

THIS GENERAL 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 GENERAL 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:** AAAJK0192K; **RBI Registration No:** Not Applicable  
**Date and Place of Incorporation:** Incorporated on 11 November 1999 in Kerala  
**Registered and Corporate Office:** 2<sup>nd</sup> 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.:** 0471-2780900; **E-mail:** co.fa@kiifb.org  
**Promoter:** State Government of Kerala

PRIVATE PLACEMENT OF UNSECURED, RATED, REDEEMABLE, TAXABLE, LISTED NON-CONVERTIBLE DEBENTURES (“DEBENTURES”) OF FACE VALUE OF INR 1,00,000 (INDIAN RUPEES ONE LAKH ONLY) EACH (“FACE VALUE”) (INCLUDING BY WAY OF RE-ISSUANCE AND CONSOLIDATION) BY KERALA INFRASTRUCTURE INVESTMENT FUND BOARD (“ISSUER”) TO BE ISSUED IN ONE OR MORE TRanches/SERIES (“ISSUE”) AND SHALL BE READ WITH THE RELEVANT KEY INFORMATION DOCUMENT.

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 THE ELECTRONIC BIDDING PLATFORM (“BSE-BOND EBP”) OF BSE LIMITED (“BSE”) FOR THIS ISSUE. THIS GENERAL INFORMATION DOCUMENT AND THE RELEVANT 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 General Information Document contains relevant information and disclosures required for issue of the Debentures. 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 General Information Document and the relevant Key Information Document, 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 issuance of the Debentures is being made on private placement basis and accordingly, Section 26(4) of the Companies Act, 2013 is not applicable. Therefore, this General Information Document and the relevant Key Information Document(s) are not filed with the Registrar of Companies. The present issue of Debentures is not underwritten.

### 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 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.

### LISTING

As per the relevant Key Information Document

### CREDIT RATING

As per the relevant Key Information Document

### ELIGIBLE INVESTORS

As per the relevant Key Information Document

### 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

As per the relevant Key Information Document

#### ISSUE CLOSING DATE

As per the relevant Key Information Document

#### DATE OF EARLIEST CLOSING

As per the relevant Key Information Document

#### COUPON

As per the relevant Key Information Document

#### COUPON PAYMENT FREQUENCY

As per the relevant Key Information Document

#### REDEMPTION DATE

As per the relevant Key Information Document

#### REDEMPTION AMOUNT

As per the relevant Key Information Document

### STATUTORY AUDITOR

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: surikiifb@suriandco.com  
Peer Review Certificate No: 016670



### CATALYST TRUSTEESHIP LIMITED

Address: Unit No-901, 9<sup>th</sup> Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai-400013  
Contact Person: Mr. Umesh Salvi, Managing Director  
Tel: +91 20 4922 0555  
Website: www.catalysttrustee.com  
Email: 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

As per the relevant Key Information Document

### ARRANGER TO THE ISSUE

As per the relevant Key Information Document

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## ISSUER'S ABSOLUTE RESPONSIBILITY

*The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms (i) that this General 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 General Information Document is true and correct in all material aspects and is not misleading; (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 General 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 General Information Document is not intended to be circulated to any person other than eligible Investors. Multiple copies hereof or of any General 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 General Information Document should not be construed to be a prospectus or a statement in lieu of prospectus under Applicable Law. Apart from this General 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 General Information Document has been prepared in conformity with the SEBI Non-Convertible Securities Listing Regulations and the rules thereunder.*

*This General Information Document has been prepared to provide general information about the Issuer to potential Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This General Information Document does not purport to contain all the information that any potential eligible Investor may require. Neither this General 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 General 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 General 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 General 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 General Information Document contains all information with regard to the Issuer and the Issue, that the information contained in this General 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 General 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 General 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 General 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 General 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 General Information Document or any other information provided by the Issuer in connection with the Issue.*

*The Issuer does not undertake to update the General Information Document to reflect subsequent events after the date of the General 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 General 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 General 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 General Information Document and any other information supplied in connection with this General 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 General Information Document. You may not be and are not authorised to (1) deliver this General Information Document or any other information supplied in connection with this General Information Document or the Debentures to any other person; or (2) reproduce this General Information Document or any other information supplied in connection with this General Information Document or the Debentures in any manner whatsoever. Any distribution or reproduction of this General Information Document in whole or in part or any public announcement or any announcement to third parties regarding the contents of this General Information Document or any other information supplied in connection with this General 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 General Information Document has been prepared by the Issuer for providing information in connection with the proposed Issue described in this General Information Document.*

*Each person receiving this General 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 General Information Document should carefully read and retain this General Information Document. However, each such person in possession of this General Information Document is not to construe the contents of this General Information Document as investment, legal, accounting, regulatory or tax advice, and such persons in possession of this General 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 General Information Document. Specific attention of investors is invited to the statement of 'Risk factors' under the Section 1 (Risk Factors) of this 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 General 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 General 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 General Information Document comes are required to inform themselves about and to observe any such restrictions. This General 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 GENERAL 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 GENERAL INFORMATION DOCUMENT. THE ARRANGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS GENERAL 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 General Information Document has to be filed with or submitted to the SEBI for its review/approval. It is to be distinctly understood that this General 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 General Information Document.*

#### **DISCLAIMER OF THE ARRANGER**

*Mechanism adopted in compliance with Regulation 13 of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992:*

*It is disclosed to all the stakeholders including but not limited to potential investors that, the Issuer shall appoint certain arrangers to the Issue. We further would like to disclose that lead managers/ merchant bankers/ arrangers either directly or through its affiliates or its associates or its subsidiaries may invest in the proposed issue through EBP mechanism in transparent manner. EBP mechanism is adopted to ensure fair, objective, and unbiased opportunity to all investors.*

*Nothing in this General Information Document constitutes an offer of securities for sale in any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation.*

*The Issuer has prepared this General 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 General 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 General 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 General Information Document and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this General Information Document or any information or errors contained therein or any omissions therefrom. By accepting this General Information Document, you agree that the Arranger will not have any such liability.*

*You should carefully read and retain this General Information Document. However, you are not to construe the contents of this General 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 General Information Document, who shall be specifically approached by the Issuer. This General 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 General 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 CLAUSE OF THE RESERVE BANK OF INDIA**

*The Debentures have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of the documents. It is to be distinctly understood that the documents should not, in any way, be deemed or construed that the securities have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the securities being issued by the Issuer or for the correctness of the statements made or opinion expressed in the documents. Potential investors may make investment decision in the securities offered in terms of this General Information Document and the relevant Key Information Document solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/repayment of such investment.*

#### **DISCLAIMER OF THE BSE**

*As required, a copy of this General 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 General 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 General 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 the relevant 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 General 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 General 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 General Information Document on a strictly private and confidential basis. By accepting a copy of this General Information Document or any other information supplied in connection with this General 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 General Information Document or any other information supplied in connection with this General 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 this General 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 General 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 General 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 General Information Document. The distribution of this General Information Document and the offer, sale, pledge or disposal of the Debentures may be restricted by law in certain jurisdictions. This General 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 General Information Document comes are required by the Issuer to inform themselves about and observe any such restrictions.*

#### **FORWARD LOOKING STATEMENTS**

*Certain statements in this General Information Document are not historical facts but are “forward-looking” in nature. Forward-looking statements appear throughout this General Information Document, including, without limitation, under Section 1 (Risk Factors) of this this General 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 General Information Document, as well as those included elsewhere in this General 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 General 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 General 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.*

*Unless the context otherwise indicates or requires, the following terms used in this General Information Document shall have the meanings given below.*

TERM	DESCRIPTION
<b>Act</b>	The Companies Act, 2013, as amended, modified or replaced from time to time, and shall include the rules framed thereunder (to the extent applicable to the Issuer).
<b>Allot/ Allotment/ Allotted</b>	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to the Issue.
<b>Applicable Law</b>	Any senate, national, state, provincial, local, municipal, foreign, international, multinational, or other law, treaty, code, regulation, ordinance, rule, judgment, order, decree, bye-law, approval of any Governmental Agency, directive, guideline, policy, requirement or other governmental restriction or any similar form or decision of a determination by, or any interpretation or administration having the force of law of any of the foregoing by any Governmental Agency having jurisdiction over the matter in question, whether in effect as of the date of this General Information Document or at any time thereafter.
<b>Authorisation</b>	Means: (a) an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration; or (b) in relation to anything which will be fully or partly prohibited or restricted by law or regulation if a Governmental Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.
<b>Board</b>	The board of members of the Issuer or a committee thereof.
<b>BSE</b>	BSE Limited.
<b>Business Day</b>	All days on which commercial banks in Thiruvananthapuram and Mumbai are open for business.
<b>Coupon Rate</b>	As per the relevant Key Information Document.
<b>Credit Rating Agencies</b>	Such credit rating agencies as may be acceptable to the Debenture Trustee and as mentioned in the relevant Key Information Document.
<b>Critical Rating Downgrade Event</b>	As per the relevant Key Information Document.
<b>Debenture Holders</b>	The persons who are, for the time being and from time to time, the holders of any Debentures and whose names appear in the Register of Debenture Holders, and “Debenture Holder” means any of them.
<b>Debenture Trust Deed</b>	The debenture trust deed entered into between the Issuer and the Debenture Trustee for the purposes of setting out the detailed terms and conditions of the

<b>TERM</b>	<b>DESCRIPTION</b>
	Debentures as specifically mentioned in the relevant Key Information Document.
<b>Debenture Trustee Agreement</b>	The debenture trustee agreement dated on or about the date of the relevant Key Information Document, entered into between the Issuer and the Debenture Trustee for the appointment of the Debenture Trustee as a trustee for the Debenture Holders.
<b>Debenture Redemption Reserve</b>	The reserve to be maintained by a company that has issued debentures in terms of Section 71 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014 as amended from time to time, and other applicable rules and regulations and any guidelines issued by the central government.
<b>Debentures</b>	The non-convertible debentures to be issued by the Issuer (including by way of re-issuance and consolidation), as mentioned in the relevant Key Information Document.
<b>Debenture Trustee</b>	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.
<b>Debt Listing Agreement</b>	The debt listing agreement, as amended from time to time, entered into by the Issuer with the BSE for the listing of the Debentures and any other recognised stock exchange to which the Issuer may apply for the listing of the Debentures subsequently after giving prior notice to the Debenture Trustee, then as per the relevant Key Information Document.
<b>Deemed Date of Allotment</b>	As per the relevant Key Information Document.
<b>Deed of Guarantee</b>	As per the relevant Key Information Document.
<b>Depositories Act</b>	The Depositories Act, 1996, as amended from time to time and the rules notified by the Depository from time to time.
<b>Depository</b>	The National Securities Depository Limited and/or the Central Depository Services (India) Limited, as the case may be.
<b>Depository Participant</b>	A participant as defined under the Depositories Act, 1996, as amended from time to time.
<b>DSRA</b>	As per the relevant Key Information Document.
<b>EBP</b>	The Electronic Book Building Platform of the relevant Stock Exchanges.
<b>EBP Guidelines</b>	The SEBI Master Circular read with the operational guidelines issued by the relevant Stock Exchanges in relation to EBP, as amended, modified and supplemented, from time to time.
<b>Events of Default</b>	Any event or circumstances as specified in the relevant Key Information Document.
<b>Final Redemption Date</b>	As per the relevant Key Information Document.
<b>Finance Parties</b>	As per the relevant Key Information Document.
<b>Financial Indebtedness</b>	(i) monies borrowed and debit balances at banks, non-banking financial institutions, other financial institutions;

