to INR 500,01,00,000 (Indian Rupees Five Hundred Crores and One Lakh only), with a green-shoe option to retain oversubscription of up to INR 500,01,00,000 (Indian Rupees Five Hundred Crores and One Lakh only), such that the aggregate issue size of the Debentures does not exceed an amount of up to INR 1000,02,00,000 (Indian Rupees One Thousand Crores and Two Lakhs only) to be issued under ISIN [●].
Price at which the security is being offered, including premium if any, along with justification of the price	Through BSE EBP.

Name and address of the valuer who performed valuation of the security offered and basis on which the price has been arrived at along with report of the registered valuer	Not applicable	
Relevant date with reference to which the price has been arrived at	Not applicable	
The class or classes of persons to whom the allotment is proposed to be made	Please refer Row 8 (<i>Eligible Investors</i>) of the Section 6 (<i>Summary of Terms</i>) under this Key Information Document.	
Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer)	Not applicable	
The proposed time within which the allotment shall be completed	Issue Opening Date: 7 October 2024 Issue Closing Date: 7 October 2024 Pay In Date: 8 October 2024 Deemed Date of Allotment: 8 October 2024	
The change in control, if any, in the Issuer that would occur consequent to the private placement	Not applicable	
The number of persons to whom allotment on preferential basis/ private placement/ rights issue has already been made during the year, in terms of number of securities as well as price.	Please refer to Paragraph 13(d) of Section 2 (<i>Disclosures (In Accordance with the SEBI Non-Convertible Securities Listing Regulations)</i>) of the General Information Document read along with the details as provided in Annexure A (<i>Material changes to information provided in the General Information Document</i>) of this Key Information Document.	
The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.	Not applicable	
Amount which the Issuer intends to raise by way of proposed offer of securities	Up to INR 1000,02,00,000 (Indian Rupees One Thousand Crores Two Lakhs only).	
Debenture Trust Deed	In the event of any inconsistency between the provisions of the Debenture Trust Deed and this Key Information Document, the provisions of the Debenture Trust Deed shall prevail.	
Terms of raising of securities:	Duration, if applicable	Approximately 4 – 10 years
	Rate of Interest	9.49%, payable quarterly

	Mode of Payment	RTGS / NEFT
	Mode of Repayment	RTGS / NEFT
Proposed time schedule for which this Key Information Document is valid	Issue Opening Date: 7 October 2024 Issue Closing Date: 7 October 2024 Pay In Date: 8 October 2024 Deemed Date of Allotment: 8 October 2024	
Purpose and objects of the Issue	The funds raised by the Issue shall be utilised by the Issuer in compliance with the Applicable Law and in accordance with the Debenture Trust Deed, for the purpose of: <ul style="list-style-type: none"> (a) Providing financing to infrastructure projects in the State of Kerala as approved by the Issuer's board of members including but not limited to for acquisition of immoveable assets for setting up such infrastructure projects; (b) Repayment of any financial indebtedness availed by Issuer; and (c) Any other objectives of the Issuer pursuant to the KIIF Act. 	
Contribution being made by the promoter or directors of either as part of the offer or separately in furtherance of the object	Nil	
Principal terms of assets charged as security, if applicable	Please refer to Section 6 (<i>Summary of Terms</i>) of this Key Information Document.	
The details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Issuer and its future operations	Nil	
If the proceeds, or any part of the proceeds, of the issue of the Debentures are or is to be applied directly or indirectly in the purchase of any business; or in the purchase of an interest in any business and by reason of that purchase, or anything to be done in consequence thereof, or in connection therewith, the Issuer shall become entitled to an interest in either the capital or profits and losses or both, in such business exceeding 50% (fifty per cent).	Nil	
Whether the proceeds, or any part of the proceeds, of the issue of the Debentures are or are to be	Nil	

applied directly or indirectly, and in any manner resulting in the acquisition by the Issuer of the shares in any other body corporate.	
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Pre-issue and Post-issue shareholding pattern of the Issuer as on 30 June 2024

Not applicable

Note: The Issuer is a body corporate viz., a board constituted under KIIF Act and has not issued any equity shares.

Disclosure with regard to interest of the directors of the Issuer, litigation, etc.:

Please refer to Section 3 of the General Information Document.

5. Financial position of the Issuer:

Please refer to Annexure A (*Audited Financial Statements for the Issuer along with Auditor's Report*) of the General Information Document read along with Annexure B (*Updated Financial Statements*) of this Key Information Document read along with the key operational and financial parameters of the Issuer for the complete financial year ending 31 March 2024 and for the period ending 30 June 2024 is provided in Annexure C (*Key Operational and Financial Parameters of the Issuer*) of this Key Information Document.

SECTION 4

TERMS AND CONDITIONS OF THE DEBENTURES

1. Issue

Issue of unsecured, rated, listed, redeemable, taxable and non-convertible bonds, in the nature of debentures, comprising seven STRPPs 'A' through 'G' of a face value of INR 1,00,000 (Indian Rupees One Lakh only) each (with each bond aggregating to a value of INR 7,00,000 (Indian Rupees Seven Lakh only)), for amounts of up to INR 500,01,00,000 (Indian Rupees Five Hundred Crores and One Lakh only), with a green-shoe option to retain oversubscription of up to INR 500,01,00,000 (Indian Rupees Five Hundred Crores and One Lakh only), such that the aggregate issue size of the Debentures does not exceed an amount of up to INR 1000,02,00,000 (Indian Rupees One Thousand Crores and Two Lakhs only), through private placement route under the terms of this Key Information Document as issuance of Debentures.

2. Mode of bidding

The Debentures are proposed to be issued in the closed bidding mode in accordance with the EBP Guidelines. There are two modes of bidding prescribed by the EBP Guidelines, namely: (a) open bidding; and (b) closed bidding.

3. Minimum Subscription

As the current issue of Debentures is being made on a private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Issuer shall not be liable to refund the Issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

4. Force Majeure

The Issuer reserves the right to withdraw the Issue prior to the Issue Closing Date in the event of any unforeseen development adversely affecting the economic and regulatory environment.

5. Post-allocation disclosures as per EBP Guidelines

Upon allocation of the Debentures, the Issuer shall disclose the size of the Issue, Interest Rate, the number of successful bidders, category of the successful bidders etc., in accordance with the EBP Guidelines. The EBP Platform shall upload the data provided by the Issuer on its website to make it available to the public.

6. Procedure for applying for the demat facility

- (a) Applicant(s) must have a beneficiary account with any Depository Participant of NSDL/CDSL prior to making the application.
- (b) For subscribing to the Debentures, names should be identical to those appearing in the account details of the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- (c) If incomplete/ incorrect beneficiary account details are given which does not match with the details in the depository system, it will be deemed to be an incomplete application and the same be held liable for rejection at the sole discretion of the Issuer.
- (d) The Debentures shall be directly credited to the beneficiary account and after due verification, allotment advice, would be sent directly to the Applicant by the Registrar and Transfer Agent

but the confirmation of the credit of the Debentures to the Applicant's depository account will be provided to the Applicant by the Depository Participant of the Applicant.

- (e) Interest or other benefits with respect to the Debentures would be paid to those holders whose names appear on the list of beneficial owners given by the depository to the Issuer as on the Record Date. In case, the beneficial owner is not identified by the depository on the Record Date due to any reason whatsoever, the Issuer shall keep in abeyance the payment of Interest or other benefits, till such time the beneficial owner is identified by the Depository and intimated to the Issuer. On receiving such intimation, the Issuer shall pay the Interest or other benefits to the beneficiaries identified, within a period of 15 (fifteen) calendar days from the date of receiving such intimation.
- (f) Applicants may please note that the Debentures shall be allotted and traded on the Stock Exchange only in dematerialized form.

7. Allotment resolutions and credit of Debentures

The beneficiary account of the Investor(s) with NSDL/ CDSL/ Depository Participant will be given initial credit within 3 (three) Business Days from the date of closure of the Issue and confirmation of the credit of Debentures shall be provided by the relevant Depository within 3 (three) Business Days from the date of closure of the Issue.

Subject to the completion of all statutory formalities within time frame prescribed in the Applicable Laws, an allotment resolution shall be passed by the board of members of the Issuer on the Pay In Date to record the allotment of the Debentures to the relevant Investor(s) on the said date and the beneficiary demat account of the Investor(s) would be credited with the number of Debentures so allotted. The Debentures since issued in electronic (dematerialized) form, will be governed as per the provisions of the Depository Act, SEBI (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other Applicable Laws and rules notified in respect thereof. The Debentures shall be allotted in dematerialized form only.

8. Compliance with Applicable Laws

The Issue of Debentures is being made in compliance with the Act and the rules made thereunder (as applicable), the SEBI Non-Convertible Securities Listing Regulations, the SEBI LODR Regulations, the SEBI Debenture Trustees Regulations, the KIIF Act and amendments thereto, circulars enacted thereunder, and other Applicable Laws in this regard.

9. Who Can Apply

This Key Information Document and the contents hereof are restricted to only the intended recipient(s) who have been addressed directly through a communication by or on behalf of the Issuer, and only such recipients are eligible to apply for the Debentures.

10. Who Cannot Apply

The entities apart from Row 8 (*Eligible Investors*) of the Section 6 (*Summary of Terms*) under this Key Information Document, shall not be eligible to participate in the Issue and any applications from such persons and entities shall be rejected.

Prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the Issue. Prior to making any investment in these Debentures, each Investor should satisfy and assure herself/ himself/ itself that it is authorized and eligible to invest in these Debentures.

Disclaimer: An application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The Issuer may but is not bound to revert to any investor for any additional documents/information and can accept or reject an application as it deems fit. Investment by Investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of Investors is required to check and comply with extant rules/ regulations/ guidelines, etc. Governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any Investor, neither is the issuer required to check or confirm the same.

11. How to Apply

All Eligible Investors will have to register themselves as a one-time exercise (if not already registered) with the EBP Platform for participating in electronic book building mechanism. Eligible Investors should refer to the EBP Guidelines for issuance of debt securities on private placement basis through an electronic book mechanism. Eligible Investors will also have to complete the mandatory know-your-customer verification process. Eligible Investors should refer to the EBP Guidelines.

- (i) The details of the Issue shall be entered on the EBP by the Issuer at least 2 (two) Business Days prior to the Issue Opening Date, in accordance with the EBP Guidelines.
- (ii) The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the EBP, at least 1 (one) Business Day before the start of the Issue Opening Date.

Some of the key guidelines in terms of the current EBP Guidelines, are as follows:

(a) **Modification of Bid**

Eligible Investors may note that modification of bid is allowed during the bidding period. However, in the last 10 (ten) minutes of the bidding period, revision of bid is only allowed for improvement of yield and upward revision of the bid size. Note that the present Issue is a variable coupon instrument.

(b) **Cancellation of Bid**

Eligible Investors may note that cancellation of bid is allowed during the bidding period. However, in the last 10 (ten) minutes of the bidding period/ window, no cancellation of bids is permitted.

(c) **Multiple Bids**

Eligible Investors may note that multiple bids are permitted.

(d) **Withdrawal of Issue**

The Issuer may, at its discretion, withdraw the issue process on the following conditions:

- (i) Non-receipt of bids up to the issue size;
- (ii) The bidder has defaulted on payment towards the allotment, within the stipulated time frame, due to which the Issuer is unable to fulfil the issue size;
- (iii) The cut-off yield entered by the bidder is higher than the estimated cut-off yield disclosed to the EBP.

Provided that the Issuer shall accept or withdraw the Issue on the EBP within 1 (one) hour of the closing of the bidding window, and not later than 6 pm on the Issue Closing Date.

However, Eligible Investors should also refer to the EBP Guidelines, as prevailing on the date of the bid.

(e) ***Provisional/ Final allocation***

Allocation shall be made on a uniform yield basis. Post completion of bidding process, the Issuer will upload the provisional allocation on the EBP Platform. Once the allocation is done then the successful bidders can see their respective allocations on the allocation report generated by the EBP Platform.

Application(s) for the Debentures must be made by submitting the Application Forms which must be completed in block letters in English. Application Form must be accompanied by electronic fund transfer instruction as per below details.

This being a private placement offer, Applicants who have been addressed through this communication directly, i.e., the Applicant can alone apply.

All Application Forms, duly completed, together with cheque/ demand draft for the amount payable drawn or made payable in favour of KERALA INFRASTRUCTURE INVESTMENT FUND BOARD and crossed "Account Payee only", on application must be delivered before the closing date of the Issue to the Issuer.

Applications complete in all respects (along with all necessary documents as detailed in this Key Information Document) must be submitted before the last date indicated in the issue time table or such extended time as decided by the Issuer, at the registered office of the Issuer, accompanied by the Subscription Amount by way of cheque(s)/ demand draft(s) drawn on any bank including a co-operative bank which is situated at and is a member of the bankers' clearing house located at a place where the Application Form is submitted. Such Subscription Amount for subscription of the Debentures shall be made from the bank account of the Applicant and the Issuer shall keep the record of the bank account from where such payments of subscription have been received. However, where the Debenture(s) is held by joint holders, then Subscription Amount in respect of such Debentures shall be paid from the bank account of the Applicant whose name appears first in the Application Form.

Outstation cheque(s)/ bank draft(s) drawn on bank(s) not participating in the clearing process at the designated clearing centres will not be accepted. Money orders/ postal orders/ cash will also not be accepted. The Issuer assumes no responsibility for any applications/ cheques/ demand drafts lost in mail.

No separate receipt will be issued for the Subscription Amount. However, the Issuer receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the Applicant the acknowledgment slip at the bottom of each Application Form.

As a matter of precaution against possible fraudulent encashment of interest warrants/ cheques due to loss/ misplacement, the Applicant should furnish the full particulars of his or her bank account (i.e. account number, name of the bank and branch) at the appropriate place in the Application Form.

The payment can be made by real time gross settlement ("**RTGS**")/ national electronic funds transfer ("**NEFT**") by crediting the funds to the bank account of the Indian Clearing Corporation Limited of the Stock Exchange ("**Designated Bank Account**") for pay in of Subscription Amount as prescribed under the electronic book building procedure.

The subscription monies transferred to Designated Bank Account, by the Applicants successful under the electronic book building procedure will, subsequent to the fulfilment of procedural requirements

under the Applicable Law, be transferred to the Designated Bank Account. The details of the Designated Bank Account are as follows:

Name of Bank	HDFC BANK
IFSC Code	HDFC0000060
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED

Name of Bank	ICICI Bank Ltd.
IFSC Code	ICIC0000106
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

Name of Bank	YES BANK
IFSC Code	YESB0CMSNOC
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

The applications must be accompanied by certified true copies of (i) a letter of authorization, and (ii) specimen signatures of authorised signatories.

12. Instructions for filling up the Application Form

- (a) Application must be completed in BLOCK LETTERS IN ENGLISH. A blank must be left between two or more parts of the name.
- (b) Signatures should be made in English.
- (c) Full amount has to be paid on application per Debenture applied for. Applications for incorrect amounts are liable to be rejected. Nominal Value: 1,00,000 (Indian Rupees One Lakh only) each.
- (d) Money orders or postal orders will not be accepted. The payments can be made by NEFT/RTGS, the details of which are given above. Payment shall be made from the bank account of the Person subscribing. In case of joint-holders, monies payable shall be paid from the bank account of the Person whose name appears first in the application.
- (e) No cash will be accepted.
- (f) The Applicant should mention its permanent account number or the GIR number allotted to it under the Income Tax Act, 1961 and also the relevant income-tax circle/ward/district.
- (g) Applications under power of attorney/relevant authority.
- (h) In case of an application made under a power of attorney or resolution or authority to make the application a certified true copy of such power of attorney or resolution or authority to make the application and the memorandum and articles of association and/or bye-laws of the Investor must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in

whole or in part and in either case without assigning any reason therefore. Further any modifications / additions in the power of attorney or authority should be notified to the Issuer at its registered office. Names and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed application.

- (i) An application once submitted cannot be withdrawn.
- (j) The applications would be scrutinised and accepted as per the terms and conditions specified in this Key Information Document.
- (k) Any application, which is not complete in any respect, is liable to be rejected.
- (l) The Investor/ Applicant shall apply for the Debentures in electronic, i.e., dematerialised form only. Applicants should mention their Depository Participant's name, DP-ID and beneficiary account number in the Application Form. In case of any discrepancy in the information of Depository/beneficiary account, the Issuer shall be entitled to not credit the beneficiary's demat account pending resolution of the discrepancy.

The Applicant is requested to contact the office of the Issuer as mentioned above for any clarifications.

13. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

The Issue is governed by the provisions of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

Over and above the aforesaid terms and conditions, the Debentures, if any issued under this Key Information Document, shall be subject to this Key Information Document, the Debenture Trust Deed and also be subject to the provisions of the KIIF Act.

14. Option to Subscribe

The Issuer has made arrangements for issue and holding of the Debentures in dematerialized form.

15. Right to Debenture Holders:

The Debentures shall not, confer upon the Debenture Holders thereof any rights or privileges available to the shareholders of the Issuer.

16. Right to accept or reject applications

The Issuer reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected Applicants will be intimated along with the refund warrant, if applicable, to be sent. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- (a) incomplete Application Form;
- (b) applications exceeding the Issue size;
- (c) bank account details have not been provided;
- (d) details for issue of Debentures in electronic / dematerialized form not given;
- (e) PAN or GIR No. and the income tax circle / ward / district is not given; and

- (f) in case of applications made through power of attorneys, if the relevant documents are not submitted.

The full amount of the Debentures has to be submitted along with the Application Form.

The Issuer shall circulate copies of this Key Information Document along with the serially numbered Application Form, either in electronic or physical form, to the Applicants and the Application Form will be specifically addressed to such Applicants.

17. Submission of Documents by Applicants

The Applicants shall submit the following additional documents along with the Application Form as may be relevant:

- (a) KIIF Act;
- (b) Government notification/certificate of incorporation;
- (c) Specimen signatures of authorised persons; and
- (d) Copy of PAN card.

18. Basis of Allotment

Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. The Issuer may stop accepting subscription in consultation with arranger team at any time during the private placement. Banks cumulatively will not be allotted more than 20% of primary issue size. The Investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to the Issuer by the Issue Closing Date.

Date and Time of Receipt of Subscription Amount: 8 October 2024; Pay In Date: 8 October 2024

The Time of Receipt of Funds shall be the time of receipt of Subscription Amount in the Designated Bank Account on the Pay In Date for the purpose of subscribing in the Issue.

Notwithstanding the above, the Issuer reserves the right to determine the basis of Allotment at its sole discretion. For further clarity, please refer to Section 11 titled “**How to Apply**”.

19. Allotment

The Debentures allotted to Investor in dematerialized form would be directly credited to the beneficiary account as given in the Application Form after verification. The Debentures will be credited to the account of the allottee(s) as soon as practicable but in any event within 2 (two) Business Days from the date of closure of the Issue.

If the Debentures are not allotted within 60 (sixty) days from the date of receipt of the payments from the Applicants, the Issuer shall repay such monies to the Applicants within 15 (fifteen) days from the date of completion of the aforesaid 60 (sixty) days. If the Issuer fails to repay the payments within the aforesaid period, it shall be liable to repay that money with interest at the rate of 12% (twelve per cent) per annum from the expiry of the 60th (sixtieth) day.

20. Register of Debenture Holders

A Register of Debenture Holders containing necessary particulars of the Debenture Holders will be maintained with the Depository. The Issuer shall at all times duly maintain all details of Debenture Holders in the form and manner as required under Applicable Laws.

21. Transfer / Transmission / Trading of Debentures

The Debentures shall be transferable freely to all classes of Eligible Investors. It is clarified that the Debentures are not intended to be held by any category of persons who are not Eligible Investors. Subject to the foregoing, the Debentures may be transferred and/or transmitted in accordance with the applicable provisions of the Applicable Laws. The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by depositories and the relevant Depository Participants of the transferor or transferee and any other Applicable Laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, Interest will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer.

Provided further that nothing in this section shall prejudice any power of the Issuer to register as Debenture Holder any Person to whom the right to any Debenture of the Issuer has been transmitted by operation of law.

Subject to the terms of the Debenture Trust Deed, the normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to its Depository Participant. The Issuer undertakes that there will be a common transfer form / procedure for transfer of Debentures.

The Debentures shall be issued only in authorizing form in compliance with the provisions of the Depositories Act (as amended from time to time), any other applicable regulations (including of any relevant stock exchange) and these conditions. No physical certificates of the Debentures would be issued.

22. Authority for the placement

This private placement of Debentures is being made pursuant to the resolutions passed by the board of members on 12 July 2024 and the investment management committee of the Issuer on 11 September 2024 authorizing the Issuer to borrow monies by way of issue of Debentures.

The Issuer can carry on its existing activities and future activities planned by it in view of the existing approvals, and no further approvals from any Governmental Agency are required by the Issuer to carry on its said activities.

23. Record Date

This will be 15 (fifteen) days prior to each Coupon Payment Date and Redemption Date in accordance with the Transaction Documents ("**Record Date**"). The list of beneficial owner(s) provided by the Depository as at the end of day of Record Date shall be used to determine the name(s) of person(s) to whom the Interest and/or principal instalment is to be paid notwithstanding any subsequent transfer by the existing Debenture Holders after the Record Date.

24. Effect of Holidays

As specified in Row 51 (*Business Day Convention*) in the Section 6 (*Summary of Terms*) of this Key Information Document.

25. Redemption on Maturity of Debenture

The Issuer shall pay, in respect of each outstanding Debenture, an amount that is equal to the outstanding principal amount of that Debenture as on 3 (three) years from the Deemed Date of Allotment, any accrued but unpaid Interest applicable to the principal amount of each Debenture is payable on relevant Interest Payment Date and any other amounts that are payable in accordance with the Debenture Trust Deed.

The details of the settlement mechanism upon redemption of Debentures have been specified in Row 53 (*Settlement mode of the Instrument*) of Section 6 (*Summary of Terms*) of this Key Information Document.

26. Resolution for pre and post issue related difficulties

The Investor may contact the Issuer in case of any pre-issue/ post-issue related problems such as non-receipt of credit of Debentures / refund orders etc.

27. Debentures to Rank Pari-Passu

The Debentures of this Issue shall rank *pari-passu* inter-se without preference or priority of one other or others.

28. Payments at Par

Payment of the principal, all Interest and other monies will be made to the registered Debenture holder(s)/ beneficial owner(s) and in case of joint holders to the one whose name stands first in the Register of Debenture Holder(s) / in the list of beneficial owner(s) provided to the Issuer by the Depository. Such payment shall be made through electronic clearing services (ECS), real time gross settlement (RTGS), direct credit or national electronic fund transfer (NEFT). Upon failure of the Issuer to make the relevant payments through the aforesaid mode, the Issuer shall pay the redemption, Interest and all other amounts to the registered Debenture Holders by way of demand draft(s)/ credit in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date. The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL/ CDSL and accordingly the account of the Debenture Holder(s) with NSDL/ CDSL will be adjusted.

29. Tax Deduction at Source

(a) Interest on the Debentures issued pursuant to this Issue is subject to deduction of income Tax under the provisions of the Income Tax Act, 1961 (“**IT Act**”) or any other statutory modification or re-enactment thereof, as applicable. The Debenture Holders desirous of claiming non-deduction or lower deduction of Tax at source under Applicable Laws, as the case may be, shall be required to submit the declaration/ certificates as per format prescribed under Applicable Laws with the Issuer and the Registrar to the Issue (“**RTA**”) at the below mentioned address on or prior to the relevant Record Date for payment of interest on the Debentures:

Particulars	Contact Details of the Issuer	Contact Details of the RTA
Name	Kerala Infrastructure Investment Fund Board	Cameo Corporate Services Limited

Particulars	Contact Details of the Issuer	Contact Details of the RTA
Correspondence Address	2 nd Floor, Felicity Square, Mg Road, Thiruvananthapuram 695001, Kerala (India)	5 th Floor, Subramanian Building No.1, Club House Road Chennai 600002 Tamil Nadu India
Contact Person	Sabareeswar Thampan	Mohanavalli E.
Designation	Compliance Officer	Asst. Manager
E-mail ID	Co.Fa@Kiifb.Org	Mohana@Cameoindia.Com Investor1@Cameoindia.Com
Tel. No.	0471-2780900	044 – 400 20780752
Fax No.	Not Applicable	Not Applicable
Link for online submission	https://Kiifb.Org/Certupld.Jsp	https://Investors.Cameoindia.Com/

- (b) In case of non-receipt of such prescribed declaration/ certificate from the Debenture Holders claiming non-deduction or lower deduction of Tax at source under Applicable Laws, on or prior to the relevant Record Date, the Issuer shall make Tax deduction at source deductions in accordance with the prescribed rates prior to credit of interest on Debentures.
- (c) Income Tax is deductible at source at the rate of 10% on interest on the Debentures held by resident Indians in accordance with Section 193 of the IT Act. In cases where interest is to be paid to an individual or hindu undivided family (“HUF”) (being the Debenture Holder) is less than Rs. 5,000 and interest is to be paid by way of account payee cheque then the relevant Debenture Holder may seek non deduction of Tax at source on the interest on Debentures by submitting the prescribed declaration/certificates with the Issuer and the RTA at the aforesaid address on or prior to the relevant Record Date.
- (d) In case of Debenture Holder who is a resident individual or resident HUF claiming non-deduction or lower deduction of Tax at source under Section 193 of the IT Act, as the case may be, the Debenture Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Debenture Holders (other than companies and firms), or (b) a certificate, from the relevant assessing officer which can be obtained by all Debenture Holders (including companies and firms) by making an application in the prescribed form i.e. Form No. 13.
- (e) Debenture Holders may seek/ may be granted, as the case may be, non-deduction or lower deduction of Tax at source in following instances under the IT Act:
- (i) When the relevant assessing officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of Tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed by the Debenture Holder with the Issuer before the Record Date for payment of interest;
 - (ii) When the resident Debenture Holder with Permanent Account Number (“PAN”) (not being a company or a firm) submits a declaration as per the provisions of Section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the Tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under Section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered

for exemption from Tax deduction at source if the dividend income referred to in Section 194, interest on securities, interest, withdrawal from National Savings Scheme and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income Tax;

- (iii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of Tax at source in accordance with the provisions of Section 197A(1C) of the IT Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to Tax, provided that the Tax due on the estimated total income of the year concerned will be NIL;
 - (iv) All mutual funds registered under Securities and Exchange Board of India are exempt from Tax on all their income, including income from investment in Debentures under the provisions of Section 10 (23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of Section 196 of the IT Act, no deduction of Tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it;
 - (v) For any Debentures held by foreign institutional investors/ foreign portfolio investors/ qualified foreign investors, interest on Debentures may be eligible for concessional Tax rate of 5% (plus applicable surcharge and health and education cess) for interest referred under Section 194LD applicable in respect of rupee denominated bonds of an Indian entity between 1 June 2013 and 1 July 2023 provided such rate does not exceed the rate as may be notified by the Governmental Agency. Further, in case where Section 194LD is not applicable, the interest income earned by foreign institutional investors/ foreign portfolio investors should be chargeable to Tax at the rate of 20% under Section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Act on such income at 20%. Where double taxation avoidance agreement is applicable to the payee, the rate of Tax deduction shall be lower of rate as per double taxation avoidance agreement or 20%, subject to the conditions prescribed therein;
 - (vi) Interest payable to Life Insurance Corporation, General Insurance Corporation and any other insurers are exempted from deductions of tax at source under Section 193 of the IT Act;
 - (vii) Interest payable to entities falling under the list of entities exempted from Tax deduction at source by the circular no. 18/2017 by Central Board of Direct Taxes (whose income is unconditionally exempt under Section 10 of the IT Act and who are also statutorily not required to file return of income as per Section 139 of the IT Act);
 - (viii) Any other specific exemption available to any other category of Investors under the IT Act.
- (f) In case(s) where the Debentures Holder(s) do not submit the declaration/ certificates as per format prescribed under Applicable Laws with the Issuer and the RTA at the specified address on or prior to the relevant Record Date for payment of interest on the Debentures, the Issuer shall not be liable to refund the applicable amount of Tax deducted at source and the Debenture Holders would be required to directly take up with the Tax authorities for refund, if any.

- (g) Exercise of any rights, privileges and obligations as set out above in sub-paragraphs (a) to (f) above under this paragraph, from time to time by the Debenture Holders, Debenture Trustee and / or the Issuer (as may be applicable) shall at all times be subject to Applicable Law (including but not limited to provisions on timelines for submission of documents).

30. Payment Instruments (if applicable)

Loss of any payment instrument, if applicable, should be intimated to the Issuer along with the request for issue of a duplicate payment instrument(s), if applicable. If any payment instrument(s), if applicable, is lost, stolen, or destroyed, then upon production of proof thereof, to the satisfaction of the Issuer and upon furnishing such indemnity, as the Issuer may deem adequate and upon payment of any expenses incurred by the Issuer in connection thereof, new payment instrument(s), if applicable shall be issued. Payments shall be made through electronic mode only. Upon failure of the Issuer to make the relevant payments through the aforesaid mode, the Issuer shall pay the redemption, Interest and all other amounts to the registered Debenture Holders by way of demand draft(s)/credit in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date. The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL/ CDSL and accordingly the account of the Debenture Holder(s) with NSDL/ CDSL will be adjusted.

31. Notices

All notices to the Debenture Holder(s) required to be given by the Issuer shall be deemed to have been given to the sole/ first allottee or sole/ first registered holder of the Debentures, as the case may be if sent by facsimile, by email or by personal delivery or by sending the same by prepaid registered mail and shall be effective (a) if sent by fax, when sent (on receipt of a confirmation to the correct fax number) or if sent by email, when sent; (b) if sent by hand delivery, when delivered; (c) if sent by courier, 3 (three) Business Days after deposit with a courier; and (d) if sent by a registered letter, when the registered letter would, in the ordinary course of post be delivered, whether actually delivered or not.

All notices to be given by the Debenture Holder(s) shall be sent by registered post or e-mail or by hand delivery to the registered office of the Issuer or to such Persons at such address as may be notified to the Issuer from time to time. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

32. Sharing of Information

The Issuer may, at its option, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holders available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required under Applicable Law and neither the Issuer or its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

33. Debentures subject to the Debenture Trust Deed, etc.

Over and above the aforesaid terms and conditions, the Debentures, issued under this Key Information Document, shall be subject to prevailing guidelines/regulations of RBI and other authorities and also be subject to the provisions of the Debenture Trust Deed, and all documents to be entered into by the Issuer in relation to the Issue, including this Key Information Document, the Debenture Trust Deed, and other Transaction Documents.

34. Governing Law

The Debentures are governed by and will be construed in accordance with Indian law. The Issuer and Issuer's obligations under the Debentures shall, at all times, be subject to the directions of RBI, SEBI and Stock Exchanges and other applicable regulations from time to time. The applicable jurisdiction has been specified in Row 70 (*Governing Law and Jurisdiction*) in the Section 6 (*Summary of Terms*).

35. Conflict

This Key Information Document supersedes all previous deeds, documents arrangements, agreements, memoranda of understanding including any term sheet that may have been entered into by the Issuer with the Debenture Holders and/or the Debenture Trustee in connection with the Debentures and in the event of any conflict or inconsistency with such previous documents, deeds and agreements the provisions of this Key Information Document shall prevail. However, in case of any repugnancy, inconsistency or where there is a conflict between the conditions as are stipulated in this Key Information Document and the Debenture Trust Deed, executed by the Issuer, the provisions as contained in the Debenture Trust Deed shall prevail and override the provisions of such Key Information Document.

36. Investor Relation and Grievance Redressal

Arrangements have been made to redress Investor grievances expeditiously. The Issuer endeavours to resolve the Investors' grievances within promptly upon receipt. All grievances related to the Issue quoting the application number (including prefix), number of Debentures applied for, amount paid on application, may be addressed to the Registrar and Transfer Agent/ compliance officer. All Investors are hereby informed that the Issuer has appointed a Registrar and Transfer Agent/ compliance officer who may be contacted in case of any problem related to this Issue.

SECTION 5

MATERIAL DOCUMENTS

By very nature of its business, the Issuer is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Issuer. However, the contracts and documents referred to in paragraph (a) below (not being contracts entered into in the ordinary course of the business carried on by the Issuer) which are or may be deemed to be material that have been entered into by the Issuer and are available with the Issuer with respect to the issuance.

(a) **Material Contracts and Documents**

- (i) General Information Document and this Key Information Document;
- (ii) A certified copy of KIIF Act;
- (iii) Copy of the resolutions of the board of members of the Issuer passed at their meeting held on 12 July 2024 and the investment management committee of the Issuer on 11 September 2024 authorizing the borrowing and authorizing the allotment of the Debentures;
- (iv) Annual Report along with Audited financials and Audit Reports for the last three financial years and unaudited financials along with the limited review report for the period ending 30 June 2024;
- (v) Agreement entered into between the Issuer and the Registrar.
- (vi) Letter appointing the Debenture Trustee to the Issue.
- (vii) Letter of consent from the Debenture Trustee to act as Debenture Trustee to the Issue.
- (viii) In-principle Approval for listing of Debenture by the relevant Stock Exchange.
- (ix) Letter from the Credit Rating Agency conveying the credit rating for the Debentures.
- (x) Tripartite Agreement between the Issuer, the relevant Depository and Registrars for issue of Debentures in dematerialized form.
- (xi) Debenture Trust Deed and Debenture Trustee Agreement.

The Issuer shall submit all documents, and make necessary disclosures, in accordance with the SEBI LODR Regulations. The Issuer shall comply with the SEBI LODR Regulations and SEBI Non-Convertible Securities Listing Regulations.

(b) **Time and place at which the contracts together with documents will be available for inspection from the date of issue document until the date of closing of subscription list.**

On all Business Days at the registered office of the Issuer.

Note: The Issuer is a body corporate constituted under the KIIF Act and has not issued any shares. Accordingly, the disclosures in respect of the share capital of the Issuer in General Information Document. Further the Issuer does not have directors, and is being managed by a board of members, hence disclosures in the General Information Document are made in respect of such members.

SECTION 6

SUMMARY OF TERMS

Note: the summary of terms below is only indicative in nature and each condition below shall be subject to as further specified, modified, substituted or replaced in the Debenture Trust Deed once entered into. All the terms and conditions of the Debentures are subject to changes in Applicable Law.

Sr. No.	Terms	Details
1.	Security Name (Name of the debt securities/non-convertible redeemable preference shares which includes (Coupon/dividend, Issuer's name and maturity year) e.g. [·]% XXX [·].	KIIFB Domestic Bonds – Series III 9.49% KERALA INFRASTRUCTURE INVESTMENT FUND BOARD 2034
2.	ISINs	[•]
3.	Issuer	Kerala Infrastructure Investment Fund Board, a statutory body created by the Government of Kerala under the KIIF Act
4.	Type of Instrument	Unsecured, rated, listed, redeemable, taxable, non-convertible bonds in the form of non-convertible debentures supported by unconditional and irrevocable guarantee by the GoK as the principal debtor and not merely as a surety.
5.	Nature of Instrument (secured or unsecured)	Unsecured
6.	Seniority (Senior or subordinated)	Senior
7.	Rating Agencies	India Ratings and Research Private Limited and Acuite Ratings and Research Limited
8.	Eligible Investors	<p>The following categories of Investors may apply for the Debentures, subject to Applicable Laws and subject to fulfilling their respective investment norms/ rules by submitting all the relevant documents along with the Application Form</p> <ul style="list-style-type: none"> (a) resident individuals; (b) HUF; (c) trust; (d) limited liability partnerships; (e) partnership firm(s); (f) portfolio managers registered with SEBI; (g) association of persons; (h) companies and bodies corporate including public sector undertakings; (i) scheduled commercial banks; (j) regional rural banks;

Sr. No.	Terms	Details
		(k) financial institutions; (l) insurance companies; (m) mutual funds; (n) foreign portfolio investors (if permitted under Applicable Law); and (o) any other Investor eligible to invest in these Debentures in accordance with Applicable Law.
9.	Mode of Issue	Private Placement
10.	Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	BSE The Issuer shall ensure that the Debentures are listed on wholesale debt market segment of the Stock Exchange within 3 (three) Working Days from the Issue Closing Date. Issue Opening Date: 7 October 2024 (T) Issue Closing Date: 7 October 2024 (T) Pay In Date: 8 October 2024 Deemed Date of Allotment: 8 October 2024 Listing of the Debentures: On or before T+3 (three) Working Days
11.	Rating of the Instrument	The Debentures have been rated: (a) Provisional IND AA (CE) with stable outlook by India Ratings and Research Private Limited for an amount up to INR 2999,99,00,000 (Indian Rupees Two Thousand Nine Hundred Ninety Nine Crores Ninety Nine Lakhs only) vide its rating letter dated 21 August 2024; and (b) Provisional ACUITE AA (CE) with stable outlook by Acuité Ratings & Research Limited for an amount up to INR 3000,00,00,000 (Indian Rupees Three Thousand Crores only) vide its rating letter dated 26 August 2024.
12.	Base Issue Size	Up to INR 500,01,00,000 (Indian Rupees Five Hundred Crores and One Lakh only)
13.	Aggregate Issue size	Up to INR 1000,02,00,000 (Indian Rupees One Thousand Crores and Two Lakhs only)
14.	Minimum Subscription	Not applicable
15.	Option to retain oversubscription (Amount)	Green shoe option to retain over-subscription up to INR 500,01,00,000 (Indian Rupees Five Hundred Crores and One Lakh only)
16.	Objects of the Issue / Purpose for which there is requirement of funds	To augment the long-term resources of the Issuer.
17.	Details of the utilisation of the Proceeds	The funds raised by the Issue shall be utilised by the Issuer in compliance with the Applicable Law and in accordance with the Debenture Trust Deed, for the purpose of: (a) Providing financing to infrastructure projects in the State of Kerala as approved by the Issuer's board of members including but not limited to for acquisition of immovable assets for setting up such infrastructure projects;

Sr. No.	Terms	Details																	
		(b) Repayment of any financial indebtedness availed by Issuer; and (c) Any other objectives of the Issuer pursuant to the KIIF Act.																	
18.	Coupon/Dividend Rate	9.49% per annum, payable quarterly																	
19.	Step Up / Step Down Coupon Rate	<p>In case of any rating downgrade, the Issuer shall inform the Debenture Trustee of the rating downgrade on the immediately next calendar day.</p> <p>25 basis points as step up coupon for rating downgrade (by any one of the rating agencies), from rating at the time of issuance, of every notch. For avoidance of doubt it is clarified that in case, credit rating available from each of the rating agencies are different, the lowest credit rating available shall be considered for the purpose of levying the step up coupon.</p> <p>Any Critical Rating Downgrade Event, will give each Investor, the right to either exercise additional 25 bps step up coupon rate or exercise the put option for premature redemption subject to Applicable Laws and regulations.</p> <p>In case of a Critical Rating Downgrade Event, each Investor can exercise the put option within 30 days from the date the Debenture Trustee informs the Debenture Holders of the rating downgrade in manner set out in Row 85 below.</p> <p>Further, in respect of the Investors that do not exercise the put option as set out above, existing step-up coupon shall be enhanced by additional 25 basis points on the Debentures held by such Investors.</p> <p>It is clarified that such higher coupon rates would be effective only from the date of downgrade.</p> <p>In case post downgrade of rating, any upgrade in future will have rates reversed effective from the date of such upgrade, subject to minimum initial coupon rate.</p>																	
20.	Coupon/Dividend Payment Frequency	Quarterly																	
21.	Coupon/Dividend Payment Date(s)	<table border="1"> <thead> <tr> <th data-bbox="632 1438 1394 1471">Interest Payment Dates</th> </tr> </thead> <tbody> <tr><td data-bbox="632 1471 1394 1505">08/01/2025</td></tr> <tr><td data-bbox="632 1505 1394 1538">08/04/2025</td></tr> <tr><td data-bbox="632 1538 1394 1572">08/07/2025</td></tr> <tr><td data-bbox="632 1572 1394 1606">08/10/2025</td></tr> <tr><td data-bbox="632 1606 1394 1639">08/01/2026</td></tr> <tr><td data-bbox="632 1639 1394 1673">08/04/2026</td></tr> <tr><td data-bbox="632 1673 1394 1706">08/07/2026</td></tr> <tr><td data-bbox="632 1706 1394 1740">08/10/2026</td></tr> <tr><td data-bbox="632 1740 1394 1774">08/01/2027</td></tr> <tr><td data-bbox="632 1774 1394 1807">08/04/2027</td></tr> <tr><td data-bbox="632 1807 1394 1841">08/07/2027</td></tr> <tr><td data-bbox="632 1841 1394 1874">08/10/2027</td></tr> <tr><td data-bbox="632 1874 1394 1908">07/01/2028</td></tr> <tr><td data-bbox="632 1908 1394 1942">07/04/2028</td></tr> <tr><td data-bbox="632 1942 1394 1975">07/07/2028</td></tr> <tr><td data-bbox="632 1975 1394 2009">06/10/2028</td></tr> </tbody> </table>	Interest Payment Dates	08/01/2025	08/04/2025	08/07/2025	08/10/2025	08/01/2026	08/04/2026	08/07/2026	08/10/2026	08/01/2027	08/04/2027	08/07/2027	08/10/2027	07/01/2028	07/04/2028	07/07/2028	06/10/2028
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Sr. No.	Terms	Details
		08/01/2029 06/04/2029 06/07/2029 08/10/2029 08/01/2030 08/04/2030 08/07/2030 08/10/2030 08/01/2031 08/04/2031 08/07/2031 08/10/2031 08/01/2032 08/04/2032 08/07/2032 08/10/2032 07/01/2033 08/04/2033 08/07/2033 07/10/2033 06/01/2034 07/04/2034 07/07/2034 06/10/2034
22.	Cumulative /Non-cumulative, in case of dividend	Not applicable
23.	Coupon Type (fixed, floating or other structure)	Fixed
24.	Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Not applicable
25.	Day Count Basis (Actual/Actual)	Actual/Actual Interest shall be computed on an “actual/actual basis”, wherein the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis.
26.	Tenure and Tenor of this issuance of Debentures	Approximately 4 – 10 years under 7 different STRPPs/sub-series as below: On considering the issue for an amount up to INR 500,01,00,000 (Indian Rupees Five Hundred Crores and One Lakh only), with a green-shoe option to retain oversubscription of up to INR 500,01,00,000 (Indian Rupees Five Hundred Crores and One Lakh only), such that the aggregate issue size of the Debentures does not exceed an amount of up to INR 1000,02,00,000 (Indian Rupees One Thousand Crores and Two Lakhs only)

Sr. No.	Terms	Details			
		Sub-Series	As percentage of Issue	Amount as per base issue size (excluding green-shoe option to retain oversubscription) (INR in crore)	Redemption Dates
		A	14.2857%	71.43	8 January 2028
					8 April 2028
					8 July 2028
					8 October 2028
		B	14.2857%	71.43	8 January 2029
					8 April 2029
					8 July 2029
					8 October 2029
		C	14.2857%	71.43	8 January 2030
					8 April 2030
					8 July 2030
					8 October 2030
		D	14.2857%	71.43	8 January 2031
					8 April 2031
					8 July 2031
					8 October 2031
		E	14.2857%	71.43	8 January 2032
					8 April 2032
					8 July 2032
					8 October 2032
		F	14.2857%	71.43	8 January 2033
					8 April 2033
					8 July 2033
					8 October 2033
		G	14.2857%	71.43	8 January 2034
					8 April 2034
					8 July 2034
					8 October 2034
		Total	100%	500.01	

Sr. No.	Terms	Details
27.	Interest on Application Money	Not applicable
28.	Debt Service Reserve Account	<p>The Issuer would be required to open a designated escrow account titled, “Debt Service Reserve Account” bearing account number 43266109223 with State Bank of India - “Debt Service Reserve Account” to maintain the Required DSRA Amount exclusively for the benefit and charged in favour of the Debenture Trustee (on behalf of the bond holders) (“DSRA”).</p> <p>The DSRA would be in the form of cash or cash equivalent (investment in Permitted Investments).</p>
29.	Required DSRA Amount	<p>An amount equivalent to the interest obligation of one succeeding quarter and principal redemption amount of one quarter (“Required DSRA Amount”). The Issuer would need to maintain the Required DSRA Amount on rolling basis and the initial Required DSRA Amount so calculated would need to be deposited at least one day prior to the Pay In Date.</p> <p>Although redemption shall start from the 13th quarter, the DSRA of one quarter principal redemption amount starting from 13th Quarter along with the interest obligation of one succeeding quarter shall be created upfront only.</p>
30.	Re-issuance and consolidation	The Issuer shall have right to reissue and/or consolidate its debt securities (including the Debentures) in accordance with Applicable Law from time to time.
31.	Default Interest Rate	In the event of delay in the payment of interest amount and/ or principal amount on the due date(s), the Issuer shall pay additional interest of 2.00% per annum in addition to the respective Coupon Rate payable on the Debentures, on such amounts due, for the defaulting period.
32.	Redemption Date and Redemption Amount	<p>The issue for an amount up to INR 500,01,00,000 (Indian Rupees Five Hundred Crores and One Lakh only), with a green-shoe option to retain oversubscription of up to INR 500,01,00,000 (Indian Rupees Five Hundred Crores and One Lakh only), such that the aggregate issue size of the Debentures does not exceed an amount of up to INR 1000,02,00,000 (Indian Rupees One Thousand Crores and Two Lakhs only), would comprise of 7 (seven) STRPPs/Sub-Series (A to G) as mentioned above of sequentially, redeemable bonds in equal quarterly amount.</p> <p>Each of the STRPPs/Sub-Series ‘A’ to STRPPs/Sub-Series ‘G’ would be redeemed in 4 (four) equal quarterly installments of 14.2857% of the aggregate issue size (i.e. 3.5714% of each Sub-Series ‘A’ to Sub-Series ‘G’ of the Debentures), with redemption of STRPPs/Sub-Series ‘A’ commencing from the end of 13th quarter, STRPPs/Sub-Series ‘B’ commencing from the end of 17th quarter and so on.</p> <p>The Tenor for the Debentures shall approximately be 4 – 10 years under 7 different STRPPs/sub-series as below:</p>

Sr. No.	Terms	Details			
		STRPPs/Sub-Series	As percentage of Issue	Amount as per base issue size (excluding green-shoe option to retain oversubscription) (INR in crore)	Redemption Dates
		A	14.2857%	71.43	8 January 2028
					8 April 2028
					8 July 2028
					8 October 2028
		B	14.2857%	71.43	8 January 2029
					8 April 2029
					8 July 2029
					8 October 2029
		C	14.2857%	71.43	8 January 2030
					8 April 2030
					8 July 2030
					8 October 2030
		D	14.2857%	71.43	8 January 2031
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					8 July 2032
					8 October 2032
		F	14.2857%	71.43	8 January 2033
					8 April 2033
					8 July 2033
					8 October 2033
		G	14.2857%	71.43	8 January 2034
					8 April 2034
					8 July 2034
					8 October 2034
		Total	100%	500.01	

Sr. No.	Terms	Details
33.	Redemption Premium / Discount	At par of INR 1 Lakh per Debenture under each STRPPs/Sub-Series
34.	Issue Price	Through BSE EBP
35.	Discount at which security is issued and the effective yield as a result of such discount	Not applicable
36.	Premium/Discount at which security is redeemed and the effective yield as a result of such premium/ discount	Not applicable
37.	Put Date	Applicable in case of a Put Option Event
38.	Put Price	Applicable in case of a Put Option Event
39.	Call Date	Not applicable
40.	Call Price	Not applicable
41.	Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	Applicable in case of a Put Option Event
42.	Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	Not applicable
43.	Face Value	1,00,000 (Indian Rupees One Lakh only) per Debenture under each STRPPs/Sub-Series
44.	Minimum Application and in multiples thereafter	1 Debenture, and in multiples of 1 Debenture thereafter
45.	Issue Timing	7 October 2024 to 8 October 2024
46.	Issue / Bid Opening Date	7 October 2024
47.	Issue / Bid Closing Date	7 October 2024
48.	Date of earliest closing of the issue	7 October 2024
49.	Pay – in Date	8 October 2024
50.	Deemed Date of Allotment	8 October 2024
51.	Business Day Convention	<p>“Business Day”/ “Working Day” means all days on which commercial banks in Thiruvananthapuram and Mumbai are open for business.</p> <p>If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made on the next Working Day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in this Key Information Document.</p>

Sr. No.	Terms	Details
		<p>If the maturity date of the debentures, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous Working Day along with interest accrued on the Debentures until but excluding the date of such payment.</p> <p>If a leap year (i.e. February 29) falls during the Tenor of the debentures, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year.</p>
52.	Issue Premium/ Discount	Not applicable
53.	Settlement mode of the Instrument	Dematerialised only.
54.	Trading mode of the Instrument	Dematerialised only.
55.	Depository	National Securities Depository Limited and Central Depository Services (India) Limited
56.	Disclosure of interest / Redemption Dates	As per cash flow details provided in this Key Information Document
57.	Record Date	<p>15 days prior to each Coupon Payment Date and Redemption Date.</p> <p>In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.</p>
58.	All covenants of the Issue (including side letters, accelerated payment clause etc.)	<p>The following are the covenants for the Issue:</p> <ul style="list-style-type: none"> (a) Authorisations; (b) Status and business; (c) Amendments to constitutional documents; (d) Further assurances (e) Arm's length transactions; (f) Compliances; and (g) Accounts; <p>The description above is indicative and a complete list of covenants will be specified in the Key Information Document.</p>
59.	Description regarding Security (where applicable) including type of security (movable / immovable / tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation	<p>The Debentures are not “secured debt securities” for the purposes of the SEBI Non-Convertible Securities Listing Regulations and corresponding provisions of Applicable Law. The Debentures are not secured by creation of a charge on the properties or assets of the Issuer or its subsidiaries or its holding companies or its associate companies having a value which is sufficient for the due repayment of principal and payment of interest thereon.</p> <p>The Debentures shall be supported by unconditional and irrevocable guarantee by the GoK as a principal debtor and not merely as a surety. Additionally, the Debentures shall be secured by the following nominal security interest:</p> <ul style="list-style-type: none"> (a) Hypothecation over DSRA and all the amounts credited / to be credited therein

Sr. No.	Terms	Details
		<p>(b) Hypothecation over KIIFB Bond Servicing Account and all the amounts credited / to be credited therein</p> <p>(c) Security interest over the Permitted Investments</p> <p>(d) Hypothecation in the form of lien over the Fixed Deposit.</p>
60.	Replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the issue document	Please see Row 59 (<i>Description regarding Security (where applicable) including type of security (movable / immovable / tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation</i>) above.
61.	Transaction Documents	<p>(i) The Debenture Trust Deed;</p> <p>(ii) The Debenture Trustee Agreement;</p> <p>(iii) The General Information Document;</p> <p>(iv) This Key Information Document;</p> <p>(v) The Deed of Guarantee issued by the Government of Kerala;</p> <p>(vi) The Accounts Agreement;</p> <p>(vii) The Deed of Hypothecation; and</p> <p>(viii) The Application Form.</p>
62.	Conditions Precedent to Disbursement	As per the Third Schedule (<i>Conditions Precedent</i>) of the Debenture Trust Deed.
63.	Conditions Subsequent to Disbursement	As per the Fourth Schedule (<i>Conditions Subsequent</i>) of the Debenture Trust Deed.
64.	Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement (“ICA”))	<p>The following shall constitute an “Event of Default” under the Debenture Trust Deed:</p> <p>As is set out in the Debenture Trust Deed, and shall include, without limitation, the following events (each an “Event of Default”):</p> <p>(i) Non-payment of any Debenture servicing obligation on due date.</p> <p>(ii) Failure to adequately restore the DSRA/ Fixed Deposit within stipulated timelines.</p> <p>(iii) Failure to list or cessation of listing of the Debentures on the BSE.</p> <p>(iv) Insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer.</p> <p>(v) Non redemption of the outstanding Debentures by the Issuer on which the Put Option is exercised upon expiry of the stipulated timelines.</p> <p>(vi) Any insolvency, liquidation or dissolution petition filed against the Issuer which is not discharged or stayed or withdrawn within 5 calendar days.</p> <p>(vii) Breach of covenants and such breach is not cured within 7 Working Days.</p>

Sr. No.	Terms	Details
		<p>(viii) Breach of any of the terms of the Transaction Documents by the Issuer and such breach is not cured within 7 Working Days.</p> <p>(ix) Repudiation of any Transaction Document.</p> <p>(x) Illegality for the Issuer to perform any of its obligations under the Transaction Document.</p> <p>(xi) Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of Issuer funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer.</p> <p>(xii) Representations or warranties are found to be untrue or misleading when made or at the time of repetition during the term of the Debentures, which representations or warranties are by nature required to be repeated at any time during the term and is not cured within 15 Working Days.</p> <p>(xiii) Winding up of the Issuer, including initiation of any proceedings.</p> <p>(xiv) In case the rating is withdrawn or suspended.</p> <p>(xv) Any material adverse event, as defined in the Transaction Documents and such default is not cured within 15 Working Days.</p> <p>(xvi) If the guarantee obligations are not met by the GoK within 30 days of guarantee invocation, it would be construed as an Event of Default.</p> <p>Conditions of joining an Inter Creditor Agreement: As per the Article III (<i>Requirement of an Inter Creditor Agreement</i>) of the Debenture Trust Deed.</p>
65.	Creation of recovery expense fund	<p>As per the Chapter IV of the SEBI DT Master Circular, the Issuer has created the recovery expense fund (“REF”) for an amount equivalent to 0.01% of the final issue size subject to a maximum amount of INR 25 Lakhs in the manner specified by SEBI and have informed the Debenture Trustee about the same.</p> <p>An amount equal to 0.01% of the relevant issue size subject to a maximum amount of INR 25 lakhs shall be utilized towards the REF with the BSE as per the timeline prescribed by the SEBI.</p>
66.	Conditions for breach of covenants (as specified in Debenture Trust Deed)	Breach of any covenants other than those in respect of a payment default would have a cure period of 7 Working Days beyond which it would be construed as an Event of Default.
67.	Cross Default/Acceleration	In case of an event wherein any financial indebtedness of the Issuer or its subsidiaries is not paid to a creditor when due or an Event of Default (however described) has occurred in relation to any credit facility and such facility has been accelerated (other than in respect of the Debentures) (“Cross Default”), each Investor can exercise the put option within 30 days from the date the Debenture Trustee informs the Debenture Holders of the Cross Default in manner set out in Row 85 below.

Sr. No.	Terms	Details
68.	Role and Responsibilities of Debenture Trustee	As provided in the Transaction Documents and required under Applicable Law.
69.	Risk factors pertaining to the issue	Please refer Section 1 of the General Information Document.
70.	Governing Law and Jurisdiction	The Debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts and tribunals of Thiruvananthapuram, Kerala.
71.	Registrar	Cameo Corporate Services Limited
72.	Debenture Trustee	Catalyst Trusteeship Limited
73.	Delay in execution of Debenture Trust Deed	In case of delay in execution of Debenture Trust Deed and security documents, the Issuer will refund the subscription with agreed Interest Rate or will pay penal interest of at least 2% per annum to the Debenture Holders, over and above the agreed Interest Rate till these conditions are complied with at the option of the Debenture Holders.
74.	Delay in Listing	In case of delay in listing of the debt securities with the timelines of T+3 trading days as under the SEBI Master Circular, the Issuer shall pay penal interest of 1% per annum over the Coupon Rate for the period of delay to the Debenture Holder (i.e. from date of allotment to the date of listing).
75.	Remedies	<p>In the event of occurrence of the Event of Default mentioned above, the Debenture Trustee shall give a final notice to the Issuer and the GoK clearly stating its intention to invoke the Security Interest and enforce its rights under the Deed of Guarantee: (a) for Events of Default where cure period is provided as above and is not cured within the stipulated cure period; and (b) for all other Events of Default, a period of not more than 3 Working Days from the date of such notice.</p> <p>Upon continuation of such event, beyond the time stipulated above, the Debenture Trustee shall invoke the Security Interest and the guarantee of the GoK on the next Working Day.</p> <p>The invocation of security interest and the guarantee for any default would cover the entire liabilities remaining outstanding in these Debentures.</p> <p>Further, the Debenture Trustee shall be able to exercise such other rights and remedies as set out in the Debenture Trust Deed.</p>
76.	Financial Covenants	<p>The Issuer shall ensure that, in respect of any Relevant Period, the Liability Service Coverage Ratio for such Relevant Period shall not be less than 1.1 times. For the purposes of this Row 76 (<i>Financial Covenants</i>):</p> <p>"Liability Service Coverage Ratio" means the ratio of FC Cash flow to Liability Service;</p> <p>"Relevant Period" means the period ending 12 months from the end of each financial quarter;</p> <p>"FC Cash flow" means, with respect to any Relevant Period, the aggregate of (a) share of Motor Vehicle Taxes and Cess levied on</p>

Sr. No.	Terms	Details
		<p>petroleum products received by the Issuer pursuant to KIIF Act; (b) any other amount appropriated by the GoK for the Issuer's sole usage; (c) any other payments to the Issuer other than proceeds from any Financial Indebtedness; and (d) the total amount of cash and cash equivalent investments controlled by the Issuer at the beginning of the Relevant Period, excluding any debt service reserve account and sinking fund or any other debt servicing account of similar intent (except those created towards the Financial Indebtedness of the Issuer payable during the Relevant Period); and</p> <p>"Liability Service" means, with respect to the Relevant Period, the aggregate of (a) all scheduled payments (including balloon payments) on account of principal and interest and other charges on all Financial Indebtedness, as applicable; and (b) any payment made or required to be made to any debt service account under the terms of any agreement providing for any Financial Indebtedness. For the avoidance of doubt, it is clarified that, any payments (including for principal and / or interest and payments in relation to debt service reserve account or any other debt servicing account of similar intent) in respect of borrowings availed by the Issuer in the Relevant Period shall be excluded in computation of Liability Service.</p>
77.	Guarantor	State Government of Kerala
78.	Remedial Action Consequential to Impairment of DSRA	<p>In case of any impairment of DSRA, on any payout date (T) leading to the funds available in DSRA being lower than the Required DSRA Amount, a notice would be served to the Issuer by the Debenture Trustee on the next day (T + 1) to fully replenish the DSRA impairment within 5 days (T + 6) ("DSRA Payment Date").</p> <p>In the event of DSRA not getting fully reinstated by the DSRA Payment Date, the Debenture Trustee would notify the GoK by the calendar day immediately succeeding the DSRA Payment Date (T+7) about its intention for invocation of the guarantee if the shortfall is not fully bridged within the next 21 days (T + 27).</p> <p>If the irregularity continues beyond the above timeline, the Debenture Trustee shall invoke the Deed of Guarantee, from GoK on the next day (T + 28) to the extent of such shortfall in DSRA from the stipulated level.</p> <p>The Deed of Guarantee would specifically provide obligation on the part of the GoK to fund the shortfall in DSRA when called upon by the Debenture Trustee, as per the above stipulated timeline. If the guarantee obligations are not met by GoK within 30 days of Guarantee invocation, it would be construed as an 'Event of Default'</p>
79.	Structured Payment Mechanism	The Issuer would be required to adequately fund the KIIFB Bond Servicing Account through periodic transfer of funds received by it from Motor Vehicles Tax and Cess allocation. The Issuer would, starting from the 1st day of each quarterly servicing cycle remit, by way of irrevocable standing instruction to the collection bank, on every Working Day an amount equivalent to 2% of the aggregate servicing requirement for such quarterly servicing cycle of the outstanding Debentures to the KIIFB Bond Servicing Account until the required debt servicing amount for the said quarter is fully built in the KIIFB

Sr. No.	Terms	Details
		<p>Bond Servicing Account. The Debenture Trustee shall independently monitor the amounts required for servicing of the Debentures (principal and/or interest as the case may be) in the KIIFB Bond Servicing Account, 7 days prior to the relevant servicing date (T-7).</p> <p>The Debenture Trustee should independently monitor the adequacy of availability of such fund in the KIIFB Bond Servicing Account, 7 days prior to the relevant servicing date (T-7), and in case of any inadequacy, fund the same through liquidation of the Fixed Deposit to the extent of such shortfall.</p> <p>However, if due to any reason, it is not possible to fully fund the KIIFB Bond Servicing Account by T-5th day, the Debenture Trustee should advise the Issuer to immediately bridge the shortfall, under intimation to the GoK.</p> <p>In the event of shortfall still persisting on T-3rd day, the Debenture Trustee would transfer the requisite funds from the DSRA to bridge the gap.</p> <p>This event of DSRA impairment should be immediately notified to the GoK by the Debenture Trustee on the next day.</p> <p>In case any relevant event or date as set out above takes place or occurs on a day which is not a Working Day, then the immediately preceding Working Day shall be the deemed Working Day for complying with the provisions set out above in this Row 79.</p>
80.	Collateral Support Structure	The Debentures would have further collateral support by way of unconditional and irrevocable guarantee as a continuing obligation by the GoK.
81.	Permitted Investments	<p>The funds in the KIIFB Bond Servicing Account and DSRA till such time being utilized would be allowed to be invested in Permitted Investments in Fixed Deposits with Scheduled Commercial Banks and units of Debt Mutual Fund Schemes of highest possible investment grade rating as defined below:</p> <ul style="list-style-type: none"> (a) Fixed Deposits with nationalized/ public sector banks featuring in the top 10 public sector undertaking banks in terms of total asset size and having either short term rating of A1+ or a long-term rating of AAA; (b) Fixed Deposits with private sector banks featuring in the top 10 private sector banks in terms of total asset size and having short term rating of A1+ and a long-term rating of AAA; and (c) Investments in units of debt mutual funds schemes of highest possible investment grade rating. <p>These investments would be made and liquidated by the Debenture Trustee as per the instruction of the Issuer from time to time.</p>
82.	KIIFB Bond Servicing Account	The Issuer would be required to open a designated escrow account titled “KIIFB Bond Servicing Account” bearing account number 43266104644 with State Bank of India exclusively for the benefit and charged in favour of the Debenture Trustee (on behalf of the Investors).

Sr. No.	Terms	Details
		for remitting the payments to be made by the Issuer to the Investors in respect of the Debentures.
83.	Daily Transfer of Funds to KIIFB Bond Servicing Account	<p>Daily allocation of Motor Vehicle Tax and Cess pursuant to section 7 of KIIF Act is being received by the Issuer into its “Collection Account” bearing account name Kerala Infrastructure Investment Fund Board and account number 39351427592 (IFSC Code: SBIN0070028) maintained with the collection bank i.e., State Bank of India, Trivandrum City branch (as on the date of this Key Information Document) during the 9 Months period commencing from 1st April till 31st December every year on a regular basis.</p> <p>The Issuer would, starting from the 1st day of each quarterly servicing cycle remit, by way of irrevocable standing instruction to the collection bank, on every Working Day, an amount equivalent to 2% of the aggregate servicing requirement for such quarterly servicing cycle of the outstanding Debentures to the KIIFB Bond Servicing Account until the Required DSRA amount for the said quarter is fully built in the KIIFB Bond Servicing Account.</p> <p>For the period of 1st January to 31st March the Issuer, by way of standing instruction, shall transfer an upfront amount on 1st January each year to the KIIFB Bond Servicing Account equivalent to the amount required towards the aggregate daily transfer amounts for the said period.</p> <p>The said irrevocable standing instruction shall be given upfront by the Issuer to the bank for the entire tenure of the Debentures i.e. approximately 10 years.</p> <p>On the first day of every quarterly payment cycle, Issuer shall also maintain a fixed deposit in a scheduled public commercial bank, at least to the extent of the interest obligation on immediately succeeding quarterly payout date and principal redemption amount of one quarter and create/maintain charge/lien on the same in favour of the Debenture Trustee at all the times (“Fixed Deposit”).</p> <p>Although redemption shall start from the 13th quarter, the Fixed Deposit of one quarter principal redemption amount starting from 13th Quarter along with the interest obligation of one succeeding quarter shall be created upfront only.</p> <p>The initial Fixed Deposit shall be created one day before the Pay In Date. The Debenture Trustee would have an irrevocable authorization from the Issuer to liquidate an amount out of the said Fixed Deposit to the extent of any shortfall in the KIIFB Bond Servicing Account, 7 days prior to any quarterly servicing date i.e. T-7 day. The said Fixed Deposit shall be created by the Issuer from the receivables of the Issuer from allocation of Motor Vehicles Tax and Cess.</p>
84.	Remedial Action Consequential to Impairment of Fixed Deposit	<p>In case of any impairment of Fixed Deposit on T-7th day to meet the servicing obligation on any payout date (T) resulting in the amount available in the Fixed Deposit less than the stipulated amount for the next Quarter, the Debenture Trustee shall give a notice to the KIIFB on T-6th day to create a new Fixed Deposit or replenish the Fixed Deposit within the next 5 calendar days i.e. T-1.</p>

Sr. No.	Terms	Details
		<p>The Debenture Trustee shall monitor the amounts deposited in the Fixed Deposit on any payout date (T). In case the amounts deposited in the Fixed Deposit are less than the requisite amounts, a notice would be served to the Issuer by the Debenture Trustee on the next day (T + 1) to create a new Fixed Deposit or replenish the Fixed Deposit within 5 days (T + 6) (“Fixed Deposit Payment Date”).</p> <p>In the event the Fixed Deposit is not created or replenished by the Fixed Deposit Payment Date, the Debenture Trustee would notify the GoK by the calendar day immediately succeeding the Fixed Deposit Payment Date (T+7), about its intention for invocation of the guarantee if the Fixed Deposit is not created or replenished within the next 21 days (T + 27).</p> <p>If the irregularity continues beyond the above timeline, the Debenture Trustee shall invoke the Deed of Guarantee, from GoK on the next day (T + 28) to the extent of such shortfall in the Fixed Deposit from the stipulated level.</p> <p>The Deed of Guarantee would specifically provide obligation on the part of the GoK to create a new Fixed Deposit or replenish the Fixed Deposit when called upon by the Debenture Trustee, as per the above stipulated timeline. If the guarantee obligations are not met by GoK within 30 days of invocation of the guarantee, it would be construed as an ‘Event of Default’.</p>
85.	Redemption Procedure upon exercise of put option	<p>On occurrence of a Put Option Event, the Issuer shall within 1 calendar day from the date of the Put Option Event, notify the Debenture Trustee in writing of the occurrence of a Put Option Event.</p> <p>The Debenture Trustee shall within 1 calendar day of receipt of the notice, issue a notice to the Debenture Holders informing them about the occurrence of a Put Option Event and request their instructions to redeem the relevant Debentures (“Put Option”). The Debenture Holders shall within 30 calendar days from such date, direct the Debenture Trustee in writing if they intend to exercise the Put Option (“Put Option Exercise Period”). The Debenture Trustee shall within 3 calendar days of expiry of the Put Option Exercise Period, issue a written notice to the Issuer on the outstanding Debenture payments to be paid to the relevant Debenture Holders and within 15 calendar days, from the date of such notice, the Issuer shall be required to redeem the relevant Debentures and pay the outstanding Debenture payments (“Put Option Redemption Date”).</p> <p>In the event the Issuer fails to redeem the relevant Debentures and pay the outstanding Debenture payments by the Put Option Redemption Date, the Debenture Trustee shall intimate the Guarantor to infuse or credit additional amounts into the KIIFB Bond Servicing Account within 5 calendar days from the Put Option Redemption Date.</p> <p>In the event the Guarantor fails to infuse or credit the requisite amounts or any part thereof and the Issuer fails to redeem the relevant Debentures and pay the outstanding Debenture payments within 5 calendar days from the Put Option Redemption Date, the Debenture Trustee shall on the immediately succeeding calendar day issue a notice to invoke the Deed of Guarantee to infuse or credit the outstanding relevant</p>

Sr. No.	Terms	Details
		<p>Debenture Payments into the KIIFB Bond Servicing Account within 30 (thirty) calendar days from the date of the invocation of the Deed of Guarantee (“Put Option Final Notice”). It is clarified that in the event the Guarantor infuses or credits the requisite amounts towards relevant Debenture payments to the Put Option Debenture Holders in accordance with the aforementioned timelines and the Issuer fails to redeem the relevant Debentures and pay the outstanding Debenture payments to the Put Option Debenture Holders within the aforementioned time period, the Guarantor shall not be liable to make any payments towards the settlement of the outstanding relevant Debenture payments payable to the Put Option Debenture Holders (including under the Put Option Final Notice, if any).</p> <p>Failure of GoK to infuse or credit the outstanding relevant Debenture payments such that the Issuer redeems the relevant Debentures and pays the outstanding relevant Debenture payments within 30 calendar days from the date of the invocation of the Deed of Guarantee shall constitute an “Event of Default” under the Transaction Documents.</p> <p>In the event that a Put Option Event occurs before the expiry of 1 (one) year from the Deemed Date of Allotment and continues to exist/subsist on the day immediately following the expiry of 1 (one) year from the Deemed Date of Allotment, the Debenture Holders shall have the right to exercise their put option within 30 calendar days from the expiry of 1 year from the Deemed Date of Allotment as if such Put Option Event occurred after expiry of one year from the Deemed Date of Allotment i.e., on the day immediately following the expiry of 1 (one) year from the Deemed Date of Allotment.</p>

Notes:

If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and the events which lead to such change should be disclosed.

DECLARATION

The Issuer hereby declares that this Key Information Document contains full disclosure in accordance with SEBI Non-Convertible Securities Listing Regulations and provisions of Applicable Law.

The Issuer also confirms that this Key Information Document does not omit disclosure of any material fact which may make the statements made therein, in the light of the circumstances under which they are made, misleading. The Key Information Document also does not contain any false or misleading statement. The Issuer accepts no responsibility for the statements made otherwise than in this Key Information Document or in any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.

The Issuer declares that all the relevant provisions of the relevant regulations or guidelines issued by SEBI and other Applicable Laws have been complied with and no statement made in this Key Information Document is contrary to the provisions of the regulations or guidelines issued by SEBI and other Applicable Law, as the case may be.

For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD



Name: Dr. K.M. Abraham

Designation: Chief Executive Officer

DIN: 05178826

Dated: 03/10/2024

Place: Thiruvananthapuram

DECLARATION BY THE AUTHORISED PERSONS OF THE ISSUER

The persons authorised by the Issuer attest that:

- (a) the Issuer has complied with the provisions of the Act (as applicable), the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, the KIIF Act and the rules and regulations made thereunder;
- (b) the compliance with the Act (as applicable) and the rules made thereunder does not imply that payment of Interest or repayment of the Debentures, is guaranteed by the Central Government;
- (c) the monies received under the Issue shall be used only for the purposes and objects indicated in the Key Information Document;
- (d) whatever is stated in this Key Information Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoter; and
- (e) the contents of this Key Information Document have been perused by the Members and the final and ultimate responsibility of the contents mentioned herein shall also lie with the Members.

I am authorized by the board of members of the Issuer *vide* resolution passed by the board of members of the Issuer on 13 July 2024 and the investment management committee on 11 September 2024 to sign this Key Information Document, copies of which are disclosed in this Key Information Document and declare that all the requirements of the Act (as applicable) and the rules made thereunder in respect of the subject matter of this Key Information Document and matters incidental thereto have been complied with.

Whatever is stated in this Key Information Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Key Information Document has been suppressed or concealed and is as per the original records maintained by the Promoter. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Key Information Document.

For **KERALA INFRASTRUCTURE INVESTMENT FUND BOARD**



Name: Dr. K.M. Abraham

Designation: Chief Executive Officer

DIN: 05178826

Dated: 03/10/2024

Place: Thiruvananthapuram

ANNEXURE A

(MATERIAL CHANGES TO INFORMATION PROVIDED IN THE GENERAL INFORMATION DOCUMENT)

Following are the material changes since the issue of the General Information Document, which are required to be disclosed under this Key Information Document:

1. Clause 11(a) of Section 2 of the General Information Document (*Details of the current directors of the Issuer*)

As per the SEBI Non-Convertible Securities Listing Regulations (as applicable), particulars as identified therein are to be disclosed in respect of “current directors of the Company”. However, the Issuer is a body corporate in the nature of a board constituted under the KIIF Act and as per its constitution and KIIF Act, it does not have any directors and the Issuer is governed by a board of members. Accordingly, we have provided the relevant details of the Issuer’s members below:

S. No.	Name, Designation, DIN	Age (in years)	Address	Date of Appointment
1	Shri. Pinarayi Vijayan Chairperson	78	3 rd Floor, North Block, Government Secretariat, Thiruvananthapuram.	25/05/2016
2	Shri. K. N. Balagopal Vice-Chairperson	60	4th Floor, North Block, Government Secretariat, Thiruvananthapuram	20/05/2021
3	Dr. V Venu IAS Member	59	Government Secretariat, Thiruvananthapuram	10/07/2023
4 <u>3</u>	Shri. KG Sanal Kumar Member	56	Government Secretariat, Thiruvananthapuram.	03/08/2023
5	Shri. Rabindra Kumar Agarwal	54	Government Secretariat, Thiruvananthapuram	01/08/2023
6 <u>4</u>	Shri V.K. Ramachandran Member	70	Kerala State Planning Board, Thiruvananthapuram.	19/08/2016
7 <u>5</u>	Prof. Sushil Khanna Independent Member	72	IIM Calcutta Hemant Mukhupadhyay Sarani Keyatala, Calcutta- 700029.	19/09/2016
8 <u>6</u>	Shri. Salim Gangadharan Independent Member	70	C-26, RNP Lane, Near Jawahar Nagar, Vellayambalarn, Sasthmangalam P.O., Thiruvananthapuram-695010	19/09/2016
9 <u>7</u>	Shri. J.N. Gupta Independent Member	69	B 204, Muktangan, Upper Govind Nagar, Malad East, Mumbai 400097	19/09/2016
10 <u>8</u>	Shri. Radhakrishanan Nair Independent Member	68	J1403, Raheja Vistas, Raheja Vihar, Chandivali, Powai, Mumbai - 400072	31/10/2016

S. No.	Name, Designation, DIN	Age (in years)	Address	Date of Appointment
4 9	Dr. Ajay Kumar Independent Member	61	Bungalow No 7, New Moti Bag, Sarojini Nagar, South West Delhi 110023	08/06/2023
2 10	Shri T.S Vijayan Independent Member	70	Sunnyvale, TC 8/725(1), Thirumala, Thiruvananthapuram-695 006.	18/03/2020
3 11	Dr. K. M. Abraham CFA, IAS (Retd.), CEO & Member Secretary	66	B 4 Lower, Millenium Apartments, Jagathy, Thycaud P O, Thiruvananthapuram, Kerala, 695014	19/08/2016
12	<u>Smt. Sarada Muraleedharan Member</u>	<u>59</u>	<u>Government Secretariat, Thiruvananthapuram.</u>	<u>31/08/2024</u>
13	<u>Dr. A Jayathilak, IAS Member</u>	<u>58</u>	<u>Finance Department, Government Secretariat, Thiruvananthapuram</u>	<u>20/08/2024</u>

2. Paragraph 11(b) of Section 2 of the General Information Document (Details of change in directors in the preceding three financial years and the current financial year)

As per the SEBI Non-Convertible Securities Listing Regulations (as applicable), particulars as identified therein are to be disclosed in respect of “change in directors”. However, the Issuer is a body corporate in the nature of a board constituted under the KIIF Act and as per its constitution and KIIF Act, it does not have any directors and the Issuer is governed by a board of members. Accordingly, we have provided the relevant details of change in its members.

Name and designation	Date of appointment	Date of resignation, if applicable	Date of cessation, if applicable	Remarks
Shri. CP Chandrasekhar Independent Member	19/09/2016	02/06/2021	Not Applicable	Not Applicable
Dr. TM Thomas Isaac	25/05/2016	Not Applicable	03/05/2021	Former Minister for Finance
Dr. Vishwas Mehta	31/05/2020	Not Applicable	28/02/2021	Former Chief Secretary
Shri. Tom Jose	01/07/2018	Not Applicable	31/05/2020	Former Chief Secretary
Shri. Aravind Babu	07/06/2019	Not Applicable	31/05/2021	Former Law Secretary
Shri. Rajesh Kumar Singh, IAS	14/01/2022	Not Applicable	22/09/2022	Former Finance Secretary
Shri. K. N. Balagopal	03/05/2021	Not Applicable	Not Applicable	Current Finance Minister
Shri. V. Hari Nair	01/06/2022	Not Applicable	31/07/2023	Former Law Secretary

Name and designation	Date of appointment	Date of resignation, if applicable	Date of cessation, if applicable	Remarks
Shri. Bishwanath Sinha IAS	23/09/2022	Not Applicable	30/06/2023	Former Finance Secretary
Dr. V. P. Joy IAS	01/03/2021	Not Applicable	31/06/2023	Former Chief Secretary
Dr. Sudipto Mundle	31/10/2016	26/08/2023	Not Applicable	Not Applicable
KG Sanal Kumar	03/08/2023	Not Applicable	Not Applicable	Current Law Secretary
Dr. Rabindra Kumar Agarwal	01/08/2023	Not Applicable	Not Applicable <u>17/08/2024</u>	Current Finance Secretary Former Finance Secretary
Dr. Ajay Kumar	08/06/2023	Not Applicable	Not Applicable	Independent Member
<u>Dr. V Venu</u>	<u>01/07/2023</u>	<u>Not Applicable</u>	<u>31/08/2024</u>	<u>Former Chief Secretary</u>
<u>Smt. Sarada Muraleedharan</u>	<u>31/08/2024</u>	<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Current Chief Secretary</u>
<u>Dr. A Jayathilak, IAS</u>	<u>20/08/2024</u>	<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Current Finance Secretary</u>

3. Paragraph 12(b) of Section 2 of the General Information Document (Details of change in auditor since last 3 (three) financial years and the current financial year)

Details of the auditors of the Issuer

Name of the Auditors	Address	Date of appointment
<u>M/S Suri & Co., Chartered Accountants</u>	<u>TC 25/434, 44 Santhi Nagar, Near Housing Board Junction, Thiruvananthapuram – 695 001</u>	<u>06/05/2024</u>

Details of change in auditor since last 3 (three) financial years and the current financial year

As of the date of this General Information Document:

Name of the auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
<u>M/S Varma & Varma, Chartered Accountants</u>	<u>Address: TC9/1504, Galaxy SMRA -14, Sasthamangalam PO Thiruvananthapuram, Kerala 695010</u>	<u>28/04/2020</u>	<u>31/03/2024</u>	<u>Not Applicable</u>

Name of the auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
M/S Suri & Co., Chartered Accountants	TC 25/434, 44 Santhi Nagar, Near Housing Board Junction, Thiruvananthapuram – 695 001	06/05/2024	Not Applicable	Not Applicable

4. Paragraph 13(c) of Section 2 of the General Information Document (*Details of outstanding non-convertible securities*)

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount outstanding	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security
1	KIIFB Green Bonds Series-I 8.49% KERALA INFRAS TRUCTURE INVESTMENT FUND BOARD 2033 (“Green Bonds”)	INE658F08011, INE658F08029, INE658F08037, INE658F08045, INE658F08052, INE658F08060, INE658F08078	4-10 Years under 7 different STRPPs A though G	8.49	300.02 Crore	03/07/2023	02-10-2026 to 04/07/2033	AA (CE) by India Ratings and Research Ltd and Acuite Research Ltd	Unsecured	Unsecured, Rated, Listed, Redeemable, Taxable, Non-Convertible Green Bonds in the form of non-convertible debentures supported by unconditional and irrevocable guarantee by the GoK as a principal debtor and not merely as a surety.
2	KIIFB Domestic Bonds 8.95% KERALA INFRAS TRUCTURE	INE658F08086, INE658F08128, INE658F08110, INE658F08102, INE658F08094,	4-10 Years under 7 different STRPPs A though G	8.95	1002.96 Crore	22/12/2023	22/03/2027 to 22/12/2033	AA (CE)/Stable by India Ratings and Research Ltd and Acuite	Unsecured	Unsecured, Rated, Listed, Redeemable, Taxable, Non-Convertible

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount outstanding	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security
	INVESTMENT FUND BOARD 2033 ("Domestic Bonds Series I")	INE658F08144 and INE658F08136						Research Ltd		bonds in the form of non-convertible debentures supported by unconditional and irrevocable guarantee by the GoK as a principal debtor and not merely as a surety.
3	KIIFB Domestic Bonds 8.95% KERALA INFRASTRUCTURE INVESTMENT FUND BOARD 2033 (re-issue under ISINs: INE658F08086, INE658F08128, INE658F08110, INE658F08102, INE658F08094, INE658F08144 and INE658F08136) ("Re-issuance Bonds	INE658F08086, INE658F08128, INE658F08110, INE658F08102, INE658F08094, INE658F08144 and INE658F08136	Approximately 4-10 Years under 7 different STRPPs A though G	8.95	497 Crore	18/01/2024	22/03/2027 to 22/12/2033	AA (CE)/Stable by India Ratings and Research Ltd and Acuite Research Ltd	Unsecured	Unsecured, Rated, Listed, Redeemable, Taxable, Non-Convertible bonds in the form of non-convertible debentures supported by unconditional and irrevocable guarantee by the GoK as a principal debtor and not merely as a surety.

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount outstanding	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security
	Series I")									
4	KIIFB Domestic Bonds – Series II 9.10% KERALA INFRAS TRUCTURE INVESTMENT FUND BOARD 2034 (“Domestic Bonds Series II”)	INE658F08151, INE658F08169, INE658F08177, INE658F08185, INE658F08193, INE658F08201, INE658F08219	4-10 Years under 7 different STRPPs A though G	9.10	611.66 Crore	26/02/2024	26/06/2027 to 26/03/2034	AA (CE)/Stable by India Ratings and Research Ltd and Acuite Research Ltd	Unsecured	Unsecured, Rated, Listed, Redeemable, Taxable, Non-Convertible Bonds in the form of non-convertible debentures supported by unconditional and irrevocable guarantee by the GoK as a principal debtor and not merely as a surety.
5	<u>KIIFB Domestic Bonds – Series II 9.10% KERALA INFRAS TRUCTURE INVESTMENT FUND BOARD 2034 (“Re-issuance - Domestic Bonds Series II</u>	<u>INE658F08151, INE658F08169, INE658F08177, INE658F08185, INE658F08193, INE658F08201, INE658F08219</u>	<u>4-10 Years under 7 different STRPPs A though G</u>	<u>9.10</u>	<u>238.28 Crore</u>	<u>26/02/2024</u>	<u>26/06/2027 to 26/03/2034</u>	<u>AA (CE)/Stable by India Ratings and Research Ltd and Acuite Research Ltd</u>	<u>Unsecured</u>	<u>Unsecured, Rated, Listed, Redeemable, Taxable, Non-Convertible Bonds in the form of non-convertible debentures supported by unconditional and irrevocable guarantee by the GoK as a principal debtor and not merely</u>

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount outstanding	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security
										as a surety.