TERM	DESCRIPTION
	<p>(ii) any amount raised by acceptance under any acceptance credit facility or bill discounting facility (or dematerialised equivalent);</p> <p>(iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;</p> <p>(iv) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price including any credit support agreement in respect thereof (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);</p> <p>(v) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of an entity, which liability would fall within one of the other paragraphs of this definition;</p> <p>(vi) any amount raised under any other transaction (including any forward sale or purchase agreement, sale and sale back) having the commercial effect of a borrowing under the applicable accounting principles;</p> <p>(vii) the amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into such agreement is to raise finance; and</p> <p>(viii) the amount of any liability for any of the items referred to in paragraphs (i) to (vii) above including in respect of any guarantee or indemnity in relation thereto.</p>
<b>Financial Year</b>	The annual accounting period commencing from April 1 <sup>st</sup> of each year till March 31 <sup>st</sup> of the next year.
<b>Fixed Deposit</b>	As per the relevant Key Information Document.
<b>GAAP</b>	The generally accepted accounting principles, standards and practices in India including the Indian Accounting Standards, as notified by the Ministry of Corporate Affairs, Government of India.
<b>General Information Document</b>	This general information document for private placement of Debentures.
<b>GoK/ Kerala State Government</b>	The Government of Kerala.
<b>Governmental Agency</b>	Any national, state, provincial, local or similar government, governmental, regulatory or administrative authority, branch, agency, any statutory body or commission, any regulatory or administrative authority, body, any state or other political sub-division thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of Applicable Law or any court, tribunal, arbitral or judicial body in India or in any other country in which the Issuer has carried on or commonly carries on activities.
<b>₹ or INR or Rs. or Rupee</b>	The lawful currency of the Republic of India.

<b>TERM</b>	<b>DESCRIPTION</b>
<b>Interest / Coupon</b>	The interest/ coupon as mentioned under the Summary of Terms in the relevant Key Information Document.
<b>Interest Payment Date / Coupon Payment Date</b>	The interest payment date/ coupon payment date as mentioned under the Summary of Terms in the relevant Key Information Document.
<b>Investors</b>	Such category of investors in respect of the Debentures: (a) resident individuals; (b) Hindu Undivided Family; (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.
<b>ISIN</b>	The International Securities Identification Number.
<b>Issue Closing Date</b>	The issue closing date in relation to Debentures, as mentioned in the relevant Key Information Document.
<b>Issue Opening Date</b>	The issue opening date in relation to Debentures, as mentioned in the relevant Key Information Document.
<b>Issue Proceeds Account</b>	As per the relevant Key Information Document.
<b>Issuer</b>	Kerala Infrastructure Investment Fund Board.
<b>Key Information Document</b>	The key information document(s) filed with the Stock Exchange by the Issuer in respect of the issuance of the Debentures from time to time.
<b>KIFML</b>	Kerala Infrastructure Fund Management Limited, a company incorporated under the Act, bearing corporate identification number U67110KL2018PLC055479 and having its registered office at 2 <sup>nd</sup> floor, Felicity Square, Statue, M.G. Road, Thiruvananthapuram, Kerala – 695001.
<b>KIIFB Bond Servicing Account</b>	As per the relevant Key Information Document.
<b>KIIFCON</b>	KIIFCON Private Limited, a company incorporated under the Act, bearing corporate identification number U74999KL2022PTC077405 and having its registered office at 7th Floor, Felicity Square, M. G. Road, Thiruvananthapuram, Kerala – 695001.
<b>Masala Bonds</b>	9.723 per cent. fixed rate synthetic senior secured guaranteed notes for amounts aggregating up to INR 21,500,000,000 that were issued by the Issuer pursuant to a trust deed dated 19 September 2018 and listed on Singapore Exchange Securities Trading Limited and London Stock Exchange's International Securities Market. It is clarified that the Masala Bonds have been fully redeemed by the Issuer in March 2024.
<b>NEFT</b>	National Electronic Funds Transfer
<b>NSE</b>	National Stock Exchange of India Limited.
<b>PAN</b>	Permanent Account Number
<b>Pay In Date</b>	As per the relevant Key Information Document.
<b>Permitted Investments</b>	As per the relevant Key Information Document.

<b>TERM</b>	<b>DESCRIPTION</b>
<b>Purpose</b>	As per the relevant Key Information Document.
<b>Put Option Event</b>	As per the relevant Key Information Document.
<b>Put Option Debenture Holders</b>	As per the relevant Key Information Document.
<b>RBI</b>	The Reserve Bank of India established under the Reserve Bank of India Act, 1934, as amended from time to time.
<b>Record Date</b>	As per the relevant Key Information Document.
<b>Recovery Expense Fund</b>	The fund contributed by the Issuer towards creation of a recovery expense fund as required to be created in terms of SEBI 'Master Circular for Debenture Trustees' with reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 issued by SEBI, as amended from time to time.
<b>Redemption Date</b>	As per the relevant Key Information Document.
<b>Register of Debenture Holders</b>	The register maintained by the Issuer at its registered office and containing the names of the Debenture Holders.
<b>Required DSRA Amount</b>	As per the relevant Key Information Document.
<b>Registrar and Transfer Agent</b>	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.
<b>RTGS</b>	Real Time Gross Settlement
<b>SEBI</b>	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992, as amended from time to time.
<b>SEBI Debenture Trustees Regulations</b>	The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time.
<b>SEBI DT Master Circular</b>	SEBI master circular on 'Master Circular for Debenture Trustees' with reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 issued by SEBI, as amended from time to time.
<b>SEBI LODR Regulations</b>	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
<b>SEBI Master Circular</b>	The Master Circular for issue and listing of Non-Convertible Securities, Securities Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated May 22, 2024 issued by SEBI, as amended from time to time.
<b>SEBI Non-Convertible Securities Listing Regulations</b>	The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time.
<b>Security / Security Interest</b>	Any mortgage, pledge, lien, charge, assignment, hypothecation, security interest, or any other agreement or arrangement having the effect of creating an encumbrance and as mentioned in the relevant Key Information Document.
<b>Stock Exchange</b>	BSE and/or NSE, as the case may be.
<b>STRPPs / Sub-series</b>	STRPPs/sub-series of the Debentures comprising seven STRPPs/sub-series 'A' through 'G'.
<b>Subscription Amount</b>	As per the relevant Key Information Document.

TERM	DESCRIPTION
<b>Tax</b>	All forms of present and future taxes (including but not limited to indirect Taxes), deductions, withholdings, duties, imposts, levies, cesses, fees, charges, social security contributions and rates imposed, levied, collected, withheld, or assessed by any Governmental Agency or other taxing authority in India or elsewhere and any interest, additional taxation penalty, surcharge, cess or fine in connection therewith.
<b>Transaction Documents</b>	As per the relevant Key Information Document.
<b>Tenor</b>	As per the relevant Key Information Document.
<b>WDM</b>	Wholesale Debt Market of the Stock Exchange.

## 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 this section of this 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 Issuer believes that the following factors may affect its ability to fulfill its obligations under the Debentures. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. These risks may include, among others, business aspects, equity market, bond market, interest rate, market volatility and economic, political and regulatory risks and any combination of these and other risks. Prospective Investors should carefully consider all the information in the General Information Document and the relevant Key Information Document, including the risks and uncertainties described below, before making an investment in the Debentures. To obtain a complete understanding, prospective Investors should read this section in conjunction with the remaining sections of the General Information Document and the relevant Key Information Document, as well as the other financial and statistical information contained in the General Information Document and the relevant Key Information Document. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, the Issuer's business, results of operations and financial condition could suffer, the price of the Debentures could decline, and the eligible Investor may lose all or part of their investment. More than one risk factor may have simultaneous effect with regard to the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Debentures. The inability of the Issuer to pay interest, principal or other amounts on or in connection with the Debentures may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to them or which they may not currently be able to anticipate. You must rely on your own examination of the Issuer and this Issue, including the risks and uncertainties involved. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

The Issuer hereby declares that it is in compliance with and nothing in this General Information Document is contrary to the provisions of the Act (as applicable), the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder.

#### **RISKS RELATING TO THE ISSUER AND ISSUE**

Every business carries certain inherent risks and uncertainties that can affect its financial condition, results of operations and prospects. The management of the Issuer understands that risks can negatively impact the attainment of both short term operational and long-term strategic goals.

The following factors have been considered for determining the materiality, of which:

- (a) Some events may not be material individually but may be found material collectively.
- (b) Some events may have material impact qualitatively instead of quantitatively.
- (c) Some events may not be material at present but may have material impact in future.

The following are the risks envisaged by the management of the Issuer relating to the Issuer, the Debentures and the market in general. Unless the context requires otherwise, the risk factors described below apply to the Issuer. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding the risks of holding the Debentures are exhaustive. The investors should also read the detailed information set out elsewhere in this General Information Document and reach their own views prior to making any investment decision.

If any one of the following stated risks actually occurs, the Issuer's business, financial conditions and results of operations could suffer and, therefore, the value of the Debentures could decline and/or the Issuer's ability to meet its obligations in respect of the Debentures could be affected. More than one risk factor may have simultaneous effect with regard to the Debentures such that the effect of a particular risk factor may not be predictable.

## **RISK RELATING TO THE ISSUER**

The Issuer's cash inflows from GoK pursuant to KIIF Act are primarily based on previous years collections of (1) cess levied on petroleum products pursuant to the additional sales tax levied on petroleum products under the Kerala General Sales Tax Act, 1963 ("Cess") and (2) motor vehicles tax receipts of the State of Kerala ("Motor Vehicles Tax").

The Issuer is incorporated for the purpose of funding infrastructure projects in Kerala and to engage in activities incidental to or related to the funding of infrastructure projects in Kerala, including ensuring the quality of infrastructure projects being financed by the Issuer. The ability of the Issuer to successfully carry out its funding operations and to fulfill its financial obligations will be partly dependent upon receiving its cash inflows from GoK pursuant to Section 7 of KIIF Act which provides for a share of the Motor Vehicles Tax and Cess collected by the Kerala State Government in the previous year to be allocated to the Issuer.

As of 31 March 2025, the Issuer had received a sum of INR 22,113.41 Crores (including initial corpus fund) from the Kerala State Government which comprised of INR 4,350.03 Crore on account of Cess, INR 13,871.19 Crore on account of Motor Vehicles Tax, INR 3892.19 Crore on account of initial corpus fund. Any material decrease in the amount of Motor Vehicles Tax or Cess collected by the Kerala State Government may have a significant adverse impact on the Issuer's cash inflows.

The amount of Cess and Motor Vehicles Tax collected may be affected by a number of factors including:

- actual sales volume of motor vehicles;
- petrol and diesel consumption in Kerala;
- global crude prices and consequent fuel prices in India;
- affordability and efficiency of automobiles;
- increasing popularity and availability of alternative fuel powered options for automobile users;
- availability of alternative means of transportation, including rail networks and air transport;
- growth of the Indian economy and that of State of Kerala;
- adverse weather conditions; and
- seasonal holidays.

For instance, any material decrease in the actual motor vehicle sales volume compared to the forecasted motor vehicle sales volume on account of inaccurate forecasting or (any other reason) may have an adverse effect on the amount of Motor Vehicles Tax collected and consequently on the Issuer's cash inflows. Similarly, in the case of

Cess, should there be a decrease in the consumption of petroleum products by consumers, there may be a significant impact on the Issuer's cash inflows.

The factors which determine Cess and Motor Vehicles Tax receipts are therefore beyond the Issuer's control. Further, any change in the applicable policies or other Applicable Laws which affect the category of vehicle or fuel, may lead to an increase or a decrease in the Cess and Motor Vehicles Tax collected and may affect the Issuer's cash inflows. In the event of a significant decrease in sales volumes and/or consumption of petrol and diesel, the Issuer may experience a corresponding decrease in the cash inflows received from the Kerala State Government from these sources. Such a situation, if it arises may impact the Issuer's ability to fulfill its financial obligations, unless the Kerala State Government makes appropriate alternative budgetary allocations to the Issuer as provided for in the KIIF Act.

During Covid-19 period, when the collections of Motor Vehicle Tax and Cess in the State of Kerala were impacted due to lockdowns in 2020-21, GoK provided an additional grant of INR 322.07 Crore to the Issuer for financial year 2021-22 so that the Issuer's cash inflows (pegged to collections of Motor Vehicle Tax and Cess in 2020-21) were not impacted.

Kerala has a revenue deficit and a fiscal deficit, both of which are not expected to turn into a surplus in the near future. Any material adverse impact on Kerala's economy may have an impact on its financial operations and its ability to fulfill its obligations under the KIIF Act and as a guarantor to the Issue. Kerala's economy could be impacted by adverse economic and financial conditions.

Kerala's primary revenues are from its own tax and non-tax resources. In addition to these, Kerala receives a share of taxes levied by the Central Government and also receives grants and other financial aid from the Central Government. State's own tax revenue grew by 3.28% in financial year 2023-24 compared to the previous year due to high base effect. State's non-tax revenue grew by 8.12% compared to the previous year. Share of central taxes rose by 19.07%. Grant-in-aid declined by 55.92% due to the tapering off revenue deficit grant. Revenue expenditure increased by 0.48% compared to the previous year. Revenue deficit (**RD**) and fiscal deficit (**FD**) stood at 1.58% and 2.99% of Gross State Domestic Product (**GSDP**) respectively as against 2.09% and 3.45% in the revised estimates for financial year 2023-24. The improvement in RD and FD is due to the robust tax collection by the State despite the decline in revenue deficit grant from the union government. The increase in plan expenditure is a positive signal. Debt-GSDP ratio stands at 34.20% as against 34.29% in financial year 2023-24 revised estimates due to lower growth of debt.

Kerala's gross state domestic product is largely driven by the services sector which includes trade, tourism, real estate, transport and communication, while agriculture, traditional small-scale industries, mining and utilities form the other contributors. Kerala has also been characterised by a dynamic and sustained emigration pattern particularly to the Gulf Arab states and other western countries which is a result of historic, cultural, demographic and political factors. Consequently, Kerala receives a large share of the overall remittance flows to India. Therefore remittances, amongst others have played and continue to play a key role in the socio-economic development of Kerala.

During the past several years, Kerala economy had to face a series of challenges from demonetization in 2016, the Ockhi cyclone in 2017, the floods in 2018 and extreme rainfall event of 2019 and the COVID-19 pandemic.

The Kerala State initiated a series of measures to combat the adverse impact of natural disasters and COVID-19. These measures include huge investment through the Issuer and Rebuild Kerala Initiative in infrastructure projects, two packages of INR 20,000 crore each to rejuvenate the economy during COVID-19, disbursement of welfare pensions, support to micro, small and medium enterprises, loan assistance schemes with the support of Kerala Finance Corporation, commercial banks and co-operative banks etc. With these measures, the economy rebounded to a growth trajectory. Kerala economy clocked a growth rate of 17% in gross state domestic product on nominal basis and 12% in real basis for the year 2021-22.

Health scares due to the outbreak of any infectious disease in Asia, India or Kerala or any other serious public health concerns relating to the region could have a negative impact on the tourism inflows.

There can be no assurance that factors such as those described above, or any other events not currently anticipated, will not negatively affect the economy and the financial condition of GoK and its ability to fulfil its obligations under the guarantee or its obligations under the KIIF Act.

The Issuer's projects are exposed to various implementation and other risks, including risks of time and cost overruns, and uncertainties, which may adversely affect our business, financial condition, results of operations, and prospects.

The Issuer is a nodal agency in the State of Kerala for financing various Infrastructure Projects as identified by GoK and approved by the Issuer. The Issuer undertakes financing of these projects under special purpose vehicle route where the responsibility of implementation and execution of these projects remain with the concerned special purpose vehicle. The Issuer only provides the financing of these projects and also undertakes the project inspection and monitoring related work and the Issuer ensures that these projects get completed as per estimated / budgeted time and cost schedule.

However, the construction or development of these projects involves various implementation risks including construction delays, delay or disruption in supply of raw materials, delays in acquisition of land, unanticipated cost increases, force majeure events, delays in securing required licenses etc.

There is no cost over run apart from what is caused due to the change in Delhi schedule of rates amounts and goods and service tax rate changes because the projects are implemented basis the approved amount.

There are time over runs mainly due to the delay in land acquisition which is inherent in execution of infrastructure projects. However, the Issuer/GoK takes timely actions to expedite the project execution by various means which includes:

- The Issuer, being the nodal agency for infrastructure financing in the State of Kerala, as per its mandate conducts periodic monitoring of such projects including progress and quality of infrastructure developed.
- The Issuer's strong linkages with the GoK – Chief Executive Officer of the Issuer is ex-officio Secretary Finance (Infrastructure), GoK and officers of the Issuer including Joint Fund Manager, Deputy Fund Manager are officials from GoK (Finance Department), providing the Issuer with significant convening power.
- Additionally, being priority projects of GoK, these projects are periodically reviewed at member of legislative assembly member (legislative scrutiny) and department secretary levels (scrutiny by Government) to ensure timely completion.

To provide capacity building and to equip the special purpose vehicles with new technologies and best practices, the Issuer provides necessary handholding to special purpose vehicle through Issuer's in-house Technical Resource Centre (TRC), this would in turn bring in efficiencies in execution and pre-empts any quality related issues.

## **RISK RELATING TO THE ISSUE OF THE DEBENTURES**

### **The secondary market for non-convertible securities may be illiquid.**

The non-convertible securities may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the non-convertible securities, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

### **Credit Risk & Rating Downgrade Risk**

The Credit Rating Agencies have assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Credit Rating Agencies may downgrade the rating of

the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non- performing investment as per their usual norms. Any stated credit rating of the Issuer reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the Issuer. Any downgrading of the credit ratings of the Issuer by the Credit Rating Agencies may lower the value of the Debentures.

#### **Changes in interest rates may affect the price of Debentures**

All securities are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e., when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

#### **There is no assurance that the Debentures issued pursuant to this placement will be listed on Stock Exchange in a timely manner, or at all.**

In accordance with Indian law and practice, permissions for listing and trading of the Debentures issued pursuant to this Issue will not be granted until after the Debentures have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the stock exchanges. There could be a failure or delay in listing the Debentures on the stock exchange for reasons unforeseen.

**While the Debentures may be secured against a charge to the tune of 100% of the principal and interest amount in favour of the Debenture Trustee, and it is the duty of the Debenture Trustee to monitor that the security is maintained, however the possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.**

Please refer to the relevant Key Information Document.

#### **RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBENTURES AND ANY RISKS IN RELATION TO FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT**

The Debentures are unsecured 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.

#### **REFUSAL OF LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD**

Nil

#### **LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON THE STOCK EXCHANGES**

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. This could limit the ability of the Investor to resell them. This leads to liquidity and price risk on the Debentures.

#### **IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS:**

**1. ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED:**

Nil

**2. DEFAULT IN PAYMENT OF INTEREST:**

Nil

**3. DEFAULT IN REDEMPTION OR REPAYMENT:**

Nil

**4. NON-CREATION OF DEBENTURE REDEMPTION RESERVE:**

Since the Issuer is not a company existing under the Act, it is not required to create or maintain a Debenture Redemption Reserve as the Companies (Share Capital and Debentures) Rules, 2014 is not applicable to it.

**5. DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE:**

Nil

**IF SECURED, ANY RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT**

The Debentures are unsecured 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 2

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

1. **Details of Promoters of the Issuer:**

(a) **Details of Promoters of the Issuer**

<b>Name of the Promoter</b>	State Government of Kerala
<b>Date of Incorporation</b>	Not applicable
<b>Age</b>	Not applicable
<b>Personal address</b>	Not applicable
<b>Educational Qualifications</b>	Not applicable
<b>Experience in the business or employment</b>	Not applicable
<b>Positions / posts held in the past</b>	Not applicable
<b>Directorships held</b>	Not applicable
<b>Other ventures of the Promoter</b>	Not applicable
<b>Special achievements of the Promoter</b>	Not applicable
<b>Business and financial activities of the Promoter</b>	Not applicable
<b>Photograph</b>	Not applicable
<b>Permanent Account Number</b>	Not applicable

- (b) **A declaration confirming that the permanent account number, Aadhaar number, driving license number, bank account number(s), passport number and personal address of the promoters and permanent account number of members have been submitted to the stock exchanges on which the non-convertible securities are proposed to be listed, at the time of filing the draft issue document.**

<b>Declaration</b>
The Issuer confirms that the permanent account number of the members have been submitted to the stock exchanges on which the Debentures are proposed to be listed, at the time of filing this General Information Document.

2. **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 issuance and listing. Such press release shall not be older than one year from the date of opening of the issue.**

Please refer to the relevant Key Information Document.

3. **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).**

The issuer intends to use the BSE-BOND EBP for this Issue. The Issuer has obtained the in-principle approval for the listing of the Debentures from BSE and the same is annexed in **Schedule VI** (*In-principle approval from Stock Exchange*) of this General Information Document.


4. **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.**

Please refer to the relevant Key Information Document.

5. **Issue Schedule:**

Particulars	Date
Issue opening date	Please refer to the relevant Key Information Document.
Issue closing date	
Pay In date	
Deemed Date of Allotment	

6. **Details of the following parties pertaining to the Issue:**

<b>Legal counsel</b> 	<b>TRILEGAL</b> Address: One World Centre, 10th Floor, Tower 2A & 2B, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013 Tel: +912240791000 E-mail: joseph.jimmy@trilegal.com Website: https://trilegal.com Contact Person: Joseph Jimmy
<b>Guarantor</b>	Please refer to the relevant Key Information Document.
<b>Arrangers</b>	Please refer to the relevant Key Information Document.