Additionally, the Issuer has issued unsecured and unlisted bonds in the form of promissory notes (7.50% redeemable non-convertible KIIFB bonds) to Kerala State Financial Enterprises Limited for outstanding principal amount of INR ~~1167.40.14-1473.14~~ Crore (guaranteed by a guarantee provided by GoK), as of ~~30 June 2024~~ ~~31 March 2024~~ (“**Promissory Note Bonds**”).

5. Paragraph 13(j)(i) of Section 2 of the General Information Document

Enforcement Directorate Investigation

In connection with the Masala Bonds, the Directorate of Enforcement (“**ED**”) had issued several summons to the Issuer’s officials from 3 February 2021 onwards (“**Summons**”). The Summons have been issued under Section 37 of the Foreign Exchange Management Act, 1999, read with Section 131(1) of the Income Tax Act, 1961 and Section 30 of the Civil Procedure Code, 1908. The Issuer and its officials have complied with the requirements under the Summons and have provided all information requisitioned by the ED. Till date, no formal complaint has been filed by the ED against the Issuer.

In this connection, the Issuer has filed a writ petition bearing number 26228 of 2022 before the Hon’ble High Court of Kerala for quashing the Summons and to restrict the ED from undertaking any action pursuant to the Summons. The Hon’ble High Court of Kerala by way of order dated 11 October 2022 in the writ petition has restricted ED from issuing further summons and the matter is currently sub-judice. The Hon’ble High Court of Kerala vide order dated 14 December 2023, partly allowed the writ petition and set aside the summons issued by ED to the officials of the Issuer.

Subsequently, ED has issued summons to the Issuer’s officials on 5 January 2024 and 7 February 2024 and the Issuer has filed a writ petition bearing number 1377 of 2024 before the Hon’ble High Court of Kerala challenging such summons. Thereafter the matter was posted before the Hon’ble High Court of Kerala on various occasions. The Hon’ble High Court was pleased to pass an interim order in the writ petition bearing number 1377 of 2024 directing the ED to maintain status quo, which was extended on subsequent occasions.

The writ petition bearing number 1377 of 2024 was finally heard by the Hon’ble High Court of Kerala on 24 July 2024 and the Hon’ble High Court of Kerala was pleased to reserve the matter for judgment. The Judgment of the Hon’ble High Court of Kerala in writ petition bearing number 1377 of 2024 is still awaited as on date.

6. Paragraph 13(j)(ii) of Section 2 of the General Information Document

Directorate General of GST Intelligence Investigation

In connection with the Masala Bonds, the Directorate General of GST Intelligence has issued a show cause notice dated 18 May 2022 to the Issuer, requesting the Issuer to provide the reason for not paying service tax on the services received by it from foreign entities under Sections 73 and 50 of the Central Goods and Service Tax Act, 2017, Section 20 of the Integrated Goods and Service Tax Act, 2017 and corresponding provisions of the Kerala State Goods and Service Tax Act, 2017. The Issuer responded to the notice vide its letter dated 29 April 2023 and appeared in the personal hearing on 2 May 2023 conducted by the Additional Commissioner of Central Goods and Service Tax and Central Excise, Thiruvananthapuram (“**AC GST**”) stating that the concerned services were non-taxable under Applicable Law. The orders from the AC GST passed an order on 23 November 2023 in which the proposals made vide the show cause notice dated 18 May 2022 were confirmed without considering the Issuer’s arguments conclusively (in the

Issuer's opinion). The order of the AC GST has been challenged by the Issuer in appeal before the Appellate Commissioner on 28 February 2024.

The appeal filed before the Appellate Commissioner was heard on 29 February 2024 and has been reserved for orders. The final order for the appeal is yet to be passed by the Appellate Authority.

ANNEXURE B

UPDATED FINANCIAL STATEMENTS

[To be attached separately]

ANNEXURE C

KEY OPERATIONAL AND FINANCIAL PARAMETERS

Particulars	For the period ended 30 June 2024	For the financial year 2023-2024	For the financial year 2022-2023	For the financial year 2021-2022
		Audited	Audited	Audited
Assets				
Property, Plant and Equipment	4,50,95,718	4,70,91,013	4,85,21,852	4,54,71,773
Financial Assets	64,39,02,41,865	52,45,30,10,107	48,73,71,53,659	44,13,98,27,385
Non-financial Assets excluding property, plant and equipment	174,14,33,74,839	1,91,08,99,52,620	1,59,42,02,72,638	1,22,64,24,64,685
Total Assets	238,57,87,12,423	2,43,59,00,53,739	2,08,20,59,48,149	1,66,82,77,63,843
Liabilities				
Financial Liabilities				
- Derivative financial instruments	NIL	NIL	NIL	NIL
- Trade payables	NIL	NIL	NIL	NIL
- Debt securities	35,79,81,00,000	35,79,81,00,000.00	30,61,13,00,000	27,96,80,00,000
- Borrowings (other than debt securities)	143,09,69,02,515	1,43,09,69,02,515.03	1,12,61,44,87,446	98,48,66,52,814
- Subordinated liabilities	NIL	NIL	NIL	NIL
- Other financial liabilities	24,66,96,55,099	28,52,03,82,128	34,49,23,44,726	10,34,44,00,000
Non-Financial Liabilities				
- Current tax liabilities (net)	NIL	NIL	NIL	NIL
- Provisions	NIL	NIL	NIL	NIL
- Deferred tax liabilities (net)	NIL	NIL	3,68,78,343	3,63,43,554
- Other non-financial liabilities	231,22,20,076	2,90,44,77,149	2,24,60,09,791	1,78,74,39,632
Equity (Equity Share Capital and Other Equity)	33,27,01,91,946	33,27,01,91,946	28,20,49,27,844	28,20,49,27,844
Total Liabilities and Equity	238,57,87,12,423	2,43,59,00,53,739	2,08,20,59,48,149	1,66,82,77,63,843
Profit and Loss	Profit and Loss			
Revenue from operations	2,06,85,08,828	7,29,98,18,090	6,30,59,78,695	4,09,95,73,610
Other income	68,74,967	2,57,37,53,120	3,28,29,748	2,54,47,403

Particulars	For the period ended 30 June 2024	For the financial year 2023-2024	For the financial year 2022-2023	For the financial year 2021-2022
		Audited	Audited	Audited
Total income	2,07,53,83,795	9,87,35,71,210	6,33,88,08,442	4,12,50,21,013
Total expense	4,98,38,63,809	19,58,75,55,985	14,86,89,35,990	9,74,33,93,165
Profit after tax for the year	-2,96,82,11,770	-7,66,00,25,158	-8,53,01,27,548	-5,61,83,72,152
Other comprehensive income	NIL	NIL	NIL	NIL
Total comprehensive income	-2,96,82,11,770	-9,71,39,84,776)	-8,53,01,27,548	-5,61,83,72,152
Earnings per equity share (Basic)	NIL	NIL	NIL	NIL
Earnings per equity share (Diluted)	NIL	NIL	NIL	NIL
Cash Flow	Cash Flow			
Net cash from / used in (-) operating activities	Not applicable	-86,36,92,791	-93,94,46,073	-29,24,51,26,327
Net cash from / used in (-) investing activities	Not applicable	13,94,29,72,839	-2,91,49,45,646	1,28,73,33,338
Net cash from / used in (-) financing activities	Not applicable	-42,31,83,351	4,96,72,02,478	13,10,58,73,154
Net increase/decrease (-) in cash and cash equivalents	Not applicable	12,65,60,96,697	1,11,28,10,760	-14,85,19,19,835
Cash and cash equivalents as per Cash Flow Statement as at end of Year	Not applicable	71,90,31,42,577	59,24,70,45,880	58,13,42,35,120
Additional information	Additional information			
Net worth	33,27,01,91,946	33,27,01,91,946 0	28,20,49,27,844	28,20,49,27,844
Cash and cash equivalents	64,41,37,85,917	71,90,31,42,578	59,24,70,45,880	58,13,42,35,120
Loans	136,99,43,09,603	1,39,71,68,46,092	1,12,61,44,87,446	98,48,66,52,814
Loans (Principal Amount)	136,99,43,09,603	1,39,71,68,46,092	1,12,61,44,87,446	98,48,66,52,814
Total debts to total assets	0.85	0.85	0.85	0.79
Interest income	2,06,85,08,828.304 6	7,29,98,18,090	6,30,59,78,695	4,09,95,73,610
Interest expense	4,83,60,21,663.37	18,34,64,15,031	14,16,96,48,958	9,14,47,01,453

Particulars	For the period ended 30 June 2024	For the financial year 2023-2024	For the financial year 2022-2023	For the financial year 2021-2022
		Audited	Audited	Audited
Impairment on financial instruments	NIL	NIL	NIL	NIL
Bad debts to loans	NIL	NIL	NIL	NIL
% stage 3 loans on loans (Principal amount)	Not applicable	Not applicable	Not applicable	Not applicable
% net stage 3 loans on loans (Principal amount)	Not applicable	Not applicable	Not applicable	Not applicable
Tier I capital adequacy ratio (%)	Not applicable	Not applicable	Not applicable	Not applicable
Tier II capital adequacy ratio (%)	Not applicable	Not applicable	Not applicable	Not applicable

Kerala Infrastructure Investment Fund Board
Statement of Standalone Assets and Liabilities as at 31.03.2024

(Figures in Lakhs Rs.)

Particulars	As at 31.03.2024	As at 31.03.2023
	Audited	Audited
I. EQUITY AND LIABILITIES		
1 Initial Corpus Fund	3,32,701.92	2,82,049.28
2 Corpus Fund - Revolving (shown on the asset side)	-	-
3 Non-current liabilities		
(a) Long-term borrowings	17,88,950.02	14,32,257.88
(b) Deferred tax liabilities	-	368.79
(c) Other Long term liabilities	7,099.67	5,401.25
4 Current liabilities		
(a) Short-term borrowings	2,85,203.82	3,44,923.44
(b) Other current liabilities	21,945.10	17,058.86
	24,35,900.53	20,82,059.50
II. ASSETS		
1 Non-current assets		
(a) Property, plant and equipment and Intangible Asset		
(i) Tangible assets	470.91	485.21
(ii) Intangible assets	586.13	1,473.66
(b) Non-current investments	425.52	425.52
(c) Deferred tax assets	-	-
(d) Long-term loans and advances	5,24,104.58	4,86,946.01
(e) Corpus fund revolving being the Statutory contribution receivable from GoK -Non current	7,49,129.01	4,97,106.59
(f) Other Non Current Assets	5,357.24	5,981.87
2 Current assets		
(a) Current investments	-	1,05,175.02
(b) Cash and cash equivalents	7,19,031.43	5,92,470.47
(c) Short term loans and advances	1,17,282.31	1,05,791.71
(d) Corpus fund revolving being the Statutory contribution receivable from GoK -Current	3,13,000.00	2,80,900.00
(e) Other current assets	6,513.40	5,303.44
	24,35,900.53	20,82,059.50



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Kerala Infrastructure Investment Fund Board
Statement of standalone financial results for the quarter and year ended March 31, 2024

Sl No	Particulars	Quarter Ended		Year Ended	
		March 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023
		Refer Note No.4	Unaudited	Audited	Audited
I. Revenue:					
i)	Recoupment of statutory contribution from Government of Kerala from Corpus Fund for financing of direct project cost as per Contra	92,407.54	75,977.37	1,40,940.91	4,69,977.35
ii)	Interest income from financial assistance for revenue generating projects	14,894.73	14,250.58	12,838.59	46,541.05
iii)	Interest income from deposits and investments	7,237.05	2,764.34	5,029.24	17,187.58
iv)	Profit on Sale of Mutual Fund Investment	4,535.61	12,567.45	17,103.06	16,518.73
v)	Other income	8,528.59	87.28	1.52	328.30
	Total Revenue (I)	1,27,603.52	1,05,647.02	1,58,810.26	5,33,365.43
II. Expenses:					
i)	Financing of direct cost of projects-Out of Corpus Fund	92,407.54	75,977.37	1,40,940.91	4,69,977.35
ii)	Employee benefits expense	209.07	200.56	215.27	755.79
iii)	Finance costs	51,700.05	46,084.57	39,662.03	1,41,696.48
iv)	Depreciation and amortisation expense	219.61	258.33	279.55	1,100.04
v)	Other expenses	3,606.87	1,112.00	1,133.74	10,637.90
	Total expenses (II)	1,48,143.14	1,23,632.83	1,82,231.50	6,18,666.77
III. Profit / (Loss) (I- II)					
	Prior Period Item	(20,539.62)	(17,985.81)	(23,421.24)	(85,301.34)
	Profit / (Loss) after prior period item	(20,539.62)	(17,985.81)	(23,071.25)	(26.33)
IV. Tax expense:					
	(1) Current tax/ (Reversal of excess tax)*	(303.96)	303.96	-	-
	(2) Tax for Earlier years	(3,630.83)	4,313.63	(188.68)	(5.35)
	(3) Deferred tax/(Expense)/Income				
	Less : Statutory contribution from GoK under Corpus fund utilised to meet the net loss (deficit from operations)for the year in P& L account transferred	23,866.49	13,976.14	23,259.93	96,771.09
	V. Net Profit / (Loss) for the Year	0	-	-	85,333.02
VI. Net Worth					
	(i) Networth represents the initial corpus fund shown separately in Balance Sheet which is backed fully by earmarked funds in the Treasury account. The deficit in revolving corpus fund as at 31.03.2024 shown as recoverable from GoK amounting to Rs.10,62,129.01 lakhs is not considered for this purpose as this is expected to be recouped from annual statutory contribution receivable from Government of Kerala as per provisions of Section 3(2) read with section 7 of KIIIFB Act, 1999 as amended by the Act of 2016. Such deficit in revolving corpus fund representing the aggregating of deficit in cash flows over the years upto 31.03.2024, being expenditure incurred for projects over statutory contributions received every year and the cumulative net loss over the years upto 31.03.2024. According to the management the amount shown as receivable from Government of Kerala would be recouped over the years as stated above as per the asset liability management model prepared by the management and is considered good and recoverable accordingly.	3,32,701.92	2,82,049.28	2,82,049.28	2,82,049.28
	(ii) Networth is inclusive of amounts transferred from revolving corpus fund to initial corpus fund as disclosed in Note No 6 of accompanying statements with due approval of Government of Kerala vide government orders referred to in the above note.				

* Represents deduction from net loss being reversal of tax provision made in Quarter III.



Kerala Infrastructure Investment Fund Board
Statement of Standalone Cash Flows for the year ended 31.03.2024

(Figures in Lakhs Rs.)

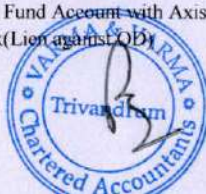
Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023
	Audited	Audited
A. Cash flow from operating activities		
Profit before income tax	(97,139.88)	(85,327.67)
Adjustments for:		
Depreciation and amortisation expense	989.42	1,100.04
Interest income	(72,998.17)	(63,059.78)
Finance Cost	1,83,464.15	1,41,696.48
Profit on Sale of Mutual Fund Investment	(17,103.06)	-
Provision for conversion of loan into Non income generating project(incl accrued interest)	9,475.92	39,384.84
Dividend Income	(51.61)	-
Interest on income tax refund	(45.01)	-
Provision for Revenue generating project written back	(8,402.64)	-
Loan Asset converted to non income generating project- KINFRA	-	4,055.64
Receivable Written off	-	164.56
Provision for TDS Asset FY 2019-20	-	375.77
Provision for standard asset	2,565.78	-
Operating profit / (loss) before working capital changes	754.90	38,389.88
Changes in working capital:		
Adjustments for (increase) / Decrease in operating assets:		
Loans and Advances	14,978.16	17.98
Financial assistance made to Revenue Generating Projects	(11,455.85)	(45,998.59)
Other Non Current and Current Assets	(1,339.69)	(368.67)
Adjustments for increase / (Decrease) in operating liabilities:		
Other Current/Non current Liabilities	(12,373.81)	(2,148.61)
Net Changes in working capital:	(9,436.29)	(10,108.01)
Cash generated from operations	(9,436.29)	(10,108.01)
Net income tax (paid) / refunds	799.37	713.56
Net cash from/ (used in) operating activities (A)	(8,636.92)	(9,394.45)
B. Cash flow from investing activities		
Purchase of PPE (including changes in CWIP)	(87.57)	(235.10)
Interest income received out of fixed deposit	17,187.58	16,518.73
(Purchase)/ Sale proceeds of Investments	1,22,278.09	(45,433.09)
Dividend Income	51.61	-
Net cash from/ (used in) investing activities (B)	1,39,429.71	(29,149.46)
C. Cash flow from financing activities		
Loans from :-		
(i) Banks and Financial Institutions	3,32,261.68	4,73,204.78
(ii) Bonds	2,66,868.00	26,433.00
(iii) Pravasi Dividend Scheme	1,507.77	3,520.62
Bonds repaid during the year	(2,15,000.00)	-
Loans repaid during the year	(88,664.93)	(93,967.60)
Statutory contribution from GoK	2,80,828.91	2,47,876.35
Additional Financial Support for Infrastructure Development	42,250.00	-
CSR and PTA fund	24.64	436.30
Unutilised portion of LAC ADS share repaid	(94.39)	-
Recoupment by way of Statutory contribution from Govt of Kerala from Corpus Fund for direct project cost (other than NABARD)	(4,59,155.83)	(4,61,291.31)
Interest received during the period from Deposits made out of corpus fund	4,486.69	1,163.71
Finance cost paid	(1,64,505.64)	(1,34,962.15)
Fund utilised for NABARD Projects	(5,038.73)	(12,741.68)
Net cash from/ (used in) financing activities (C)	(4,231.83)	49,672.02
Net increase (decrease) in cash and cash equivalents (A+B+C)	1,26,560.96	11,128.11
Cash and cash equivalents at the beginning of the financial year	5,92,470.47	5,81,342.36
Cash and cash equivalents at end of the year	7,19,031.43	5,92,470.47

Notes:

- The above cash flow statement has been prepared under indirect method prescribed in AS 3 "Cash Flow Statements".
- Components of cash and cash equivalents

Balances with banks

Cash in Hand	0.06	0.02
Balance with Treasury	0.02	0.01
Term Deposits/Sweep	1,82,103.95	2,86,156.72
Other deposit, savings and current accounts	53,224.48	24,241.38
Other Bank balance in Treasury Accounts	3,32,701.92	2,82,049.28
In Masala Bond Sinking Fund Account with Axis Bank	-	23.06
Fixed Deposit with Bank(Lion against OD)	1,51,001.00	-
	7,19,031.43	5,92,470.47



Ratios (Refer Note 21)

Sl No	Particulars	Quarter Ended			Year Ended	
		March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
		Refer Note No.4	Unaudited	Refer Note No.4	Audited	Audited
a.	Debt Equity Ratio*	6.26	6.95	6.32	6.26	6.32
b.	Debt Service Coverage Ratio	0.10	0.36	0.36	0.18	0.24
c.	Interest Service Coverage Ratio	0.61	0.62	0.43	0.48	0.41
d.	Current Ratio**	3.76	2.59	3.01	3.76	3.01
e.	Longterm Debt to Working Capital	2.12	2.53	1.98	2.12	1.98
f.	Current Liability Ratio	0.15	0.20	0.20	0.15	0.20
g.	Total debt to Total Asset Ratio	0.85	0.87	0.86	0.85	0.86

* For the Purpose of Debt Equity Ratio, Initial Corpus Fund being in nature of fixed capital has been treated as equity since KIIFB has no share capital as per KIIF Act 1999 as amended in 2016.

** For the purpose of Current Ratio, Current Asset also includes Current portion of Statutory Contribution receivable from Govt. Of Kerala



Kerala Infrastructure Investment Fund Board

Notes to Standalone financial results for the quarter and year ended March 31 2024

- 1 The above financial results of Kerala Infrastructure Investment Fund Board (KIIFB) has been reviewed by the executive committee and approved by members of the General Body in respective meetings held on 25.05.2024. The statutory auditors of KIIFB have carried out audit of these financial results.
- 2 Kerala Infrastructure Investment Fund Board (referred to as KIIFB) was established on 11.11.1999 under the Kerala Infrastructure Investment Fund Act 1999 (Act 4 of 2000) with the main objective of financing the investment in critical and large infrastructure projects in the State of Kerala. Comprehensive modification of the Act and Scheme has been made through an amendment Ordinance in August 2016. The financial results of KIIFB have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and as per Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations'). KIIFB follows Mercantile System of Accounting and recognizes significant items of income and expenditure on accrual basis, except to the extent otherwise stated. KIIFB, being a body corporate and not a company as defined under Companies Act, 2013 do not adopt the Ind AS prescribed under Companies (Indian Accounting Standard) Rules, 2015. KIIFB adopted the Accounting Standards prescribed by the Institute of Chartered Accountants of India.

During the year KIIFB has issued Listed Non -Convertible Debentures (NCD's)/Bonds in pursuant to the provisions of SEBI Listing Obligations and Disclosure Requirements, 2015 (LODR) and the details of which are given below.

a) Domestic Bond Series I

Domestic Bond Series I issued on 22.12.2023 amounting to Rs.149996 lakhs at a coupon rate of 8.95% per annum payable quarterly. Non convertible domestic bond in nature of debenture comprising of seven sub series 'A' through 'G' with maturity ranging from 4-10 years which is listed in Stock exchange BSE Limited.

b) Domestic Bond Series II

Domestic Bond Series II issued on 26.03.2024 amounting to Rs.61166 lakhs at a coupon rate of 9.1% per annum payable quarterly. Non convertible domestic bond in nature of debenture comprising of seven sub series 'A' through 'G' with maturity ranging from 4-10 years which is listed in Stock exchange BSE Limited.

c) Green Bond

Green bond issued on 03.07.2023 for an amount of Rs.30002 lakhs at coupon rate of 8.49% per annum payable quarterly. Non convertible green bond in nature of debenture comprising of seven sub series 'A' through 'G' with maturity ranging from 4-10 years which is listed in Stock exchange BSE Limited.

The above bonds are backed by guarantee of Government of Kerala.

Maturity Profile of Bonds

Maturity Profile (in Years)	Amount in Rs.(Lakhs)			
	Green Bond Series	Domestic Bond Series I	Domestic Bond Series II	Total
4	4,286	21,428	8,738	34,452
5	4,286	21,428	8,738	34,452
6	4,286	21,428	8,738	34,452
7	4,286	21,428	8,738	34,452
8	4,286	21,428	8,738	34,452
9	4,286	21,428	8,738	34,452
10	4,286	21,428	8,738	34,452
Total	30,002	1,49,996	61,166	2,41,164



- 3 KIIFB had raised an amount of Rs. 215000 lakhs through overseas Rupee denominated Bond offering (Masala Bond) with the due approval of Reserve Bank of India as required under Foreign exchange management Act 1999 in the year 2018-19. KIIFB has also ensured compliance with approvals or permissions, if any required from other regulatory authority or Government under other relevant laws /regulations as stated in the letter of RBI in due consultation with eminent jurist and legal expert. These 5 year tenure bonds were issued at a coupon rate of 9.723% p.a. Tenure of the bond has expired during the year and liability towards principal and interest has been fully repaid as at the reporting date.
- 4 The financial results for the quarter ended March 31,2024 and March 31,2023 are the balancing figures between the audited figures in respect of full financial year and special purpose financial statement for the period ended 31.12.2022/ the unaudited year to date figures upto the third quarter of the respective financial year which have been subjected to limited review by statutory auditors of the company.
- 5 Payments towards direct project cost are accounted on actual payment basis. Centage/ additional centage charges to SPVs are accounted based on claims received. The centage charges are paid as a percentage of project cost to SPVs as per Government order. The liability for centage is recognized based on claims submitted through invoices after proper verification and authentications/ approval of claim by the management. Centage is allocated to project cost based on Government Order and General body approval.
- Various expenses incurred which are directly attributable to projects such as Technical Resource Centre expenditure, Detailed Project Report support services, Independent quality audit & design review charges, Land Acquisition unit expenses, Testing equipments and Centage /additional centage charges which are allocated to cost of projects. However, the same are pending to be allocated to individual projects as at quarter end from the inception.
- 6 During the year, an amount of Rs.42,250 lakhs was received from GoK vide GO No.54/2024/fin and GO no. 9210/2023/fin (read with Order No. FA-2/5034/2024/KIIFB dated 10.01.2024) towards balance of motor vehicle tax which was credited to Revolving Corpus Fund. Further, KSIDC has repaid borrowing to extent of Rs.8402.64 lakhs , which was fully provided for in earlier years and accordingly, the provision to extent of Rs.8402.64 lakhs was written back to P&L and c/f to Revolving Corpus Fund. The above amounts of Rs.50652.64 lakhs (Rs.42,250 lakhs plus Rs.8402.64 lakhs) which was lying in the Revolving Corpus Fund was transferred to Initial Corpus Fund by the management and equivalent fund was directly credited/ transferred to special treasury account earmarked for initial corpus. The transfer as above has been approved by Govt. of Kerala vide GO Rt.No 4098/2024/Fin dated 18.05.2024 (Rs.42250 lakhs) and GO RT No.4099/2024/Fin dated 18.05.2024 (Rs.8402.64 lakhs).
- 7 KIIFB has introduced revised prudential norms on Income recognition, asset classification and provisioning relevant and applicable for long term infrastructure projects w.e.f 01-04-2023 as per the decision of general body through circular resolution dated on 13.04.2023.Further based on Prudential norms on Income recognition, asset classification and provisioning (IRACP Norms) for long term infrastructure projects was adopted by KIIFB w.e.f 01-04-2023, vide circular resolution stated above and the same has been revised in the 46th General Body Meeting of KIIFB held on 02.09.2023.

As per the revised IRACP norms, KIIFB has classified projects into four categories based on the viability of projects into High, Medium, Low and no commercial viability projects. As per the provisions of IRACP Norms, project identified and categorised as Category I/ II earlier but later re-categorised as category III project, entire interest accrued in the past periods shall be reversed. Hence for such projects IRACP Norms are not applicable from the effective date of classification till such time repayment agreement are executed or project identified as loan in books of accounts whichever is earlier.Provisioning of non performing assets is done as per norms as under :

- a) The assets are classified as follows :
- (i) Standard Assets - up to 12 months overdue
 - (ii) Substandard Assets – Beyond 12 months but less than 24 months overdue
 - (iii) Doubtful Assets – Beyond 24 months overdue
 - (iv) Loss Assets – fully to be written off subject to security value realisation
 - (v) In case of revenue generating projects (RGP) for which repayment agreements are pending to be entered, and disbursement is more than 40%:- such RGP will be considered as substandard asset after 24 months from the date 40% payment milestone has been reached or from the date of identification of the project as RGP in books of accounts, whichever is later.



b) Provisioning Norms

	Type of Asset	Provision Required (%) - Expected Credit
(i)	Standard Asset	0.40%
(ii)	Substandard Asset	
	Beyond 12 months and up to 18 months overdue for repayment agreements executed and beyond 24 months and up to 30 months overdue for not executed.	10%
	Beyond 18 months and up to 24 months overdue for repayment agreements executed and beyond 30 months and up to 36 months overdue for not executed.	25%
(iii)	Doubtful Assets	
	Up to One year	50%
	One to three years	75%
	More than three years	100%
(iv)	Loss Assets	100%

As per the IRACP norms provision for standard assets (for all revenue generating projects) at 0.4% on the outstanding loan balance and accrued interest amounting to Rs.2,565.78 Lakhs has been provided in the books of accounts as at 31.03.2024.

- 8 There are no overdues in principal and interest outstanding as at 31.03.2024 as per terms of loan agreement.
 9 The categorisation of loans as per IRACP Norms and closing balances are as follows.

Category	Type of Category	No. of Projects	Loan (Rs. in lakhs)	Interest Accrued (Rs. in Lakhs)	Total (Rs. in Lakhs)
I	Projects which have high commercial viability	8	4,96,610.56	1,25,466.03	6,22,076.59
II	Projects which have medium commercial viability	6	17,461.56	1,906.48	19,368.04
III	Projects which have low commercial viability	2	30,323.88	10,134.24	40,458.12
IV	Projects which have no commercial viability	-	-	-	-
Total			5,44,396.00	1,37,506.75	6,81,902.75



- 9.1 At the meeting of CEO, Principal Secretary of Industries department and KSIDC officials held on 24.06.2023 it was decided to place before the general body of KIIFB, a proposal for conversion of the project Bio 360 life science park phase I which was hitherto treated as revenue generating, into non -revenue generating project. The amount disbursed to the project till the close of the year is Rs. 30,117.04 Lakhs and accrued interest Rs.9,267.80 Lakhs upto 31.03.2021.No interest has been recognised on the project subsequent to 31.03.2021 pending implementation of resolution plan. The total cost of Rs.39,384.84 Lakhs (Incl accrued interest) has been fully provided for as doubtful and charged to P&L A/c of the preceding year as project cost. Further in the 46th general body of KIIFB revised IRACP norms was placed and the above loan was classified as category III project.(Projects with low commercial viability). Accordingly no interest has been recognised on the project. During the year, an amount of Rs.8402.64 lakhs being the unutilised portion of loan has been refunded by KSIDC based on the proceedings of Special tahsildar LA(General),Trivandrum dated 05.02.2024. Accordingly the said remittance has been adjusted against the principal amount of loan and corresponding provision for loss made in prior year has been written back in the books of accounts under other income.
- 9.2 In addition to the above, 46th General body held on 02.09.2023 has classified two projects namely ITD001-02-SPV KSITIL (Amount o/s including accrued interest Rs.10850.82 lakhs) and LSG 007-01-SPV KSEB (Amount o/s including accrued interest Rs.9475.92 lakhs) into lower commercially viable project (Category III). However repayment agreement was executed for the project ITD 001-02 after the balance sheet date on 13-04-2024. As per the terms of agreement interest rate was reduced to fixed rate of 5% from the existing ACDB rate. On execution of repayment agreement , such classification of project was upgraded to category II treating it as adjusting event as per AS-4 and differential excess interest amounting to Rs.263.26 lakhs has been reversed to interest income of the year. Additional provision amounting to Rs.9475.92 lakhs has been made in books of accounts towards outstanding loan amount and accrued interest till 31.03.2023 for LSG 007-01 project being classified to category III during the year. No interest income has been recognised during the current year for said project.
- 9.3 On facts of the case, in respect of many of the revenue generating projects financed, there have been certain inherent delays during implementation which according to the management does not have adverse effect on the recovery of loans granted considering the operational model of KIIFB. Moreover, since the borrowers are government owned or controlled agencies, the loans are considered by the management as good and recoverable based on confirmations from the borrowers including for land acquisition projects aggregating to Rs. 2,87,972.40 Lakhs.(cost incurred till 31.03.2024).
- 9.4 Loan agreements are pending to be executed with one SPV as at 31.03.2024 for loan outstanding aggregating to Rs.667.47 lakhs although more than 40% stage of disbursement as per the terms of the tripartite agreement between KIIFB, the SPV and the concerned Govt department has been exceeded (which is less than one month) as at the year end. Steps are under process for execution of loan agreement which is pending the requisite clearance from the concerned departments of the Govt of Kerala.
- 9.5 Interest income for Category I projects are recognised at Average Cost of Domestic Borrowing (ACDB) of KIIFB reset every six months in a calendar year with monthly compounding (in some cases rate agreed at the time of sanction), Category II projects at discounted rate of interest as compared to category I and with respect to other two categories interest income is not recognised in books of accounts.
- 10 Balances under loan from Kerala Non-Resident Keralites Welfare Board (KNRKWB) amounts to Rs.33,800.56 lakhs. Revised Tripartite agreement is pending to be executed between KNRKWB, KIIFB and GoK by incorporating matters relating to treatment / adjustment of TDS receivable for KNRKWB. Loan amount includes interest accrued on loan upon maturity amounting to Rs.1776.23 lakhs (P.Y-1647.31 lakhs) as per the terms of agreement and KNRKWB Scheme. Interest on loan are calculated based on the records relating to loan balances (yearly basis) furnished by KNRKWB.



- 11 Allocation of Expenses towards Projects includes cost incurred towards 'Ente Keralam' program during the year amounting to Rs.6744.96 lakhs. Government of Kerala vide G.O 2/2023/I&PRD dated 09.03.2023 has entrusted KIIFB to incur infrastructure and media publicity cost of 'Ente Keralam' activities. The "Ente Keralam" program expenses amounting to Rs.6,744.96 lakhs was incurred during the year through external agencies mainly (Kerala State Industrial Enterprises Limited (Rs. 1,545.36 Lakhs), Global Kerala Initiative - GKI (Rs. 1,861.53 Lakhs), Indian Institute of Infrastructure & Construction referred to as IIIC (Rs. 3,047.23 Lakhs), which are government owned or controlled entities/NGO) to whom the activities/functions were outsourced by KIIFB. Such outsourced agencies have been engaged by the CEO on nomination basis (single quote) which has been ratified by the meeting of the general body held on 04.03.2024. As directed by 24th executive committee the invoices of first level service providers (intermediary agencies in some cases) to whom such services have been outsourced were obtained w.r.t IIIC, GKI and KSIE Ltd. M/s IIIC has provided with an administrative and facilitation charges at 20% as provided in the MOU and KSIE Ltd has raised invoice at 4% higher on the cost incurred by them and with respect to GKI such service charges is at 5% higher on cost incurred by them. The above expenses were incurred during the first quarter ended 30.06.2023, in the period on which such programme was undertaken and these have been treated as a part of project costs shown as contra in the statement of P&L account . No specific budget provision was made for such expenses since these are direct expenses incurred for various projects . Board has ratified the decision taken by CEO for award of contract on single tender basis with respect to Ente keralam expenses at their meeting held on 04.03.2024 (47th general body).
- 12 **Promotional and Advertisement Expenses**
- 12.1 Promotional and advertisement expenses includes an amount of Rs.1295.46 lakhs incurred towards providing infrastructure facilities to "Keraleeyam" event as per GO 153/2023 dt.13.10.2023. The work was undertaken by Chief engineer Building PWD as recommended by programme committee of Keraleeyam. Tendering process, identification and evaluation of bidder, supervision and execution is done by Chief engineer Building PWD. The details of successful bidder/s are intimated to KIIFB by CE, PWD.
- 12.2 Promotional and advertisement expenses also includes expense incurred towards media, promotional and advertisement expenses of Rs.1592.79 lakhs incurred through various parties to whom such works were outsourced. The selection of the party was made on a negotiated basis on rates considered competitive considering the nature and exigency of the work involved and also taking into account the prior experience with the party. The above expenses are within the budgetary limit approved by general body.
- 12.3 Out of the above an amount of Rs 538.80 lakhs incurred towards nation wide media and publicity campaign of the Government of Kerala against restriction on borrowing powers of the State imposed by the Central Government since it would gravely impact the operations of KIIFB which is built up as a premier agency providing quality infrastructure for the People of Kerala. The expenses were fully budgeted and authorised by the Media Management Group(MMG) of KIIFB.
- 13 KIIFB had incurred an expenditure of Rs.936.66 Lakhs during the year towards KSFE Software expenses which includes an amount of Rs 861.22 incurred through external agency (a Government PSU - KSIE Limited) to which the activities for server hosting and licence renewal charges of KSFE Pravasi software have been outsourced by KIIFB on nomination basis (single quote) which are supported by invoices of first level intermediary agencies and invoice of end service provider is not available. KSIE Limited has raised invoice on KIIFB at 3% & 10% over cost incurred depending upon the nature of service provided through the intermediary agency to whom the services have been sub-contracted. The aggregate operating cost (Server hosting and License renewal charges) paid to KSIE Ltd during the years from 2020-21 to 2023-24 amounts to Rs.3,964.81 lakhs against the capital cost of acquisition/development of software of Rs.3,037.94 Lakhs (Gross carrying value). In terms of the MoA between KIIFB and KSFE dt.01.06.2019, a separate agreement is to be entered into between the parties for recovery of the total cost (operating and capital) of the software from KSFE which is pending to be executed. The Board had at its meeting held on 04.03.2024 directed to expedite the steps to enter into such an agreement and due to certain reasons, the same is yet to complied with.



- 14 The balances under statutory contribution receivable from GoK of Rs.10,62,129.01 lakhs is considered good and recoverable and there is no uncertainty with regard to ultimate recovery, based on financial operational model of KIIFB as per the KIIF Act, 1999 as such amounts are expected to be recouped from the statutory contribution receivable in future years and are incorporated in the Asset Liability Management system and represents net amount spent as per the operational model implemented by KIIFB as envisaged in the KIIF Act.
- 15 KIIFB has put in place a system/ process of computation of Asset Liability Management. A detailed external review of the ALM system was conducted by independent IT consultants to assess the functionality and management of financial risk of KIIFB and to conduct a comprehensive scenario-based testing of the ALM System to ensure its robustness on 15.02.2022. The observations of the reviewers was duly considered by the management of KIIFB at the meeting held on 15th February 2022 and the status of ALM was taken note of by the General Body. Further follow up presentation of ALM was made in the 47th general body held on 04.03.2024. The board has taken note of the same and as per the presentation, ALM has been placed on record to be sound/stable. The ALM model is placed for overseeing and monitoring at the periodical meetings of the Fund Trustee and Advisory Committee (FTAC) of KIIFB which comprises of eminent financial experts of the country having rich and wide experience in the field of financial management. The committee reviews the sound functioning of the ALM Model and it was found to be properly in place to safeguard the best interest of KIIFB.
- 16 Advance and receivable also includes an amount of Rs 916.73 Lakhs incurred towards expenses to be recovered from Information & Public Relations Department for which claims are raised and pending for more than one year which is subject to confirmation as at 31.03.2024. However, the balance has been confirmed as at 31.03.2023. In the opinion of management such amount is considered good and recoverable.
- 17 Reconciliation of Form 26 AS (as per Income Tax Act,1961) and Book of accounts - Reconciliation of Income for the current reporting period and credit as per Form 26AS with books of accounts could not be done since Form 26AS in income tax web portal is yet to be updated with the entries for the year 2023-24 and effect of such non reconciliation could not be ascertained. Any adjustment found required shall be made in succeeding period/year
- 18 Finance for Revenue Generating Projects treated as Loan receivable from SPV in the books are appraised by the Project Appraisal Division and implementation is closely monitored. The division comprise of high level technical expert team under the Executive Director, who is a senior chartered engineer having vast experience in the field of construction and infrastructure. Each Project is reviewed by Project Manager as a Nodal Officer and supervised by Senior General Manager of the Division. The detailed project report is appraised by the division which places its detailed appraisal report before the EC/ General body of KIIFB. The detailed project report contains comments on review from technical, economic, financial, environment, social and institutional angle. The functions as above is governed by the norms stipulated in Standard Operating Procedures for project acceptance and SPV on boarding. In the opinion of management, the appraisal function done is sound and operating effectively.
- 19 **Contingent Liabilities**
- 19.1 The total income tax demands raised against KIIFB of Rs.1,594.88 Lakhs which are unpaid pertains to AY 2018-19
- 19.2 Income tax proceedings for AY 2022-23 was completed during the year vide order u/s 143(3) dated 23.03.2024 and disallowances were made by assessing authority to extent of Rs 592.16 lakhs. No demand has been raised since the addition made has been adjusted against the loss for the year. KIIFB has filed appeal against the addition made as above and is pending for disposal.
- 19.3 GST department has issued a demand amounting to Rs.1633.19 lakhs towards tax liability and Rs.163.32 lakhs towards applicable penalty under the act vide order No.10/2023-24 GST ADC Section 73(9) of CGST Act 2017 pertaining to the period from 2017-18 to 2022-23 relating to certain transactions under reverse charge mechanism payments. The matter is disputed by KIIFB based on the facts of the case and filed an appeal to GST appellate tribunal against the order. The same is pending for disposal as at the reporting date.
- 20 KIIFB is operating only in one segment in providing funds for investment for critical and large infrastructure projects in the State of Kerala and hence there are no other separate reportable business and geographical segment as per AS 17 Segment Reporting.