7. **About the Issuer**

**The following details pertaining to the Issuer:**

- (a) **Overview and a brief summary of the business activities of the Issuer**

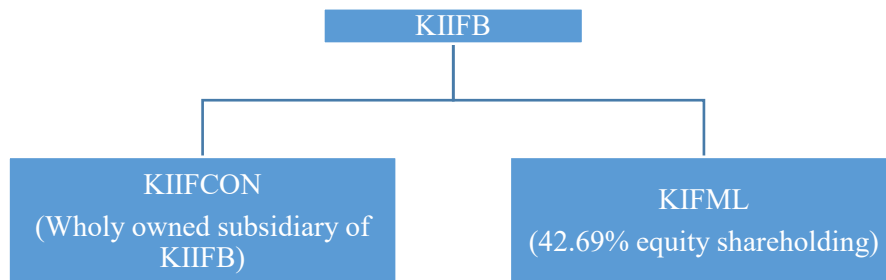
The Issuer is a body corporate constituted by the State Government under the KIIF Act on 11 November 1999, to manage the Kerala Infrastructure Investment Fund (the “Fund”). The Kerala Infrastructure Investment Fund Act, 1999 was amended in November 2016 by the Kerala Infrastructure Investment Fund Amendment Act, 2016 in order to further streamline the process of mobilizing funds for infrastructure development in Kerala. Pursuant to this amendment, the Issuer was restructured to (i) create the Fund Trustee and Advisory Commission (the “FTAC”) as an independent commission to ensure that all investments by the Issuer are made in accordance with the decisions of the board of members and provisions of the KIIF Act; (ii) include a provision in the Kerala Infrastructure Investment Fund Act, 1999 that all receivables due from the State Government are transferred to the Issuer on or before the last working day

of December every year and that a percentage share of Motor Vehicles Tax receipts and Cess levied on petroleum products under the Kerala General Sales Tax Act, 1963 will be provided to the Issuer each year; and (iii) ensure that the Issuer's funds are used solely for the purposes of Kerala Infrastructure Investment Fund Act, 1999 and are not diverted from the intended purpose.

The Issuer 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 Kerala 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. The Issuer acts as the main agency of the State Government for scrutinizing, approving and funding major infrastructure projects. These infrastructure projects may be revenue generating or non-revenue generating.

The Issuer, is a corporation established under the KIIF Act (which is a state legislation) and owned by the GoK. It is a public sector company for the purposes of the Income Tax Act, 1961 (which defines the term 'public sector company' under Section 2(36A) of Income Tax Act, 1961 to mean any corporation established by or under any central, state or provincial legislation or a government company as defined in the Section 2(45) of the Act), and validly existing under the laws of India.

(b) **Structure of the group**



(c) **A brief summary of the business activities of the subsidiaries of the Issuer**

KIIFCON is a private limited company and is a wholly owned subsidiary of the Issuer for providing consultancy services for infrastructure projects.

The Issuer has one associate company viz., KIFML in which it holds equity shareholding of 42.69%. KIFML, an asset management company having its operations in Trivandrum was promoted by the Issuer in 2018 as a public limited company. KIFML is managing two Category-II Alternative Investment Funds (AIF) viz “Kerala Innovation Fund for Emerging Sectors” - a Government of Kerala Sponsored sector agnostic Venture Capital Fund to activate the rapid growth of small-scale enterprises and start-ups in Kerala or having significant majority of their operations in Kerala and “Kerala Infrastructure Growth Fund” - an infrastructure focused fund sponsored by KIIFB which seeks to identify, create and invest into quality infrastructure opportunities in Kerala State and to benefit from the strong focus of the government on infrastructure development over the coming years.

(d) **Details of branches or units where the issuer carries on its business activities, if any may be provided in the form of a static Quick Response (QR) code and web link**

Nil

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

(i) **purpose of the placement:**

Please refer to the relevant Key Information Document.

(ii) **break-up of the cost of the project for which the money is being raised and means of financing for the project:**

The details of all the currently approved projects of the Issuer are as below:

<b>Department</b>	<b>No. of Projects Approved</b>	<b>Approved Amount/Project Cost (INR in Crore)</b>	<b>Amount Disbursed (INR in Crore)</b>
Agriculture	1	21	13
Animal Husbandry	1	16	-
Ayush	2	183	153
Backward Classes Development Department	1	18	-
Coastal Shipping & Inland Navigation	18	3,503	189
Culture	17	489	206
Devaswom	2	139	72
Fisheries and Ports	26	555	271
Forest	5	591	354
General Education	158	3,218	2129
Health & Family Welfare	95	6,321	2351
Higher Education	63	1,935	719
Home	6	231	44
Industries	2	71	10
Information Technology	5	1,652	896
Labour & Skills	5	94	66
Local Self Government	25	790	203
Power	18	5,200	1886

<b>Department</b>	<b>No. of Projects Approved</b>	<b>Approved Amount/Project Cost (INR in Crore)</b>	<b>Amount Disbursed (INR in Crore)</b>
PWD	513	33,461	10239
Planning & Economic Affairs Department	2	138	10
Registration	6	89	58
Revenue	5	96	26
SC/ST Development	10	182	83
Science & Technology Department	4	58	4
Sports & YA	41	879	346
Tourism	14	619	104
Transport	3	601	55
Water Resources	101	6,912	3234
<b>Total</b>	<b>1149</b>	<b>68,070</b>	<b>23,721</b>
<b>Projects under Land Acquisition Pool of ₹ 20,000 Crore</b>			<b>Amount Disbursed (INR in Crore)</b>
PWD-NHAI	1	6,769	5581
Industries (Under LA Pool)	6	16,403	-
<i>Industrial Parks - 3 projects - ₹13988.63 Cr</i>			3768
<i>Taking over of land from HNL - ₹200.60 Cr</i>			146
<i>Kochi - Bangalore Industrial Corridor &amp; Gift City - ₹1918.93 Cr</i>			1908
<b>Total</b>	<b>7</b>	<b>23,172</b>	<b>11,403</b>

The financing and funding of the aforementioned projects and future projects shall be met by the financing availed by the Issuer as set out in paragraph 13 of Section 2 (*Disclosures (in accordance with the SEBI Non-Convertible Securities Listing Regulations)*), the proceeds of the Debentures and any other future borrowings as may be availed by the Issuer for such purpose.

(iii) **proposed deployment status of the proceeds at each stage of the project:**

Not applicable

8. **Expenses of the Issue**

<b>Particulars</b>	<b>Amount (₹ in lakhs)</b>	<b>% of the total issue expense</b>	<b>Percentage of total issue size</b>
<b>Lead manager(s) fees</b>	Please refer to the relevant Key Information Document.		
<b>Fees payable to the legal advisors</b>			
<b>Underwriting commission</b>			
<b>Brokerage, selling commission and upload fees</b>			
<b>Fees payable to the registrars to the issue</b>			
<b>Advertising and marketing expenses</b>			
<b>Fees payable to the regulators including stock exchanges</b>			
<b>Expenses incurred on printing and distribution of issue stationary</b>			
<b>Any other fees, commission or payments under whatever nomenclature</b>			

9. **Financial Information**

- (a) **The audited financial statements of the Issuer (i.e. profit and loss statement, balance sheet and cash flow statement) both on a standalone and consolidated 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”)**

Audited financial statements on a standalone basis: The audited financial statements of the Issuer along with Auditor’s Report for the financial years 2021-2022, 2022-2023, 2023-2024 and the unaudited financial statements along with the limited review report for the period ending 31 December 2024 is provided in **Schedule IX (Audited Financial Statements for the Issuer along with Auditor’s Report)** of this General Information Document.

The certificates issued by the Peer Review Board of the Institute of Chartered Accountants of India of the statutory auditors to – (i) M/s Varma and Varma Chartered Accountants (certificate dated 18 May 2022 and bearing number: 014223); and (ii) M/s Suri and Co LLP (certificate dated 1 May 2024 and bearing number: 016670) as provided in **Schedule IV (Peer Reviewed Certificates of the Statutory Auditor)** to this General 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 in paragraph 8(a) above.**

Key operational and financial parameters on a standalone basis: The key operational and financial parameters of the Issuer for the financial years 2021-2022, 2022-2023, 2023-2024 and the unaudited financial statements along with the limited review report for the period ending 31 December 2024 is provided in **Schedule I** (*Key Operational and Financial Parameters of the Issuer*).

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

*Note: It is clarified that the Issuer is a body corporate constituted by the State Government under the KIIF Act, for the purposes of constituting a fund for making investments in the infrastructure projects in the State of Kerala.*

*The Issuer is not registered or licensed to act as a bank, financial institution, or a non-banking financial company by SEBI and/or the RBI for carrying out any financial activities.*

- (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.**

Nature of liability	As on 31 March 2024
Income Tax Assessment	INR 1.90 crores and INR 0.32 crores
Invoice Raised by vendor pending approval by Management	INR 1.74 crores
Debt service reserve account under Green Bonds	Not Applicable
Put option under Green Bonds	Not Applicable
Debt service reserve account under Domestic Bonds Series I	Not Applicable
Put option under Domestic Bonds Series I	Not Applicable
Debt service reserve account under Re-issuance Bonds Series I	Not Applicable
Put option under Re-issuance Bonds Series I	Not Applicable
Debt service reserve account under Domestic Bonds Series II	Not Applicable
Put option under Domestic Bonds Series II	Not Applicable
<b>Total</b>	<b>INR 3.96 crores</b>

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

Not applicable

10. **Brief history of the Issuer since its incorporation giving details of the following activities:**

- (a) **Details of Share Capital as on last quarter end i.e. 31 March 2025:**

Share Capital	(Amount ₹)
Authorised Capital	Not applicable
Issued, Subscribed and Paid-up Share Capital	Not applicable
Less: Call unpaid	Not applicable
Add: Forfeited equity shares	Not applicable
Total Share Capital	Not applicable

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

- (b) **Changes in the capital structure as at last quarter i.e., 31 March 2025, and for the preceding 3 (three) financial years and the current financial year:**

Date of Change (Postal Ballot)	(Amount ₹)	Particulars
Not applicable	Not applicable	Not applicable

- (c) **Details of the equity share capital for the preceding three financial years and current financial year:**

Not applicable

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

- (d) **Details of any acquisition or amalgamation with any entity in the preceding 1 (one) year:**

Nil

- (e) **Details of reorganization or reconstruction in the preceding 1 (one) year:**

Nil

- (f) **Details of the shareholding of the Issuer as at the latest quarter end, as per the format specified under the listing regulations:**

Not applicable

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

- (g) **List of top 10 (ten) holders of equity shares of the Issuer as on the latest quarter end:**

Not applicable.

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

11. **Details regarding the directors of the Issuer:**

(a) **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	81	3 <sup>rd</sup> Floor, North Block, Government Secretariat, Thiruvananthapuram.	25 May 2016
2.	Shri. K. N. Balagopal Vice-Chairperson	61	4th Floor, North Block, Government Secretariat, Thiruvananthapuram	20 May 2021
3.	Smt. Sarada Muraleedharan Member	60	Government Secretariat, Thiruvananthapuram.	31 August 2024
4.	Shri. KG Sanal Kumar Member	57	Government Secretariat, Thiruvananthapuram.	3 August 2023
5.	Dr. A. Jayathilak Member	58	Finance Department, Govt. Secretariat, Thiruvananthapuram	20 August 2024
6.	Shri V K Ramachandran Member	72	Kerala State Planning Board, Thiruvananthapuram.	19 August 2016
7.	Prof. Sushil Khanna Independent Member	73	IIM Calcutta Hemant Mukhopadhyay Sarani Keyatala, Calcutta- 700029.	19 September 2016
8.	Sri. Salim Gangadharan Independent Member	71	C-26, RNP Lane, Near Jawahar Nagar, Vellayambalarn, Sasthmangalam P.O., Thiruvananthapuram- 695010	19 September 2016
9.	Sri. J.N. Gupta Independent Member	70	B 204, Muktangan, Upper Govind Nagar, Malad East, Mumbai 400097	19 September 2016
10.	Sri. Radhakrishnan Nair Independent Member	70	J1403, Raheja Vistas, Raheja Vihar, Chandivali, Powai, Mumbai - 400072	31 October 2016

S. No.	Name, Designation, DIN	Age (in years)	Address	Date of Appointment
11.	Dr. Ajay Kumar Independent Member	62	Bungalow No 7, New Moti Bag, Sarojini Nagar, South West Delhi 110023	8 June 2023
12.	Shri. T.S Vijayan Independent Member	72	Sunnyvale, TC 8/725(1), Thirumala, Thiruvananthapuram-695 006.	18 March 2020
13.	Dr. K. M. Abraham CFA, IAS (Retd.), CEO & Member Secretary	67	B 4 Lower, Millenium Apartments, Jagathy, Thycaud P O, Thiruvananthapuram, Kerala, 695014	19 August 2016

(b) **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. Rajesh Kumar Singh, IAS	14 January 2022	Not Applicable	22 September 2022	Former Finance Secretary
Shri. V. Hari Nair	1 June 2022	Not Applicable	31 July 2023	Former Law Secretary
Shri. Bishwanath Sinha IAS	23 September 2022	Not Applicable	30 June 2023	Former Finance Secretary
Dr. V. P. Joy IAS	1 March 2021	Not Applicable	31 June 2023	Former Chief Secretary
Dr. Sudipto Mundle	31 October 2016	26 August 2023	Not Applicable	Not Applicable
KG Sanal Kumar	3 August 2023	Not Applicable	Not Applicable	Current Law Secretary
Dr. Rabindra Kumar Agarwal	1 August 2023	Not Applicable	Not Applicable	Current Finance Secretary
Dr. Ajay Kumar	8 June 2023	Not Applicable	Not Applicable	Independent Member
Dr. V. Venu	1 July 2023	Not Applicable	31 August 2024	Former Chief Secretary
Smt. Sarada Muraleedharan	31 August 2024	Not Applicable	Not Applicable	Current Chief Secretary

Name and designation	Date of appointment	Date of resignation, if applicable	Date of cessation, if applicable	Remarks
Dr. Rabindra Kumar Agarwal	1 August 2023	Not Applicable	17 August 2024	Former Finance Secretary
Dr. A. Jayathilak	20 August 2024	Not Applicable	Not Applicable	Current Finance Secretary

(c) **Details of directors' remuneration, and such particulars of the nature and extent of their interests in the Issuer (during the current year and preceding three financial years):**

(i) **Remuneration payable or paid to a director by the Issuer, its subsidiary or associate company; shareholding of the director in the Issuer, its subsidiaries and associate companies on a fully diluted basis;**

As per the SEBI Non-Convertible Securities Listing Regulations (as applicable), particulars as identified therein are to be disclosed in respect of "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 remuneration in **Schedule II (Remuneration of Members)** of this General Information Document.

Additionally, the following independent members of the Board of the Issuer are nominee directors in KIFML:

S. No.	Details of the Members
1.	Shri Prof. Sushil Khanna*
2.	Shri T.S. Vijayan*

\*A sitting fees of INR 50,000 (Indian Rupees Fifty Thousand only) per meeting is paid to the above members for the meetings of the board of KIFML and meetings of sub-committees of the board of KIFML. The nominee directors do not hold any shares in KIFML.

Dr. K.M. Abraham is the chairman of KIIFCON. He does not get any remuneration from KIIFCON or own any shares in KIIFCON.

(ii) **Appointment of any relatives to an office or place of profit of the Issuer, its subsidiary or associate company;**

Nil

(iii) **Full particulars of the nature and extent of interest, if any, of every director:**

As per the SEBI Non-Convertible Securities Listing Regulations (as applicable), particulars as identified therein are to be disclosed in respect of "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:

(A) **in the promotion of the Issuer; or**

Not applicable

(B) **in any immovable property acquired by the Issuer in the two years preceding the date of the issue document or any immovable property proposed to be acquired by it; or**

Not applicable

(C) **where the interest of such a director consists in being a member of a firm or company, the nature and extent of his interest in the firm or company, with a statement of all sums paid or agreed to be paid to him or to the firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a director, or otherwise for services rendered by him or by the firm or company, in connection with the promotion or formation of the Issuer shall be disclosed.**

Not applicable

(D) **Contribution being made by the directors as part of the offer or separately in furtherance of such objects.**

Not applicable

(E) **Any financial or other material interest of the directors, promoters, key managerial personnel or senior management in the offer and the effect of such interest in so far as it is different from the interests of other persons.**

Nil

12. **Details regarding the auditors of the Issuer:**

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

<b>Name of the Auditors</b>	<b>Address</b>	<b>Date of appointment</b>
M/S Suri & Co., Chartered Accountants	TC 25/434, 44 Santhi Nagar, Near Housing Board Junction, Thiruvananthapuram – 695 001	6 May 2024

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

<b>Name of the auditor</b>	<b>Address</b>	<b>Date of Appointment</b>	<b>Date of cessation, if applicable</b>	<b>Date of Resignation, if applicable</b>
M/S Varma & Varma Chartered Accountants	Address: TC9/1504, Galaxy SMRA – 14, Sasthamangalam PO	28 April 2022	31 March 2024	Not Applicable

Name of the auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
	Thiruvananthapuram, Kerala - 695010			
M/S Suri & Co. Chartered Accountants	TC 25/434, 44 Santhi Nagar, Near Housing Board Junction, Thiruvananthapuram – 695 001	6 May 2024	Not Applicable	Not Applicable

13. **Details of the following liabilities of the Issuer, as at the end of the last quarter or if available, a later date, i.e. as of 31 December 2024:**

(a) **Details of outstanding secured loan facilities**

Nil

(b) **Details of outstanding unsecured loan facilities**

Details of outstanding unsecured loan facilities are as follows:

Name of the Lender	Type of Facility	Principal Amount Outstanding (INR Crores)	Original Sanctioned Amount	Repayment Date / Schedule	Credit rating, if applicable
NABARD-NIDA (Tranche 1)	Term Loan	272.78	565	12 Years including 2 years moratorium	Not applicable
State Bank of India	Term Loan	531.07	1000	10 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Indian Bank	Term Loan	302.60	500	12 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Union Bank of India	Term Loan	255.21	500	10 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Syndicate Bank (Canara)	Term Loan	135	200	12 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Corporation Bank (UBI)	Term Loan	179.17	250	12 Years including	CRISIL A+ (CE) /Negative

Name of the Lender	Type of Facility	Principal Amount Outstanding (INR Crores)	Original Sanctioned Amount	Repayment Date / Schedule	Credit rating, if applicable
				2 years moratorium	
Bonds to KSFE Ltd	Bond	1108.05	1612.72	Ranging from 3 years to 6 Years	Not applicable
Pravasi Dividend Scheme	Loan	330.71	330.57	NA (Subject to conditions of the scheme)	Not applicable
NABARD-NIDA (Tranche 2)	Term Loan	692.31	1061.73	15 Years including 2 years moratorium	Not applicable
REC Ltd- I	Term Loan	1362.39	2268.27	7 Years including 2 Year moratorium	Not applicable
Bank of Baroda (Tranche 1)	Term Loan	609.38	750	10 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Indian Bank (Tranche 2)	Term Loan	424.40	500	12 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Bank of Maharashtra	Term Loan	875	1000	12 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Bank of Baroda (Tranche 2)	Term Loan	1054.69	1250	10 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Bank of India	Term Loan	630	700	12 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Canara Bank	Term Loan	450	500	12 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
HUDCO-I	Term Loan	461.54	1000	15 Years including 2 years moratorium	Not applicable
ICICI Bank Ltd	Term loan	125	300	5 years including 1 year moratorium	CRISIL A+ (CE) /Negative
Kerala Financial Corporation	Term Loan	708.42	1000	7 years including 1 year moratorium	CRISIL A+ (CE) /Negative

Name of the Lender	Type of Facility	Principal Amount Outstanding (INR Crores)	Original Sanctioned Amount	Repayment Date / Schedule	Credit rating, if applicable
REC Ltd- II	Term Loan	902.11	1248.88	7 years including 2 year moratorium	Not applicable
REC Ltd- III	Term Loan	216.16	228.65	7 years including 2 year moratorium	Not applicable
REC Ltd- IV	Term Loan	125.96	160.73	7 years including 2 year moratorium	Not applicable
REC Ltd- V	Term Loan	769.75	807.19	7 years including 2 year moratorium	Not applicable
Kotak Mahindra Bank Ltd	Term Loan	91.67	100	5 years including 2 year moratorium	CRISIL A+ (CE) /Negative
HUDCO-II	Term Loan	1361.54	2000	15 Years including 2 years moratorium	Not applicable
HUDCO-III	Term Loan	800	850	15 Years including 1 Year moratorium	Not applicable
REC Ltd VI	Term Loan	675.51	675.51	7 years including 2 year moratorium	Not applicable
PFC	Term Loan	755.72	991.33	15 year including 2 year moratorium	Not applicable
NABARD-III	Term Loan	630.39	1008.12	15 Years including 2 years moratorium	Not Applicable
HUDCO-IV	Term Loan	880	930	15 Years including I year moratorium	Not Applicable
NABARD IV	Term Loan	1501.06	3174.36	15 Years including 2 years moratorium	Not Applicable
<b>TOTAL</b>		<b>19,226.60</b>	<b>29,113.183</b>		

(c) **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		4-10 Years under 7	8.49	300.02 Crore	3 July 2023	2 October 2026 to	AA (CE) by	Unsecured	Unsecured, Rated,

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 8.49% KERALA INFRAS TRUCTURE INVESTMENT FUND BOARD 2033 (“Green Bonds”)	INE658F08011, INE658F08029, INE658F08037, INE658F08045, INE658F08052, INE658F08060, INE658F08078	different STRPPs A though G				4 July 2033	India Ratings and Research Ltd and Acuite Research Ltd		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 INVESTMENT FUND	INE658F08086, INE658F08128, INE658F08110, INE658F08102, INE658F08094, INE658F08144 and	4-10 Years under 7 different STRPPs A though G	8.95	1002.96 Crore	22 December 2023	22 March 2027 to 22 December 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-converti