21 **Notes to additional disclosures as per regulation 52(4) of Securities and Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulation, 2015 as amended:**

- a. Debt equity ratio represents total debt (long-term borrowings, short-term borrowings and lease liability) / total equity (equity share capital + other equity). For the Purpose of Debt Equity Ratio, Initial Corpus Fund being in nature of fixed capital has been treated as equity since KIIFB has no share capital as per KIIF Act 1999 as amended in 2016.
- b. Debt service coverage ratio represents earnings available for debt servicing. (Net profit after taxes + Non cash operating expenses like depreciation and amortizations + Finance costs + other adjustments like loss on sale of fixed assets) / Debt service (Interest payments+ option premium +lease payments + principal repayments). Part of the borrowing is repaid through refinancing, so principal repayment pertaining to such refinanced borrowings are not considered. Interest payments also includes option premiums and other borrowing costs capitalised during construction phase.
- c. Interest service coverage ratio represents earnings available for interest servicing. (Net profit after taxes + Non-cash operating expenses like depreciation and amortizations + Finance costs + other adjustments like loss on sale of fixed assets) / Interest service (interest payment+ option premium payment). Interest payment also includes option premiums and other borrowing costs capitalised during construction phase.
- d. Current ratio represent current assets / current liability. For the purpose of Current Ratio, Current Asset also includes Current portion of Statutory Contribution receivable from Govt. Of Kerala
- e. Long term debt to working capital represents long-term borrowings including lease liabilities/ (current assets less current liabilities) (including current maturities of long term borrowings).
- f. Current liability ratio represents current liabilities (including current maturities of long-term borrowings) / total liabilities (excludes deferred tax liabilities on fair value of equity).
- g. Total debts to total assets represent total borrowings (long term borrowings, short term borrowings and current maturities of long-term borrowings)/total assets.




Dr. K. M. ABRAHAM CFA
Chief Executive Officer
& Fund Manager
Kerala Infrastructure Investment Fund Board



Varma & Varma

Chartered Accountants

Independent Auditor's Report on Standalone Annual Financial Results of Kerala Infrastructure Investment Fund Board in pursuant to the Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended)

To

The Board of Kerala Infrastructure Investment Fund Board
Thiruvananthapuram

Report on the Audit of the Standalone Financial Results

Qualified Opinion

We have audited the accompanying standalone annual financial results of Kerala Infrastructure Investment Fund Board (hereinafter referred to as 'KIIFB'), for the year ended 31st March 2024, attached herewith, being submitted by KIIFB pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us these standalone annual financial results.

- a. are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- b. except for the effect of the matters described in the Basis for Qualified Opinion section of our report, the accompanying annual financial results give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and other accounting principles generally accepted in India of the state of affairs of the KIIFB as at March 31, 2024 and of the nil profit/loss and its cash flows for the year then ended.

Basis for Qualified Opinion

1. As stated in Note No.11 to the accompanying statement, invoices of first level service providers to whom certain activities have been outsourced by KIIFB relating to 'Ente Keralam' programme expenditure amounting to Rs.6,744.96 lakhs have been made available to our verification as directed by the Executive committee at its meeting on 01.09.2023. However, the management is not able to confirm whether first level service provider is final end service provider, and internal controls in this regard need to be strengthened while entering into contracts for better transparency. The expenditure incurred as above has been charged to project costs since according to the management such costs are directly relatable to projects and on account of this no provision has been made in the budget for such direct project costs. The above expenses have been ratified by the general body at their meeting held on 04.03.2024.



2. An amount of Rs.1,592.79 lakhs has been incurred for promotion and media activities through various parties to whom works were outsourced on nomination basis (single tender). This procedure is not in compliance with the stipulations in SOP for procurement of media services in force during the year requiring invitation of open tender for such works. In the absence of proper tendering, the reasonableness of the rates could not be verified by us. The above amount of Rs.1,592.79 lakhs includes an amount of Rs.745 lakhs incurred for promotional campaigns in social media, international SMS services etc for which invoices of first level service providers were made available to us as directed by the executive committee and management is not able to confirm whether such first level service provider is the final end service provider. Internal controls in entering into contracts required to be strengthened for better transparency. Further appropriate audit evidences to authenticate the receipt of the services provided as claimed in the invoices of the first level service provider were not available on record, explained to be due to practical difficulties. We have placed reliance on the authentication and attestation of receipt of services by the Nodal Officer media management group with the approval of payment by CEO. The above expenses have been incurred within the budget approved by the General Body.
3. As stated in Note No.13 to the accompanying statement, KIIFB had incurred an expenditure of Rs.936.66 Lakhs during the year towards KSFE Software expenses which includes amounts incurred through external agency (a Government PSU - KSIE Limited) to whom the activities for server hosting and licence renewal charges of KSFE Pravasi software have been outsourced by KIIFB on nomination basis (single quote). The claims are supported by invoices of first level intermediary agencies and the management is not able to confirm whether such first level service provider is the end service provider. Internal controls needs to be strengthened while entering in to such contracts for better transparency. KSIE Limited has raised invoice on KIIFB at 3% & 10% over cost incurred depending upon the nature of service provided through the intermediary agency to whom the services have been sub-contracted.

KIIFB has paid operating cost (Server hosting and License renewal charges) to KSIE Ltd during the years from 2020-21 to 2023-24 amounting to Rs.3,964.81 lakhs against the capital cost of acquisition/ development of software of Rs.3,037.94 Lakhs (Gross carrying value). The direction of the Executive Committee meeting held on 01.09.2023 and also the General Body meeting held on 04.03.2024 to expedite steps to enter into agreement with KSFE for recovery of the cost incurred on the software till date is pending to be implemented. In our opinion, such delay in execution of the agreement requires to be avoided/ minimised.



In view of the facts and circumstances dealt with in para 1 to 3 above, we are not able to express our opinion on the authenticity of expenses incurred during the period dealt with in the above paragraphs.

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of KIIFB in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the said Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to the following matters described in the accompanying statement of the standalone financial results:

- (i) As stated in Note No.6 to the accompanying statement, during the year an amount of Rs.42,250 lakhs was received from GoK vide GO No.54/2024/fin and GO no. 9210/2023/fin (read with Order No. FA-2/5034/2024/KIIFB dated 10.01.2024) towards balance of motor vehicle tax which was credited to Revolving Corpus Fund. Further, KSIDC has repaid borrowing to extent of Rs.8,402.64 lakhs, which was fully provided for in earlier years and accordingly, the provision to extent of Rs.8,402.64 lakhs was written back to P&L and carried forward to Revolving Corpus Fund. The above amounts of Rs.50,652.64 lakhs (Rs.42,250 lakhs plus Rs.8,402.64 lakhs) which was lying in the Revolving Corpus Fund was transferred to Initial Corpus Fund during the year by the management and equivalent fund was directly credited/ transferred to special treasury account earmarked for initial corpus. The transfer as above has been approved by Govt. of Kerala vide GO Rt.No.4098/2024/Fin dated 18.05.2024 (Rs.42,250 lakhs) and GO Rt No.4099/2024/Fin dated 18.05.2024 (Rs.8,402.64 lakhs).
- (ii) Interest income has been recognised on revenue generating projects in cases where there have been certain delays on implementation of the projects financed by such loans, as detailed in Note no.9.3 to the accompanying statement. According to the management, certain inherent delays which have occurred during implementation stage of infrastructure does not have adverse effect on the recovery of loans granted considering the operational model of KIIFB and these loans are expected to be recovered from SPVs which are all government owned or controlled agencies and hence considered by the management as good and recoverable. Such recovery however would depend upon actual income generation from land acquisition of projects having an aggregate cost incurred till 31.03.2024 amounting to Rs.2,87,972.40 lakhs so far as it relates to income accrued on such projects.



(iii) Loan agreements are pending to be executed as on date with one SPV for loan outstanding aggregating to Rs.667.47 Lakhs although more than 40% stage of disbursement (as per the terms of Tripartite Agreement between KIIFB, SPV and the concerned Government department) has been exceeded requiring execution of such loan agreement, as stated in Note no.9.4 to the accompanying statement. As explained by the management, steps for execution of loan agreements is under process, which is pending for requisite clearance from the concerned departments of the Govt of Kerala.

(iv) As stated in Note No 7 to accompanying statement, Prudential norms on Income recognition, asset classification and provisioning for long term infrastructure projects was adopted by KIIFB w.e.f 01-04-2023, vide circular resolution dated 13.04.2023 and the same has been revised in the 46th General Body Meeting of KIIFB held on 02.09.2023. KIIFB has classified projects into four categories based on the viability of projects into High, Medium, Low and no commercial viability projects.

Based on the said norms, additional provision amounting to Rs.9475.92 lakhs have been made in books of accounts for KSEB -Nilavu project towards outstanding loan amount and unrealised interest accrued till 31.03.2023 since the said project has been classified to category III during the year. No interest income has been recognised during the current year on the loans for said project as stated in Note No.9.2.

(v) As stated in Note No.14 to the accompanying statement, the balances under statutory contribution receivable from GoK of Rs.10,62,129.01 Lakhs upto 31.03.2024 is considered good and recoverable by the management. According to the management there is no uncertainty with regard to ultimate recovery, based on financial operational model of KIIFB as per the KIIF Act, 1999 (amended by act of 2016) as such amounts are expected to be recouped from the statutory contribution receivable in future. We have relied entirely on the management representation in this regard considering the facts of the case.

(vi) As stated in Note No.18 to the accompanying statement the procedures followed for appraisal of projects by the project appraisal division offers scope for improvement by documentation of the assumptions followed in making financial projections relating to estimated costs and revenues.

(vii) As stated in Note No.16 to the accompanying statement, receivable from Information & Public Relations Department amounts to Rs.916.73 lakhs for which claims raised are pending for more than one year. However, the balance has been confirmed as at 31.03.2023

Our opinion is not modified in respect of these matters.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial results of the current year. These matters were addressed in the context of our audit of the financial results as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How addressed in Audit
(i) As stated in Note No.7 to the accompanying statement, KIIFB has introduced prudential norms on Income recognition, asset classification and provisioning relevant and applicable for long term infrastructure projects w.e.f 01-04-2023 as per the decision of general body through circular resolution dated on 13.04.2023. This was amended in the 46th General Body Meeting of KIIFB held on 02.09.2023. According to the revised norms, KIIFB has classified projects into four categories based on the viability of projects into High (Category I), Medium (Category II), Low (Category III) and no commercial viability projects (Category IV).	<p>As per the principles laid down in AS 9 Revenue recognition, KIIFB has recognized interest income on accrual basis as per the terms of the loan agreement, wherever such agreements have been entered into and for which agreement is not executed upon reaching 40% stage of disbursement at rate agreed as per terms of sanction. (At discounted rate).</p> <p>Based on revised IRAC Norms, 6 nos of loans having principal of Rs.17,461.56 Lakhs and interest of Rs.1906.48 lakhs have been classified as Category II.</p> <p>Based on revised IRAC Norms, 2 nos of loans having principal of Rs.30,323.88 Lakhs and interest of Rs.10,134.24 lakhs have been classified as Category III and this has been fully provided for as doubtful and income recognition has been discontinued from the date of such reclassification on prudential basis as stated in Note no.7 to the accompanying statement.</p> <p>Recognition of interest revenue for projects are as per the IRACP Norms adopted by KIIFB in the general body. Income has been recognized based on the terms of the loan sanctioned and categorization of loan.</p>



Key Audit Matters	How addressed in Audit
<p>(ii) Interest income for Category I projects are recognised at Average Cost of Domestic Borrowing (ACDB) of KIIFB reset every six months in a calendar year with monthly compounding (in some cases rate agreed at the time of sanction), Category II projects at discounted rate of interest as compared to category I and with respect to Category III and IV projects interest income is not recognised in books of account.</p> <p>On facts of the case, there have been certain inherent delays in respect of many of the projects financed with long gestation periods. As per the terms of the loan sanctioned, the repayment of principal and interest commences on completion of moratorium period. Interest is payable by the borrower as per terms of agreement as above regardless of completion of project. According to the management such delays in project implementation is not likely to have any adverse impact on recovery of finance granted for revenue generating projects. Such recovery however would depend upon actual income generation from land acquisition of projects having an aggregate cost incurred till 31.03.2024 amounting to Rs.2,87,972.40 lakhs in so far as it is relatable to these projects.</p>	<p>There is no significant doubt as to realization and recovery of interest at this stage for category I and II loans. Loans categorized under category III reckoned as low viability has been fully provided for and recognition of income also has been stopped. The loans are given to State Government controlled entities and there are no over dues in principal and interest outstanding as at 31.03.2024 as per terms of loan agreement as stated in Note No.8 to the accompanying statement. Provision for all standard asset at 0.40% has been made during the year towards the outstanding amount of principal and interest as prescribed under IRACP Norms. Facts have been duly disclosed in the accompanying statement.</p>



Key Audit Matters	How addressed in Audit
<p>(iii)As per GoK Order [GO(Ms) No 153/2023/ GAD dated 13-10-2023], KIIFB was instructed to incur the expenditure towards infrastructure and construction facilities for the event 'Keraleeyam 2023'. The Chief Engineer (CE), PWD was entrusted the responsibility for conducting the event by Program Committee of Keraleeyam, GoK.</p> <p>Based on the above decisions, KIIFB issued office order stating the condition that CE buildings, PWD shall arrange to tender the work following the due procedures and do the evaluation of the same and identification of successful bidder for each work. The details of successful bidder/s shall be intimated to KIIFB.</p> <p>An amount of Rs.1,295.46 lakhs has been incurred towards 'Keraleeyam' event organised by Government of Kerala through Chief Engineer (CE), PWD.</p> <p>However, the evidence in support of compliance by PWD with the procedure stipulated by KIIFB with respect to tendering, identification and evaluation of bidders was not seen insisted upon and obtained.</p>	<p>The management has furnished to us a specific representation that GoK has entrusted the responsibility of conducting the event 'Keraleeyam 2023' to Chief Engineer, PWD. Since PWD is a Government Department, the compliance of stipulated procedures w.r.t.tendering, identification and evaluation of bidders is their sole responsibility and KIIFB has no responsibility in this regard.</p> <p>All the payments made by KIIFB to the vendors are based on approvals of The Chief Engineer (CE), PWD.</p> <p>We have placed reliance on the above management representation and the facts are disclosed in Note No 12.1 to the accompanying statement.</p>
<p>(iv)Promotional and advertisement expenses includes an amount of Rs.538.80 lakhs incurred towards nationwide media and publicity campaign of the Government of Kerala against restriction on borrowing powers of the State imposed by the</p>	<p>As stated in Note No.12.3 to the accompanying statement, such action by the Central government would gravely impact the operations of KIIFB which is built up as a premier agency providing quality infrastructure for the people of Kerala and</p>



Key Audit Matters	How addressed in Audit
<p>Central Government. We had enquired on relation of such expenditure with the activities of KIIFB.</p>	<p>expenses for building up a media campaign against this was unavoidable to sustain the existence of KIIFB .Moreover such expenses incurred was within the overall budget for promotional activities approved by the General Body and the payment was authorised by the Media Management Group(MMG) of KIIFB.</p> <p>We have relied on the management representation in this regard.</p>
<p>(v) Interest paid to Kerala Non-Resident Keralites Welfare Board (KNRKWB) of Rs.1,787.18 Lakhs is accounted for by the management based on the scheme workings furnished by KNRKWB which is pending for reconciliation by KIIFB due to certain practical difficulties as explained to us. Steps are being taken for reconciliation of the same.</p>	<p>Confirmation of balance from KNRKWB for principal loan amount has been received as at 31.03.2024. For the purpose of calculation of interest we have relied on the data set provided by management and as per management representation furnished, the computation of interest as above is realistic and correct. We have relied on the above submission of the management</p>
<p>(vi)The corpus fund-revolving represents the funds received every year from Government of Kerala as part of statutory contribution provided for in the State budget under financial support for infrastructure development as stated in Section 3(1A) r.w.s Section 7 of KIIFB Act, 2016 towards the objectives based on resolution of the general body and also any amounts received additionally from Government of Kerala to meet additional fund requirements as per relative government order. The amounts utilised towards direct cost of projects are recouped from the revolving/ corpus Fund for the year and amount so utilised.</p>	<p>The balances under statutory contribution receivable from GoK as at 31.03.2024 of Rs.10,62,129.01 Lakhs is considered good and recoverable by the management.</p> <p>The recoverability is based on financial operational model of KIIFB as per the KIIF Act, 1999 as such amounts are expected to be recouped from the statutory contribution receivable in future as per the operational model implemented by KIIFB as envisaged in the KIIF Act.</p> <p>Therefore, as per recovery model as above, which is built into Asset Liability Management (ALM), there is no uncertainty</p>



Key Audit Matters	How addressed in Audit
<p>are shown as contra item in the P&L a/c to reflect the activities undertaken to meet the objectives as per the Act.</p> <p>The revolving corpus fund is received on an annual basis towards financial support for Infrastructure Development by way of statutory contribution being share of KIIFB from Cess on petrol and share of KIIFB from Motor Vehicle Tax as per KIIFB Act.</p> <p>The balances under statutory contribution receivable from GoK as at 31.03.2024 is Rs. 10,62,129.01 lakhs considered good and recoverable as the same would be recouped from statutory contribution receivable every year as per operational model of KIIFB.</p>	<p>with regard to ultimate recovery of the above amount due from GoK as per management representation in this regard. We have placed our reliance on the management representation as above.</p> <p>The ALM model is placed for overseeing and monitoring at the periodical meetings of the Fund Trustee and Advisory Committee (FTAC) which comprises of eminent financial experts of the country having rich and wide experience in the field of financial management to safeguard the best interest of KIIFB. The status of latest ALM was also duly taken note of by the General body in its 47th meeting held on 04.03.2024 and as per presentation made at the Board meeting ALM has been found to be stable and sound as disclosed in Note No.15 to the accompanying statement.</p> <p>We have placed reliance on the surveillance being exercised utilising the technical expert knowledge of the FTAC committee in respect of sound functioning of the ALM Model and also the review of soundness of ALM by the Board at its meeting as above.</p>

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Result

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. Management (The Board) is responsible for the preparation of these standalone financial results that give a true and fair view of the state of affairs, results of operations and cash flows of KIIFB in accordance with the accounting principles generally accepted in India and Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility also includes maintenance of



adequate accounting records for safeguarding of the assets of KIIFB 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. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, management (The Board) is responsible for assessing KIIFBs ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management (The Board) either intends to liquidate KIIFB or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing KIIFBs financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 users taken on the basis of these financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, 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 internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KIIFBs internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. (the Board)
- Conclude on the appropriateness of management's (the Board) 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 KIIFB'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 financial results 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 KIIFB to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial results.

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.

Other Matters:

- (a) The financial results for the quarter ended March 31,2024 and March 31,2023 are the balancing figures between the audited figures in respect of full financial year and special purpose financial statement for the period ended 31.12.2022/ the unaudited year to date figures upto the third quarter of the respective financial year which have been subjected to limited review by us.



Varma & Varma

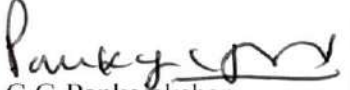
Chartered Accountants

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- (b) The rupee denominated external borrowings being Masala Bonds availed by KIIFB, in the year 2018-2019 and repaid in full during the current year, which are fully secured by the sovereign guarantee issued by the Government of Kerala and have the required approval of the Reserve Bank of India under the Foreign Exchange Management Act 1999. As explained to us by the management of KIIFB (the Board), on other legal issues relating to the said borrowings, as per the legal opinion received from a renowned jurist and legal expert, the issue of Masala bonds made for the borrowings by KIIFB as above, is neither illegal nor is in violation of any law, which, being a legal matter, no opinion is expressed thereon.



For Varma and Varma
Chartered Accountants
FRN.004532S


C.G. Pankajakshan

Partner

Membership No.020512

UDIN: 24020512BKGUXN3161

Place : Thiruvananthapuram

Date : 25.05.2024

**STATEMENT OF IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH QUALIFIED OPINION)
SUBMITTED ALONG WITH ANNUAL AUDITED FINANCIAL RESULTS - (STANDALONE)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31 2024
[See Regulation 52 of the Listing Regulations]

I		<i>Figures in Lakhs Rs.</i>	
Sl.no	Particulars	Audited Figures(as reported before adjusting for qualifications)	Audited Figures(as reported after adjusting for qualifications)
1	Tunover/Total Income	5,62,930.23	Since the qualification are of a proprietary nature, we are unable to quantify the effect of the qualification. In any case the amount involved as regards expenditure / asset covered by the qualification is not relatively substantial or pervasive which could influence users understanding of the financial statements and hence figures after adjusting the effect of qualification is not capable of being furnished as such.
2	Total Expenditure	6,60,070.11	
3	Net Profit/(Loss) *	(96,771.09)	
4	Earnings per Share	NA	
5	Total Assets	24,35,900.53	
6	Total Liabilities	24,35,900.53	
7	Net Worth **	3,32,701.92	

* Net profit/loss being Statutory contribution from GoK under Corpus fund utilised to meet the net loss (deficit from operations)for the year in P& L account transferred.

** The value of net worth is to be read with the matters stated in Note No VI (i) to the statement of standalone financial results.

II Audit Qualification

a. Details of Audit Qualifications: (see para 1 to 3 under Basis for Qualified Opinion of Audit Report dt 25.05.2024)

As stated in Note No. 11 to the accompanying statement, Invoices of first level service providers to whom certain activities have been outsourced by KIIFB relating to 'Ente Keralam' programme expenditure amounting to Rs.6744.96 lakhs have been made available to our verification as directed by the Executive committee at its meeting on 01.09.2023. However the management is not able to confirm whether first level service provider is final end service provider, and internal controls in this regard need to be strengthened while entering into contracts for better transparency. The expenditure incurred as above has been charged to project costs since according to the management such costs are directly relatable to projects and on account of this no provision has been made in the budget for such direct project costs. The above expenses have been ratified by the general body at their meeting held on 04.03.2024.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification: First Time

d. For Audit Qualification(s) where the impact is quantified by the auditor: Nil

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

Management's Views:

For Audit Qualification(s) where the impact is not quantified by the auditor:



1. Ente Keralam 2023 project was entrusted by Government for providing infrastructure facilities for the second-year anniversary of Government. Since the amount spend and the procedure adopted has been ratified by the General Body of KIIFB held on 04-03-2024, The issue underlying this qualification has been resolved and therefore does not hold relevance anymore. The Audit Committee has decided that only the first level of Bills of agencies entrusted by KIIFB shall be provided for audit and same has been made available to them.

- i. Management's estimation on the impact of audit qualification: Nil
- ii. If management is unable to estimate the impact, reasons for the same: NA
- iii. Auditors' Comments on (i) or (ii) above: No comments

a. Details of Audit Qualification: (as reproduced from the audit report)

An amount of Rs.1592.79 lakhs has been incurred for promotion and media activities through various parties to whom works were outsourced on nomination basis (single tender). This procedure is not in compliance with the stipulations in SOP for procurement of media services in force during the year requiring invitation of open tender for such works. In the absence of proper tendering, the reasonableness of the rates could not be verified by us. The above amount of Rs.1592.79 lakhs includes an amount of Rs.745 lakhs incurred for promotional campaigns in social media, international SMS services etc for which invoices of first level service providers were made available to us as directed by the executive committee and management is not able to confirm whether such first level service provider is the final end service provider. Internal controls in entering into contracts required to be strengthened for better transparency. Further appropriate audit evidences to authenticate the receipt of the services provided as claimed in the invoices of the first level service provider were not available on record .We have placed reliance on the authentication and attestation of receipt of services by the Nodal Officer media management group with the approval of payment by CEO. The above expenses have been incurred within the budget approved by the General Body.

- b. Type of Audit Qualification : Qualified Opinion
- c. Frequency of qualification: First Time
- d. For Audit Qualification(s) where the impact is quantified by the auditor: Nil
- e. For Audit Qualification(s) where the impact is not quantified by the auditor:

Management's Views:

For Audit Qualification(s) where the impact is not quantified by the auditor:

The SOP mentioned in the qualification is related to the production of content for media activities and not for content propagation. For the propagation of content, through different media agencies, the tender process is not relevant since each media is charging different rates for the content propagation. It is the management decision through which agency the propagation has to be done. If for example, the rates quoted by a premier channel will be higher than that quoted by a low viewership channel. So, if the management decides to use a high viewership media channel for propagation, then a tendering process to discover the price is not possible as each channel provides its own proprietary service. As stated above only the first level of Bills of agencies entrusted by KIIFB shall be provided for audit and same has been made available to them.

- i. Management's estimation on the impact of audit qualification: Nil
- ii. If management is unable to estimate the impact, reasons for the same: NA
- iii. Auditors' Comments on (i) or (ii) above: ~~No~~ Comments in sl NO 1 above *PS*

a. Details of Audit Qualification: (as reproduced from the audit report)



3 As stated in Note No. 13 to the accompanying statement, KIIFB had incurred an expenditure of Rs.936.66 Lakhs during the year towards KSFE Software expenses which includes amounts incurred through external agency (a Government PSU - KSIE Limited) to whom the activities for server hosting and licence renewal charges of KSFE Pravasi software have been outsourced by KIIFB on nomination basis (single quote). The claims are supported by invoices of first level intermediary agencies and the management is not able to confirm whether such first level service provider is the end service provider. Internal controls needs to be strengthened while entering in to such contracts for better transparency. KSIE Limited has raised invoice on KIIFB at 3% & 10% over cost incurred depending upon the nature of service provided through the intermediary agency to whom the services have been sub-contracted.

KIIFB has paid operating cost (Server hosting and License renewal charges) to KSIE Ltd during the years from 2020-21 to 2023-24 amounting to Rs.3,964.81 lakhs against the capital cost of acquisition/

- b. We are not able to express our opinion on the authenticity of expenses incurred during the period dealt
- c. Type of Audit Qualification : Qualified Opinion
- d. Frequency of qualification: First Time
- e. For Audit Qualification(s) where the impact is quantified by the auditor: Nil
For Audit Qualification(s) where the impact is not quantified by the auditor:

Management's Views:

For Audit Qualification(s) where the impact is not quantified by the auditor:

KSIE is a PSU under Government of Kerala and they are executing the works through their empanelled agencies selected through their tender process. KIIFB has entrusted KSIE for providing services under IT also. On the Pravasi Chitti expenses through KSIE, the first level of Bills received by KSIE from their vendors have been provided for audit as per the decisions of the Audit Committee of KIIFB. The application development of Pravasi Chitti is still continuing and hence its development cost and its hosting and operating cost will continue incur.

- i.
- ii. Management's estimation on the impact of audit qualification: Nil.
- iii. If management is unable to estimate the impact, reasons for the same: NA

III Auditors' Comments on (i) or (ii) above: ~~No~~ comments in el no 1 above P2

Signatories:

Chief Executive Officer

Joint Fund Manager

Executive Committee Chairman

Statutory Auditor



Kerala Infrastructure Investment Fund Board
Statement of Consolidated Assets and Liabilities as at 31.03.2024

(Figures in Lakhs Rs.)

Particulars	As at 31.03.2024	As at 31.03.2023
	Audited	Audited
I. EQUITY AND LIABILITIES		
1 Initial Corpus Fund	3,32,701.92	2,82,049.28
2 Corpus Fund - Revolving (shown on the asset side)	-	-
3 Non-current liabilities		
(a) Long-term borrowings	17,88,950.02	14,32,257.88
(b) Deferred tax liabilities	-	368.79
(c) Other Long term liabilities	7,099.67	5,401.25
4 Current liabilities		
(a) Short-term borrowings	2,85,203.82	3,44,923.44
(b) Trade payables	-	32.43
Total outstanding dues of Micro Enterprise & Small Enterprise	26.65	-
Others	39.17	-
(c) Other current liabilities	22,152.79	17,150.77
(d) Short-term provisions	83.05	68.63
	24,36,257.09	20,82,252.47
II. ASSETS		
1 Non-current assets		
(a) Property, plant and equipment and Intangible Asset		
(i)Tangible assets	470.91	485.21
(ii)Intangible assets	586.13	1,473.66
(b) Non-current investments	96.36	120.97
(c) Long-term loans and advances	5,24,104.58	4,86,946.01
(d) Corpus fund revolving being the Statutory contribution receivable from GoK -Non current	7,48,862.03	4,96,975.02
(e) Other Non Current Assets	5,357.24	5,981.87
2 Current assets		
(a) Current investments	-	1,05,175.02
(b) Inventories		
(i) Unbilled Revenue	50.51	-
(c) Trade receivables	457.89	160.54
(d) Cash and cash equivalents	7,19,439.59	5,92,979.08
(e) Short term loans and advances	1,17,145.48	1,05,719.31
(f) Corpus fund revolving being the Statutory contribution receivable from GoK -Current	3,13,000.00	2,80,900.00
(g) Other current assets	6,686.37	5,335.78
	24,36,257.09	20,82,252.47



Kerala Infrastructure Investment Fund Board
Statement of Consolidated Financial Results for the year ended 31.03.2024

(Figures in Lakhs Rs.)

Particulars	For the Year	For the Year
	Ended 31.03.2024	Ended 31.03.2023
	Audited	Audited
I. Revenue:		
i) Recoupment of statutory contribution from Government of Kerala from Corpus Fund for financing of direct project cost as per Contra	4,64,194.54	4,69,977.35
ii) Interest income from financial assistance for revenue generating projects	55,810.59	46,541.05
iii) Interest income from deposits and investments	17,196.92	16,518.73
iv) Profit on Sale of Mutual Fund Investment	17,103.06	-
v) Revenue from operations of subsidiary company-KIIFCON	913.11	443.53
vi) Other income	8,454.66	328.30
Total Revenue (I)	5,63,672.88	5,33,808.96
II. Expenses:		
i) Financing of direct cost of projects -Out of Corpus Fund	4,64,194.54	4,69,977.35
ii) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(50.51)	-
iii) Employee benefits expense	1,036.13	803.57
iv) Finance costs	1,83,464.19	1,41,696.48
v) Depreciation and amortisation expense	989.42	1,100.04
vi) Other expenses	10,939.40	5,286.18
Total expenses (II)	6,60,573.17	6,18,863.62
III. Profit / (Loss) (I- II)	(96,900.29)	(85,054.66)
Prior Period Item	-	(26.33)
Profit / (Loss) after prior period item	(96,900.29)	(85,080.99)
IV. Tax expense:		
(1) Current tax of subsidiary company-KIIFCON	(83.05)	(68.63)
(2) Tax for Earlier years		
(3) Deferred tax(Expense)/Income	368.79	(5.35)
Less : Statutory contribution from GoK under Corpus fund utilised to meet the net loss (deficit from operations)for the year in P& L account transferred	96,822.71	85,333.03
V. Net Profit / (Loss) for the Year of Subsidiary/Associate company transferred to Reserve & Surplus (Includes share of loss in associate company Rs.24.61 lakhs.(P.Y-16.91 lakhs)	183.56	161.16
VI. Net Worth	3,32,701.92	2,82,049.28

(i) *Networth represents the initial corpus fund shown separately in Balance Sheet which is backed fully by earmarked funds in the Treasury account. The deficit in revolving corpus fund as at 31.03.2024 shown as recoverable from GoK amounting to Rs.10,61,862.03 lakhs is not considered for this purpose as this is expected to be recouped from annual statutory contribution receivable from Government of Kerala as per provisions of Section 3(2) read with section 7 of KIIFB Act, 1999 as amended by the Act of 2016. Such deficit in revolving corpus fund representing the aggregating of deficit in cash flows over the years upto 31.03.2024, being expenditure incurred for projects over statutory contributions received every year and the cumulative net loss over the years upto 31.03.2024.*

According to the management the amount shown as receivable from Government of Kerala would be recouped over the years as stated above as per the asset liability management model prepared by the management and is considered good and recoverable accordingly.

Networth is inclusive of amounts transferred from revolving corpus fund to initial corpus fund as disclosed in Note No 6 of accompanying statements with due approval of Government of Kerala vide government orders referred to in the above note.



Kerala Infrastructure Investment Fund Board
Statement of Consolidated Cash Flows for the year ended 31.03.2024

(Figures in Lakhs Rs.)

Particulars	For the year ended	For the year ended
	31.03.2024	31.03.2023
	Audited	Audited
A. Cash flow from operating activities		
Profit before income tax	(96,900.29)	(85,080.99)
Adjustments for:		
Depreciation and amortisation expense	989.42	1,100.04
Interest income	(73,007.51)	(63,059.78)
Finance Cost	1,83,464.19	1,41,696.48
Profit on Sale of Mutual Fund Investment	(17,103.06)	-
Provision for conversion of loan into Non income generating project (incl accrued interest)	9,475.92	39,384.84
Interest on income tax refund	(45.01)	-
Provision for Revenue generating project written back	(8,402.64)	-
Loan Asset converted to non income generating project-KINFRA		4,055.64
Receivable Written off		164.56
Provision for TDS Asset FY 2019-20		375.77
Provision for standard asset	2,565.78	-
Operating profit / (loss) before working capital changes	1,036.80	38,636.56
Changes in working capital:		
Adjustments for (increase) / Decrease in operating assets:		
Loans and Advances	15,042.65	90.38
Financial assistance made to Revenue Generating Projects	(11,455.85)	(45,998.59)
Other Non Current and Current Assets	(1,730.03)	(401.01)
Trade receivables	(297.35)	(160.53)
Inventory	(50.51)	-
Adjustments for increase / (Decrease) in operating liabilities:		
Other Current/Non current Liabilities	(12,243.65)	(2,125.33)
Trade Payables	33.39	32.43
Net Changes in working capital:	(9,664.55)	(9,926.09)
Cash generated from operations	(9,664.55)	(9,926.09)
Net income tax (paid) / refunds	969.47	782.19
Net cash from/ (used in) operating activities (A)	(8,695.08)	(9,143.90)
B. Cash flow from investing activities		
Purchase of PPE (including changes in CWIP)	(87.56)	(235.10)
(Purchase)/ disposal proceeds of Investments		-
Sale proceeds of PPE		-
Interest income received out of fixed deposit	17,196.92	16,518.73
(Purchase)/ Sale proceeds of Investments	1,22,278.09	(45,175.02)
Net cash from/ (used in) investing activities (B)	1,39,387.45	(28,891.39)
C. Cash flow from financing activities		
Loans from :-		
(i) Banks and Financial Institutions	3,32,261.68	4,73,204.78
(ii) Bonds	2,66,868.00	26,433.00
(iii) Pravasi Dividend Scheme	1,507.77	3,520.62
Bonds repaid during the year	(2,15,000.00)	-
Loans repaid during the year	(88,664.94)	(93,967.61)
Statutory contribution from GoK	42,250.00	2,47,876.35
Additional Financial Support for Infrastructure Development	2,80,828.91	-
CSR and PTA fund	24.64	436.30
Unutilised portion of LAC ADS share repaid	(94.39)	-
Recoupment by way of Statutory contribution from Govt of Kerala from Corpus Fund for direct project cost (other than NABARD)	(4,69,233.29)	(4,61,291.31)
Interest received during the period from Deposits made out of corpus fund	4,486.69	1,163.71
Finance cost paid	(1,64,505.66)	(1,34,962.15)
Fund utilised for NABARD Projects	5,038.73	(12,741.68)
Net cash from/ (used in) financing activities (C)	(4,231.86)	49,672.01
Net increase (decrease) in cash and cash equivalents (A+B+C)	1,26,460.51	11,636.72
Cash and cash equivalents at the beginning of the financial year	5,92,979.08	5,81,342.36
Cash and cash equivalents at end of the year	7,19,439.59	5,92,979.08

Notes:

- The Above cash flow statement has been prepared under indirect method prescribed in AS 3 "Cash Flow Statements".
- Components of cash and cash equivalents

Balances with banks

Cash in Hand	0.12	0.03
Balance with Treasury	0.02	0.01
Term Deposits/Sweep	1,82,383.77	2,86,156.72
Other deposit, savings and current accounts	53,352.76	24,749.98
Other Bank balance in Treasury Accounts	3,32,701.92	2,82,049.28
In Masala Bond Sinking Fund Account with Axis Bank	-	23.06
Fixed Deposit with Bank(Lien against C	1,51,001.00	-
	7,19,439.59	5,92,979.08



Ratios (Refer Note 23)

Sl No	Particulars	Year Ended	
		March 31, 2024	March 31, 2023
		<i>Audited</i>	<i>Audited</i>
a.	Debt Equity Ratio*	6.26	6.32
b.	Debt Service Coverage Ratio	0.18	0.24
c.	Interest Service Coverage Ratio	0.48	0.41
d.	Current Ratio**	3.76	3.01
e.	Longterm Debt to Working Capital	2.11	1.97
f.	Current Liability Ratio	0.15	0.20
g.	Total debt to Total Asset Ratio	0.85	0.86

* For the Purpose of Debt Equity Ratio, Initial Corpus Fund being in nature of fixed capital has been treated as equity since KIIIFB has no share capital as per KIIIF Act 1999 as amended in 2016.

** For the purpose of Current Ratio, Current Asset also includes current portion of statutory contribution receivable from Govt. of Kerala.



Kerala Infrastructure Investment Fund Board

Notes to Consolidated financial results for the quarter and year ended March 31 2024

- 1 The above consolidated financial results of Kerala Infrastructure Investment Fund Board (KIIFB) has been reviewed by the executive committee and approved by members of the General Body in respective meetings held on 25.05.2024. The statutory auditors of Holding entity have carried out audit of these consolidated financial results.
- 2 The consolidated financial statements incorporate the financial statements of KIIFB (the holding entity) and its wholly owned subsidiary company KIIFCON Pvt Limited" and its associate company Kerala Infrastructure Fund Management Limited (collectively known as 'the Group'). The consolidated financial statements relate to KIIFB, its subsidiary and the entity's share of profit / loss in its associate company.

Consolidated financial statements are prepared as per AS 21 under which subsidiaries are consolidated on line-by-line basis from the date the control is transferred to the Group. Inter-entity transactions, balances and unrealised gains/ losses on transactions between group entities are eliminated. The carrying amount of the entity's interests and the non-controlling interests ('NCI') are adjusted to reflect the changes in their relative interests in the subsidiaries. The consolidated financial statements include the share of profit / loss of an associate entity which has been accounted for using 'equity method' as per AS 23 'Accounting for Investments in Associates in Consolidated Financial Statements'. Accordingly, the share of profit / loss of the associate entity (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investment.

The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.

The Holding entity, Kerala Infrastructure Investment Fund Board (referred to as KIIFB) was established on 11.11.1999 under the Kerala Infrastructure Investment Fund Act 1999 (Act 4 of 2000) with the main objective of financing the investment in critical and large infrastructure projects in the State of Kerala. Comprehensive modification of the Act and Scheme has been made through an amendment Ordinance in August 2016. The financial results of the Group have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and as per Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations'). Group follows Mercantile System of Accounting and recognizes significant items of income and expenditure on accrual basis, except to the extent otherwise stated. Holding entity, being a body corporate and not a company as defined under Companies Act, 2013 do not adopt the Ind AS prescribed under Companies (Indian Accounting Standard) Rules, 2015. KIIFB adopted the Accounting Standards prescribed by the Institute of Chartered Accountants of India.

Following subsidiaries and associate company have been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	% of Holding
KIIFCON Private Limited	Subsidiary Company	100%
Kerala Infrastructure Fund Management Limited(KIFML)	Associate Company	42.69%

The general information of the subsidiary and associate is as under :

KIIFCON Private Limited

KIIFCON Pvt. Ltd. is a private Limited Company which is engaged in the business of providing consultancy services in the fields of infrastructure and related technologies and has commenced commercial operations.

Kerala Infrastructure Fund Management Ltd (KIFML)

Kerala Infrastructure Fund Management Limited ('the Company') is a public limited company incorporated under the provisions of the Companies Act, 2013 which is mainly engaged in the business of acting as the investment manager of Alternate Investment Funds which are registered with SEBI.

- 3 During the year Holding entity has issued Listed Non -Convertible Debentures (NCD's)/Bonds in pursuant to the provisions of SEBI Listing Obligations and Disclosure Requirements,2015 (LODR) and the details of which are given below.

a) Domestic Bond Series I

Domestic Bond Series I issued on 22.12.2023 amounting to Rs.149996 lakhs at a coupon rate of 8.95% per annum payable quarterly. Non convertible domestic bond in nature of debenture comprising of seven sub series 'A' through 'G' with maturity ranging from 4-10 years which is listed in Stock exchange BSE Limited.

b) Domestic Bond Series II

Domestic Bond Series II issued on 26.03.2024 amounting to Rs.61166 lakhs at a coupon rate of 9.1% per annum payable quarterly. Non convertible domestic bond in nature of debenture comprising of seven sub series 'A' through 'G' with maturity ranging from 4-10 years which is listed in Stock exchange BSE Limited.

c) Green Bond

Green bond issued on 03.07.2023 for an amount of Rs.30002 lakhs at coupon rate of 8.49% per annum payable quarterly. Non convertible green bond in nature of debenture comprising of seven sub series 'A' through 'G' with maturity ranging from 4-10 years which is listed in Stock exchange BSE Limited.

The above bonds are backed by guarantee of Government of Kerala.



Maturity Profile of Bonds

Maturity Profile (in Years)	Amount in Rs.(Lakhs)			
	Green Bond Series	Domestic Bond Series I	Domestic Bond Series II	Total
4	4,286	21,428	8,738	34,452
5	4,286	21,428	8,738	34,452
6	4,286	21,428	8,738	34,452
7	4,286	21,428	8,738	34,452
8	4,286	21,428	8,738	34,452
9	4,286	21,428	8,738	34,452
10	4,286	21,428	8,738	34,452
Total	30,002	1,49,996	61,166	2,41,164

4 KIIFB had raised an amount of Rs. 215000 lakhs through overseas Rupee denominated Bond offering (Masala Bond) with the due approval of Reserve Bank of India as required under Foreign exchange management Act 1999 in the year 2018-19. KIIFB has also ensured compliance with approvals or permissions, if any required from other regulatory authority or Government under other relevant laws /regulations as stated in the letter of RBI in due consultation with eminent jurist and legal expert. These 5 year tenure bonds were issued at a coupon rate of 9.723% p.a. Tenure of the bond has expired during the year and liability towards principal and interest has been fully repaid as at the reporting date.