Sr. No.	Series of NCS	ISIN	Tenor/Period of Maturity	Coupon	Amount outstanding	Date of allotment	Redemption Date/Schedule	Credit Rating	Secured / unsecured	Security
	BOARD 2033 <b>(“Domestic Bonds Series I”)</b>	INE658F08136								ble 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 INFRAS TRUCTURE INVESTMENT FUND BOARD 2033 (re-issue under ISINs:	INE658F08086, INE658F08128, INE658F08110, INE658F08102, INE658F08094, INE658F08144 and INE658F08136	Approximately 4-10 Years under 7 different STRPPs A though G	8.95	497 Crore	January 18, 2024	22 March 2027 to 22 December 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 principa

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount outstanding	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security
	F08144 and INE658 F08136) (“Re-issuance Bonds Series I”)									l debtor and not merely as a surety.
4.	KIIFB Domestic Bonds – Series II 9.10% KERALA INFRASTRUCTURE INVESTMENT FUND BOARD 2034 (“Domestic Bonds Series II”)	INE658F08151, INE658F08169, INE658F08177, INE658F08185, INE658F08193, INE658F08201, INE658F08219	4-10 Years under 7 different STRPPs A through G	9.10	611.66 Crore	26 February 2024	26 June 2027 to 26 March 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.	KIIFB Domestic Bonds – Series	INE658F08151,	4-10 Years under 7 different	9.10	238.28 Crore	26 Marc	26 June 2027 to 26	AA (CE)/Stable by	Unsecured	Unsecured, Rated, Listed,

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount outstanding	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security
	II 9.10% KERALA INFRAS TRUCTURE INVESTMENT FUND BOARD 2034 (“Re-issuance - Domestic Bonds Series II	INE658F08169, INE658F08177, INE658F08185, INE658F08193, INE658F08201, INE658F08219	STRPPs A through G			h 2024	March 2034	India Ratings and Research Ltd and Acuite Research Ltd		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.
6.	KIIFB Domestic Bonds – Series III 9.49% KERALA INFRAS TRUCTURE INVESTMENT FUND BOARD 2034	INE658F08227 INE658F08235 INE658F08284 INE658F08276 INE658F08268 INE658F08250 INE658F08243	4-10 Years under 7 different STRPPs A through G	9.49	850.15 Crore	8 October 2024	8 October 2028 to 8 October 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

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount outstanding	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security
										supported by unconditional and irrevocable guarantee by the GoK as a principal debtor and not merely as a surety.
7.	KIIFB Domestic Bonds – Series III 9.49% KERALA INFRAS TRUCTURE INVESTMENT FUND BOARD 2034 (“Re-issuance - Domestic Bonds Series III”)	IN8658F08150 IN8658F08168 IN8658F08218 IN8658F08200 IN8658F08192 IN8658F08184 IN8658F08176	4-10 Years under 7 different STRPPs A through G	9.49	149.87 Crore	31 October 2024	8 October 2028 to 8 October 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

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount outstanding	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security
										merely as a surety.
8.	KIIFB Domestic Bonds – Series IV 9.42% KERALA INFRAS TRUCTURE INVESTMENT FUND BOARD 2034	INE658F08292 INE658F08359 INE658F08300 INE658F08342 INE658F08334 INE658F08326 INE658F08318	4-10 Years under 7 different STRPPs A through G	9.42	500.01 Crore	30 December 2024	30 December 2028 to 30 December 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.
9.	KIIFB Domestic Bonds – Series IV 9.42% KERALA INFRAS TRUCTURE	IN8658F08226 IN8658F08234 IN8658F08242 IN8658F08259	4-10 Years under 7 different STRPPs A through G	9.42	1000.02 Crore	17 February 2025	30 December 2028 to 30 December 2034	AA (CE)/Stable by India Ratings and Research Ltd and	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
	URE INVESTMENT FUND BOARD 2034 <b>(“Re-issuance - Domestic Bonds Series IV”)</b>	IN8658F08267 IN8658F08275 IN8658F08283						Acuite 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.
10.	KIIFB Domestic Bonds – Series V 9.49% KERALA INFRAS TRUCTURE INVESTMENT FUND BOARD 2035	INE658F08367 INE658F08375 INE658F08383 INE658F08391 INE658F08425 INE658F08409 INE658F08417	4-10 Years under 7 different STRPPs A though G	9.49	265.16 Crore	25 March 2025	25 March 2029 to 25 March 2035	AA (CE)/S table 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 irrevoca

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount outstanding	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security
										ble guarantee by the GoK as a principal debtor and not merely 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 1108.05 Crore (guaranteed by a guarantee provided by GoK), as of December 31, 2024 (“**Promissory Note Bonds**”).

(d) **List of top 10 holders of non-convertible securities in terms of value (on a cumulative basis)**

(i) **Green Bonds**

The Green Bonds are held by multiple investors and as they are listed securities, there are subject to frequent transfers on a daily basis, it is not possible to verify with any certainty the holder of the Green Bonds at any given point in time. Hence, we are unable to list the 10 holders of the Green Bonds.

(ii) **Domestic Bonds Series I and Re-issuance Bonds Series I**

The Domestic Bonds Series I and Re-issuance Bonds Series I are held by multiple investors and as they are listed securities, there are subject to frequent transfers on a daily basis, it is not possible to verify with any certainty the holder of the Domestic Bonds Series I and Re-issuance Bonds Series I at any given point in time. Hence, we are unable to list the 10 holders of the Domestic Bonds Series I and Re-issuance Bonds Series I.

(iii) **Domestic Bonds Series II**

The Domestic Bonds Series II are held by multiple investors and as they are listed securities, there are subject to frequent transfers on a daily basis, it is not possible to verify with any certainty the holder of the Domestic Bonds Series II at any given point in time. Hence, we are unable to list the 10 holders of the Domestic Bonds Series II.

(iv) **Domestic Bonds Series III**

The Domestic Bonds Series III are held by multiple investors and as they are listed securities, there are subject to frequent transfers on a daily basis, it is not possible to verify with any certainty the holder of the Domestic Bonds Series III at any given point in time. Hence, we are unable to list the 10 holders of the Domestic Bonds Series III.

(v) **Domestic Bonds Series IV**

The Domestic Bonds Series IV are held by multiple investors and as they are listed securities, there are subject to frequent transfers on a daily basis, it is not possible to verify with any certainty the holder of the Domestic Bonds Series IV at any given point in time. Hence, we are unable to list the 10 holders of the Domestic Bonds Series IV.

(vi) **Domestic Bonds Series V**

The Domestic Bonds Series V are held by multiple investors and as they are listed securities, there are subject to frequent transfers on a daily basis, it is not possible to verify with any certainty the holder of the Domestic Bonds Series V at any given point in time. Hence, we are unable to list the 10 holders of the Domestic Bonds Series V.

(vii) **Promissory Note Bonds**

As of, December 31, 2024, the Promissory Note Bonds for outstanding principal amount of INR 1,108.05 Crore are held by Kerala State Financial Enterprises Limited.

(e) **Details of commercial paper issuances as at the end of the last quarter in the following format**

Nil

(f) **List of top ten holders of Commercial Paper in terms of value (in cumulative basis):**

Nil

(g) **Details of the bank fund based facilities/ rest of the borrowing (if any, including hybrid debt like Foreign Currency Convertible Bonds (FCCB), Optionally Convertible Debentures/ Preference Shares) from financial institutions or financial creditors as on quarter ended 31 March 2025:**

Nil

(h) **Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued: (a) in whole or part, (b) at a premium or discount, or (c) in pursuance of an option or not:**

Nil

(i) **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including any technical delay) and other financial indebtedness including corporate guarantees or letters of comfort issued by the Issuer, in the past 3 (three) years including the current Financial Year.**

Nil

(j) **Any material event / development or change having implications on the financials / credit quality (e.g., any material regulatory proceedings against the Issuer / promoters, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the investor's decision to invest / continue to invest in the non-convertible securities/commercial paper.**

(i) **Enforcement Directorate Investigation**

In connection with the Masala Bonds, the Directorate of Enforcement (“ED”) had issued several summons to the Issuer’s officials from February 3, 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 October 11, 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 December 14, 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 January 5, 2024 and February 7, 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.

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.

(ii) **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 May 18, 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 April 29, 2023 and appeared in the personal hearing on May 2, 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 November 23, 2023 in which the proposals made vide the show cause notice dated May 18, 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 February 28, 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.

(k) **Any litigation or legal action pending or taken by a Governmental Authority or a statutory body or regulatory body during the last 3 (three) years immediately preceding the year of the issue of this General Information Document against the Promoter of the Issuer.**

Please refer to Paragraph 13 (j) of Section 2 (*Disclosures (in accordance with the SEBI Non-Convertible Securities Listing Regulations)*) of this General Information Document.

- (l) **Details of default and non-payment of statutory dues in the last 3 (three) financial years and the current financial year**

Nil

- (m) **Details of pending litigation involving the Issuer, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the Issuer, which may affect the issue or the investor's decision to invest / continue to invest in the debt securities and/ or non-convertible redeemable preference shares.**

Nil

- (n) **Details of acts of material frauds committed against the Issuer in the preceding three financial years and current financial year, if any, and if so, the action taken by the Issuer**

Nil

- (o) **Details of pending proceedings initiated against the Issuer for economic offences, if any.**

Please refer to Paragraph 13 (j) of Section 2 (*Disclosures (in accordance with the SEBI Non-Convertible Securities Listing Regulations)*) of this General Information Document.

- (p) **Related party transactions entered during the preceding three financial years and current financial year with regard to loans made or, guarantees given or securities provided.**

Nil

- (q) **The Issue document shall not include a statement purporting to be made by an expert unless the expert is a person who is not, and has not been, engaged or interested in the formation or promotion or management, of the Issuer and has given his written consent to the Issue of the Issue document and has not withdrawn such consent before the delivery of a copy of the Issue document to the Registrar (as applicable) for registration and a statement to that effect shall be included in the Issue document.**

There is no statement made by an expert in this General Information Document.

- (r) **Reference to the relevant page number of the audit report which sets out the details of the related party transactions entered during the three financial years immediately preceding the issue of issue document.**

Nil

- (s) **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 the relevant Key Information Document.

14. **The names of the debenture trustees(s), a statement to the effect that the debenture trustee has consented to its appointment along with a copy of the agreement executed by the debenture trustee with the issuer in accordance with regulation 13 of the Securities and Exchange Board of India**

**(Debenture Trustees) Regulations, 1993 made accessible through a web-link or a static quick response code displayed in the general information document.**

**Provided that in case the issuer files a general information document or shelf prospectus, the issuer may disclose a copy of the letter obtained from the debenture trustee consenting to its appointment instead of the agreement.**

In accordance with Regulation 8 of the SEBI Non-Convertible Securities Listing Regulations, Section 71 of the Act read with the Companies (Share Capital and Debenture) Rules, 2014 and SEBI Debenture Trustees Regulations, the Issuer has appointed Catalyst Trusteeship Limited to act as the 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 28 April 2025 for the Issue and for inclusion of its name in the form and context in which it appears in this General Information Document. Copy of the consent letter with reference number CL/DEB/25-26/15650 dated 28 April 2025 is enclosed in this General Information Document as **Schedule V (Consent Letter of the Debenture Trustee)**.

15. **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.**

Please refer to the relevant Key Information Document.

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

Please refer to the relevant Key Information Document.

- (a) **The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made**

Please refer to the relevant Key Information Document.

- (b) **Procedure and time schedule for allotment and Issue of securities**

Please refer to the relevant Key Information Document.

- (c) **Cash flows emanating from the non-convertible securities shall be mentioned in the issue document, by way of an illustration.**

The illustrative cash flows per Debenture has been mentioned in the relevant Key Information Document:

Particulars	Details
<b>Name of Issuer</b>	Kerala Infrastructure Investment Fund Board
<b>Face Value (per security)</b>	1,00,000 (Indian Rupees One Lakh only) per Debenture under each STRPPs/Sub-Series
<b>Deemed Date of Allotment</b>	Please refer to the relevant Key Information Document.
<b>Date of Redemption</b>	Please refer to the relevant Key Information Document.
<b>Tenure and Coupon Rate</b>	Please refer to the relevant Key Information Document.

Particulars	Details		
Frequency of the interest/dividend payment (with specified dates)	Please refer to the relevant Key Information Document.		
Day Count Convention	Actual/actual		
Cash Flow	Day and date for coupon/ redemption becoming due	Number of days for denominator	Amount (in INR)
Coupon	Please refer to the relevant Key Information Document.		
Principal			

## 17. Undertakings by the Issuer

17.1 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 this General Information Document.

17.2 The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this General Information Document contains all information with regard to the Issuer and the Issue, that the information contained in this General 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.

17.3 The Issuer has no side letter with any debt securities holder except the one(s) disclosed in this General Information Document. Any covenants later added shall be disclosed on the Stock Exchange website where the debt is listed.

## 18. Other Details

- (a) **Project details: Gestation period of the projects; extent of progress made in the project; deadlines for completion of the projects; the summary of the projects appraisal report (if any), schedule of implementation of the projects, if any.**

To the extent applicable, please refer to the relevant Key Information Document.

- (b) **Disclosure pertaining to charge creation**

The Debentures are unsecured 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.

- (c) **Creation of Debenture Redemption Reserve – relevant legislations and applicability**

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

- (d) **Recovery Expense Fund**  
Please refer to the relevant Key Information Document.
- (e) **Issue/instrument specific regulations – relevant details (the Act, RBI guidelines, etc.)**  
Please refer to the relevant Key Information Document.
- (f) **Default in Payment**  
Please refer to the relevant Key Information Document.
- (g) **Delay in Listing**  
Please refer to the relevant Key Information Document.
- (h) **Delay in allotment of Debentures**  
Please refer to the relevant Key Information Document.
- (i) **Delay in execution of Debenture Trust Deed**  
Please refer to the relevant Key Information Document.
- (j) **Issue details**  
Please refer to the relevant Key Information Document.
- (k) **Application process**  
Please refer to the relevant Key Information Document.
- (l) **Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any:**  
  
The Issuer is not a company incorporated under the Act and is hence not required to issue an offer letter for the private placement of Debentures in the format prescribed under the Act read with Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time.

19. **OTHER MATTERS AND REPORTS**

19.1 **If the proceeds, or any part of the proceeds, of the issue of the Debentures are or is to be applied directly or indirectly:**

- (a) **in the purchase of any business; or**
- (b) **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 fifty per cent. thereof:**

Not applicable.

- 19.2 **Details of purchase or acquisition of any immoveable property including indirect purchase or acquisition of immoveable property for which advances have been paid to third parties, (a) the names, addresses, descriptions and occupation of the vendors, (b) the amounts paid or payable in cash, to the vendor and where there is more than one vendor, or where the Issuer is a sub-purchaser, the amount so paid or payable to each vendor, specifying separately the amount, if any, paid or payable for goodwill, (c) nature and title or interest in such property proposed to be acquired by the Issuer, and (d) particulars of every transaction relating to the property, completed within the 2 (two) preceding years, in which any vendor of the property or any person who is, or was at the time of the transaction, a promoter, or a director or proposed director of the Issuer had any interest, direct or indirect, specifying the date of the transaction and the name of such promoter, director or proposed director and the amount payable by or to such vendor, promoter, director or proposed director in respect of the transaction.**

Provided that the disclosures specified in sub-clauses (a) to (d) above shall be provided for the top five vendors on the basis of value viz. sale consideration payable to the vendors. Provided further that for the remaining vendors, such details may be provided on an aggregated basis in the offer document, specifying number of vendors from whom it is being acquired and the aggregate value being paid.

Nil

- 19.3 **If:**
- (a) **the proceeds, or any part of the proceeds, of the issue of the Debentures are or are to be applied directly or indirectly and in any manner resulting in the acquisition by the Issuer of shares in any other body corporate; and**
  - (b) **by reason of that acquisition or anything to be done in consequence thereof or in connection therewith, that body corporate shall become a subsidiary of the Issuer, a report shall be made by a Chartered Accountant (who shall be named in the issue document) upon – (A) the profits or losses of the other body corporate for each of the three financial years immediately preceding the issue of the issue document; and (B) the assets and liabilities of the other body corporate as on the latest date to which its accounts were made up.**

Not applicable

- 19.4 **The broad lending and borrowing policy including summary of the key terms and conditions of the term loans such as re-scheduling, prepayment, penalty, default; and where such lending or borrowing is between the Issuer and its subsidiaries or associates, matters relating to terms and conditions of the term loans including re-scheduling, prepayment, penalty, default.**

The broad lending and borrowing policy is provided in **Schedule VIII (Broad Lending and Borrowing Policy)** of this General Information Document.

- 19.5 **The aggregate number of securities of the Issuer and its subsidiary companies purchased or sold by the promoter group, and by the directors of the Issuer which is a promoter of the Issuer, and by the directors/members of the Issuer and their relatives, within six months immediately preceding the date of filing this General Information Document with the Registrar of Companies.**

Not applicable/Nil.

Please note that this General Information Document is not filed with the registrar of companies, as the Issuer is not a company incorporated under the Act.

19.6 **The matters relating to:**

(a) **Material contracts**

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 referred to in Para 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.

Para A: Material Contracts and Documents

- (i) This General Information Document and the relevant Key Information Document.
- (ii) A certified copy of KIIF Act;
- (iii) Copies of the resolutions of the board of members of the Issuer passed at their meetings held on 12 July 2024 and 13 February 2025 and the investment management committee of the Issuer as specified in the relevant Key Information Document, 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 31 December 2024.
- (v) Letter of consent from the Registrar and Transfer Agent to act as Registrar and Transfer Agent to the Issue.
- (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 dated 28 April 2025.
- (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.**

Please refer to the relevant Key Information Document.

22.1 **The summary of reservations or qualifications or adverse remarks of auditors in the three financial years immediately preceding the year of issue of issue document, and of their impact on the financial statements and financial position of the company, and the corrective steps taken and**

**proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks.**

Nil

**22.2 The details of: (a) any inquiry, inspections or investigations initiated or conducted under the securities laws or Companies Act, 2013 (18 of 2013) or any previous companies law; (b) prosecutions filed, if any (whether pending or not); and (c) fines imposed or offences compounded, in the three years immediately preceding the year of issue of issue document in the case of the issuer being a company and all of its subsidiaries.**

Nil

**Notes:**

- (a) The Issuer does not have directors, and is being managed by a board of members, hence disclosures in Section 2 (*Disclosures (in accordance with the SEBI Non-Convertible Securities Listing Regulations)*) of this General Information Document are made in respect of such members.
- (b) The Issuer is a body corporate constituted under the KIF Act, and has not issued any shares. Accordingly, the disclosures in respect of the share capital of the Issuer in this Section 2 (*Disclosures (in accordance with the SEBI Non-Convertible Securities Listing Regulations)*) state as “Not Applicable”.

## 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	2 <sup>nd</sup> Floor, Felicity Square, M G Road, Statue, Thiruvananthapuram – 695 001
Corporate Office	2 <sup>nd</sup> Floor, Felicity Square, M G Road, Statue, Thiruvananthapuram – 695 001
Website	<a href="https://kiifb.org/">https://kiifb.org/</a>
Contact details	0471-2780900 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 paragraph 7 of Section 2 (*Disclosures (in accordance with the SEBI Non-Convertible Securities Listing Regulations)*) of this General Information Document.

Further, please see the details of the business/operating office of KIFML: KERALA INFRASTRUCTURE FUND MANAGEMENT LIMITED, 4<sup>th</sup> Floor Kek Tower Opposite Trida Vazhuthacaud, Sasthamangalam P.O Thiruvananthapuram, Kerala – 695010.

#### 2. Brief particulars of the management of the Issuer

*Brief Profile of key managerial personnel of the Issuer:*

KIIFB is headed by the Chief Executive Officer (“CEO”) 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 Finance (Infrastructure) Department is the administrative department of KIIFB, which is directly under the control of the Additional Chief Secretary (Finance), with two Joint Secretaries amongst others. The two Joint Secretaries also function as the Joint Fund Manager and Deputy Fund Manager of KIIFB, respectively.

KIIFB benefits from having the Fund Trustee Advisory Commission (“FTAC”), an independent committee constituted to ensure transparency in the functioning of KIIFB. It acts as the trustee of the Fund and is responsible for ensuring that all investments of the Fund serve the purpose and intent of the KIIF Act and that there are no diversions of the funds available to KIIFB. The FTAC comprises three to five members including a chairperson. The members of the FTAC are experts with experience at national or international levels in the fields of banking, financial regulation, financial markets, administration or economics.

KIIFB has the following operating divisions which report to CEO, KIIFB (i) the finance and administration division; (ii) the project appraisal division; (iii) the inspection authority; (iv) the ESG Wing and (v) the internal audit wing.

3. **Names, addresses, director identification number and occupations of the directors:** Specified in Paragraph 11 (*Details regarding the directors of the Issuer*) of Section 2 (*Disclosures (in accordance with SEBI Non-Convertible Securities Listing Regulations)*) of this General Information Document.
4. **Management's perception of risk factors:** Please refer to Section 1 (*Risk Factors*) of this General Information Document.
5. **Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:**
  - (a) statutory dues: Nil
  - (b) debentures and interest thereon: Nil
  - (c) deposits and interest thereon: Nil
  - (d) loan from any bank or financial institution and interest thereon: Nil
6. **Names, designation, address and phone number, email ID of the nodal/ compliance officer of the Issuer, if any, for the private placement offer process:**

Name: Mr. Sabareeswar Thampan

Designation: Compliance Officer Kerala Infrastructure Investment Fund Board (KIIFB)

Address: 2<sup>nd</sup> floor, Felicity Square, MG Road, Statue, Thiruvananthapuram – 695001

Email ID: co.fa@kiifb.org

Phone number: 0471 2780900

7. **Any default in Annual filing the Issuer under the Act or the rules made thereunder:** Nil

**Particulars of the Offer**

<b>Financial position of the Issuer for the last 3 (three) Financial Year</b>	Please refer to <b>Schedule IX</b> ( <i>Audited Financial Statements for the Issuer along with Auditor's Report</i> ) of this General Information Document.
<b>Date of passing of resolution by the board of the Issuer and the shareholders of the Issuer</b>	Please refer to <b>Schedule VII</b> ( <i>Board Resolution of the Issuer</i> ) of this General Information Document.
<b>Date of passing of resolution in general meeting of the shareholders of the Issuer, authorizing the offer of securities</b>	Not applicable.
<b>Kinds of securities offered (i.e. whether shares or debenture) and class of security; the total number of</b>	Please refer to the relevant Key Information Document.

shares or debentures or other securities to be issued		
Price at which the security is being offered, including premium if any, along with justification of the price	Please refer to the relevant Key Information Document.	
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, as the Debentures shall be issued at face value.	
Relevant date with reference to which the price has been arrived at	Not applicable, as the Debentures shall be issued at face value.	
The class or classes of persons to whom the allotment is proposed to be made	Please refer to row titled ' <i>Eligible Investors</i> ' of the <i>Summary of Terms</i> under the relevant 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	Please refer to the relevant Key Information Document.	
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 see Paragraph 13(c) of Section 2 ( <i>Disclosures (in accordance with the SEBI Non-Convertible Securities Listing Regulations)</i> ) of this General 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	Please refer to the relevant Key Information Document.	
Debenture Trust Deed	In the event of any inconsistency between the provisions of the Debenture Trust Deed and this General Information Document, the provisions of the Debenture Trust Deed shall prevail.	
Terms of raising of securities:	<b>Duration, if applicable</b>	Please refer to the relevant Key Information Document.
	<b>Rate of Interest</b>	Please refer to the relevant Key Information Document.