5 Payments towards direct project cost are accounted on actual payment basis. Centage/ additional centage charges to SPVs are accounted based on claims received. The centage charges are paid as a percentage of project cost to SPVs as per Government order. The liability for centage is recognized based on claims submitted through invoices after proper verification and authentications/ approval of claim by the management. Centage is allocated to project cost based on Government Order and General body approval.

Various expenses incurred which are directly attributable to projects such as Technical Resource Centre expenditure, Detailed Project Report support services, Independent quality audit & design review charges, Land Acquisition unit expenses, Testing equipments and Centage /additional centage charges which are allocated to cost of projects. However, the same are pending to be allocated to individual projects as at quarter end from the inception.

6 During the year, an amount of Rs.42,250 lakhs was received from GoK vide GO No.54/2024/fin and GO no. 9210/2023/fin (read with Order No. FA-2/5034/2024/KIIFB dated 10.01.2024) towards balance of motor vehicle tax which was credited to Revolving Corpus Fund. Further, KSIDC has repaid borrowing to extent of Rs.8402.64 lakhs , which was fully provided for in earlier years and accordingly, the provision to extent of Rs.8402.64 lakhs was written back to P&L and c/f to Revolving Corpus Fund. The above amounts of Rs.50652.64 lakhs (Rs.42,250 lakhs plus Rs.8402.64 lakhs) which was lying in the Revolving Corpus Fund was transferred to Initial Corpus Fund by the management and equivalent fund was directly credited/ transferred to special treasury account earmarked for initial corpus. The transfer as above has been approved by Govt. of Kerala vide GO Rt.No 4098/2024/Fin dated 18.05.2024 (Rs.42250 lakhs) and GO RT No.4099/2024/Fin dated 18.05.2024 (Rs. 8402.64 lakhs).

7 Holding entity has introduced revised prudential norms on Income recognition, asset classification and provisioning relevant and applicable for long term infrastructure projects w.e.f 01-04-2023 as per the decision of general body through circular resolution dated on 13.04.2023. Further based on Prudential norms on Income recognition, asset classification and provisioning (IRACP Norms) for long term infrastructure projects was adopted by KIIFB w.e.f 01-04-2023, vide circular resolution stated above and the same has been revised in the 46th General Body Meeting of KIIFB held on 02.09.2023.

As per the revised IRACP norms, KIIFB has classified projects into four categories based on the viability of projects into High, Medium, Low and no commercial viability projects. As per the provisions of IRACP Norms, project identified and categorised as Category I/ II earlier but later re-categorised as category III project, entire interest accrued in the past periods shall be reversed. Hence for such projects IRACP Norms are not applicable from the effective date of classification till such time repayment agreement are executed or project identified as loan in books of accounts whichever is earlier. Provisioning of non performing assets is done as per norms as under :

a) The assets are classified as follows :

(i) Standard Assets - up to 12 months overdue

(ii) Substandard Assets – Beyond 12 months but less than 24 months overdue

(iii) Doubtful Assets – Beyond 24 months overdue

(iv) Loss Assets – fully to be written off subject to security value realisation

(v) In case of revenue generating projects (RGP) for which repayment agreements are pending to be entered, and disbursement is more than 40%:- such RGP will be considered as substandard asset after 24 months from the date 40% payment milestone has been reached or from the date of identification of the project as RGP in books of accounts, whichever is later.



b) Provisioning Norms

Type of Asset	Provision Required (%)- Expected Credit loss
(i) Standard Asset	0.40%
(ii) Substandard Asset	
Beyond 12 months and up to 18 months overdue for repayment agreements executed and beyond 24 months and up to 30 months overdue for not executed.	10%
Beyond 18 months and up to 24 months overdue for repayment agreements executed and beyond 30 months and up to 36 months overdue for not executed.	25%
(iii) Doubtful Assets	
Up to One year	50%
One to three years	75%
More than three years	100%
(iv) Loss Assets	100%

As per the IRACP norms provision for standard assets (for all revenue generating projects) at 0.4% on the outstanding loan balance and accrued interest amounting to Rs.2,565.78 Lakhs has been provided in the books of accounts as at 31.03.2024.

8 There are no overdues in principal and interest outstanding as at 31.03.2024 as per terms of loan agreement.

9 The categorisation of loans as per IRACP Norms and closing balances are as follows.

Category	Type of Category	No. of Projects	Loan (Rs. in lakhs)	Interest Accrued (Rs. in Lakhs)	Total (Rs. in Lakhs)
I	Projects which have high commercial	8	4,96,610.56	1,25,466.03	6,22,076.59
II	Projects which have medium commercial	6	17,461.56	1,906.48	19,368.04
III	Projects which have low commercial	2	30,323.88	10,134.24	40,458.12
IV	Projects which have no commercial	-	-	-	-
Total			5,44,396.00	1,37,506.75	6,81,902.75

9.1 At the meeting of CEO, Principal Secretary of Industries department and KSIDC officials held on 24.06.2023 it was decided to place before the general body of KIIFB, a proposal for conversion of the project Bio 360 life science park phase I which was hitherto treated as revenue generating, into non-revenue generating project. The amount disbursed to the project till the close of the year is Rs. 30,117.04 Lakhs and accrued interest Rs.9,267.80 Lakhs upto 31.03.2021. No interest has been recognised on the project subsequent to 31.03.2021 pending implementation of resolution plan. The total cost of Rs.39,384.84 Lakhs (Incl accrued interest) has been fully provided for as doubtful and charged to P&L A/c of the preceding year as project cost. Further in the 46th general body of KIIFB revised IRACP norms was placed and the above loan was classified as category III project (Projects with low commercial viability). Accordingly no interest has been recognised on the project. During the year, an amount of Rs.8402.64 lakhs being the unutilised portion of loan has been refunded by KSIDC based on the proceedings of Special tahsildar LA(General), Trivandrum dated 05.02.2024. Accordingly the said remittance has been adjusted against the principal amount of loan and corresponding provision for loss made in prior year has been written back in the books of accounts under other income.

9.2 In addition to the above, 46th General body held on 02.09.2023 has classified two projects namely ITD001-02-SPV KSITIL (Amount o/s including accrued interest Rs.10850.82 lakhs) and LSG 007-01-SPV KSEB (Amount o/s including accrued interest Rs.9475.92 lakhs) into lower commercially viable project (Category III). However repayment agreement was executed for the project ITD 001-02 after the balance sheet date on 13-04-2024. As per the terms of agreement interest rate was reduced to fixed rate of 5% from the existing ACDB rate. On execution of repayment agreement, such classification of project was upgraded to category II treating it as adjusting event as per AS-4 and differential excess interest amounting to Rs.263.26 lakhs has been reversed to interest income of the year.

Additional provision amounting to Rs.9475.92 lakhs has been made in books of accounts towards outstanding loan amount and accrued interest till 31.03.2023 for LSG 007-01 project being classified to category III during the year. No interest income has been recognised during the current year for said project.



9.3 On facts of the case, in respect of many of the revenue generating projects financed, there have been certain inherent delays during implementation which according to the management does not have adverse effect on the recovery of loans granted considering the operational model of KIIFB. Moreover, since the borrowers are government owned or controlled agencies, the loans are considered by the management as good and recoverable based on confirmations from the borrowers including for land acquisition projects aggregating to Rs. 2,87,972.40 Lakhs.(cost incurred till 31.03.2024).

9.4 Loan agreements are pending to be executed with one SPV as at 31.03.2024 for loan outstanding aggregating to Rs.667.47 lakhs although more than 40% stage of disbursement as per the terms of the tripartite agreement between KIIFB, the SPV and the concerned Govt department has been exceeded (which is less than one month) as at the year end. Steps are under process for execution of loan agreement which is pending the requisite clearance from the concerned departments of the Govt of Kerala .

9.5 Interest income for Category I projects are recognised at Average Cost of Domestic Borrowing (ACDB) of KIIFB reset every six months in a calendar year with monthly compounding (in some cases rate agreed at the time of sanction), Category II projects at discounted rate of interest as compared to category I and with respect to other two categories interest income is not recognised in books of account.

10 Balances under loan from Kerala Non-Resident Keralites Welfare Board (KNRKWB) amounts to Rs.33,800.56 lakhs. Revised Tripartite agreement is pending to be executed between KNRKWB, KIIFB and GoK by incorporating matters relating to treatment / adjustment of TDS receivable for KNRKWB. Loan amount includes interest accrued on loan upon maturity amounting to Rs.1776.23 lakhs (P.Y-1647.31 lakhs) as per the terms of agreement and KNRKWB Scheme. Interest on loan are calculated based on the records relating to loan balances (yearly basis) furnished by KNRKWB.

Allocation of Expenses towards Projects includes cost incurred towards 'Ente Keralam' program during the year amounting to Rs.6744.96 lakhs. Government of Kerala vide G.O 2/2023/I&PRD dated 09.03.2023 has entrusted KIIFB to incur infrastructure and media publicity cost of 'Ente Keralam' activities. The "Ente Keralam" program expenses amounting to Rs.6,744.96 lakhs was incurred during the year through external agencies mainly (Kerala State Industrial Enterprises Limited (Rs. 1,545.36 Lakhs), Global Kerala Initiative - GKI (Rs. 1,861.53 Lakhs), Indian Institute of Infrastructure & Construction referred to as IIC (Rs. 3,047.23 Lakhs), which are government owned or controlled entities/NGO) to whom the activities/functions were outsourced by KIIFB. Such outsourced agencies have been engaged by the CEO on nomination basis (single quote) which has been ratified by the meeting of the general body held on 04.03.2024. As directed by 24th executive committee the invoices of first level service providers (intermediary agencies in some cases) to whom such services have been outsourced were obtained w.r.t IIC, GKI and KSIE Ltd. M/s IIC has provided with an administrative and facilitation charges at 20% as provided in the MOU and KSIE Ltd has raised invoice at 4% higher on the cost incurred by them and with respect to GKI such service charges is at 5% higher on cost incurred by them. The above expenses were incurred during the first quarter ended 30.06.2023, in the period on which such programme was undertaken and these have been treated as a part of project costs shown as contra in the statement of P&L account . No specific budget provision was made for such expenses since these are direct expenses incurred for various projects . Board has ratified the decision taken by CEO for award of contract on single tender basis with respect to Ente keralam expenses at their meeting held on 04.03.2024 (47th general body).

11

12 Promotional and advertisement expenses

- 12.1 Promotional and advertisement expenses includes an amount of Rs.1295.46 lakhs incurred towards providing infrastructure facilities to "Keraleeyam" event as per GO 153/2023 dt.13.10.2023. The work was undertaken by Chief engineer Building PWD as recommended by programme committee of Keraleeyam. Tendering process, identification and evaluation of bidder, supervision and execution is done by Chief engineer Building PWD. The details of successful bidder/s are intimated to KIIFB by CE, PWD.
- 12.2 Promotional and advertisement expenses also includes expense incurred towards media, promotional and advertisement expenses of Rs.1592.79 lakhs incurred through various parties to whom such works were outsourced. The selection of the party was made on a negotiated basis on rates considered competitive considering the nature and exigency of the work involved and also taking into account the prior experience with the party. The above expenses are within the budgetary limit approved by general body.
- 12.3 Out of the above an amount of Rs 538.80 lakhs incurred towards nation wide media and publicity campaign of the Government of Kerala against restriction on borrowing powers of the State imposed by the Central Government since it would gravely impact the operations of KIIFB which is built up as a premier agency providing quality infrastructure for the People of Kerala. The expenses were fully budgeted and authorised by the Media Management Group(MMG) of KIIFB.
- 13 KIIFB had incurred an expenditure of Rs.936.66 Lakhs during the year towards KSFE Software expenses which includes an amount of Rs 861.22 incurred through external agency (a Government PSU - KSIE Limited) to which the activities for server hosting and licence renewal charges of KSFE Pravasi software have been outsourced by KIIFB on nomination basis (single quote) which are supported by invoices of first level intermediary agencies and invoice of end service provider is not available. KSIE Limited has raised invoice on KIIFB at 3% & 10% over cost incurred depending upon the nature of service provided through the intermediary agency to whom the services have been sub-contracted. The aggregate operating cost (Server hosting and License renewal charges) paid to KSIE Ltd during the years from 2020-21 to 2023-24 amounts to Rs.3,964.81 lakhs against the capital cost of acquisition/ development of software of Rs.3,037.94 Lakhs (Gross carrying value). In terms of the MoA between KIIFB and KSFE dt.01.06.2019, a separate agreement is to be entered into between the parties for recovery of the total cost (operating and capital) of the software from KSFE which is pending to be executed. The Board had at its meeting held on 04.03.2024 directed to expedite the steps to enter into such an agreement and due to certain reasons, the same is yet to be complied with.



- 14 The balances under statutory contribution receivable from GoK of Rs.10,61,862.03 lakhs is considered good and recoverable and there is no uncertainty with regard to ultimate recovery, based on financial operational model of KIIFB as per the KIIF Act, 1999 as such amounts are expected to be recouped from the statutory contribution receivable in future years and are incorporated in the Asset Liability Management system and represents net amount spent as per the operational model implemented by KIIFB as envisaged in the KIIF Act.
- 15 KIIFB has put in place a system/ process of computation of Asset Liability Management. A detailed external review of the ALM system was conducted by independent IT consultants to assess the functionality and management of financial risk of KIIFB and to conduct a comprehensive scenario-based testing of the ALM System to ensure its robustness on 15.02.2022. The observations of the reviewers was duly considered by the management of KIIFB at the meeting held on 15th February 2022 and the status of ALM was taken note of by the General Body. Further follow up presentation of ALM was made in the 47th general body held on 04.03.2024. The board has taken note of the same and as per the presentation, ALM has been placed on record to be sound/stable. The ALM model is placed for overseeing and monitoring at the periodical meetings of the Fund Trustee and Advisory Committee (FTAC) of KIIFB which comprises of eminent financial experts of the country having rich and wide experience in the field of financial management. The committee reviews the sound functioning of the ALM Model and it was found to be properly in place to safeguard the best interest of KIIFB.
- 16 Advance and receivable also includes an amount of Rs 916.73 Lakhs incurred towards expenses to be recovered from Information & Public Relations Department for which claims are raised and pending for more than one year which is subject to confirmation as at 31.03.2024. However, the balance has been confirmed as at 31.03.2023. In the opinion of management such amount is considered good and recoverable.
- 17 Reconciliation of Form 26 AS (as per Income Tax Act,1961) and Book of accounts - Reconciliation of Income for the current reporting period and credit as per Form 26AS with books of accounts could not be done since Form 26AS in income tax web portal is yet to be updated with the entries for the year 2023-24 and effect of such non reconciliation could not be ascertained. Any adjustment found required shall be made in succeeding period/year upon such reconciliation.
- 18 Finance for Revenue Generating Projects treated as Loan receivable from SPV in the books are appraised by the Project Appraisal Division and implementation is closely monitored. The division comprise of high level technical expert team under the Executive Director, who is a senior chartered engineer having vast experience in the field of construction and infrastructure. Each Project is reviewed by Project Manager as a Nodal Officer and supervised by Senior General Manager of the Division. The detailed project report is appraised by the division which places its detailed appraisal report before the EC/ General body of KIIFB. The detailed project report contains comments on review from technical, economic, financial, environment, social and institutional angle. The functions as above is governed by the norms stipulated in Standard Operating Procedures for project acceptance and SPV on boarding. In the opinion of management, the appraisal function done is sound and operating effectively.
- 19 Associate company has appointed Shri. Dr Kamalakannan Ellangovan as Managing Director during the immediately preceding financial year w.e.f. 23.12.2022 and has paid managerial remuneration of fixed pay amounting to Rs. 24 lakhs. Provision has been made in the accounts towards variable pay of Rs. 24 lakhs and earned leave salary of Rs.1.59 lakhs. The provision for leave salary is subject to approval of the Nomination and Remuneration Committee and AGM of the Company. The actual amount of variable pay is based on performance criteria is pending to be fixed by the Nomination and Remuneration Committee.
- 20 Associate company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, audit trail feature was not enabled throughout the year.
- 21 Contingent Liabilities**
- 21.1 The total income tax demands raised against KIIFB of Rs.1,594.88 Lakhs which are unpaid pertains to AY 2018-19 of Rs.112.57 Lakhs, AY 2020-21 of Rs.79.59 lakhs and AY 2021-22 of Rs.1,212.42 Lakhs for which appeal is pending disposal with Commissioner of Income Tax (Appeals). Writpetition against the income Tax demands of Rs.190.30 Lakhs towards TDS for FY 2017-18 to 2020-21 is pending disposal before the Hon'ble High Court of Kerala. The above amounts are not provided for pending disposal of appeals/writ petition. The Income Tax Department has adjusted refund of succeeding years to the extent of Rs.1297.39 lakhs against the above demands.
- 21.2 Income tax proceedings for AY 2022-23 was completed during the year vide order u/s 143(3) dated 23.03.2024 and disallowances were made by assessing authority to extent of Rs 592.16 lakhs. No demand has been raised since the addition made has been adjusted against the loss for the year. KIIFB has filed appeal against the addition made as above and is pending for disposal.
- 21.3 GST department has issued a demand amounting to Rs.1633.19 lakhs towards tax liability and Rs.163.32 lakhs towards applicable penalty under the act vide order No.10/2023-24 GST ADC Section 73(9) of CGST Act 2017 pertaining to the period from 2017-18 to 2022-23 relating to certain transactions under reverse charge mechanism payments. The matter is disputed by KIIFB based on the facts of the case and filed an appeal to GST appellate tribunal against the order. The same is pending for disposal as at the reporting date.
- 22 The group's activities fall within a single business segment of infrastructure development financing/consulting in terms of AS-17 'Segment Reporting' and hence there are no other separate reportable business and geographical segment as per AS 17 Segment Reporting..



23 **Notes to additional disclosures as per regulation 52(4) of Securities and Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulation, 2015 as amended:**

- a. Debt equity ratio represents total debt (long-term borrowings, short-term borrowings and lease liability) / total equity (equity share capital + other equity). For the Purpose of Debt Equity Ratio, Initial Corpus Fund being in nature of fixed capital has been treated as equity since KIIFB has no share capital as per KIIF Act 1999 as amended in 2016.
- b. Debt service coverage ratio represents earnings available for debt servicing. (Net profit after taxes + Non cash operating expenses like depreciation and amortizations + Finance costs + other adjustments like loss on sale of fixed assets) / Debt service (Interest payments+ option premium +lease payments + principal repayments). Part of the borrowing is repaid through refinancing, so principal repayment pertaining to such refinanced borrowings are not considered. Interest payments also includes option premiums and other borrowing costs capitalised during construction phase.
- c. Interest service coverage ratio represents earnings available for interest servicing. (Net profit after taxes + Non-cash operating expenses like depreciation and amortizations + Finance costs + other adjustments like loss on sale of fixed assets) / Interest service (interest payment+ option premium payment). Interest payment also includes option premiums and other borrowing costs capitalised during construction phase.
- d. Current ratio represent current assets / current liability. For the purpose of Current Ratio, Current Asset also includes current portion of statutory contribution receivable from Govt. of Kerala.
- e. Long term debt to working capital represents long-term borrowings including lease liabilities/ (current assets less current liabilities) (including current maturities of long term borrowings).
- f. Current liability ratio represents current liabilities (including current maturities of long-term borrowings) / total liabilities (excludes deferred tax liabilities on fair value of equity).
- g. Total debts to total assets represent total borrowings (long term borrowings, short term borrowings and current maturities of long-term borrowings)/total assets.




Dr. K. M. ABRAHAM CFA
Chief Executive Officer
& Fund Manager
Kerala Infrastructure Investment Fund Board

Varma & Varma

Chartered Accountants

Independent Auditor's Report on Consolidated Financial Results of Kerala Infrastructure Investment Fund Board in pursuant to the Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulations,2015 (as amended)

To

The Board of Kerala Infrastructure Investment Fund Board (Holding Entity)

Thiruvananthapuram

Report on the Audit of Consolidated Financial Results

Qualified Opinion

We have audited the accompanying Consolidated Annual Financial Results of Kerala Infrastructure Investment Fund Board (hereinafter referred to as 'KIIFB'), and its subsidiary company and its associate company (together referred to as 'the group') for the year ended 31st March 2024, attached herewith, being submitted by KIIFB pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of report of other auditors on separate audited financial statements of subsidiary company, these consolidated financial results:

- a. includes the annual financial results of the entities KIIFCON Pvt Ltd (Subsidiary Company) and Kerala Infrastructure Fund Management Limited, (Associate Company)
- b. are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- c. except for the effect of the matters described in the Basis for Qualified Opinion section of our report, the accompanying Consolidated annual financial results give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2024 and its consolidated profit and consolidated cash flows for the year then ended.

Basis for Qualified Opinion

1. As stated in Note No.11 to the accompanying consolidated statement, invoices of first level service providers to whom certain activities have been outsourced by KIIFB relating to 'Ente Keralam' programme expenditure amounting to Rs.6,744.96 lakhs have been made available to our verification as directed by the Executive committee at its meeting on 01.09.2023. However, the management is not able to confirm whether



first level service provider is final end service provider, and internal controls in this regard need to be strengthened while entering into contracts for better transparency. The expenditure incurred as above has been charged to project costs since according to the management such costs are directly relatable to projects and on account of this no provision has been made in the budget for such direct project costs. The above expenses have been ratified by the general body at their meeting held on 04.03.2024.

2. An amount of Rs.1592.79 lakhs has been incurred for promotion and media activities through various parties to whom works were outsourced on nomination basis (single tender). This procedure is not in compliance with the stipulations in SOP for procurement of media services in force during the year requiring invitation of open tender for such works. In the absence of proper tendering, the reasonableness of the rates could not be verified by us. The above amount of Rs.1,592.79 lakhs includes an amount of Rs.745 lakhs incurred for promotional campaigns in social media, international SMS services etc for which invoices of first level service providers were made available to us as directed by the executive committee and management is not able to confirm whether such first level service provider is the final end service provider. Internal controls in entering into contracts required to be strengthened for better transparency. Further appropriate audit evidences to authenticate the receipt of the services provided as claimed in the invoices of the first level service provider were not available on record, explained to be due to practical difficulties. We have placed reliance on the authentication and attestation of receipt of services by the Nodal Officer media management group with the approval of payment by CEO. The above expenses have been incurred within the budget approved by the General Body.
3. As stated in Note No.13 to the accompanying consolidated statement, KIIFB had incurred an expenditure of Rs.936.66 Lakhs during the year towards KSFE Software expenses which includes amounts incurred through external agency (a Government PSU - KSIE Limited) to whom the activities for server hosting and licence renewal charges of KSFE Pravasi software have been outsourced by KIIFB on nomination basis (single quote). The claims are supported by invoices of first level intermediary agencies and the management is not able to confirm whether such first level service provider is the end service provider. Internal controls needs to be strengthened while entering into such contracts for better transparency. KSIE Limited has raised invoice on KIIFB at 3% & 10% over cost incurred depending upon the nature of service provided through the intermediary agency to whom the services have been sub-contracted.

KIIFB has paid operating cost (Server hosting and License renewal charges) to KSIE Ltd during the years from 2020-21 to 2023-24 amounting to Rs.3,964.81 lakhs against the capital cost of acquisition/ development of software of Rs.3,037.94 Lakhs (Gross



carrying value). The direction of the Executive Committee meeting held on 01.09.2023 and also the General Body meeting held on 04.03.2024 to expedite steps to enter into agreement with KSFE for recovery of the cost incurred on the software till date is pending to be implemented. In our opinion, such delay in execution of the agreement requires to be avoided/ minimised.

In view of the facts and circumstances dealt with in para 1 to 3 above, we are not able to express our opinion on the authenticity of expenses incurred during the period dealt with in the above paragraphs.

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of KIIFB in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the said Code of Ethics. We believe that the audit evidence we have obtained and other auditors in terms of their reports referred to in "Other Matter" paragraph below is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to the following matters described in the accompanying statement of Consolidated financial results.

- (i) As stated in Note No.6 to the accompanying consolidated statement, during the year, an amount of Rs.42,250 lakhs was received from GoK vide GO No.54/2024/fin and GO no. 9210/2023/fin (read with Order No. FA-2/5034/2024/KIIFB dated 10.01.2024) towards balance of motor vehicle tax which was credited to Revolving Corpus Fund. Further, KSIDC has repaid borrowing to extent of Rs.8402.64 lakhs , which was fully provided for in earlier years and accordingly, the provision to extent of Rs.8,402.64 lakhs was written back to P&L and carried forward to Revolving Corpus Fund. The above amounts of Rs.50,652.64 lakhs (Rs.42,250 lakhs plus Rs.8,402.64 lakhs) which was lying in the Revolving Corpus Fund was transferred to Initial Corpus Fund during the year by the management and equivalent fund was directly credited/ transferred to special treasury account earmarked for initial corpus. The transfer as above has been approved by Govt. of Kerala vide GO Rt.No 4098/2024/Fin dated 18.05.2024 (Rs.42,250 lakhs) and GO Rt No.4099/2024/Fin dated 18.05.2024 (Rs.8402.64 lakhs).
- (ii) Interest income has been recognised on revenue generating projects in cases where there have been certain delays on implementation of the projects financed by such loans, as detailed in Note no.9.3 to the accompanying consolidated statement. According to the management, certain inherent delays which have occurred during



implementation stage of infrastructure does not have adverse effect on the recovery of loans granted considering the operational model of KIIFB and these loans are expected to be recovered from SPVs which are all government owned or controlled agencies and hence considered by the management as good and recoverable. Such recovery however would depend upon actual income generation from land acquisition of projects having an aggregate cost incurred till 31.03.2024 amounting to Rs.2,87,972.40 lakhs so far as it relates to income accrued on such projects.

(iii) Loan agreements are pending to be executed as on date with one SPV for loan outstanding aggregating to Rs.667.47 Lakhs although more than 40% stage of disbursement (as per the terms of Tripartite Agreement between KIIFB, SPV and the concerned Government department) has been exceeded requiring execution of such loan agreement, as stated in Note no.9.4 to the accompanying consolidated statement. As explained by the management, steps for execution of loan agreements is under process, which is pending for requisite clearance from the concerned departments of the Govt of Kerala.

(iv) As stated in Note No 7 to the accompanying consolidated statement, Prudential norms on Income recognition, asset classification and provisioning for long term infrastructure projects was adopted by KIIFB w.e.f 01-04-2023, vide circular resolution dated 13.04.2023 and the same has been revised in the 46th General Body Meeting of KIIFB held on 02.09.2023. KIIFB has classified projects into four categories based on the viability of projects into High, Medium, Low and no commercial viability projects.

Based on the said norms, additional provision amounting to Rs.9475.92 lakhs have been made in books of accounts for KSEB -Nilavu project towards outstanding loan amount and unrealised interest accrued till 31.03.2023 since the said project has been classified to category III during the year. No interest income has been recognised during the current year on the loans for said project as stated in Note No.9.2.

(v) As stated in Note No.14 to the accompanying consolidated statement, the balances under statutory contribution receivable from GoK of Rs.10,61,862.03 Lakhs upto 31.03.2024 is considered good and recoverable by the management. According to the management there is no uncertainty with regard to ultimate recovery, based on financial operational model of KIIFB as per the KIIF Act, 1999 (amended by act of 2016) as such amounts are expected to be recouped from the statutory contribution receivable in future. We have relied entirely on the management representation in this regard considering the facts of the case.



- (vi) As stated in Note No.18 to the accompanying consolidated statement, the procedures followed for appraisal of projects by the project appraisal division offers scope for improvement by documentation of the assumptions followed in making financial projections relating to estimated costs and revenues.
- (vii) As stated in Note No.16 to the accompanying consolidated statement, receivable from Information & Public Relations Department amounts to Rs.916.73 lakhs for which claims raised are pending for more than one year. However, the balance has been confirmed as at 31.03.2023.

We also draw attention to the following matters reported in emphasis of matter paragraph of audit report of subsidiary company as reported by other auditor. The below matters are not disclosed in notes to accounts of subsidiary company.

- (i) Overseas Keralites investment and Holding Ltd (OKIH) had entered an MOU with KSCU(KIIFB Consultancy Service Unit) on 01.03.2022.On formation of KIIFCON Pvt Ltd, all the projects of KSCU were transferred to KIIFCON vide order No. FA-7/5024/2022/KIIFB dtd 27.11.2022. Hence the project of OKIH was also transferred to KIIFCON Pvt Ltd. The project was on hold due to the unavailability of land parcels and the same was re-started on confirmation on land availability at Thalapaady, Kasargode district. This year KIIFCON has accounted Rs.0.28 lakhs as overtime expenses for the project. A draft agreement is made between KIIFCON and OKIH, however the same is not finalised till date.
- (ii) KIIFCON has entered into a supplementary agreement for consultant contract with Cochin Smart Mission Limited on 17.12.2022 with a validity from 01.01.2022 for 24 months which expired on 31.12.2023. The former organization of KIIFCON, i.e., KSCU (KIIFB Consultancy Service Unit) had already entered into an agreement with CSML on 06.07.2022 and this agreement between KIIFCON and CSML includes all the terms and conditions of the original agreement vide a clause "Except for the transfer of projects from KSCU to KIIFCON, all other conditions of the original agreement dtd 06.07.2022 shall remain the same.

Total cost of the project was for Rs.1,368 lakhs divided among 4 components with weightage of amount. Later, the 2 components of the project were said to have subsumed to other 2 components with no change in total project cost. Owing to this change, we had observed that invoices were raised in variation with the weightage given to each component as per the agreement. These varied terms of payments are not backed by any agreements between M/S CSML and M/s KIIFCON Pvt Ltd.



KIIFCON requested to CSML for the extension of PMC agreement with a fixed monthly remuneration of Rs.15 lakhs +GST in addition to the existing payment conditions and the confirmation letter in this regard was received from CSML. The supplementary agreement with the revised payment condition is under process with CSML. Accordingly, company has raised invoice only till 31.12.2023, the invoice for balance months shall be raised only on execution of supplementary agreement. Company has quantified and provided unbilled revenue of Rs.50.51 lakhs in the books of accounts for the period January to March 2024 in compliance with Accounting Standards.

- (iii) TDS deducted by Clients is subject to reconciliation with 26 AS, as the same is not fully updated till date.
- (iv) CEO and Director of KIIFCON Mr. Satyajee Rajan is a director in another company SAIL-SCL Kerala Ltd. In the MCA website the said company has filed annual accounts only till 31.03.2019 and the Company status is under CIRP. Mr. Satyajee Rajan has resigned from the directorship of M/s SAIL-SCL on January 2015, however the requisite forms are not filed with ROC. Hence his status is still as director in the said company. Principal Secretary has issued a letter to M/s SAIL on 21.02.2024 to file requisite forms with ROC with effect from his cessation of directorship from the company i.e., January 2015. However, the same is yet to take place and the status is same in MCA website till date.
- (v) Company has undertaken a Pilot project of GIS mapping at 8 wards of cochin municipality for M/s CSML. Company has submitted a proposal of Rs.250.83 lakhs + GST@18% on 08.11.2022 and the sanction was accorded on 16.11.2022. Company also submitted cost breakup on 23.02.2023 and the same was also accepted and 12.07.2023. On 06.02.2024, KIIFCON has submitted a MOP of 90% 250.83 lakhs i.e. (225.80 lakhs + GST@18%). However, the final invoice was raised for Rs.159.43 lakhs GST i.e., 75% of 212.56 lakhs (taking 250.83 lakhs as inclusive of GST) according to the communication from M/s CSML on 23.02.2024 via email regarding revision of total cost to Rs.250.83 lakhs including GST.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial results of the current year. These matters were addressed in the context of our audit of the consolidated financial results as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Key Audit Matters	How addressed in Audit
<p>(i) As stated in Note No. 7 to the accompanying consolidated statement, KIIFB has introduced prudential norms on Income recognition, asset classification and provisioning relevant and applicable for long term infrastructure projects w.e.f 01-04-2023 as per the decision of general body through circular resolution dated on 13.04.2023. This was amended in the 46th General Body Meeting of KIIFB held on 02.09.2023. According to the revised norms, KIIFB has classified projects into four categories based on the viability of projects into High (Category I), Medium (Category II), Low (Category III) and no commercial viability projects (Category IV).</p> <p>(ii) Interest income for Category I projects are recognised at Average Cost of Domestic Borrowing (ACDB) of KIIFB reset every six months in a calendar year with monthly compounding (in some cases rate agreed at the time of sanction), Category II projects at discounted rate of interest as compared to category I and</p>	<p>As per the principles laid down in AS 9 Revenue recognition, KIIFB has recognized interest income on accrual basis as per the terms of the loan agreement, wherever such agreements have been entered into and for which agreement is not executed upon reaching 40% stage of disbursement at rate agreed as per terms of sanction. (At discounted rate).</p> <p>Based on revised IRAC Norms, 6 nos of loans having principal of Rs.17,461.56 Lakhs and interest of Rs.1906.48 lakhs have been classified as Category II .</p> <p>Based on revised IRAC Norms, 2 nos of loans having principal of Rs.30,323.88 Lakhs and interest of Rs.10,134.24 lakhs have been classified as Category III and this has been fully provided for as doubtful and income recognition has been discontinued from the date of such reclassification on prudential basis as stated in Note no.7 to the accompanying consolidated statement.</p> <p>Recognition of interest revenue for projects are as per the IRACP Norms adopted by KIIFB in the general body. Income has been recognized based on the terms of the loan sanctioned and categorization of loan.</p> <p>There is no significant doubt as to realization and recovery of interest at this stage for category I and II loans. Loans categorized under category III reckoned as low viability has been fully provided for and recognition of income also has been stopped. The loans are given to State Government controlled entities and there are no over dues in principal and interest outstanding as at</p>



Key Audit Matters	How addressed in Audit
<p>with respect to Category III and IV projects interest income is not recognised in books of account.</p> <p>On facts of the case, there have been certain inherent delays in respect of many of the projects financed with long gestation periods. As per the terms of the loan sanctioned, the repayment of principal and interest commences on completion of moratorium period. Interest is payable by the borrower as per terms of agreement as above regardless of completion of project. According to the management such delays in project implementation is not likely to have any adverse impact on recovery of finance granted for revenue generating projects. Such recovery however would depend upon actual income generation from land acquisition of projects having an aggregate cost incurred till 31.03.2024 amounting to Rs.2,87,972.40 lakhs in so far as it is relatable to these projects.</p>	<p>31.03.2024 as per terms of loan agreement as stated in Note No.8 to the accompanying consolidated statement. Provision for all standard asset at 0.40% has been made during the year towards the outstanding amount of principal and interest as prescribed under IRACP Norms. Facts have been duly disclosed in the consolidated financial results.</p>
<p>(iii)As per GoK Order [GO(Ms) No 153/2023/ GAD dated 13-10-2023], KIIFB was instructed to incur the expenditure towards infrastructure and construction facilities for the event 'Keraleeyam 2023'. The Chief Engineer (CE), PWD was entrusted the responsibility for conducting the event by Program Committee of Keraleeyam, GoK.</p>	<p>The management has furnished to us a specific representation that GoK has entrusted the responsibility of conducting the event 'Keraleeyam 2023' to Chief Engineer, PWD. Since PWD is a Government Department, the compliance of stipulated procedures w.r.t.tendering, identification and evaluation of bidders is their sole responsibility and KIIFB has no responsibility in this regard.</p>



Key Audit Matters	How addressed in Audit
<p>Based on the above decisions, KIIFB issued office order stating the condition that CE buildings, PWD shall arrange to tender the work following the due procedures and do the evaluation of the same and identification of successful bidder for each work. The details of successful bidder/s shall be intimated to KIIFB.</p> <p>An amount of Rs.1,295.46 lakhs has been incurred towards 'Keraleeyam' event organised by Government of Kerala though Chief Engineer (CE), PWD.</p> <p>However, the evidence in support of compliance by PWD with the procedure stipulated by KIIFB with respect to tendering, identification and evaluation of bidders was not seen insisted upon and obtained.</p>	<p>All the payments made by KIIFB to the vendors are based on approvals of The Chief Engineer (CE), PWD.</p> <p>We have placed reliance on the above management representation and the facts are disclosed in Note No 12.1 the accompanying consolidated statement.</p>
<p>(iv) Promotional and advertisement expenses includes an amount of Rs.538.80 lakhs incurred towards nationwide media and publicity campaign of the Government of Kerala against restriction on borrowing powers of the State imposed by the Central Government. We had enquired on relation of such expenditure with the activities of KIIFB.</p>	<p>As stated in Note No.12.3 to the accompanying consolidated statement, such action by the Central government would gravely impact the operations of KIIFB which is built up as a premier agency providing quality infrastructure for the people of Kerala and expenses for building up a media campaign against this was unavoidable to sustain the existence of KIIFB. Moreover, such expenses incurred was within the overall budget for promotional activities approved by the General Body and the payment was authorised by the Media Management Group (MMG) of KIIFB.</p>



Key Audit Matters	How addressed in Audit
	We have relied on the management representation in this regard.
<p>(v) Interest paid to Kerala Non-Resident Keralites Welfare Board (KNRKWB) of Rs 1787.18 Lakhs is accounted for by the management based on the scheme workings furnished by KNRKWB which is pending for reconciliation by KIIFB due to certain practical difficulties as explained to us. Steps are being taken for reconciliation of the same.</p>	<p>Confirmation of balance from KNRKWB for principal loan amount has been received as at 31.03.2024. For the purpose of calculation of interest we have relied on the data set provided by management and as per management representation furnished, the computation of interest as above is realistic and correct. We have relied on the above submission of the management</p>
<p>(vi) The corpus fund-revolving represents the funds received every year from Government of Kerala as part of statutory contribution provided for in the State budget under financial support for infrastructure development as stated in Section 3(1A) r.w.s Section 7 of KIIFB Act, 2016 towards the objectives based on resolution of the general body and also any amounts received additionally from Government of Kerala to meet additional fund requirements as per relative government order. The amounts utilised towards direct cost of projects are recouped from the revolving/ corpus Fund for the year and amount so utilised are shown as contra item in the P&L a/c to reflect the activities undertaken to meet the objectives as per the Act.</p> <p>The revolving corpus fund is received on an annual basis towards financial support for Infrastructure Development by way of statutory contribution being share of KIIFB from Cess on petrol and share of</p>	<p>The balances under statutory contribution receivable from GoK as at 31.03.2024 of Rs. 10,61,862.03 Lakhs is considered good and recoverable by the management.</p> <p>The recoverability is based on financial operational model of KIIFB as per the KIIF Act, 1999 as such amounts are expected to be recouped from the statutory contribution receivable in future as per the operational model implemented by KIIFB as envisaged in the KIIF Act.</p> <p>Therefore, as per recovery model as above, which is built into Asset Liability Management (ALM), there is no uncertainty with regard to ultimate recovery of the above amount due from GoK as per management representation in this regard. We have placed our reliance on the management representation as above.</p> <p>The ALM model is placed for overseeing and monitoring at the periodical meetings of the Fund Trustee and Advisory Committee (FTAC) which comprises of eminent financial experts of the country having rich</p>



Key Audit Matters	How addressed in Audit
<p>KIIFB from Motor Vehicle Tax as per KIIFB Act.</p> <p>The balances under statutory contribution receivable from GoK as at 31.03.2024 is Rs.10,61,862.03 lakhs considered good and recoverable as the same would be recouped from statutory contribution receivable every year as per operational model of KIIFB.</p>	<p>and wide experience in the field of financial management to safeguard the best interest of KIIFB. The status of latest ALM was also duly taken note of by the General body in its 47th meeting held on 04.03.2024 and as per presentation made at the Board meeting ALM has been found to be stable and sound as disclosed in Note No.15 to the accompanying consolidated statement.</p> <p>We have placed reliance on the surveillance being exercised utilising the technical expert knowledge of the FTAC committee in respect of sound functioning of the ALM Model and also the review of soundness of ALM by the Board at its meeting as above.</p>

Responsibilities of Management and Those Charged with Governance for Consolidated Financial results

These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Management (the Board) of KIIFB is responsible for the preparation of these Consolidated financial results that give a true and fair view of the consolidated state of affairs, consolidated results of operations and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India and Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the group 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. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial results, the respective management and board of directors of the entities included in the group are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management and board of directors either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.



The respective management and board of directors of the entities included in the group are responsible for overseeing the group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated statement 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 users taken on the basis of these statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial results, 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 internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management (the Board).
- Conclude on the appropriateness of 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 group'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 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 group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial results, including the disclosures, and whether the statement represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the Consolidated financial results, that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial results.

We communicate with those charged with governance of the holding entity and such other entities included in the consolidated financial results of which we are the independent auditors 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.

Other Matters

- a) The consolidated financial results include the audited financial results of one subsidiary company, whose financial statements reflect Group's share of total assets of Rs.1089.68 lakhs as at March 31, 2024, Group's share of total revenue of Rs.922.45 lakhs and Group's share of net cash outflows of Rs.380.27 lakhs for the year ended March 31, 2024 as considered in the consolidated financial results before consolidation adjustments, which have been audited by their respective independent auditors. These financial statements have been audited by other auditor whose report has been furnished to us by the management (the Board) of KIIFB and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in so far as it relates to the aforesaid subsidiary is based solely on the reports of such other auditor and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



- b) In respect of the associate company, based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, audit trail feature was not enabled throughout the year. Since audit trail feature was not enabled, comment on tampering the audit trail is not applicable.
- c) The rupee denominated external borrowings being Masala Bonds availed by KIIFB, in the year 2018-2019 and repaid in full during the current year, which are fully secured by the sovereign guarantee issued by the Government of Kerala and have the required approval of the Reserve Bank of India under the Foreign Exchange Management Act 1999. As explained to us by the management of KIIFB (the Board), on other legal issues relating to the said borrowings, as per the legal opinion received from a renowned jurist and legal expert, the issue of Masala bonds made for the borrowings by KIIFB as above, is neither illegal nor is in violation of any law, which, being a legal matter, no opinion is expressed thereon.

For Varma and Varma
Chartered Accountants
FRN.004532S




C.G.Pankajakshan

Partner

Membership No.020512
UDIN: 24020512BKGUXO5461

Place : Thiruvananthapuram

Date : 25.05.2024

STATEMENT OF IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH QUALIFIED OPINION)

SUBMITTED ALONG WITH ANNUAL AUDITED FINANCIAL RESULTS - (CONSOLIDATED)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31 2024
[See Regulation 52 of the Listing Regulations]

I			
<i>Figures in Lakhs Rs.</i>			
Sl.no	Particulars	Audited Figures(as reported before adjusting for qualifications)	Audited Figures(as reported after adjusting for qualifications)
1	Tunover/Total Income	5,63,672.88	Since the qualification are of a proprietary nature, we are unable to quantify the effect of the qualification. In any case the amount involved as regards expenditure / asset covered by the qualification is not relatively substantial or pervasive which could influence users understanding of the financial statements and hence figures after adjusting the effect of qualification is not capable of being furnished as such.
2	Total Expenditure	6,60,573.17	
3	Net Profit/(Loss) *	(96,639.16)	
4	Earnings per Share	NA	
5	Total Assets	24,36,257.09	
6	Total Liabilities	24,36,257.09	
7	Net Worth **	3,32,701.92	

* Net profit/loss being Statutory contribution from GoK under Corpus fund utilised to meet the net loss (deficit from operations)for the year in P& L account transferred.

** The value of net worth is to be read with the matters stated in Note No VI (i) to the statement of consolidated financial results.

II Audit Qualification

a. Details of Audit Qualifications: (see para 1 to 3 under Basis for Qualified Opinion of Audit Report dt 25.05.2024)

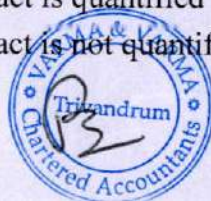
1 As stated in Note No. 11 to the accompanying statement,Invoices of first level service providers to whom certain activities have been outsourced by KIIFB relating to 'Ente Keralam' programme expenditure amounting to Rs.6744.96 lakhs have been made available to our verification as directed by the Executive committee at its meeting on 01.09.2023. However the management is not able to confirm whether first level service provider is final end service provider , and internal controls in this regard need to be strengthened while entering into contracts for better transparency .The expenditure incurred as above has been charged to project costs since according to the management such costs are directly relatable to projects and on account of this no provision has been made in the budget for such direct project costs.The above expenses have been ratified by the general body at their meeting held on 04.03.2024.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification: First Time

d. For Audit Qualification(s) where the impact is quantified by the auditor: Nil

e. For Audit Qualification(s) where the impact is not quantified by the auditor:



Management's Views:

For Audit Qualification(s) where the impact is not quantified by the auditor:

1. Ente Keralam 2023 project was entrusted by Government for providing infrastructure facilities for the second-year anniversary of Government. Since the amount spend and the procedure adopted has been ratified by the General Body of KIIFB held on 04-03-2024, The issue underlying this qualification has been resolved and therefore does not hold relevance anymore. The Audit Committee has decided that only the first level of Bills of agencies entrusted by KIIFB shall be provided for audit and same has been made available to them.

- i. Management's estimation on the impact of audit qualification: Nil
- ii. If management is unable to estimate the impact, reasons for the same: NA
- iii. Auditors' Comments on (i) or (ii) above: No comments

a. Details of Audit Qualification: (as reproduced from the audit report)

2 An amount of Rs.1592.79 lakhs has been incurred for promotion and media activities through various parties to whom works were outsourced on nomination basis (single tender). This procedure is not in compliance with the stipulations in SOP for procurement of media services in force during the year requiring invitation of open tender for such works. In the absence of proper tendering, the reasonableness of the rates could not be verified by us. The above amount of Rs.1592.79 lakhs includes an amount of Rs.745 lakhs incurred for promotional campaigns in social media, international SMS services etc for which invoices of first level service providers were made available to us as directed by the executive committee and management is not able to confirm whether such first level service provider is the final end service provider. Internal controls in entering into contracts required to be strengthened for better transparency. Further appropriate audit evidences to authenticate the receipt of the services provided as claimed in the invoices of the first level service provider were not available on record .We have placed reliance on the authentication and attestation of receipt of services by the Nodal Officer media management group with the approval of payment by CEO. The above expenses have been incurred within the budget approved by the General Body.

- b. Type of Audit Qualification : Qualified Opinion
- c. Frequency of qualification: First Time
- d. For Audit Qualification(s) where the impact is quantified by the auditor: Nil
- e. For Audit Qualification(s) where the impact is not quantified by the auditor:

Management's Views:

For Audit Qualification(s) where the impact is not quantified by the auditor:

The SOP mentioned in the qualification is related to the production of content for media activities and not for content propagation. For the propagation of content, through different media agencies, the tender process is not relevant since each media is charging different rates for the content propagation. It is the management decision through which agency the propagation has to be done. If for example, the rates quoted by a premier channel will be higher than that quoted by a low viewership channel. So, if the management decides to use a high viewership media channel for propagation, then a tendering process to discover the price is not possible as each channel provides its own proprietary service. As stated above only the first level of Bills of agencies entrusted by KIIFB shall be provided for audit and same has been made available to them.

- i. Management's estimation on the impact of audit qualification: Nil
- ii. If management is unable to estimate the impact, reasons for the same: NA



iii. Auditors' Comments on (i) or (ii) above: No comments

a. Details of Audit Qualification: (as reproduced from the audit report)

As stated in Note No. 13 to the accompanying statement, KIIFB had incurred an expenditure of Rs.936.66 Lakhs during the year towards KSFE Software expenses which includes amounts incurred through external agency (a Government PSU - KSIE Limited) to whom the activities

3 for server hosting and licence renewal charges of KSFE Pravasi software have been outsourced by KIIFB on nomination basis (single quote). The claims are supported by invoices of first level intermediary agencies and the management is not able to confirm whether such first level service provider is the end service provider. Internal controls needs to be strengthened while KIIFB has paid operating cost (Server hosting and License renewal charges) to KSIE Ltd during the years from 2020-21 to 2023-24 amounting to Rs.3,964.81 lakhs against the capital cost of acquisition/ development of software of Rs.3,037.94 Lakhs (Gross carrying value). The direction of the Executive Committee meeting held on 01.09.2023 and also the General Body meeting held on 04.03.2024 to expedite steps to enter into agreement with KSFE for recovery of the cost incurred on the software till date is pending to be implemented. In our opinion, such delay in execution of the agreement requires to be avoided/ minimised.

b. We are not able to express our opinion on the authenticity of expenses incurred during the period dealt with in the above paragraphs (1 to 3).

c. Type of Audit Qualification : Qualified Opinion

d. Frequency of qualification: First Time

e. For Audit Qualification(s) where the impact is quantified by the auditor: Nil

For Audit Qualification(s) where the impact is not quantified by the auditor:

Management's Views:

For Audit Qualification(s) where the impact is not quantified by the auditor:

KSIE is a PSU under Government of Kerala and they are executing the works through their empanelled agencies selected through their tender process. KIIFB has entrusted KSIE for providing services under IT also. On the Pravasi Chitti expenses through KSIE, the first level of Bills received by KSIE from their vendors have been provided for audit as per the decisions of the Audit Committee of KIIFB. The application development of Pravasi Chitti is still continuing and hence its development cost and its hosting and operating cost will continue incur.

Management's estimation on the impact of audit qualification:Nil.

ii. There is no impact on the qualification as all the works are undertaken after assessing the requirements economically and analysing the market cost of such services.

iii. If management is unable to estimate the impact, reasons for the same:NA

III Auditors' Comments on (i) or (ii) above: ~~No~~ Comments in serial no 1 above P3

Signatories:

Chief Executive Officer

Joint Fund Manager

Executive Committee Chairman

Statutory Auditor



Independent Auditor's Review Report on standalone unaudited results for the quarter ended 30th June 2024., of the Board Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Board
Kerala Infrastructure Investment Fund Board (KIIFB)
Thiruvananthapuram.

Introduction

1. We have reviewed the accompanying unaudited financial results of Kerala Infrastructure Investment Fund Board (hereinafter referred to as 'KIIFB') for the quarter ended 30th June 2024 and notes to accounts (hereinafter referred to as 'interim financial information') being submitted by KIIFB pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Management's Responsibility

2. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with AS 25 – Interim Financial Reporting issued by the Institute of Chartered Accountants of India.

Auditor's Responsibility

3. Our responsibility is to issue a report on this interim financial information based on our review.
We conducted our review of the interim financial information in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information are free of material misstatement. A review is limited primarily to inquiries with management and analytical procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



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Thiruvananthapuram - 695001

GSTIN - 32AABFS5023Q1Z4

Conclusion:

4. Based on our review conducted and procedures performed as stated in paragraph 3 above , nothing has come to our attention that causes us to believe that the accompanying interim financial information prepared in accordance with applicable accounting standards and other recognized accounting practices & policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

5. We draw attention to the following matters stated in notes to interim financial information:
 - (i) Note No 11.1 to the interim financial information' stating that KIIFB had revised the repayment agreement for the project IT Parks in Kochi Innovation Zone (ITD 001-02) on 13-04-2024. As per the terms of agreement interest rate was reduced to a fixed rate of 5% from the existing ACDB rate of 9.52%. However the Repayment Agreement has yet to be approved by the Board members, the asset is under Category 3 Project.
 - (ii) Note No: 12 to the interim financial information' stating that Interest income recognised during the quarter includes an amount of Rs 5,893.69 lakhs on which 40% stage of disbursement has not been reached. The rate of interest chargeable is fixed only on reaching of 40% stage as per the terms of tripartite agreement for the project. However, interest on such borrowing has been recognised based on rates agreed upon at the time of sanction of the loan/ ACDB rate as decided by the management.
 - (iii) Note No: 15 to interim financial information stating that the two projects with KSFDC whose disbursement is more than 40% as per the tripartite agreement is pending execution as on 30-06-2024. The total outstanding loan balance of these projects as on 30-06-2024 is Rs 1,359.08 lakhs. Execution of loan agreement which is pending due to clearance from the concerned department of the Government of Kerala.

- (iv) Note No: 17 to the interim financial information' stating that KIIFB had incurred an expenditure of Rs.869.91 Lakhs during the quarter towards KSFE Software expenses which includes an amount of Rs.821.63 lakhs incurred through external agency (a Government PSU - KSIE Limited) to which the activities for server hosting and licence renewal charges of KSFE Pravasi software have been outsourced by KIIFB on nomination basis (single quote) which was noted by the Board dated 03.03.2024. These expenses are supported by invoices of first level intermediary agencies. KSIE Limited has raised invoice on KIIFB at 3% & 10% over cost incurred depending upon the nature of service provided through the intermediary agency to whom the services have been sub-contracted.
- (v) Note No: 18 to the interim financial information' stating that the aggregate operating cost (Server hosting and License renewal charges) paid to KSIE Ltd till date from the date of commencement amounts to Rs.4,786.44 Lakhs against the capital cost of acquisition/development of software of Rs.3,037.94 Lakhs (Gross carrying value). In terms of the MoA between KIIFB and KSFE dt.01.06.2019, a separate agreement is to be entered between the parties for recovery of the total cost (operating and capital) of the software from KSFE which is pending to be executed.

Our conclusion is not modified in respect of the above matters

Other Matters

6. The standalone financial results of KIIFB for the year ended and quarter ended March 31, 2024 were audited by another auditors whose report dated 25th May, 2024 expressed an Qualified Opinion on the standalone financial statements on the authenticity of certain expenses incurred during the year 2023-24.

Our conclusion is not modified in respect of the above matters.

Place: Trivandrum

Date: 12-08-2024

For Suri and Co
Chartered Accountants
FRN:004283S

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G Rengarajan
Partner
Mem No: 219922
UDIN: 24219922BKCLUR5137

Kerala Infrastructure Investment Fund Board

The above Standalone Unaudited Financial Results for the quarter ended June 30, 2024, were approved by the Board of Directors at its meeting held on August 12, 2024. These financial results have been subjected to limited review by the Statutory Auditors of the Board and a Limited Review Report has been issued.

Unaudited Standalone Profit and Loss Account for the quarter ended 30.06.2024

Particulars	Three months ended			Figures in Lakhs
	30.06.2024 (Unaudited)	31.03.2024 (Refer Note No.6)	30.06.2023 (Unaudited)	For the Year Ended 31.03.2024 (Audited)
I. Revenue:				
Recoupment of statutory contribution from				
i) Government of Kerala from Corpus Fund for financing of direct project cost as per Contra	79,874.97	92,407.54	1,77,481.51	4,64,194.54
ii) Interest income from financial assistance for revenue generating projects	14,963.40	14,894.73	12,907.29	55,810.59
iii) Interest income from deposits and investments	5,721.69	7,237.05	3,823.95	17,187.58
iv) Profit on Sale of Mutual Fund Investment		4,535.61	-	17,103.06
v) Other income	68.75	8,528.59	17.64	8,634.46
Total Revenue (I)	1,00,628.81	1,27,603.52	1,94,230.39	5,62,930.23
II. Expenses:				
i) Financing of direct cost of projects -Out of Corpus Fund	79,874.97	92,407.54	1,77,481.51	4,64,194.54
ii) Employee benefits expense	213.11	209.07	186.52	784.10
iii) Finance costs	48,360.22	51,700.05	41,560.86	1,83,464.15
iv) Depreciation and amortisation expense	57.22	219.61	255.59	989.42
v) Other expenses	1,208.08	3,606.87	3,836.20	10,637.90
Total expenses (II)	1,29,713.61	1,48,143.14	2,23,320.68	6,60,070.11
III. Profit / (Loss) (I- II)	(29,084.80)	(20,539.62)	(29,090.29)	(97,139.88)
Prior Period Item	(597.32)			-
Profit / (Loss) after prior period item	(29,682.12)	(20,539.62)	(29,090.29)	(97,139.88)
IV. Tax expense:				
(1) Current tax	-	-303.96	-	-
(2) Tax for Earlier years				
(3) Deferred tax(Expense)/Income	-	4,368.41	(156.15)	368.79
Less : Statutory contribution from GoK under Corpus fund utilised to meet the net loss (deficit from operations)for the year in P& L account transferred	29,682.12	16,475.17	29,246.44	96,771.09
V. Net Profit / (Loss) for the Year	-	-	-	-

Notes forming part of unaudited financial statements

1-21

The accompanying notes form an integral part of the unaudited financial statements

For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

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Dr.K.M.ABRAHAM(CFA)
FUND MANAGER

Thiruvananthapuram
Date : 12-08-2024

Report on Limited Review
As per our report even date attached

For Suri and Co
Chartered Accountants
FRN:004283S

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G Rengarajan
(Partner)
M.No. 219922

Notes forming Part unaudited financial results for the quarter ended 30-06-2024

- 1 The above Standalone Unaudited Financial Results for the quarter ended June 30, 2024, were approved by the Board of Directors at its meeting held on August 12, 2024. These financial results have been subjected to limited review by the Statutory Auditors of the Board and a Limited Review Report has been issued.
- 2 Kerala Infrastructure Investment Fund Board (referred to as KIIFB) was established on 11.11.1999 under the Kerala Infrastructure Investment Fund Act 1999 (Act 4 of 2000) with the main objective of financing the investment in critical and large infrastructure projects in the State of Kerala. Comprehensive modification of the Act and Scheme has been made through an amendment Ordinance in August 2016. The unaudited financial results of KIIFB have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and Accounting Standard-25 Interim Financial Reporting issued by Institute of Chartered Accountants of India and as per Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations'). KIIFB follows Mercantile System of Accounting and recognizes significant items of income and expenditure on accrual basis, except to the extent otherwise stated. KIIFB, being a body corporate and not a company as defined under Companies Act, 2013 do not adopt the Ind AS prescribed under Companies (Indian Accounting Standard) Rules, 2015.
- 3 During the quarter KIIFB has issued Domestic Bonds Series II of coupon rate 9.10% amounting to Rs 23,828 lakhs on reissuance basis. The aggregate issue size of Domestic Bonds is Rs 84,994 lakhs of this Rs 61,166 lakhs was issued during FY2023-24.
- 4 The Board has applied significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2024.
- 5 The figures relating to the quarter ended 30 June 2023 (comparable figures for corresponding period) as reported in the statement of Profit & Loss A/c were prepared by the management and have not been subjected to limited review since the requirement of submission of quarterly financial results became applicable only from quarter ended September 30, 2023. The Management has prepared the financial statements for the quarter ended 30 June 2023 to make it consistent with presentation and disclosure for the quarter ended 30 June 2024.
- 6 The figures for the quarter ended March 31, 2024 are the balancing figures between audited figures in respect of the financial year 2023-24 and the published year to date figures upto December 31, 2023, which were subjected to limited review.
- 7 The figures for the quarter ended March 31, 2024 were reviewed by previous Statutory Auditor.
- 8 Payments towards direct project cost are accounted on actual payment basis. Centage/ additional centage charges to SPVs are accounted based on claims received. The centage charges are paid as a percentage of project cost to SPVs as per Government order. The liability for centage is recognized based on claims submitted through invoices after proper verification and authentications/ approval of claim by the management. Centage are allocated to project cost based on Government Order and General body approval. Expenses towards Projects include expenses directly attributable to projects such as Technical Resource Centre expenditure, Detailed Project Report support services, independent quality audit & design review charges, Land Acquisition unit expenses, testing equipment's and Centage /additional centage charges which are allocated to cost of projects. However, the same are pending to be allocated to individual projects as at 30-06-2024 from the inception.
- 9 KIIFB has introduced revised prudential norms on Income recognition, asset classification and provisioning relevant and applicable for long term infrastructure projects w.e.f 01-04-2023 as per the decision of general body through circular resolution dated on 13.04.2023 and the same has been revised in the 46th General Body meeting of KIIFB held on 02-09-2023. As per the said norms provisions for standard assets (for all revenue generating projects) at 0.4% on the outstanding loan balance and accrued interest amounting to Rs.2583.42 lakhs has been provided in the books of accounts as at 30.06.2024. As per the said norms, an asset is recognised as Nonperforming when there is arrears of principal or interest overdue for more than twelve months only. Once an asset is recognised as nonperforming (Substandard or lower), entire unrealised interest is reversed, and income is accounted for on cash basis only.
- 10 As per revised IRACP norms, KIIFB has classified projects into four categories based on the viability of projects into High, Medium, Low and no commercial viability projects. As per the provisions of IRACP Norms Projects identified and categorised as Category 1 or 2 earlier but later reclassified as Category 3 projects, entire interest accrued in the past period shall be reversed. Hence for such projects IRACP Norms are not applicable from the effective date of classification till the such repayment agreement are executed or project identified as loan in books of accounts whichever is earlier. Provisioning of non performing assets is done as per norms as under:
 - a) The assets are classified as follows.
 - I. Standard Assets – up to 12 months overdue.
 - II. Substandard Assets -Beyond 12 months but less than 24 months overdue.
 - III. Doubtful Assets -Beyond 24 months overdue.
 - IV. Loss Assets -fully written off subject to security value realisation
 - V. In case of revenue generating projects (RGP) for which repayment agreements are pending to be entered and disbursement is more than 40% - such RGP will be considered as substandard assets after 24 months from the date of 40% payment milestone has been reached or from the date of identification of the project as RGP in the books of accounts, whichever is later.

b) Provisioning Norms

Type of Asset	Provision Required (%)- Expected Credit Loss
Standard Asset	0.40%
Substandard Asset	
Beyond 12 months and up to 18 months overdue for repayment agreements executed and beyond 24 months and up to 30 months overdue for not executed	10%
Beyond 18 months and up to 24 months overdue for repayment agreements executed and beyond 30 months and up to 36 months overdue for not executed.	25%
Doubtful Assets	
Up To One year	50%
One to three years	75%
More than three years	100%
Loss Assets	100%

- 11 Prudential norms on Income recognition and asset classification and provisioning for long term infrastructure projects was adopted by KIIFB w.e.f 01-04-2023, vide circular resolution stated above and the same has been revised in the 46th General Body meeting of KIIFB held on 02-09-2023. KIIFB has classified projects into four categories based on the viability of projects. The categorisation of loans is as follows:

Category	Type of Category	No. of Projects	Loans (Rs in lakhs)	Interest Accrued (Rs in Lakhs)	Total (Rs in Lakhs)
I.	Projects which have high commercial viability	7	6,22,118.32	14,867.49	6,36,985.81
II.	Projects which have medium commercial viability	6	8,775.77	95.89	8,871.66
III.	Project which have low commercial viability	3	51,863.97	0	51,863.97
IV.	Projects which have no commercial viability	0	0	0	0
	Total	16	6,82,758.06	14,963.38	6,97,721.44

- 11.1 KIIFB had revised the repayment agreement for the project ITD 001-02 on 13-04-2024. As per the terms of agreement interest rate was reduced to a fixed rate of 5% from the existing ACDB rate of 9.52%. However the RPA has yet to be approved by the Board members, the asset is under Category 3 Project.
- 11.2 On the facts of the case, in respect of many of the revenue generating projects financed, there have been certain inherent delays during implementation which according to the management does not have adverse effect on the recovery of loans granted considering the operational model of KIIFB. Moreover, since the borrowers are government owned or controlled agencies, the loans are considered by the management as good and recoverable based on the confirmations from the borrowers including for land acquisition projects aggregating to Rs 2,79,790.38 lakhs (Principal outstanding as on 30.06.2024).
- 11.3 Interest income for Category 1 projects are recognised at Average Cost of Domestic Borrowing (ACDB) of KIIFB reset every six months in a calendar year with monthly compounding (in some cases rate agreed at the time of sanction), Category 2 projects at discounted rate of interest as compared to category 1 and with respect to other two categories interest income is not recognised in the books of accounts.
- 12 Interest income recognised during the quarter includes an amount of Rs 5,893.69 lakhs on which 40% stage of disbursement has not been reached. The rate of interest chargeable is fixed only on reaching of 40% stage is reached as per the terms of tripartite agreement for the project. However, interest on such borrowing has been recognised based on rates agreed upon at the time of sanction of the loan/ ACDB rate as decided by the management.
- 13 Interest income has been recognised on loans given to SPV's revenue generating projects in cases where there has been certain delays on implementation of the projects financed by such loans. According to the management, payment of interest is not contingent on such projects earning revenue. The management have further asserted that certain inherent delays which have occurred during implementation stage of infrastructure projects does not have any adverse effect on the recoverability of loans granted considering the operational model of KIIFB. Hence, these loans are considered good and expected to be recovered from SPVs which are all government owned or controlled agencies.

- 14 Finance for Revenue Generating Projects treated as Loan receivable from SPV in the books are appraised by the Project Appraisal Division and implementation is closely monitored. The division comprise of high-level technical expert team under the Executive Director, who is a senior chartered engineer having vast experience in the field of construction and infrastructure. Each Project is reviewed by Project Manager as a Nodal Officer and supervised by Senior General Manager of the Division. The detailed project report is appraised by the division which places its detailed appraisal report before the EC/ Board of KIIFB. The detailed project report contains comments on review from technical, economic, financial, environment, social and institutional angle. The functions as above is governed by the norms stipulated in Standard Operating Procedures for project acceptance and SPV on boarding. In the opinion of management, the appraisal function done is sound and operating effectively.
- 15 Loan agreements are pending to be executed as at 30-06-2024 with KSFDK for two project loans having loan outstanding aggregating to Rs 1,359.08 lakhs although more than 40 % stage of disbursement as per the terms of the tripartite agreement between KIIFB, the SPV and the concerned Government department had exceeded. During the current quarter one project with sub project code CAD 002-13 has reached 40% disbursement, however the repayment agreement has not been entered Steps are under process for execution of loan agreement which is pending the requisite clearance from the concerned department of the Government of Kerala.
- 16 The balances under statutory contribution receivable from GoK of Rs. 10,80,974.03 lakhs is considered good and recoverable by the management. According to the management there is no uncertainty with regard to ultimate recovery, based on financial operational model of KIIFB as per the KIIF Act, 1999 (amended by act of 2016) since such amounts are expected to be recouped from the statutory contribution receivable from the State Government in future years. Current portion of statutory contribution receivable has been ascertained on the basis of Budgetary allotment of statutory contribution as per annual Finance Act 2024 of GoK and balance amount has been shown under Non-Current Asset.
- 17 KIIFB had incurred an expenditure of Rs.869.91 Lakhs during the quarter towards KSFE Software expenses which includes an amount of Rs.821.63 lakhs incurred through external agency (a Government PSU - KSIE Limited) to which the activities for server hosting and licence renewal charges of KSFE Pravasi software have been outsourced by KIIFB on nomination basis (single quote) which was noted by the Board dated 03.03.2024. These expenses are supported by invoices of first level intermediary agencies. KSIE Limited has raised invoice on KIIFB at 3% & 10% over cost incurred depending upon the nature of service provided through the intermediary agency to whom the services have been sub-contracted.
- 18 The aggregate operating cost (Server hosting and License renewal charges) paid to KSIE Ltd till date from the date of commencement amounts to Rs.4,786.44 Lakhs against the capital cost of acquisition/ development of software of Rs.3,037.94 Lakhs (Gross carrying value). In terms of the MoA between KIIFB and KSFE dt.01.06.2019, a separate agreement is to be entered into between the parties for recovery of the total cost (operating and capital) of the software from KSFE which is pending to be executed.
- 19 GST department has issued a demand amounting to Rs.1,633.19 lakhs towards tax liability and Rs.163.32 lakhs towards applicable penalty under the act vide order No.10/2023-24 GST ADC Section 73(9) of CGST Act 2017 pertaining to the period from 2017-18 to 2022-23 relating to certain transactions under reverse charge mechanism payments. The matter is disputed by KIIFB based on the facts of the case and filed an appeal to GST appellate tribunal against the order. The same is pending for disposal as at the reporting date.
- 20 Reconciliation of Form 26 AS (as per Income Tax Act,1961) and Book of accounts - Reconciliation of Income for the current reporting period and credit as per Form 26AS with books of accounts could not be done since Form 26AS in income tax web portal is yet to be updated with the entries up to the end of the quarter. 26 AS for the financial year 2023-2024 is pending for reconciliation. Any adjustment found required shall be made in succeeding period/year upon such reconciliation.
- 21 Previous period's figures have been regrouped / reclassified, wherever necessary to conform to current period's classification.

For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

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Dr.K.M.ABRAHAM(CFA)
FUND MANAGER

Thiruvananthapuram
Date : 12-08-2024

Report on Limited Review
As per our report even date attached

For Suri and Co
Chartered Accountants
FRN:004283S

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G Rengarajan
(Partner)
M.No. 219922

Kerala Infrastructure Investment Fund Board
2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001

Additional disclosure as per Clause 52(4) of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015

SI No	Particulars	Quarter Ended			Year Ended
		June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024
		<i>Unaudited</i>	<i>Ref Note no.6</i>	<i>Unaudited</i>	<i>Audited</i>
a.	Debt Equity Ratio*	6.13	6.26	6.49	6.26
b.	Debt Service Coverage Ratio	0.16	0.10	0.23	0.18
c.	Interest Service Coverage Ratio	0.39	0.61	0.31	0.48
d	Outstanding Redeemable Preference Shares (Quantity And Value)	NA	NA	NA	NA
e	Capital Redemption Reserve/Debenture Redemption Reserve	NA	NA	NA	NA
f	Net Worth	3,32,701.92	3,32,701.92	2,82,049.28	3,32,701.92
g	Net Profit After Tax	-29,682.12	-20,539.62	-29,246.44	-97,139.88
h	Earnings Per Share	NA	NA	NA	NA
i	Current Ratio**	3.29	3.76	2.51	3.76
j	Longterm Debt to Working Capital	2.99	2.12	1.92	2.12
k	Bad Debts To Account Receivable Ratio	NA	NA	NA	NA
l	Current Liability Ratio	0.13	0.15	0.01	0.15
m	Total debt to Total Asset Ratio	0.85	0.85	0.85	0.85
n	Debtors Turnover	NA	NA	NA	NA
o	Inventory Turnover	NA	NA	NA	NA
p	Operating Margin (%)	NA	NA	NA	NA
q	Net Profit Margin (%)	NA	NA	NA	NA

* For the Purpose of Debt Equity Ratio, Initial Corpus Fund being in nature of fixed capital has been treated as equity since KIIFB has no share capital as per KIIF Act 1999 as amended in 2016.

** For the purpose of Current Ratio, Current Asset also includes Current portion of Statutory Contribution receivable from Govt. Of Kerala

Items included in numerator and denominator for computing the above mentioned ratios:

a) Debt-Equity Ratio

Debt-Equity ratio compares a Company's total debt to shareholders equity

Debt-Equity Ratio = Total Debt / Shareholder's Equity

Shareholder's Equity = Equity Share Capital + Reserves and Surplus

b) Debt Service Coverage Ratio (DSCR)

Debt Service coverage ratio is used to analyse the firm's ability to pay off current interest and instalments

Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other

Debt service = Interest + Principal Repayments+ Lease payments

c) Interest Service Coverage Ratio (DSCR)

Interest Service Coverage Ratio (DSCR)= Earnings available for Interest Service/ Gross Interest

Earning for Interest Service= Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other

d) Networth

Networth is used to measure the value of an entity

Networth = Total Asset - Total Liabilities

e) Current Ratio

Current Ratio = Current Assets/ Current Liabilities

Current Assets include - Current investments, Trade receivables, cash and bank balances (including interest accrued thereon) and short term

Current Liabilities include - Trade Payables, Accrued liabilities, statutory liabilities, income tax liabilities and other short term provisions

f) Long Term Debt To Working Capital

Long Term Debt To Working Capital shows the financial leverage of a firm.

Long Term Debt = Non current borrowing + Current maturity of long term debt

Net working capital = Current Asset - Current liability excluding current borrowing

g) Current Liability Ratio

Current Liability Ratio = Current liability excluding current borrowing/ Total Liabilities

h) Total Debts to Total Assets

Total Debt to Total Asset ratio = Outstanding Debt/Total Assets

Outstanding Debt = Long term borrowings +Other long term liabilities+short term borrowings

Analytic Ratio Computation factors		Quarter Ended			Year Ended
		June 30, 2024 (Unaudited)	March 31, 2024 (Ref Note no.6)	June 30, 2023 (Unaudited)	March 31, 2024 (Audited)
1	Total Debt	20,29,963.00	20,74,153.84	18,30,084.35	20,74,153.84
2	Shareholder's Equity	3,32,701.92	3,32,701.92	2,82,049.28	3,32,701.92
3	Earnings available for debt service/ Interest Service	18,735.32	31,380.04	12,726.16	87,313.69
4	Debt Service	1,16,456.92	2,99,723.43	55,860.82	4,87,129.08
	Net Profit before taxes	-29,682.12	-20,539.62	-29,090.29	-97,139.88
	Interest	48,360.22	51,700.05	41,560.86	1,83,464.15
	Non Cash Expenditure (Dep + Amortisation)	57.22	219.61	255.59	989.42
	Principal Repayment	68,096.70	2,48,023.38	14,299.96	3,03,664.93
5	Total Asset	23,85,787.12	24,35,900.53	21,40,565.79	24,35,900.53
6	Total Liabilities	20,53,085.20	21,03,198.61	18,58,516.51	21,03,198.61
7	Net Profit after taxes	-29,682.12	-16,475.17	-29,246.44	-96,771.09
8	Current Asset	8,61,676.59	11,55,827.14	9,75,431.00	11,55,827.14
9	Current Liabilities	2,61,525.57	3,07,148.92	3,89,249.50	3,07,148.92
10	Current Borrowings	2,46,696.55	2,85,203.82	3,66,434.86	2,85,203.82
11	Current liability excluding current borrowing	14,829.02	21,945.10	22,814.64	21,945.10
12	Net Working Capital	8,46,847.58	11,33,882.04	9,52,616.36	11,33,882.04

Schedule 1 - Consent Letter of the Debenture Trustee

CATALYST
Believe in yourself... Trust us!



CL/DEB/24-25/730

Date : 26-Jul-2024

To,
Sooraj T V ,
Kerala Infrastructure Investment Fund Board,
3, TC 26/56, Felicity Square, MG Road,,
Statue, THIRUVANANTHAPURAM,,
Thiruvananthapuram,
Kerala,
India 695001.

Dear Sir/ Madam,

Re: Consent to act as a Debenture Trustee for Private Placement of Fully Paid, Rated, Listed, Redeemable, Transferable, Secured, Non-Convertible Debentures aggregating upto ₹ 3000.00 Crores.

We refer to your letter dated 26.07.2024, requesting us to convey our consent to act as the Debenture Trustee for captioned issue of Debentures.

We hereby convey our acceptance to act as Debenture Trustees for the said issue Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to execute Debenture Trust Deed and to create the security if applicable within the timeline as per relevant Laws / Regulations and in the Offer Document / Information Memorandum / Disclosure Document / Placement Memorandum and company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

Fee Structure for the proposed transaction will be as per annexure A.

Assuring you of the best professional services.

Thanking you.

Yours faithfully,



Name : Saish Bhayye

Designation : Assistant Manager

CATALYST TRUSTEESHIP LIMITED (FORMERLY GDA TRUSTEESHIP LIMITED)

An ISO-9001 Company

Mumbai Office : Unit No- 901, 9th Floor, Tower B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013 Tel : +91 (022) 4922 0555 Fax : +91 (022) 4922 0505

Regd. Office : GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038 Tel : +91 (020) 25280081 Fax : +91 (020) 25280275

Delhi Office : Office No. 810, 8th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 Tel : 11 430 29101/02

CIN No. U74999PN1997PLC110262 Email : dt@cltrustee.com Website : www.catalysttrustee.com

Pune | Mumbai | Bengaluru | Delhi | Chennai



Annexure A

Fee Structure for transaction CL/DEB/24-25/730

PERTICULARS	AMOUNT
Acceptance fees (one-time, non-refundable, payable on our appointment)	₹ 1,00,000.00
Annually Trusteeship Fees(Amount/Percentage)	₹ 75,000.00

Annually Fees are payable in advance each year from date of execution till termination of the transaction. Pro-rata charges would apply for the first year till FY end, as applicable. The taxes on above fee structure are payable at applicable rates from time to time.

All out of pocket expenses incurred towards legal fees, travelling, inspection charges, etc shall be levied and re-imbursed on actual basis.

Please return the second copy this letter duly signed by Authorized Officer from your company.

Yours Faithfully,

We accept the above terms.

For Catalyst Trusteeship Limited

**For Kerala Infrastructure Investment
Fund Board**



**KANDATHIL
MATHEW
ABRAHAM**

Digitally signed by
KANDATHIL MATHEW
ABRAHAM
Date: 2024.08.16 10:13:19
+05'30'

Name : Saish Bhayye

Name : Dr. KM Abraham ,CFA

Designation : Assistant Manager

Designation : Chief Executive Officer



Rating Letter - Intimation of Rating Action

Letter Issued on : August 26, 2024
Letter Expires on : July 22, 2025
Annual Fee valid till : July 22, 2025

Scan this QR Code to
verify authenticity of this
rating



KERALA INFRASTRUCTURE INVESTMENT FUND BOARD
3, TC 26/56, FELICITY SQUARE,
MG ROAD, STATUE, THIRUVANANTHAPURAM,
Trivandrum 695001
KERALA

Kind Attn.: Mr. Mr. Sooraj T v, Manager it division (Tel. No.9605764359)

Sir / Madam,

Sub.: Rating(s) Assigned - Debt Instruments of KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

Please note that the current rating(s) and outlook, instrument details, and latest rating action for the aforementioned instrument are as under:

	Long Term Instruments	Short Term Instruments
Total Rated Quantum (Rs. Cr.)	3000.00	0.00
Quantum of Enhancement (Rs. Cr.)	0.00	0.00
Rating(s)	ACUITE Provisional AA (CE)	Not Applicable
Outlook	Stable	Not Applicable
Most recent Rating Action(s)	Assigned	Not Applicable
Date of most recent Rating Action(s)	August 26, 2024	Not Applicable
Rating Watch	Not Applicable	Not Applicable

5W Jf reserves the right to revise the rating(s), along with the outlook, at any time, on the basis of new information, or other circumstances which 5W Jf believes may have an impact on the rating(s). Such revisions, if any, would be appropriately disseminated by 5W Jf as required under prevailing SEBI guidelines and 5W Jf B policies.

This letter will expire on **July 22, 2025** or on the day when 5W Jf takes the next rating action, whichever is earlier. It may be noted that the rating(s) is subject to change anytime even before the expiry date of this letter. Hence lenders / investors are advised to visit <https://www.acuite.in/> OR scan the QR code given above to confirm the current outstanding rating(s).

5W Jf will re-issue this rating letter on **July 23, 2025** subject to receipt of surveillance fee as applicable. If the rating(s) is reviewed before **July 22, 2025**, 5W Jf will issue a new rating letter.

Please note that under extant SEBI regulations and as per the terms of the rating agreement, once a rating is accepted and outstanding, the issuer is required to promptly furnish the INo Default Statement on the first working day of every month.

Sd/-
Chief Rating Officer

This is a system generated document. No signature is required.

5bbYI i fYg.....5"8YUJ]g'cZH.Y F UYX' bgrfi a Ybh

Annexure A. Details of the rated instrument			
Instruments	Scale	Amt. (Rs. Cr)	Rating Assigned (Outlook) Rating Action
Proposed Bond	Long-term	3000.00	ACUI TE Provisional AA (CE) (Stable) Assigned
Total Quantum Rated		3000.00	-

DISCLAIMER

An 5W Jbf rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. 5W Jbf ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, 5W Jbf, in particular, makes no representation or k UffUbmzYl dYggYXcfJa dJYX k Jh fYgdYVWtc h Y UXYei UVmzUWVfUWmcf Vta d'YfYbYgg'cZhY JbZfa Ufcb fY JYX i dcb". 5W Jbf is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. 5W Jbf ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by 5W Jbf; 5W Jbf B rating scale and its definitions.

Any inadvertent omission or error in the rating letter which is discovered or brought to the notice of Acuite shall be rectified as soon as reasonably practicable not later than 48 hours of such discovery or notice. Such error or omission shall not render Acuite liable to any person for any kind of loss or damage including, but not limited to, any special, incidental, indirect or consequential damages caused by errors or omissions, provided such omission or error is rectified as soon as possible after discovery/notice.



Press Release

August 26, 2024

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
BOND	2649.92	ACUITE AA CE Stable Reaffirmed	-
BOND	3000.00	Provisional ACUITE AA CE Stable Assigned	-
BOND	0.08	Provisional ACUITE AA CE Stable Reaffirmed	-
Total Outstanding	5650.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of **ACUITE AA (CE) (read as ACUITE double A (Credit Enhancement))** to the Rs.2649.92 Cr. unsecured non- convertible bonds of KERALA INFRASTRUCTURE INVESTMENT FUND BOARD (KIIFB). The outlook is '**Stable**'.

Acuite has reaffirmed the long term rating of **Provisional ACUITE AA (CE) (read as Provisional ACUITE double A (Credit Enhancement))** to the Rs. 0.08 Cr. unsecured non- convertible bonds of KERALA INFRASTRUCTURE INVESTMENT FUND BOARD (KIIFB). The outlook is '**Stable**'.

Acuite has assigned the long term rating of **Provisional ACUITE AA (CE) (read as Provisional ACUITE double A (Credit Enhancement))** to the Rs. 3000.00 Cr. unsecured non- convertible bonds of KERALA INFRASTRUCTURE INVESTMENT FUND BOARD (KIIFB). The outlook is '**Stable**'.

The conversion of provisional rating of proposed bond Rs 3000.08 Cr. of KIIFB to final rating is subject to:

- Appointment of a SEBI registered Debenture Trustee
- Execution of Debenture Trust Deed
- Receipt of the final term sheet and confirmation from trustee regarding the compliance with all the terms and condition of term sheet.

Rationale for the rating

The rating factors in the strategic importance of KIIFB to the Government of Kerala (GoKe), as it acts as the nodal agency for infrastructure development in the state of Kerala. The rating also considers the complete ownership of the GoKe and the strength of the board of KIIFB with the Chief Minister as the chairperson and also include the finance minister, chief secretary, and other civil servants and experts. The rating also takes in to consideration the constitution of the Fund Trustee Advisory Commission (FTAC) which monitors the financial stability and fund utilisation of KIIFB. GoKe has to make the necessary budgetary allocations to ensure KIIFB's revenue stream. Transfers from GoKe to KIIFB are as provided for in Section 7 of KIIF Act (as amended in 2016). As per Section 7, GOKe shall make budgetary allocations equivalent to share of MVT and entire quantum of fuel cess collected in the state in the previous year. As per the KIIF Act 2016, all the borrowings made by KIIFB are guaranteed by GoKe.

The final rating derives its strength from the structure, the escrow and payment mechanisms, DSRA and FD and also the corpus fund of ~Rs.3327 Cr, all of which will be utilised only for the issue and hence assure enough liquidity till the complete redemption of the issue.

The rating assigned for the proposed bond issuance amounting to Rs. 3000.00 crs takes into account strength from the structure, the escrow and payment mechanisms, DSRA and FD. Unlike the previous bond issue, this does not have a support of Corpus fund as a part of its credit enhancement structure.

However, the credit enhancement is supported by GoKe's explicit guarantee to replenish both upfront FD and DSRA in case of shortfall/ impairment. Further as per Deed of Guarantee, GoKe is to infuse required funds to Issuer to redeem bondholders in case a cross-default/ critical rating downgrade event. If such redemption is not effected within the specified timelines, GoKe guarantee can be invoked by Debenture Trustee to redeem the bonds.

The rating is partially offset by the financial constraints and widening revenue and fiscal deficits of the Government of

Kerala. Also, since KIIFB lends at the average cost of borrowings and also provides fund for the social development of the state in the form of grants, profitability will remain impacted.

About the company

Kerala Infrastructure Investment Fund Board (KIIFB) was established as the principal funding arm of Government of Kerala on 11.11.1999 by the Kerala Infrastructure Investment Fund Act 1999 (Act 4 of 2000). Through various functions provided in the act, KIIFB aims to channel funds for critical and large public infrastructure projects in Kerala. Comprehensive modifications to the Act have been enacted through the Kerala Infrastructure Investment (Amendment) Act, 2016. With the expanded scope and structure provided under the amended Act, KIIFB is now mobilising and channelling funds for facilitating planned, hassle-free, and sustainable development of both physical and social infrastructure, including major land acquisition needs that are integral to development and ensure all round wellbeing and prosperity, using financial instruments approved by the Securities & Exchange Board of India (SEBI) and the Reserve Bank of India (RBI).

KIIFB was established with the main objective of providing investment for critical and large infrastructure projects in Kerala. It acts as the primary agency of the state government to facilitate the development of both the physical and social infrastructure in Kerala and to assist the state government and its agencies in the development of infrastructure in Kerala. KIIFB acts as the main agency of the state government for scrutinising, approving, and funding major infrastructure projects. These infrastructure projects may be revenue generating or non-revenue generating.

Unsupported Rating

Acuite A+/Stable

(Post notch up in view of the support from Government of Kerala)

Analytical Approach

Acuite has considered the standalone financial and operational figures of KIIFB and further notched it up for the support from Government of Kerala and the credit enhancement and structured payment mechanisms in place for the issue.

Key Rating Drivers

Strength

Support from the government of kerala

KIIFB is the nodal agency for infrastructure development for the Government of Kerala. KIIFB was established with the main objective of providing investment for critical and large infrastructure projects in Kerala. It acts as the primary agency of the state government to facilitate the development of both the physical and social infrastructure in Kerala and to assist the state government and its agencies in the development of infrastructure in Kerala. It is fully owned by GoKe. The GoKe further extends its support in the form of board representation with the Chief Minister as the chairperson, the Finance Minister, the chief secretary, key bureaucrats, and independent members. Further, all the borrowings made by KIIFB are guaranteed by GoKe as per the KIIF Act. GoKe has to make the necessary budgetary allocations to ensure KIIFB's revenue stream. Transfers from GOKe to KIIFB are as provided for in Section 7 of KIIF Act (as amended in 2016). As per Section 7, GOKe shall make budgetary allocations equivalent to the share of MVT and the entire quantum of fuel cess collected in the state in the previous year. These revenues come to KIIFB on a daily basis and fully by the month of December in every financial year, so that there are no liquidity crunches at the end of the financial year affecting the cashflows. The GoKe may also make any additional grants or loans to KIIFB so that KIIFB defrays its debt liabilities as per the KIIF Act.

Close monitoring by FTAC

The Fund Trustee and Advisory Commission (FTAC) monitors the financial stability and fund utilisation by KIIFB closely. It acts as the trustee to ensure that all investments of the fund serve the purpose and intent of the KIIF Act. The commission consists of eminent members like Shri. Vinod Rai, Chairman, Shri. R.A. Sankara Narayanan and Smt. Uma Shankar. FTAC issues a "Fidelity Certificate" every six months certifying that the application of funds and the investment of surplus funds are in conformity with the Act and KIIFB has adequate resources to meet debt obligations arising in the next 6 months.

Strength of the structure of the issue

The structure will be closely monitored by the DT and DSRA and FD mechanisms are also in place. The tenure of the bond is ten years, and the principal redemption will start in year four. The issuer would create a DSRA for an amount equivalent to the interest obligation of one succeeding quarter and the principal redemption amount of one quarter. The issuer would need to maintain the required DSRA amount on a rolling basis, and the initial DSRA amount so calculated would need to be deposited at least one day prior to the date of pay in. On the first day of every quarterly payment cycle, Issuer shall also maintain a fixed deposit in a scheduled public commercial bank, at least to the extent of the interest obligation on the immediately succeeding quarterly payout date & principal redemption amount of one quarter, and create, maintain, charge/lien on the same in favour of the Debenture Trustee at all times. The current structure provides for two quarters of interest and repayment obligations through the DSRA and FD mechanisms upfront.

The escrow mechanism is in place for the bond servicing account, where daily credit equivalent to 2% of the upcoming servicing requirement will happen, from the daily credit of petroleum and MVT Cess share from GoKe. For the last quarter of the financial year, the entire servicing requirement will be transferred upfront at the beginning of the

quarter.

For the existing bond issue, the DT will check the availability of funds on the T-7th day and recover any shortfalls through the liquidation of the FD. If the shortfall still remains on the T-5th day, DT will ask the issuer to bridge the shortfall immediately. If the shortfall persists on the T-3rd day, the DT will transfer the funds from the DSRA to bridge the gap. The DSRA utilisation should be notified to the GoKe by the next day. If the impairment of DSRA is not fully replenished on the payout day, on T+1th day, DT will ask the issuer to replenish the DSRA from the corpus fund by T+ 6th day. There is the corpus fund amounting to Rs. 3327.01 Cr. which will only be used for the replenishment of DSRA or redemption of the issue during any windfall event. The corpus fund has to be maintained till the end of the issue period. If the DSRA is not cured on that day, the DT will inform the GoKe its intention to invoke the guarantee if the DSRA is not replenished in next 21 days. If the DSRA is not replenished by T+27th day, DT will invoke the state guarantee. The GoKe has the obligation to replenish the DSRA within the next 30 days. If the DSRA is not replenished on the T+58th day, it will be considered as an event of default.

The proposed issue, does not have a support of Corpus fund as a part of its credit enhancement structure. However, the credit enhancement is supported by GoKe's explicit guarantee to replenish both upfront FD and DSRA in case of shortfall/ impairment. If the Guarantee obligations are not met by the State Government within 30 days of Guarantee invocation i.e. T+ 58 days, it would be construed as an Event of Default. Further as per Deed of Guarantee, GoKe is to infuse required funds to Issuer to redeem bondholders in case a cross-default/ critical rating downgrade event. If such redemption is not effected within the specified timelines, GoKe guarantee can be invoked by DT to redeem the bonds. Accordingly for the cross-default/ critical rating downgrade if the Guarantee obligations are not met by the State Government within 30 days of Guarantee invocation i.e. t + 85 days, it would be construed as an Event of Default.

Weakness

State of the financial health of Government of Kerala

Since the operations of KIIFB are supported by the GoKe and the revenue stream of KIIFB also derives from the GoKe, the high revenue and fiscal deficits of Government of Kerala can disrupt the operations of KIIFB. As per 2024(CAG Provisional), GoKe revenue deficit stood at 1.55 % of the GSDP with the fiscal deficit at 2.92 % of the GSDP. The debt of the GoKe stood at 33.76% of the GSDP. Going forward, the ability of the GoKe to improve its financial stability and the central government's intervention in state borrowing limits will be key monitorables.

Assessment of Adequacy of Credit Enhancement (Applicable only for CE Ratings)

Acuite believes that the DSRA structure, FD and escrow mechanism in the bond servicing account along with the corpus fund and guarantee by the GoKe will help in maintaining ample liquidity and mitigating any risk in repayment of the issue.

ESG Factors Relevant for Rating

KIIFB created its ESG policy in 2021. The main objective of this policy is to address any of the ESG risks and impacts in the projects and make them ESG sustainable for KIIFB and its stakeholders and development partners. KIIFB is committed to adopting global standards and principles of responsible investing, and integrating ESG criteria into its investment approach and decision-making processes. Further, KIIFB also encourages Special Purpose Vehicles (SPVs) or Project Implementation Agencies (PIAs) to manage risks responsibly by working beyond regulatory requirements and moving towards enhanced social value creation. As part of this, KIIFB has adopted a nine step mechanism that includes due diligence, monitoring, and grievance redressal mechanisms to ensure proper ESG standards are maintained in each of its projects and the policy is updated as per the latest trends.

KIIFB has a strong internal governance system in place. KIIFB is headed by the Chief Executive Officer, who also acts as the fund manager of KIIFB. The Board is the highest decision-making body of KIIFB and comprises the Chief Minister, the Finance Minister, the Chief Executive Officer, key bureaucrats, and independent members. The board consists of 13 members, out of whom 6 are independent members.

Rating Sensitivity

- Changes in GoKe support
- Changes in financial health of GoKe
- Non adherence to the payment structure, for this particular issue
- Deterioration in DSRA, FD or corpus fund or invocation of guarantee, for this particular issue

All Covenants (Applicable only for CE & SO Ratings)

KIIFB is subject to the below mentioned financial covenant among other covenants as stipulated by the KIIF Act and various term sheets.

- The Issuer shall ensure that, in respect of any Relevant Period, the Liability Service Coverage Ratio for such Relevant Period shall not be less than 1.1 times.

"Liability Service Coverage Ratio" means the ratio of FC Cash flow to Liability Service; "Relevant Period" means the period ending 12 months from the end of each financial quarter; "FC Cash flow" means, with respect to any Relevant Period, the aggregate of

- (a) share of motor vehicle Taxes and cess levied on petroleum products received by the Issuer pursuant to KIIF Act;
- (b) any other amount appropriated by the GoK for the Issuer's sole usage;

- (c) any other payments to the Issuer other than proceeds from any Financial Indebtedness; and
 (d) the total amount of cash and cash equivalent investments controlled by the Issuer at the beginning of the Relevant Period, excluding any DSRA and sinking fund or any other debt servicing account of similar intent (except those created towards the Financial Indebtedness of the Issuer payable during the Relevant Period); and
 "Liability Service" means, with respect to the Relevant Period, the aggregate of
 (a) all scheduled payments (including balloon payments) on account of principal and interest and other charges on all Financial Indebtedness, as applicable; and
 (b) any payment made or required to be made to any debt service account under the terms of any agreement providing for any Financial Indebtedness.

Covenants customary to transactions of this nature including, but not limited to:

- (a) Information covenants;
- (b) Authorisations;
- (c) Repayment;
- (d) Status and Business;
- (e) Compliances;
- (f) Accounts;
- (g) Arm's length transactions;
- (h) Taxes;
- (i) Financial Covenants;
- (j) Use of proceeds;
- (k) Listing;
- (l) Further assurances;
- (m) Compliance with laws;
- (n) Filings with the stock exchange;
- (o) Issuance of Debentures.

as more particularly detailed in the Debenture Trust Deed.

Further, the following key covenants are also inter alia provided in the Debenture Documents:

- (a) Unconditional and irrevocable guarantee from the Government of Kerala, for timely servicing of the Debentures.
- (b) DSRA and a fixed deposit to the extent of fully covering the servicing requirement of one quarter as liquidity support.
- (c) Corpus Fund covenant for replenishing any impairment of the DSRA, and repayment/redemption on downgrade in credit rating of the Debentures below 'AA-' (i.e., A+ or below) and/or on occurrence of a cross default/acceleration in respect of the Issuer (as enumerated above under the serial number 54 against the particular "Corpus Fund").
- (d) Stipulation for invocation of the Deed of Guarantee for impairment in the DSRA to a level below the servicing requirement for the immediate servicing quarter.

Liquidity Position

Adequate

KIIFB has maintained adequate liquidity with ~Rs. 7190 Cr. Of Cash and cash equivalents as on March 31, 2024. Also, with the ~Rs. 3327 Cr corpus fund along with the FD and DSRA, there is adequate liquidity maintained for the issue.

Outlook: Stable

Acuite believes that KIIFB will maintain 'stable' outlook for the near to medium term. The outlook may be changed to 'positive' if there is considerable improvement in the revenue stream or profitability. The outlook may be changed to 'negative' if the revenue stream gets affected due to the financial constraints of GoKe or any shortfall in the liquidity buffers earmarked for the issue.

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY24 (Actual)	FY23 (Actual)
Total Assets	Rs. Cr.	24,359.01	20,820.60
Total Income*	Rs. Cr.	3,710.63	3,886.69
PAT	Rs. Cr.	(967.71)	(853.33)
Net Worth	Rs. Cr.	3,327.02	2,820.49
Return on Average Assets (RoAA)	(%)	(4.28)	(4.55)
Return on Average Net Worth (RoNW)	(%)	(31.48)	(30.25)

Debt/Equity	Times	6.23	6.30
Gross NPA	(%)	-	-
Net NPA	(%)	-	-

**Total income equals to Net Interest Income plus other income*

Status of non-cooperation with previous CRA (if applicable):

Not Applicable

Any other information

Supplementary disclosures for Provisional Ratings

A. Risks associated with the provisional nature of the credit rating

In case there are material changes in the terms of the transaction after the initial assignment of the provisional rating and post the completion of the issuance (corresponding to the part that has been issued) Acuite will withdraw the existing provisional rating and concurrently, assign a fresh final rating in the same press release, basis the revised terms of the transaction.

B. Rating that would have been assigned in absence of the pending steps/ documentation

The rating would be equated to the standalone rating of the entity: **ACUITE A+/ Stable**

C. Timeline for conversion to Final Rating for a debt instrument proposed to be issued:

The provisional rating shall be converted into a final rating within 90 days from the date of issuance of the proposed debt instrument. Under no circumstance shall the provisional rating continue upon the expiry of 180 days from the date of issuance of the proposed debt instrument.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Explicit Credit Enhancements: <https://www.acuite.in/view-rating-criteria-49.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/ Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
22 Jul 2024	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Proposed Bond	Long Term	0.06	ACUITE Provisional AA (CE) Stable (Reaffirmed)
	Bond	Long Term	57.12	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	13.88	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	87.38	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	87.38	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	87.38	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	87.38	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	87.38	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	87.38	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	87.38	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	87.38	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	34.04	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	34.04	ACUITE AA (CE) Stable (Assigned)
Bond	Long Term	34.04	ACUITE AA (CE) Stable (Assigned)	

11 Apr 2024	Bond	Long Term	34.04	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	34.04	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	34.04	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	34.04	ACUITE AA (CE) Stable (Assigned)
	Proposed Bond	Long Term	0.02	ACUITE Provisional AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	87.38	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	87.38	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	87.38	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	87.38	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	87.38	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	87.38	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	87.38	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Proposed Bond	Long Term	0.02	ACUITE Provisional AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Proposed Bond	Long Term	238.34	ACUITE Provisional AA (CE) Stable (Reaffirmed)
	Bond	Long Term	57.12	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Reaffirmed)

14 Mar 2024	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	13.88	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Proposed Bond	Long Term	0.02	ACUITE Provisional AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Reaffirmed)
	Proposed Bond	Long Term	850.00	ACUITE Provisional AA (CE) Stable (Assigned)
	Bond	Long Term	57.12	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	71.00	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	13.88	ACUITE AA (CE) Stable (Assigned)
Bond	Long Term	71.00	ACUITE AA (CE) Stable (Assigned)	
11 Jan 2024	Proposed Bond	Long Term	413.42	ACUITE Provisional AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)

	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Proposed Bond	Long Term	83.60	ACUITE Provisional AA (CE) Stable (Reaffirmed)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	143.28	ACUITE AA (CE) Stable (Assigned)
	Proposed Bond	Long Term	699.98	ACUITE Provisional AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Reaffirmed)
	Proposed Bond	Long Term	800.00	ACUITE Provisional AA (CE) Stable (Assigned)
02 Nov 2023	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Assigned)
	Proposed Bond	Long Term	699.98	ACUITE Provisional AA (CE) Stable (Reaffirmed)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Assigned)
	Bond	Long Term	42.86	ACUITE AA (CE) Stable (Assigned)
30 Sep 2023	Proposed Bond	Long Term	1000.00	ACUITE Provisional AA (CE) Stable (Assigned)
28 Sep 2023	Proposed Bond	Long Term	1000.00	ACUITE Provisional AA (CE) Stable (Assigned)
25 May 2023	Proposed Bond	Long Term	1000.00	ACUITE Provisional AA (CE) Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	INE658F08144	Bond	22 Dec 2023	8.95	22 Dec 2032	57.12	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08086	Bond	22 Dec 2023	8.95	22 Dec 2027	71.00	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08128	Bond	22 Dec 2023	8.95	22 Dec 2028	71.00	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08110	Bond	22 Dec 2023	8.95	22 Dec 2029	71.00	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08102	Bond	22 Dec 2023	8.95	20 Dec 2030	71.00	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08094	Bond	22 Dec 2023	8.95	22 Dec 2031	71.00	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08144	Bond	22 Dec 2023	8.95	22 Dec 2032	13.88	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08136	Bond	22 Dec 2023	8.95	22 Dec 2033	71.00	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08151	Bond	26 Mar 2024	9.10	26 Mar 2028	87.38	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08169	Bond	26 Mar 2024	9.10	26 Mar 2033	87.38	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08177	Bond	26 Mar 2024	9.10	26 Mar 2029	87.38	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08185	Bond	26 Mar 2024	9.10	26 Mar 2032	87.38	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08193	Bond	26 Mar 2024	9.10	26 Mar 2031	87.38	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08201	Bond	26 Mar 2024	9.10	26 Mar 2030	87.38	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08219	Bond	26 Mar 2024	9.10	26 Mar 2034	87.38	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08219	Bond	23 Apr 2024	9.10	26 Mar 2034	34.04	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08201	Bond	23 Apr 2024	9.10	26 Mar 2030	34.04	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08193	Bond	23 Apr 2024	9.10	26 Mar 2031	34.04	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08185	Bond	23 Apr 2024	9.10	26 Mar 2032	34.04	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08151	Bond	23 Apr 2024	9.10	26 Mar 2028	34.04	Simple	ACUITE AA CE Stable Reaffirmed

Not Applicable	INE658F08177	Bond	23 Apr 2024	9.10	26 Mar 2029	34.04	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08169	Bond	23 Apr 2024	9.10	26 Mar 2033	34.04	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08037	Bond	03 Jul 2023	8.49	02 Jul 2027	42.86	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08011	Bond	03 Jul 2023	8.49	03 Jul 2028	42.86	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08045	Bond	03 Jul 2023	8.49	03 Jul 2029	42.86	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08029	Bond	03 Jul 2023	8.49	03 Jul 2030	42.86	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08052	Bond	03 Jul 2023	8.49	03 Jul 2031	42.86	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08078	Bond	03 Jul 2023	8.49	02 Jul 2032	42.86	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08060	Bond	03 Jul 2023	8.49	04 Jul 2033	42.86	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08086	Bond	22 Dec 2023	8.95	22 Dec 2027	143.28	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08128	Bond	22 Dec 2023	8.95	22 Dec 2028	143.28	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08110	Bond	22 Dec 2023	8.95	21 Dec 2029	143.28	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08102	Bond	22 Dec 2023	8.95	20 Dec 2030	143.28	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08094	Bond	22 Dec 2023	8.95	22 Dec 2031	143.28	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08144	Bond	22 Dec 2023	8.95	22 Dec 2032	143.28	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	INE658F08136	Bond	22 Dec 2023	8.95	22 Dec 2033	143.28	Simple	ACUITE AA CE Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Bond	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.06	Simple	Provisional ACUITE AA CE Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Bond	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.02	Simple	Provisional ACUITE AA CE Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Bond	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3000.00	Simple	Provisional ACUITE AA CE Stable Assigned

Contacts

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To,
Ajosh Krishna Kumar
GM
Kerala Infrastructure Investment Fund Board
2nd floor, Felicity Square, Koder Ln, Palayam,
Thiruvananthapuram, Kerala 695001

August 21, 2024

Dear Sir/Madam,

Re: Rating Letter for NCD of Kerala Infrastructure Investment Fund Board

India Ratings and Research (Ind-Ra) has taken the following rating actions on Kerala Infrastructure Investment Fund Board's (KIIFB) non-convertible debentures (NCDs):

Instrument Type	Size of Issue (million)	Rating assigned along with Outlook/ Watch	Rating Action
Proposed Non-convertible debentures \$, [^]	INR29,999.99	Provisional IND AA(CE)/Stable	Assigned
Non-convertible debentures \$	INR26,499.2	IND AA(CE)/Stable	Affirmed

\$Credit ratings with (CE) suffix indicates that the instruments are supported by an external explicit credit enhancement.

[^]The rating on the proposed NCDs is provisional and is contingent upon execution of certain documents and/ occurrence of certain steps.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or

affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

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It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings



Dr Devendra Pant
Senior Director

Annexure: Facilities Breakup

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)
Non-convertible debentures *	INE658F08037	03/07/2023	8.49	02/07/2027	IND AA(CE)/Stable	428.6
Non-convertible debentures *	INE658F08011	03/07/2023	8.49	03/07/2028	IND AA(CE)/Stable	428.6
Non-convertible debentures *	INE658F08045	03/07/2023	8.49	03/07/2029	IND AA(CE)/Stable	428.6
Non-convertible debentures *	INE658F08029	03/07/2023	8.49	03/07/2030	IND AA(CE)/Stable	428.6
Non-convertible debentures *	INE658F08052	03/07/2023	8.49	03/07/2031	IND AA(CE)/Stable	428.6
Non-convertible debentures *	INE658F08078	03/07/2023	8.49	02/07/2032	IND AA(CE)/Stable	428.6
Non-convertible debentures *	INE658F08060	03/07/2023	8.49	04/07/2033	IND AA(CE)/Stable	428.6
Non-convertible debentures	INE658F08086	22/12/2023	8.95	22/12/2027	IND AA(CE)/Stable	2142.8
Non-convertible debentures	INE658F08128	22/12/2023	8.95	22/12/2028	IND AA(CE)/Stable	2142.8
Non-convertible debentures	INE658F08110	22/12/2023	8.95	21/12/2029	IND AA(CE)/Stable	2142.8
Non-convertible debentures	INE658F08102	22/12/2023	8.95	20/12/2030	IND AA(CE)/Stable	2142.8
Non-convertible debentures	INE658F08094	22/12/2023	8.95	22/12/2031	IND AA(CE)/Stable	2142.8
Non-convertible debentures	INE658F08144	22/12/2023	8.95	22/12/2032	IND AA(CE)/Stable	2142.8
Non-convertible debentures	INE658F08136	22/12/2023	8.95	22/12/2033	IND AA(CE)/Stable	2142.8
Non-convertible debentures\$	INE658F08151	26/03/2024	9.10	26/03/2028	IND AA(CE)/Stable	1214.2
Non-convertible debentures\$	INE658F08177	26/03/2024	9.10	26/03/2029	IND AA(CE)/Stable	1214.2
Non-convertible debentures\$	INE658F08201	26/03/2024	9.10	26/03/2030	IND AA(CE)/Stable	1214.2
Non-convertible debentures\$	INE658F08193	26/03/2024	9.10	26/03/2031	IND AA(CE)/Stable	1214.2
Non-convertible debentures\$	INE658F08185	26/03/2024	9.10	26/03/2032	IND AA(CE)/Stable	1214.2
Non-convertible debentures\$	INE658F08169	26/03/2024	9.10	26/03/2033	IND AA(CE)/Stable	1214.2
Non-convertible debentures\$	INE658F08219	26/03/2024	9.10	26/03/2034	IND AA(CE)/Stable	1214.2

*NCDs are green bonds. As per NSDL records, the issue size of each green bond is INR1,428.5 million, which is on the basis of issue size of INR10,000.0 million. However, KIIFB has raised INR3,000.2 million (seven strips of INR428.6 million). KIIFB has taken up this matter with NSDL.

\$NCDs amounting to INR2,382.8 million broken into seven sub-series of INR340.40 million were allotted on 23 April 2024 with temporary ISIN and merged with existing ISIN having issuance date of 26 March 2024.

Source: KIIFB, NSDL



India Ratings Assigns Kerala Infrastructure Investment Fund Board's Proposed NCDs 'Provisional IND AA(CE)/Stable; Affirms Existing Rating

Aug 21, 2024 | Development Authority

India Ratings and Research (Ind-Ra) has taken the following rating actions on Kerala Infrastructure Investment Fund Board's (KIIFB) non-convertible debentures (NCDs):

Details of Instruments

Instrument Type	Date of issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/ Watch	Rating Action
Proposed Non-convertible debentures \$,^	-	-	-	INR29,999.99	Provisional IND AA(CE)/Stable	Assigned
Non-convertible debentures*, \$	-	-	-	INR26,499.2	IND AA(CE)/Stable	Affirmed

\$Credit ratings with (CE) suffix indicates that the instruments are supported by an external explicit credit enhancement. Please refer to section DISCLOSURES FOR CE RATING for additional details as per SEBI Master Circular dated 6 July 2023.

^The rating on the proposed NCDs is provisional and is contingent upon execution of certain documents and/ occurrence of certain steps. Please refer to section DISCLOSURES FOR PROVISIONAL RATING for additional details as per SEBI Master Circular.

*Details in Annexure I

Analytical Approach

Ind-Ra continues to take a standalone view of KIIFB to arrive at the ratings. Ind-Ra classifies KIIFB as a dependent entity of the government of Kerala (GoKe) under its rating of Public Sector Entities criteria. The NCD rating draws comfort from the credit profile of the GoKe, which has extended an unconditional and irrevocable guarantee for the debt issuance. The bond rating is notched up on the basis of the pledged revenue, the strength of the structured payment mechanism based on the draft term sheet, and the likely adequate debt service coverage.

Detailed Rationale of the Rating Action

The instrument ratings are based on the continued strong legal and financial linkages between KIIFB and the GoKe and Ind-Ra has notched them up based on the structured payment mechanism, which is working as it was hypothesised. The collections from the unrestricted pledged receivables, in the form of motor vehicle tax (MVT) and cess on petroleum receipts, allocated to KIIFB by the GoKe, are in line with Ind-Ra's expectations. Resultantly, neither DSRA has been used nor the GoKe guarantee and DSRA guarantee have been invoked.

Ind-Ra has rated the proposed NCDs at the same level as the existing ones on the basis that a similar structured payment mechanism will be followed for them except for the corpus fund. However unlike in the earlier structure where a recourse to the corpus fund was made in instances such as a debt service reserve account (DSRA) impairment/ cross default, the current structure takes a recourse to the GoKe to replenish the shortfall in DSRA as well as infusing funds to meet any shortfall in redeeming NCDs to the bond holders in case of a cross default. In the new structure, the GoKe takes the responsibility of replenishing the upfront fixed deposit (FD) and infusing funds to KIIFB for redeeming bondholders in case of a cross default along with the responsibilities as per the earlier transaction structure. For the proposed bonds, Ind-Ra takes comfort from the unconditional, irrevocable and continuing pre-default guarantee agreement executed between the GoKe and KIIFB, which will remain in force and effect until NCDs are fully redeemed as per draft the deed of guarantee. Basis the pre-default guarantee and enforceability of the guarantee, Ind-Ra has assigned a CE suffix to the NCD rating, and the base rating of the transaction is linked to the credit profile of GoKe for the proposed bonds.

For the existing NCDs, Ind-Ra takes comfort from the unconditional, irrevocable and continuing pre-default guarantee agreement executed between the GoKe and KIIFB, which will remain in force and effect until NCDs are fully redeemed. The guarantee is also available to replenish DSRA, if it is utilised to meet debt payment obligations. Basis the pre-default guarantee and enforceability of the guarantee, Ind-Ra has assigned a CE suffix to the NCD rating, and the base rating of the transaction is linked to the credit profile of GoKe for the existing bonds.

The proposed and existing NCD ratings are further notched up based on the transaction structure. The ratings also factor in the legal and financial strengths of the transaction structure, which will be monitored and controlled by the debenture trustee (DT). The payment mechanism of both proposed and existing bonds is backed by a bond servicing account (BSA), a pre-funded (initial DSRA & FD to be created one day before the pay-in date) one-quarter DSRA and an FD sufficient to meet one-quarter interest and principal obligations throughout the bond tenor. The DSRA and FDs are liened in favour of the trustee and can be used only for debt servicing.

List of Key Rating Drivers

Strengths

- Adequacy of pledged revenue
- DSRA and corpus fund
- Structured payment mechanism
- Transaction structural features
- Shortfall guarantee from GoKe
- GoKe's ownership and control of KIIFB
- Fiscal prudence in FY24 and FY25

Weaknesses

- Potential revenue risk during an adverse economic situation
- Kerala's moderate economic performance
- State's high debt burden

Detailed Description of Key Rating Drivers

Adequacy of Pledged Revenue: Ind-Ra expects the pledged revenue to comfortably meet the debt service obligations of the bonds throughout the tenor. Under the transaction structure, the MVT and petroleum cess received in KIIFB's collection account daily during April to December every year, will be deposited in KIIFB's BSA. The interest servicing and repayment of the bonds will be made from the build-up of such allocated cash flows, through regular transfers, in the bond servicing escrow account. Ind-Ra expects the revenue pledged to adequately provide a minimum cover of 1.2x of its debt service payments under the rating case scenario without using liquidity buffers in the medium term. The NCDs will be issued at a fixed rate of interest that mitigates the interest rate risk.

The transfer to BSA will be done in a manner such that the amount required for servicing NCDs gets fully built-up at least seven days prior to the quarterly servicing date. The MVT and cess allocation by the GoKe increased at a CAGR of 11% during FY20-FY24. The GoKe is required to ensure that the funds allocated to KIIFB grow at least 10% yoy. For any shortfall in cash flow during a financial year, the structure draws support from the statutory obligation of the government to cover the shortfall under the KIIF Act 2016.

DSRA and Corpus Fund: A one-quarter DSRA and an FD sufficient to meet one-quarter interest and principal obligations throughout the bond tenor has been created and will be created one day before the pay-in date for all the existing and proposed bonds, respectively. Also, the terms of the proposed bonds are similar as the existing set of bonds, basis the draft term sheet and draft NCD documents except for the availability of the corpus fund. The corpus fund has been enhanced to INR33,270 million as of February 2024 from INR28,204.90 million to adhere to the condition that the bond issuance is kept at maximum of 80% of the corpus fund for existing issuances.

Structured Payment Mechanism: Ind-Ra expects the structured payment mechanism overseen by the trustees to protect the interest of bond holders. As per the draft documents received from the management, the structure remains similar for the proposed bonds as well except for the corpus fund. Unlike in the earlier structure where a recourse to the corpus fund was made in instances such as a DSRA impairment/ in case of cross default, the current structure takes a recourse to the GoKe to replenish the shortfall in DSRA as well as infusing funds to meet any shortfall in redeeming NCDs to the bond holders in case of a cross default. In the new structure, the GoKe takes responsibility of replenishing the upfront FD and infusing funds to KIIFB for redeeming bondholders in case of cross default in addition to the responsibilities as per the earlier transaction structure.

Under the structured payment mechanism, from the first day of each quarterly servicing cycle, an amount equivalent to 2% of the aggregate quarterly servicing requirement of the outstanding bonds will be transferred to KIIFB's BSA, by way of an irrevocable standing instruction to the collection bank, until the required debt servicing amount is fully built up (pay-out date (T)) T-7 days before the due date of the payment. This transfer will continue each working day from April to December. For the period of 1 January to 31 March, KIIFB shall transfer an upfront amount on 1 January each year to KIIFB's BSA. The upfront amount will be equivalent to the amount required towards the aggregate daily transfer amounts for the said period.

The DT would monitor the adequacy of the availability of funds in BSA, and in case of any inadequacy, would fund the same through liquidation of FD to the extent of such shortfall (T-7 days). In case of a shortfall in the BSA by T-5 day, DT would advise KIIFB to immediately bridge the shortfall, under intimation to the state government. If the shortfall persists on T-3 day, DT would transfer the requisite funds from DSRA to bridge the gap.

In case the funds available in DSRA are lower than the servicing requirement for the immediate next servicing date (T + 91), DT would serve a notice to KIIFB on T+ 1 day to fully replenish the DSRA impairment through the transfer of requisite amount from the corpus fund within T+6 days for the existing bonds.

The structure payment mechanism is provided in detail for proposed NCDs in the Any Other Information section below.

Transaction Structural Features: Both existing and proposed bonds are also secured by an exclusive charge on KIIFB's BSA, DSRA account and FD in favour of DT. The GoKe has agreed to unconditionally and irrevocably guarantee the bonds raised by KIIFB; the guarantee is continuing in nature and through the tenor of the bonds for the principal and interest as per the deed of guarantee for existing bonds and the draft deed of guarantee for the proposed bonds, respectively. The corpus fund is unavailable for the proposed bonds and in the new structure, the GoKe takes the responsibility of replenishing the upfront FD/DSRA and infusing funds to KIIFB for redeeming the bondholders in case of a cross default in addition to the responsibilities as per the earlier transaction structure.

Separately, for the existing bonds, KIIFB has extended an unconditional and irrevocable undertaking that in the event DSRA is utilised for meeting any debt servicing requirement for NCDs, it would arrange to release the requisite amount from the corpus fund to replenish DSRA. As per the undertaking, KIIFB would not impair this corpus fund in any way during the tenor of the NCDs and an amount of INR33,270.19 million (FYE24) would always be maintained as the corpus to fully reinstate DSRA. There would be no charge or lien on the corpus fund in favour of DT. However, DT would monitor the corpus fund. The corpus fund was enhanced in FY24 for a further fund raise through the NCDs route.

In case of cross default/acceleration under agreements (subject to relevant cure periods) for any financial indebtedness of KIIFB or its subsidiaries, KIIFB would repay bond holders the entire amount of the outstanding bonds from the corpus fund within seven days from the date of occurrence of such cross default/acceleration, failing which it shall constitute an event of default for the existing bonds.

Shortfall Guarantee from GoKe: For the proposed bonds, the GoKe has extended a guarantee to fund DSRA and FD shortfall within the specified timeline. Unlike in the earlier structure where a recourse to the corpus fund was made in instances such as a DSRA impairment/ in case of cross default, the current structure takes a recourse to the GoKe to replenish the shortfall in DSRA, FD as well as infusing funds to meet any shortfall in redeeming NCDs to the bond holders in case of cross default.

The deed of guarantee would specifically provide obligation on the part of the GoKe to fund the shortfall in DSRA and FD when called upon by DT, as per the stipulated timeline, in case of the proposed bonds. The structure payment mechanism is provided in detail for the proposed NCDs in the Any Other Information section below.

The GoKe has extended a guarantee to fund only DSRA shortfall within the specified timeline for the existing bonds. In the event of the DSRA not getting fully reinstated by T+6 days, DT would notify the state government about its intention for an invocation of the guarantee if the shortfall were not fully bridged by T+27 days. The deed of guarantee specifically provides obligation on the part of the GoKe to fund the shortfall in DSRA when called upon by DT, as per the above stipulated timeline. If the guaranteed obligations are not met by the GoKe within 30 days of the guaranteed invocation, it would be construed as an event of default, as per the terms of the transaction. Ind-Ra, in its analysis, has stressed the GoKe's credit profile by considering a sizeable portion of the guarantee to devolve. As per Ind-Ra's analysis, the guarantor, even in the stress scenario, is likely to meet all the guaranteed debt obligations.

GoKe's Ownership and Control of KIIFB: Ind-Ra has classified KIIFB as a dependent public sector entity under its Rating of Public Sector Entities criteria. The GoKe exercises significant control over KIIFB's policy objective and governs the composition and functioning of the board. Moreover, KIIFB is fully owned by the GoKe. The government has enacted the necessary legislation to enable the board to mobilise funds for the infrastructure development of Kerala. The GoKe also exercises significant control over the working of KIIFB through its board, which comprises senior state government officials along with independent members. As per section 7 of Kerala Infrastructure Investment Fund (Amendment) Act, 2016 on budgetary allocation for repayment, the GoKe from time to time will provide in its annual budget the expenses incurred for the payment of annuity and other obligations of KIIFB in the form of MVT and petroleum cess. The GoKe may further make grants, loans and advances available to the fund as it may deem fit.

Fiscal Prudence in FY24 & FY25: As per the provisional accounts by the Comptroller and Auditor General of India, in FY24, there was a shortfall in total receipts (INR132.66 billion) which led to a cut down of the total expenditure (INR199.52 billion). The shortfall in receipts largely emanated from the receipts from the union government (grants: INR44.25 billion & tax devolution: INR73.32 billion) as own revenues were marginally lower (SOTE: INR5.0 billion and SONTR: INR7.7 billion). On the other hand, there was curtailment of current expenditure to the tune of INR196.19 billion in FY24 (P) compared to budget estimates. Favourably, the capex target was broadly met as it was 98.0% of the FY24 (Budget Estimate) in FY24. All this resulted in the revenue deficit of the state improving to 1.5% of GSDP in FY24 (P) (FY24 (BE): 2.1%). Consequently, the fiscal deficit stood at 2.8% of GSDP in FY24 (P) much lower than 3.5% as per FY24BE.

For FY25, the state government expects the revenue deficit to be 2.1% and the fiscal deficit to be 3.4% of GSDP. The overall gross market borrowings of the state amounted to INR424.38 billion (3.6% of GSDP) in FY24. The state borrowed INR136.08 billion in March 2024, by way of dated securities of various tenors, with a weighted average yield of 7.42%, closer to that of dated securities issued by other states. The net market borrowings stood at INR266.38 billion (2.3% of GSDP) in FY24.

Potential Revenue Risk during Adverse Economic Situation: Ind-Ra does not rule out the possibility of a reduction of MVT due to an adverse economic situation, which may pan out during the bond tenor, and a reduction in petroleum cess due to a shift to electrical vehicles. However, the liquidity buffers by way of FD and DSRA and an unconditional, irrevocable and continuing guarantee by the GoKe towards DSRA replenishment for both the bonds and FD replenishment for proposed bonds under the transaction structure mitigate the risk from

inadequate cash flows for debt payments. Ind-Ra believes the GoKe would ensure the budgetary allocation to KIIFB by way of MVT and cess is adequate to meet its debt servicing obligations and fund infrastructure development activity.

Kerala's Moderate Economic Performance: The share of agriculture and industry in the state economy is lower while that of services is higher than their respective shares in the national economy. The share of industry in Kerala was lower at 28.9% than 30.2% of the national level in FY23. The share of services was higher at 62.6% than the sector's share in the national economy of 54.4% in FY23. With a CAGR of 4.3%, Kerala's economy grew slower than the nation's gross value-added growth rate of 5.6% during FY12-FY23. The state's contribution to the national economy was 3.8% in FY23 (FY12: 4.1%).

State's High Debt Burden: The debt of the state has been budgeted at 34.2% of GSDP in FY25 which would be higher than the corresponding indicative debt estimate of 32.8% of GSDP for the state government, as per the 15th financial commission. The guarantees stood at INR503.7 billion in FY23, growing 13.5% yoy, and once included in the state debt, the combined liabilities of the state stood at 39.4% of GSDP in FY23 (FY21: 43.2%).

Liquidity

Adequate: Liquidity is supported by daily transfers of MVT and petroleum cess, which are escrowed for debt servicing. KIIFB had surplus liquidity of INR33,270 million by way of the corpus fund at FYE24 (audited). They are likely to receive INR31,300 million during FY25 as their share of MVT and petroleum cess from the GoKe. Any shortfall in the said funds would be supported by the state government in the form of additional support as required.

The total liquidity available with KIIFB, including cash and bank balances, DSRA deposits for existing debt, corpus fund and investments, was INR71,903.14 million at FYE24. NCDs benefit from the liquidity buffers by way of a one-quarter pre-funded DSRA and an FD to the extent of interest obligations of one succeeding quarter and a principal redemption amount of one quarter upfront that would be maintained throughout the tenure of NCDs.

The company is required to maintain a DSRA equivalent of one-quarter interest and principal obligations throughout the tenor of NCDs. In accordance with the terms of the structure, a one-quarter DSRA and one-quarter interest and principal obligations in the form of FDs worth INR1,549.81 million have been created (for the existing bonds).

The corpus fund can be utilised for replenishing DSRA, put option on a critical rating downgrade notice, cross default mandatory redemption and early redemption only in case of the existing bonds (in the event KIIFB is required to replenish any shortfall in the DSRA for the third consecutive quarter). Ind-Ra expects the cash debt service coverage ratio for FY25 to be comfortably above 1.3x of the debt service payments, based on the rating case scenario (FY24: 2.31x; FY23: 3.13x; including liquidity buffers such as cash and bank balances and investments). Total debt servicing obligation for FY25 and FY26 as per agency's projections are INR44,375.34 million and INR52,599.28 million, respectively, which can be comfortably covered by the existing cash reserves and the budgetary allocation to be received of MVT and petroleum cess from the GoKe.

Rating Sensitivities

Positive: Any improvement in the credit profile of the GoKe will be positive for the ratings.

Negative: The following developments could, individually or collectively, lead to a negative rating action:

- deterioration in the credit profile of the GoKe;
- the debt service coverage ratio falling below 1.2x for two consecutive years during the bond tenor;
- continuous dipping into liquidity buffers for two consecutive quarters;
- the invocation of the GoKe's guarantee; and
- a failure or breach to comply with Securities and Exchange Board of India's listing requirements with regard to timely disclosure on a sustained basis.

Disclosures for CE Rating

1) UNSUPPORTED RATING

Ind-Ra has affirmed the unsupported rating at 'IND A-/Stable'.

ANALYTICAL APPROACH

The NCD rating is supported by the credit profile of the GoKe, the nature of the pledged revenue, the strength of the structured payment mechanism based on the term sheet for the existing bonds and draft term sheet for the proposed bonds, and the likely adequate debt service coverage ratio.

DETAILED RATIONALE OF THE RATING ACTION

Ind-Ra has classified KIIFB as a dependent public sector entity under its Rating of Public Sector Entities criteria. The unsupported rating considers the legal status of the entity, the significant control exercised by the GoKe over its policy objective, and the composition and functioning of the board.

LIST OF KEY RATING DRIVERS

Strengths

- GoKe's ownership and control of KIIFB
- Fiscal prudence in FY24 and FY25

Weaknesses

- Potential revenue risk during adverse economic situation
- Kerala's moderate economic performance
- State's high debt burden

DETAILED DESCRIPTION OF KEY RATING DRIVERS

GoKe's Ownership and Control of KIIFB: Ind-Ra has classified KIIFB as a dependent public sector entity under its Rating of Public Sector Entities criteria. The GoKe exercises significant control over KIIFB's policy objective and governs the composition and functioning of the board. Moreover, KIIFB is fully owned by the GoKe. The government has enacted the necessary legislation to enable the board to mobilise funds for the infrastructure development of Kerala. The GoKe also exercises significant control over the working of KIIFB through its board, which comprises senior state government officials along with independent members. As per section 7 of Kerala Infrastructure Investment Fund (Amendment) Act, 2016 on budgetary allocation for repayment, the GoKe from time to time will provide in its annual budget the expenses incurred for the payment of annuity and other obligations of KIIFB in the form of MVT and petroleum cess. The GoKe may further make grants, loans and advances available to the fund as it may deem fit.

Fiscal Prudence in FY24 & FY25: As per the provisional accounts by the Comptroller and Auditor General of India, in FY24, there was a shortfall in total receipts (INR132.66 billion) which led to a cut down of the total expenditure (INR199.52 billion). The shortfall in receipts largely emanated from the receipts from the union government (grants: INR44.25 billion & tax devolution: INR73.32 billion) as own revenues were marginally lower (SOTE: INR5.0 billion and SONTR: INR7.7 billion). On the other hand, there was curtailment of current expenditure to the tune of INR196.19 billion in FY24 (P) compared to budget estimates. Favourably, the capex target was broadly met as it was 98.0% of the FY24 (Budget Estimate) in FY24. All this resulted in the revenue deficit of the state improving to 1.5% of GSDP in FY24 (P) (FY24 (BE): 2.1%). Consequently, the fiscal deficit stood at 2.8% of GSDP in FY24 (P) much lower than 3.5% as per FY24BE.

For FY25, the state government expects the revenue deficit to be 2.1% and the fiscal deficit to be 3.4% of GSDP. The overall gross market borrowings of the state amounted to INR424.38 billion (3.6% of GSDP) in FY24. The state borrowed INR136.08 billion in March 2024, by way of dated securities of various tenors, with a weighted average yield of 7.42%, closer to that of dated securities issued by other states. The net market borrowings stood at INR266.38 billion (2.3% of GSDP) in FY24.

The debt of the state has been budgeted at 34.2% of GSDP in FY25 which would be higher than the corresponding indicative debt estimate of 32.8% of GSDP for the state government, as per the 15th financial commission (FC). The guarantees stood at INR503.7 billion, growing 13.5% in FY23, and once included in the state debt, the combined liabilities of the state stood at 39.4% of GSDP in FY23 (FY21: 43.2%).

Potential Revenue Risk during Adverse Economic Situation: Ind-Ra does not rule out the possibility of a reduction of MVT due to an adverse economic situation, which may pan out during the bond tenor, and a reduction in petroleum cess due to a shift to electrical vehicles. However, the liquidity buffers by way of FD and DSRA and an unconditional, irrevocable and continuing guarantee by the GoKe towards DSRA replenishment under the transaction structure mitigate the risk from inadequate cash flows for debt payments. Ind-Ra believes the GoKe would ensure the budgetary allocation to KIIFB by way of MVT and cess is adequate to meet its debt servicing obligations and fund infrastructure development activity.

Kerala's Moderate Economic Performance: The share of agriculture and industry in the state economy is lower while that of services is higher than their respective shares in the national economy. The share of industry in Kerala was lower at 28.9% than 30.2% of the national level in FY23. The share of services was higher at 62.6% than the sector's share in the national economy of 54.4% in FY23. With a CAGR of 4.3%, Kerala's economy grew slower than the nation's gross value-added growth rate of 5.6% during FY12-FY23. The state's contribution to the national economy was 3.8% in FY23 (FY12: 4.1%).

State's High Debt Burden: The debt of the state has been budgeted at 34.2% of GSDP in FY25 which would be higher than the corresponding indicative debt estimate of 32.8% of GSDP for the state government, as per the 15th financial commission (FC). The guarantees stood at INR503.7 billion, growing 13.5% yoy, in FY23, and once included in the state debt, the combined liabilities of the state stood at 39.4% of GSDP in FY23 (FY21: 43.2%).

RATING SENSITIVITIES

Positive: Any improvement in the credit profile of the GoKe will be positive for the ratings.

Negative: A negative rating action could result, individually or collectively, from the following

- a weakening of the linkages with the GoKe
- deterioration in the GoKe's credit profile

2) INSTRUMENT COVENANTS

For Existing and Proposed Bonds

The issuer shall ensure that, in respect of any relevant period, the liability service coverage ratio for such relevant period shall not be less than 1.1x. The liability service coverage ratio means the ratio of FC cash flow to liability service;

FC cash flow means, with respect to any relevant period, the aggregate of: (a) a share of MVT and cess levied on petroleum products received by the issuer pursuant to KIIF Act; (b) any other amount appropriated by the GoKe for the issuer's sole usage; (c) any other payments to the issuer other than proceeds from any financial indebtedness; and (d) the total amount of cash and cash equivalent investments controlled by the issuer at the beginning of the relevant period, excluding any DSRA and sinking fund or any other debt servicing account of similar intent; and

Liability service means, with respect to the relevant period, the aggregate of: (a) all scheduled payments (including balloon payments) on account of principal and interest and other charges on all financial indebtedness, as applicable and (b) any payment made or required to be made to any debt service account under the terms of any agreement providing for any financial indebtedness.

3) ADEQUACY OF CE STRUCTURE

1. **Shortfall Guarantee from GoKe:** For the proposed bonds the GoKe takes the responsibility of replenishing the upfront FD and infusing funds to KIIFB for redeeming bondholders in case of cross default in addition to the responsibilities as per the earlier transaction structure. The GoKe has extended a guarantee to fund DSRA and FD shortfall within the specified timeline. Unlike in the earlier structure where a recourse to the corpus fund was made in instances such as a DSRA impairment/ in case of cross default, the current structure takes a recourse to the GoKe to replenish the shortfall in DSRA, FD as well as infusing funds to meet any shortfall in redeeming NCDs to the bond holders in case of cross default. The deed of guarantee would specifically provide obligation on the part of the GoKe to fund the shortfall in DSRA and FD when called upon by DT, as per the stipulated timeline. The structure payment mechanism is provided in detail for proposed NCDs in the Any Other Information section below.

The GoKe has extended a guarantee to fund only DSRA shortfall within the specified timeline for the existing bonds. In the event of DSRA not getting fully reinstated by T+6 days, DT would notify the state government about its intention for an invocation of the guarantee if the shortfall were not fully bridged by T+27 days. The deed of guarantee would specifically provide obligation on the part of the GoKe to fund the shortfall in DSRA when called upon by DT, as per the above stipulated timeline. If the guarantee obligations are not met by the GoKe within 30 days of guarantee invocation, it would be construed as an event of default, as per terms of the transaction. Ind-Ra, in its analysis, has stressed the GoKe's credit profile by considering a sizeable portion of the guarantee to devolve. As per Ind-Ra's analysis, the guarantor, even in the stress scenario, is likely to meet all the guaranteed debt obligations.

2. **State Government Guarantee:** The guarantee is unconditional and irrevocable and is a continuing obligation. The guarantee will remain in force and effect until the NCDs are fully redeemed.

Ind-Ra, in its analysis, has stressed the GoKe's credit profile by considering a sizeable portion of the guarantee to devolve. As per Ind-Ra's analysis, the guarantor, even in the stress scenario, is likely to meet all the guaranteed debt obligations.

Disclosures for Provisional Rating

1) RATING THAT WOULD HAVE BEEN ASSIGNED IN ABSENCE OF THE PENDING STEPS/ DOCUMENTATION

Ind-Ra would have assigned 'IND A-/Stable in the absence of the pending steps/documentation'.

2) PENDING STEPS/ DOCUMENTATION CONSIDERED WHILE ASSIGNING PROVISIONAL RATING AND RISKS ASSOCIATED WITH THE PROVISIONAL NATURE OF THE CREDIT RATING:

S.no.	Pending Critical Documentation while Assigning Provisional Rating*	Risks Associated with Provisional Nature of Credit Rating in the Absence of Completed Documentation or Change in Documentation
1	Final term sheet	In the absence of executed documents or the final executed documents deviating from the draft documents submitted at the time of provisional rating, the transaction structure would be weak.
2	Deed of hypothecation	
3	Debenture trust deed	
4	Deed of guarantee	
5	Accounts agreement	
6	Creation of DSRA and fixed deposit	Non-creation of DSRA and FD would increase the vulnerability to cashflow mismatches and the risk of timely debt servicing.

*Additionally, any other relevant documents executed for the transaction should be provided to the agency.

3) VALIDITY PERIOD

The final rating, upon the receipt of executed documents consistent with the draft documents, shall be assigned within 90 days from the date of issuance of the instrument. The provisional rating may be extended by another 90 days, subject to Ind-Ra's policy, if the execution of the documents is pending.

Any Other Information

For Proposed Bonds

Interest/Principal payment mechanism	
T - Interest/Principal payment date	
Day	
T-7	DT shall independently monitor the amounts required for servicing of the bonds (principal and/or interest as the case may be) in KIIFB's BSA III 7 days prior to the relevant servicing date (T-7).
T-7	DT should independently monitor the adequacy of availability of such fund in KIIFB's BSA III seven days prior to the relevant servicing date (T-7), and in case of any inadequacy, fund the same through liquidation of FD to the extent of such shortfall.
T-5	However, if due to any reason, it is not possible to fully fund KIIFB's BSA III by T-5th day, DT should advise KIIFB to immediately bridge the shortfall, under intimation to the GoK.
T-3	In the event of shortfall persisting on T-3rd day, DT would transfer the requisite funds from the DSRA III to bridge the gap.
T-2	This event of DSRA impairment should be immediately notified to the GoKe by DT on the next day.
T	Interest/principal payment is done
Remedial Action Consequential to Impairment of Upfront FD	
Day	
T-6	In case of any impairment of upfront FD on T-7 to meet the servicing obligation on any payout date (T) resulting in the amount available in the upfront FD less than the stipulated amount for the next quarter, DT shall give a notice to KIIFB on T-6 days to fully replenish such shortfall within the next six days i.e. T.
T+1	DT shall check the amount in the upfront FD on T+1st day and in the event of any shortfall, DT shall notify KIIFB to fund the shortfall within five days (T+6).
T+7	DT shall check the amount available in the upfront FD on T+7 th day and in the event of any shortfall, DT shall notify the GoKe of its intention for invocation of the government guarantee to the extent of such shortfall if the same is not fully bridged within 21 days (T+27).
T+28	If the irregularity continues beyond the above timeline, DT shall invoke the guarantee from the GoKe on the next day (T + 28) to the extent of such shortfall in the upfront FD from the stipulated level.
T+58	The deed of guarantee would specifically provide obligation on the part of the state government to replenish the upfront FD when called upon by DT, as per the above stipulated timeline. If the guaranteed obligations are not met by the state government within 30 days of guarantee invocation, it would be construed as an event of default.
Remedial Action Consequential to Impairment of DSRA	
Day	
T+1	In case of any impairment of DSRA to meet the servicing obligation on any payout date (T) resulting in the amount available in DSRA less than the stipulated amount, DT shall give a reminder notice to KIIFB on T+1 days to fully replenish such shortfall within the next five days.
T+7	DT shall check the amount available in DSRA on T+7th day and in the event of any impairment still persisting, DT shall notify the GoKe of its intention for invocation of the government guarantee to the extent of such impairment/shortfall if the same is not fully bridged within the 21 days (T+27).
T+28	If the irregularity continues beyond the above timeline, DT shall invoke the state government guarantee on the next day (T + 28) to the extent of such shortfall in DSRA III from the stipulated level.
T+58	The deed of guarantee would specifically provide obligation on the part of the state government to fund the shortfall in DSRA III when called upon by DT, as per the above stipulated timeline. If the guaranteed obligations are not met by the state government within 30 days of guaranteed invocation, it would be construed as an event of default.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on KIIFB, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please [click here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please [click here](#).

About the Company

KIIFB, a body corporate created by the Kerala Infrastructure Investment Fund Act 1999 (Act 4 of 2000), came into existence on 11 November 1999 as the principal funding arm of the GoKe. The main objective of KIIFB is to provide investments for critical and large infrastructure projects in the state. Later, comprehensive modifications to the Act have been made through the KIIF (Amendment) Act, 2016. With the expanded scope and structure, KIIFB dynamically mobilises funds for the infrastructure development of Kerala. This also includes major land acquisition needs for infrastructure development. KIIFB resorts to the advanced financial instruments approved by the Securities and Exchange Board of India and the Reserve Bank of India to ensure the development of sustainable infrastructure in Kerala.

Key Financials Indicators

Particulars (INR billion) - KIIFB	FY24	FY23
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Total Income	56.29	53.34
EBITDA	8.73	5.75
EBITDA margins (%)	15.51	10.77
Debt/EBITDA(x)	20.49	24.92
Adjusted interest service coverage (x)*	6.58	5.45

*Adjusted ISCR is calculated basis cash ISCR (including liquidity buffers such as cash and bank balances and investments).

Source: KIIFB, Ind-Ra

Particulars (as % of GSDP) - GoKe	FY24RE	FY25BE
Revenue balance	-2.10	-2.10
Fiscal balance	-3.40	-3.40
Total debt	34.30	34.20

Source: GoKe FY25 Budget, Ind-Ra

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook							
	Rating Type	Rated Limits (million)	Rating	19 July 2024	10 April 2024	6 March 2024	27 December 2023	10 November 2023	7 July 2023	5 July 2023	
Non-convertible debentures	Long-term	INR56,499.19	IND AA(CE)/Stable	IND AA(CE)/Stable	IND AA(CE)/Stable	IND AA(CE)/Stable	IND AA(CE)/Stable	IND AA(CE)/Stable	IND AA(CE)/Stable	IND AA(CE)/Stable	Pro
Unsupported rating	Long-term	-	IND A-/Stable	IND A-/Stable	IND A-/Stable	IND A-/Stable	IND A-/Stable	IND A-/Stable	IND A-/Stable	IND A-/Stable	AA(C) IND /

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Non-convertible debenture	Medium

Note: The complexity indicator has been assigned as moderate because of the pre-default guarantee agreement executed between the GoKe and KIIFB.

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

Annexure

Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook
Non-convertible debentures *	INE658F08037	3 July 2023	8.49	2 July 2027	INR428.6	IND AA(CE)/Stable
Non-convertible debentures *	INE658F08011	3 July 2023	8.49	3 July 2028	INR428.6	IND AA(CE)/Stable
Non-convertible debentures *	INE658F08045	3 July 2023	8.49	3 July 2029	INR428.6	IND AA(CE)/Stable
Non-convertible debentures *	INE658F08029	3 July 2023	8.49	3 July 2030	INR428.6	IND AA(CE)/Stable
Non-convertible debentures *	INE658F08052	3 July 2023	8.49	3 July 2031	INR428.6	IND AA(CE)/Stable
Non-convertible debentures *	INE658F08078	3 July 2023	8.49	2 July 2032	INR428.6	IND AA(CE)/Stable
Non-convertible debentures *	INE658F08060	3 July 2023	8.49	4 July 2033	INR428.6	IND AA(CE)/Stable
Non-convertible debentures	INE658F08086	22 December 2023	8.95	22 December 2027	INR2,142.8	IND AA(CE)/Stable
Non-convertible debentures	INE658F08128	22 December 2023	8.95	22 December 2028	INR2,142.8	IND AA(CE)/Stable
Non-convertible debentures	INE658F08110	22 December 2023	8.95	21 December 2029	INR2,142.8	IND AA(CE)/Stable
Non-convertible debentures	INE658F08102	22 December 2023	8.95	20 December 2030	INR2,142.8	IND AA(CE)/Stable
Non-convertible debentures	INE658F08094	22 December 2023	8.95	22 December 2031	INR2,142.8	IND AA(CE)/Stable
Non-convertible debentures	INE658F08144	22 December 2023	8.95	22 December 2032	INR2,142.8	IND AA(CE)/Stable
Non-convertible debentures	INE658F08136	22 December 2023	8.95	22 December 2033	INR2,142.8	IND AA(CE)/Stable
Non-convertible debentures\$	INE658F08151	26 March 2024	9.10	26 March 2028	INR1,214.2	IND AA(CE)/Stable
Non-convertible debentures\$	INE658F08177	26 March 2024	9.10	26 March 2029	INR1,214.2	IND AA(CE)/Stable
Non-convertible debentures\$	INE658F08201	26 March 2024	9.10	26 March 2030	INR1,214.2	IND AA(CE)/Stable
Non-convertible debentures\$	INE658F08193	26 March 2024	9.10	26 March 2031	INR1,214.2	IND AA(CE)/Stable
Non-convertible debentures\$	INE658F08185	26 March 2024	9.10	26 March 2032	INR1,214.2	IND AA(CE)/Stable
Non-convertible debentures\$	INE658F08169	26 March 2024	9.10	26 March 2033	INR1,214.2	IND AA(CE)/Stable
Non-convertible debentures\$	INE658F08219	26 March 2024	9.10	26 March 2034	INR1,214.2	IND AA(CE)/Stable
TOTAL					INR26,499.2	

*NCDs are green bonds. As per NSDL records, the issue size of each green bond is INR1,428.5 million, which is on the basis of issue size of INR10,000.0 million. However, KIIFB has raised INR3,000.2 million (seven strips of INR428.6 million). KIIFB has taken up this matter with NSDL.

\$NCDs amounting to INR2,382.8 million broken into seven sub-series of INR340.40 million were allotted on 23 April 2024 with temporary ISIN and merged with existing ISIN having issuance date of 26 March 2024.

Source: KIIFB, NSDL

Contact

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Suyash Gangwal

Analyst

India Ratings and Research Pvt Ltd

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Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

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APPLICABLE CRITERIA

Local and State Government Rating Criteria

Evaluating Corporate Governance

Policy for Credit Enhanced (CE) Ratings

Rating of Public Sector Entities

Policy on Provisional Ratings

The Rating Process

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KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

(A Statutory Body under Finance Department, Government of Kerala)

Finance and Administration Division

website: www.kiifb.org

Defining the Future

**CERTIFIED TRUE COPY OF THE EXCERPTS FROM
MINUTES OF THE 47th BOARD MEETING OF KERALA
INFRASTRUCTURE INVESTMENT FUND BOARD**

Place of meeting: - **Chief Minister's Conference Hall,
Government Secretariat, Statue, Trivandrum**

Date of Meeting: **04.03.2024**

**Agenda 10. Status of fund mobilization during the
Financial Year 2023-24 & Borrowing Plan for the Financial Year
2024- 25.**

Decision

The Board :-

- noted the status of fund mobilization during the financial year 2023-24 as on 31.01.2024.
- authorized the Chief Executive Officer to raise up to INR 10,000 crore of funds during FY 2024-25 for project payments and to ensure an adequate buffer. This is subject to the condition that in the case of any fund mobilization from multilateral/ foreign financial institutions, the terms and conditions shall be finalized with the approval of the Board.
- authorized the Chief Executive Officer to take all incidental steps and to sign necessary documents for mobilizing funds.

**Reji John
Joint Fund Manager**



Defining the Future

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

(A Statutory Body under Finance Department, Government of Kerala)

Finance and Administration Division

website: www.kiifb.org

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD (KIIFB)

Circular Resolution No.6/2024

Dated 12.07.2024

Issuance of Domestic Bonds.

The 48th General Body of KIIFB authorized the Chief Executive Officer to raise up to Rs 10,000 Cr for the period till March 2025 for project payments and for ensuring a sufficient liquidity buffer.

It is essential for KIIFB to have diversified borrowing mix (of term loans from banks, financial institutions and domestic bonds), so that KIIFB is able to avail funding when required. Accordingly, it is proposed to establish a Domestic Bond program for availing financing of Rs 3000 Cr (in one or more tranches) through the debt capital markets in FY 2024-25 with a robust transaction structure which could ensure a competitive pricing for the following end-use:

- (a) providing financing to infrastructure projects in the State of Kerala as approved by KIIFB's board of members including but not limited to for acquisition of immovable assets for setting up such infrastructure projects;
- (b) repayment of any financial indebtedness availed by KIIFB; and
- (c) any other objectives of KIIFB pursuant to the KIIF Act, 1999 (as amended).

KIIFB with the current transaction structure (which includes an undertaking with regard to Corpus Fund) has successfully raised funds amounting to INR 2649.92 Cr through the issuance of domestic bonds and accordingly has fully exhausted the limit in terms of funds that could be availed by issuing bonds on the current transaction structure (the upper limit was 80% of Corpus Fund balance maintained in Treasury

Deposit Account. Current Balance is Rs 3327.02 Cr).

KIIFB's existing structure (which is rated " AA " by both India Ratings & Research Pvt Ltd and Acuite Ratings Pvt Ltd) was devised with assistance from transaction advisors, i.e., AK Capital and Trust investment advisors, which are among the Top 10 SEBI registered Merchant Banks as per League Table (Prime Database) for FY 2022-23.

Accordingly, to revise the transaction structure for the Domestic Bond Program for FY 2024-25 and for availing other advisory services in this regard, KIIFB management had appointed both AK Capital and Trust investment advisors as the transaction advisors on a pro bono basis.

On the basis of discussions with Transaction Advisors, a draft term sheet indicating the broad terms and the transaction structure of the proposed generic domestic bond is enclosed as Annexure- A for Board's kind perusal and approval.

Once the proposal is approved, KIIFB management shall

- appoint the rating agencies and initiate the rating exercise for the domestic bond program
- commence other documentation work such as preparation of information memorandum, other bond documents et al.
- initiate the hiring of relevant third parties/ intermediaries to the issue including Legal Counsel, Account Bank, RTA, Trustee, et al.

Once the provisional rating is in place, KIIFB management shall initiate the appointment of arrangers to the issue through a competitive process as was done during the earlier bond issuances.

It is proposed to engage both India Ratings & Research and Acuite Ratings & Research as rating agencies, State Bank of India as the account bank, Trilegal as the

Legal Counsel, M/S Catalyst Trusteeship Ltd as the Trustee and M/S Cameo Corporate Services Ltd as the Registrar for the proposed Domestic Bond Program. It may kindly be noted that except State Bank of India (new account bank proposed in place of Bank of Baroda), all other third parties indicated above were associated with KIIFB for the domestic bonds issued earlier.

It may be noted that the indicative pricing of the Generic Bond will be known closer to the issuance date based on inputs from the market participants and conditions prevailing in the financial markets. Further, to ensure price discovery of the coupon and arrangers fee, KIIFB shall adopt the same competitive process as was followed in case of the recent Domestic Bond Issuance.

Resolution of the Board

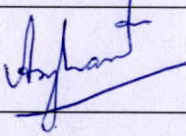
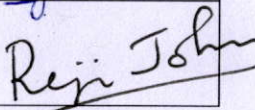
1. The Board approved the issuance of unsecured, rated, listed, redeemable, taxable, non-convertible bonds in the nature of debentures in one or multiple tranches, comprising seven sub-series of a face value of INR 1,00,000/- (Indian Rupees One Lakh only) each, up to INR 3000 Crores.
2. The Board approved the term sheet for the proposed domestic bonds.
3. The Board authorized the Chief Executive Officer to engage all required market intermediaries like Rating agencies, Trustee, Legal Counsel, RTA, et al for the proposed Domestic Bonds.
4. The Board ratified the appointment of AK Capital Services Ltd and Trust Investment Advisors Pvt Ltd as the transaction advisors on pro bono basis.
5. The Board approved the admission of the Debentures in the depository system of Central Depository Services (India) Limited ("CDSL") and/or National Securities Depository Limited ("NSDL", collectively, "Depository") for issuance of Domestic Bonds in dematerialized form.
6. The Board approved that the Domestic Bonds shall be secured by security interest created by the Board on inter alia identified escrow accounts viz, KIIFB bond servicing account, debt service reserve account, upfront fixed deposit and

permitted investments therefrom and guaranteed by a guarantee issued by the Government of Kerala for the benefit of holders of the Domestic Bonds.

7. The Board approved opening of the escrow account(s) viz., KIIFB bond servicing account and debt service reserve account required in connection with the Domestic Bonds and to appoint State Bank of India, as the account bank (the "**Account Bank**") for operation of the escrow account(s) and to make payment of mutually agreed remuneration to the Account Bank.
8. The Board approved listing of the Domestic Bonds with BSE Limited and approved the payment of fees for the issuance and listing of the Domestic Bonds.
9. The Board authorized CEO to appoint any other intermediaries, for the proposed issuance of the Domestic Bonds.
10. The Board approved the appointment of the compliance officer, KIIFB as a compliance officer for compliance related to regulatory/statutory issues and for redressal of any pre-issue/post-issue investor problems/ grievances such as non-credit of letters of allotment / bond certificates in the demat account, non-receipt of refund orders, interest warrants, etc, for the proposed issuance of the Domestic Bonds;
11. The Board authorized jointly and severally, the Chief Executive Officer or the Joint Fund Manager (in the absence of Chief Executive Officer) to:
 - (a) negotiate, finalize, execute, make amendments, sign and submit all necessary papers, certificates, affidavits, declarations, memorandum of understanding, undertakings and all necessary transaction documents (including but not limited to an information memorandum, debenture trust deed, accounts agreement, debenture trustee agreement, deed of hypothecation and other undertakings in respect of the Domestic Bonds including with the relevant intermediaries;
 - (b) draw-up, finalize and sign on behalf of the Board the financial statements/disclosure document/information memorandum/offer document and other documents for the bond issue and file the same with Securities and Exchange Board of India and/or BSE Limited as may be required;

- (c) enter into any agreements with Depository and Registrar and Transfer Agent for the dematerialization of Debentures;
- (d) obtain prior approvals, consents and authorisations from relevant third parties and other governmental authorities including the stock exchanges, the Securities and Exchange Board of India and undertaking any acts required in connection with the procedure of electronic book mechanism for issuance of the Domestic Bonds;
- (e) sign, file and submit the necessary forms with other relevant governmental authorities and intermediaries;
- (f) do all such acts, deeds, matters and things as may be required and to sign all such papers and documents as may be necessary to implement the decision and/or as may be required from the Board in respect of the Domestic Bonds and/are as are incidental thereto;
- (g) pay stamp duty as per the applicable laws including statutes and regulations; and;
- (h) to provide a certified true copy of these resolutions to any person who may rely upon it and be requested to act thereupon.

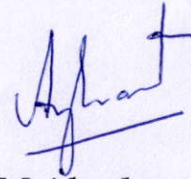
Signature of authorized person:

Sr. No.	Name of the Authorized Signatory	Designation	Specimen Signature
1.	Dr. K M Abraham	Chief Executive Officer	
2.	Shri. Reji John	Joint Fund Manager	

12. The Board authorized the Investment Management Committee to:

- (a) approve any changes in the transaction documents including the terms and conditions of the Domestic Bonds;

- (b) Approve any changes to the RFP for the selection of merchant bankers.
- (c) finalize and approve the final coupon / interest rate of the proposed Domestic Bonds;
- (d) approve the fees to be paid to the arrangers
- (e) approve the allotment of the Domestic Bonds (or any part thereof); and
- (f) take all other actions as may be required pursuant to the foregoing and to do all such acts, deeds, matters and things as may be required in respect of the Domestic Bonds.



Dr.KM.Abraham, CFA
Chief Executive Officer

CL/24-25/10532

(Annexure IIA)

DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT/ INFORMATION MEMORANDUM

[In reference to Chapter II, Clause 2.2.4 of SEBI Master Circular for Debenture Trustees dated May 16, 2024]

To,
The Manager,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001.

Dear Sir / Madam,

SUB: ISSUE OF UNSECURED, RATED, REDEEMABLE, TAXABLE, LISTED NON-CONVERTIBLE DEBENTURES ("DEBENTURES") BY WAY OF ISSUANCE, COMPRISING SEVEN STRPPs 'A' THROUGH 'G' OF FACE VALUE OF INR 1,00,000 (INDIAN RUPEES ONE LAKH ONLY) EACH ("FACE VALUE") WITH EACH BOND AGGREGATING TO A VALUE OF INR 7,00,000 (INDIAN RUPEES SEVEN LAKH ONLY), FOR AMOUNTS OF UP TO INR 500,01,00,000 (INDIAN RUPEES FIVE HUNDRED CRORES AND ONE LAKH ONLY), WITH A GREEN-SHOE OPTION TO RETAIN OVERSUBSCRIPTION OF UP TO INR 500,01,00,000 (INDIAN RUPEES FIVE HUNDRED CRORES AND ONE LAKH ONLY), AGGREGATING TO TOTAL ISSUE SIZE NOT EXCEEDING INR 1000,02,00,000 (INDIAN RUPEES ONE THOUSAND CRORES AND TWO LAKHS ONLY) BY WAY OF PRIVATE PLACEMENT BY KERALA INFRASTRUCTURE INVESTMENT FUND BOARD ("ISSUER").

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

We confirm that:

- a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued and listed. – **Not Applicable.**
- b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies). – **Not Applicable.**
- c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities. – **Not Applicable.**

- d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document / information memorandum and all disclosures made in the offer document / information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement. – **Not Applicable.**
- e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application. – **Not Applicable.**
- f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document / placement memorandum.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Place: Mumbai

Date: October 01, 2024



For Catalyst Trusteeship Limited

For CATALYST TRUSTEESHIP LIMITED

K. Pandey
Authorized Signatory

**Ms. Kalyani Pandey
Compliance Officer**

Schedule 5 - In-principle Approval from the Stock Exchange



DCS/COMP/BB/IP-PPDI/010/24-25

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

2nd Floor, Felicity Square,
MG Road, Statue,
Thiruvananthapuram – 695 001

Dear Sir/Madam

Re: Private Placement Of Unsecured, Rated, Redeemable, Taxable, Listed Non-Convertible Debentures (“Debentures”) Under GID No.FA-6/2027/2021/KIIFB Dated 16 April, 2024 (The Issue)

We acknowledge receipt of your application on the online portal on April 11, 2024 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing:

1. Filing of listing application.
2. Payment of fees as may be prescribed from time to time.
3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013.
4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.
5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time.
6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors.:
<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610-31>
7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILDM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of such issuance. The details can be uploaded using the following links [Electronic Issuance - Bombay Stock Exchange Limited \(bseindia.com\)](#).

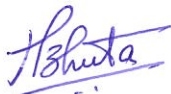
8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

9. **Issuers are hereby advised to comply with signing of agreements with both the depositories as per Regulation 7 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.**

10. **Company is further requested to comply with SEBI Circular SEBI/HO/DDHS/DDHS-RACPOD1/CIR/P/2023/56 dated April 13, 2023, (if applicable) read along with BSE Circular <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20230428-18> and ensure compliance of the same.**

This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter or period of 1 year from the date of opening of the first offer of debt securities under the General information Document, whichever ever applicable. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,
For BSE Limited



Hardik Bhuta
Assistant General Manager



Akshay Arolkar
Deputy Manager

Schedule 6 - Consent Letter of Registrar and Transfer Agent



CAMEO CORPORATE SERVICES LIMITED

Ref: CAM/DIR/KIIFB/Debentures/2023-24

14th Aug, 2024

TO WHOMSOEVER IT MAY CONCERN

We understand that our client Kerala Infrastructure Investment Fund Board had appointed us as Registrar and Transfer Agent for their proposed issue of Domestic Bonds to the extent of Rs.3000 Cr.

We have no objection for the company including our name as Registrar and Transfer Agents in the information Memorandum.

For Cameo Corporate Services Ltd

KANTHAD Digitally signed
by KANTHADAI
AI SREEPRIYA
SREEPRIYA Date: 2024.08.14
11:54:36 +05'30'

Sreepriya.K
EVP & Company Secretary

Schedule 7 - Guarantee Orders



GOVERNMENT OF KERALA

Abstract

Finance (Infrastructure) Department – Kerala Infrastructure Investment Fund Board (KIIFB) - Issuance of Government Guaranteed Domestic Bond amounting to INR 3000,00,00,000 (Including green shoe option) - Sanction Accorded - accorded - Orders issued.

FINANCE (INFRASTRUCTURE) DEPARTMENT

G.O.(Rt) No.6102/2024/Fin

Dated, Thiruvananthapuram 08.08.2024

Read:- 1. Kerala Infrastructure Investment Fund Act, 1999 as amended by Kerala Infrastructure Investment Fund (Amendment) Act, 2016.

2. Minutes of 48th General Board of KIIFB.

3. Circular Resolution No.6/2024 dated 12.07.2024 passed by the General Board of KIIFB.

ORDER

The General Board of Kerala Infrastructure Investment Fund Board (KIIFB), vide circular resolution read as 3rd paper above, has granted approval for issuance of Government Guaranteed Domestic Bond amounting to INR 3000,00,00,000/- (Including green shoe option)

Section 8 of the Kerala Infrastructure Investment Fund Act, 1999 (“Act”) read as the 1st paper above, provides that “the Board may, from time to time, with the previous sanction of the Government and subject to such conditions as the Government may by general or special order determine, borrow any sum required for the purposes of this Act”.

Government have examined the matter in detail and are pleased to grant sanction to KIIFB in accordance with Section 8 of Kerala Infrastructure Investment Fund Act, 1999 as amended by Kerala Infrastructure Investment Fund (Amendment) Act, 2016 for the issuance of Government Guaranteed Domestic Bond amounting to INR 3000,00,00,000/- (Including green shoe option).

Pursuant to this sanction , KIIFB is authorized to issue Domestic bonds amounting to INR 3000,00,00,000/- (Rupees Three Thousand Crores only) including the recognized lenders/investors, Coupon rate, end use of the proceeds, tenor of Bonds and such other terms and conditions of the bonds, and any modification relating thereto.

(By order of the Governor)

**Dr. K.M. ABRAHAM CFA
EX-OFFICIO SECRETARY**

To

The Principal Accountant General (A&E /G&SSA), Kerala, Thiruvananthapuram
The Accountant General (E&RSA), Kerala, Thiruvananthapuram
The Chief Executive Officer, Kerala Infrastructure Investment Fund Board (KIIFB)
The Principal Secretary, Finance Department.
Finance (Secret) Section
The Nodal Officer, (www.finance.kerala.gov.in / www.kiifb.org)
Stock File / Office Copy

Forwarded / By Order


Accounts Officer



GOVERNMENT OF KERALA

Abstract

Finance (Infrastructure) Department – Kerala Infrastructure Investment Fund Board (KIIFB) - Issuance of Government Guaranteed Domestic Bond amounting to INR 3000,00,00,000 (Including green shoe option) - Sanction Accorded - accorded - Orders issued.

FINANCE (INFRASTRUCTURE) DEPARTMENT

G.O.(Rt) No.6132/2024/Fin

Dated, Thiruvananthapuram 11.08.2024

Read:- 1. Kerala Infrastructure Investment Fund Act, 1999 as amended by Kerala Infrastructure Investment Fund (Amendment) Act, 2016.

2. Minutes of 48th General Board of KIIFB.

3. Circular Resolution No.6/2024 dated 12.07.2024 passed by the General Board of KIIFB.

ORDER

The General Board of Kerala Infrastructure Investment Fund Board (KIIFB), vide circular resolution read as 3rd paper above, has granted approval for issuance of Government Guaranteed Domestic Bond amounting to INR 3000,00,00,000/- (Including green shoe option).

Section 8 of the Kerala Infrastructure Investment Fund Act, 1999 (“Act”) read as the 1st paper above, provides that “the Board may, from time to time, with the previous sanction of the Government and subject to such conditions as the Government may by general or special order determine, borrow any sum required for the purposes of this Act”.

Section 9 of the Act provides that “the Government shall guarantee the payment of the principal and interest of any fund proposed to be raised by the Board, provided that the total guarantee issued by the Government under this Act shall not exceed the limits set by the Kerala Ceiling on Government Guarantees Act 2003 (30 of 2003) in force” (which is currently 100% of the total revenue receipts as per the annual financial statement of the State in the preceding year or at 10% of the Gross State Domestic product (GSDP), whichever is lower).

The Government have examined the matter in detail and hereby grants the unconditional and irrevocable Government Guarantee (without any conditions) for the due and punctual payment of all sums from time to time due and payable in respect of the bonds issued and are pleased to accord unconditional and irrevocable Government Guarantee for the issuance of Domestic Bonds by KIIFB for an amount of INR 3000,00,00,000 (Including green shoe option) subject to the following general conditions which do not have any impact on the above guarantee:

- i) Kerala Infrastructure Investment Fund Board shall remit the Guarantee Commission dues (if any) to Government (as on date).
- ii) Guarantee Commission @0.75% shall be remitted as per orders in G.O. (Ms) No. 487/04/Fin dated 16.10.2004 and the Guarantee Act.
- iii) Simple interest @ 12% will be charged for delayed payments as specified in clause (5) of Government Order dated 16.10.2004.
- iv) Half yearly report shall be sent to Government in Finance Department with attested copies of Challans remitting Guarantee Commission and Penal interest, if any, indicating details of guarantee amount and outstanding Guarantee Commission payable (with details of calculation.
- v) The details regarding the Guarantee given by Government should be uploaded by KIIFB in the Guarantee Information Monitoring System (GIMS) portal of the website of Finance Department up to date.

(By order of the Governor)

**Dr. K.M. ABRAHAM CFA
EX-OFFICIO SECRETARY**

To

The Principal Accountant General (A&E /G&SSA), Kerala, Thiruvananthapuram
The Accountant General (E&RSA), Kerala, Thiruvananthapuram
The Principal Secretary, Finance Department.
The Chief Executive Officer, Kerala Infrastructure Investment Fund Board (KIIFB)
Finance (PU - B) Section
Stock File / Office Copy

Forwarded / By Order



Accounts Officer



The Institute of Chartered Accountants of India

(Setup by an Act of Parliament)

Peer Review Board

Peer Review Certificate No.: 016670

This is to certify that the Peer Review of

M/s Suri & Co

Guna Complex, No. 443/445, 4th Floor,

Main Building, Annasalai, Teynampet,

Chennai-600018

FRN.: 004283S

has been carried out for the period

2020-2023

pursuant to the *Peer Review Guidelines 2022*, issued by the Council of the Institute of Chartered Accountants of India.

This Certificate is effective from: 01-05-2024

The Certificate shall remain valid till: 30-04-2027

Issued at New Delhi on 29-04-2024

CA. Prasanna Kumar D

**Chairman
Peer Review Board**

CA. (Dr.) Raj Chawla

**Vice-Chairman
Peer Review Board**

CA. Mohit Bajaj

**Secretary
Peer Review Board**

Note : The Certificate is issued on behalf of the Peer Review Board of ICAI and ICAI or any of its functionaries are not liable for any non-compliance by the Practice Unit. The Certificate can be revoked for the reason stated in the '*Peer Review Guidelines 2022*'.

Checked by


**KANDATHIL
MATHEW
ABRAHAM**

Digitally signed by
KANDATHIL
MATHEW ABRAHAM
Date: 2024.10.03
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