	<b>Mode of Payment</b>	RTGS/NEFT
	<b>Mode of Repayment</b>	RTGS/NEFT
<b>Proposed time schedule for which the General Information Document is valid</b>	This General Information Document will be valid for a period of one year from the date of first issue/offer pursuant to this General Information Document.	
<b>Purpose and objects of the Issue</b>	Please refer to the relevant Key Information Document.	
<b>Contribution being made by the Promoter or directors of either as part of the offer or separately in furtherance of the object</b>	Nil	
<b>Principal terms of assets charged as security, if applicable</b>	Please refer to the relevant Key Information Document.	
<b>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</b>	Nil	
<b>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).</b>	Nil	
<b>Whether the proceeds, or any part of the proceeds, of the issue of the Debentures are or are to be applied directly or indirectly, and in any manner resulting in the acquisition by the Issuer of the shares in any other body corporate.</b>	Nil	

**Pre-issue and Post-issue shareholding pattern of the Issuer as on 31 March 2024**

Not applicable, as the Issuer is a body corporate viz., a board constituted under KIIF Act, and has not issued any shares.

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

<b>Any financial or other material interest of the directors, promoters, key managerial personnel or senior management in</b>	Nil
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<p>the offer and the effect of such interest in so far as it is different from the interests of other persons</p>	
<p>Details of any litigation or legal action pending or taken by any ministry or department of the Government, a statutory authority or regulatory body against any Promoter of the Issuer during the last 3 (three) years immediately preceding the year of the issue of this General Information Document and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.</p>	<p>Nil</p>
<p>Remuneration of directors of the Issuer (during the current year and the last 3 (three) financial years).</p>	<p>As per the SEBI Non-Convertible Securities Listing Regulations (as applicable), particulars as identified therein are to be disclosed in respect of “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 in <b>Schedule II (Remuneration of Members)</b> of this General Information Document.</p>
<p>Related party transactions entered during the last 3 (three) Financial Years immediately preceding the year of issue of this General Information Document and the current financial year including with regard to loans made or, guarantees given or securities provided.</p>	<p>Nil</p>
<p>Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) Financial Years immediately preceding the year of issue of this General Information Document and of their impact on the financial statements and financial position of the Issuer and the corrective steps taken and proposed to be taken by the Issuer for each of the said reservations or qualifications or adverse remark.</p>	<p>Nil</p>
<p>Details of any inquiry, inspections or investigations initiated or conducted under the Act, any</p>	<p>Nil</p>

<p>previous company law or any SEBI regulations in the last 3 (three) years immediately preceding the year of issue of private placement offer cum application letter in the case of the Issuer and of its Subsidiaries, and if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this General Information Document and if so, section-wise details thereof for the Issuer and all of its Subsidiaries.</p>	
<p>Details of acts of material frauds committed against the Issuer in the last 3 (three) years and the current financial year, if any, and if so, the action taken by the Issuer</p>	<p>Nil</p>

8. **Financial position of the Issuer**

- (a) **The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value) as on 31 March 2024**

Not applicable, as the Issuer is a body corporate viz., a board constituted under KIIF Act and has not issued any shares

- (b) **The details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:**

Provided that the Issuer shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the private placement offer cum application letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.

Not applicable, as the Issuer is a body corporate viz., a board constituted under KIIF Act and has not issued any shares.

- (c) **Profits of the Issuer, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter.**

Financial Year/Period	Profits before making provision for tax (INR in crore)	Profits after making provision for tax (Rs in crore)
2021-22	(562.18)	(563.53)
2022-23	(853.27)	(853.33)
2023-24	(971.39)	(967.71)

<b>Financial Year/Period</b>	<b>Profits before making provision for tax (INR in crore)</b>	<b>Profits after making provision for tax (Rs in crore)</b>
<b>For the Period ending 31<sup>st</sup> December 2024</b>	(983.48)	(983.48)
<i>Note: Net profit/ (loss) for the financial years 2021-2022, 2022-2023, 2023-2024 and for the period between April 1, 2024 to December 31, 2024 was “NIL”.</i>		

- (d) **Dividends declared by the Issuer for the three financial years immediately preceding the date of issue of private placement offer cum application letter, interest coverage ratio for last three (cash profit after tax plus interest paid/interest paid).**

Dividends declared: Not applicable

Interest Coverage Ratio for last three years is as below:

- (i) As of 31 March 2022 – 0.39
  - (ii) As of 31 March 2023 – 0.41
  - (iii) As of 31 March 2024 – 0.48
  - (iv) As of 31 December 2024 – 0.25
- (e) **A summary of the financial position of the Issuer as in the 3 (three) audited balance sheets immediately preceding the date of issue of this General Information Document**

Please refer to **Schedule I** (*Key Operational and Financial Parameters of the Issuer*) of this General Information Document.

- (f) **Audited Cash Flow statement for the three years immediately preceding the date of issue of this General Information Document**

Please refer to **Schedule I** (*Key Operational and Financial Parameters of the Issuer*) of this General Information Document.

- (g) **Any change in accounting policies during the last 3 (three) years and their effect on the profits and reserves of the Issuer**

There has been no change in the accounting policies.

The Income Recognition and Asset Classification (“IRAC”) norms issued by Reserve Bank of India is applicable to banks/ non-banking financial companies was being followed by the Issuer, which fact has been disclosed in significant accounting policies of the previous year (2021-2022) for the Issuer. However, since the Issuer is engaged in financing infrastructure projects with long gestation period and the revenue generation is contingent on factors beyond the control of the entity, strict adoption of the IRAC norms is considered to be impracticable and not feasible. Hence, the Issuer’s members in the meeting held on July 7, 2022 resolved to discontinue the implementation of the IRAC norms for the Issuer with effect from April 1, 2021. The financial impact on the accounts on account of the above is nil.

Further, the board of members of the Issuer in its meeting held on February 27, 2023 approved Prudential Income Recognition, Asset Classification and Provisioning (IRACP) norms for the

Issuer whereby steps are being taken for defining and implementing suitable norms for classification of loans, provisioning and recognition of income appropriate and relevant to the unique nature of activities being undertaken, for financing of infrastructure projects with long gestation period, with focused social commitment to meet the objectives in the KIIF Act.

**Notes:**

- (a) *The Issuer is not a company incorporated under the Act and is hence not required to issue an offer letter for the private placement of Debentures in the format prescribed under the Act read with Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time.*
- (b) *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 this Section 3 (Additional Disclosures) state as “Not Applicable”.*
- (c) *The Issuer does not have directors, and is being managed by a board of members, hence disclosures in this Section 3 (Additional Disclosures) are made in respect of such members.*

## SECTION 4

### DISCLOSURES AS PER THE SEBI DT MASTER CIRCULAR

Sr. No.	Particulars	Details
1.	<b>Security free from encumbrance</b>	The Debentures are unsecured debt securities for the purposes of the SEBI Non-Convertible Securities Listing Regulations. The Debentures are <b>not</b> 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.
2.	<b>Information on consents / permissions required for creation of further charges on assets.</b>	Not applicable
3.	<b>Terms and conditions of the Debenture Trustee Agreement including fees charged by the Debenture Trustee, details of security to be created and process of due diligence carried out by the Debenture Trustee.</b>	As per the terms set out in the relevant Key Information Document
4.	<b>Due diligence certificate as per the format in Annexure II-A of Chapter II of the SEBI Master Circular.</b>	As per the terms set out in the relevant Key Information Document
5.	<b>Disclaimers under the SEBI DT Master Circular</b>	As per the terms set out in the relevant Key Information Document
6.	<b>Any additional covenant (including any side letter, accelerated payment clause etc.)</b>	As per the terms set out in the relevant Key Information Document

## DECLARATION

The Issuer hereby declares that this General 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 General 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 General Information Document also does not contain any false or misleading statement. The Issuer accepts no responsibility for the statements made otherwise than in this General 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 General 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



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**Name:** Dr. K.M. Abraham  
**Designation:** Chief Executive Officer  
**DIN:** 05178826  
**Dated:** 2 May 2025  
**Place:** Thiruvananthapuram



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**Name:** Mr. Reji John  
**Designation:** Joint Fund Manager  
**Dated:** 2 May 2025  
**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 relevant Key Information Document;
- (d) whatever is stated in this General 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 General 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.

We are authorised by the board of members of the Issuer *vide* resolution passed by the board of members of the Issuer on 13 February 2025 to sign this General Information Document, a copy of which is disclosed in this General 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 General Information Document and matters incidental thereto have been complied with.

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

**For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD**



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**Name:** Dr. K.M. Abraham  
**Designation:** Chief Executive Officer  
**DIN:** 05178826  
**Dated:** 2 May 2025  
**Place:** Thiruvananthapuram



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**Name:** Mr. Reji John  
**Designation:** Joint Fund Manager  
**Dated:** 2 May 2025  
**Place:** Thiruvananthapuram

**SCHEDULE I**

**KEY OPERATIONAL AND FINANCIAL PARAMETERS OF THE ISSUER**

Particulars	For the period between 1 <sup>st</sup> April 2024 to 31st December 2024	For the financial year 2023-2024	For the financial year 2022-2023	For the financial year 2021-2022
	Unaudited	Audited	Audited	Audited
<b>Balance Sheet</b>				
Assets				
Property, Plant and Equipment	4,67,44,690	4,70,91,013	4,85,21,852	4,54,71,773
Financial Assets	150,79,34,63,858	52,45,30,10,107	48,73,71,53,659	44,13,98,27,385
Non-financial Assets excluding property, plant and equipment	1,19,00,84,53,691	1,91,08,99,52,620	1,59,42,02,72,638	1,22,64,24,64,685
Total Assets	2,69,84,86,62,239.00	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	52,58,00,40,000	35,79,81,00,000.00	30,61,13,00,000	27,96,80,00,000
- Borrowings (other than debt securities)	158,08,03,74,673	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	23,17,89,25,456	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	273,91,30,164	2,90,44,77,149	2,24,60,09,791	1,78,74,39,632
<b>Profit and Loss</b>				
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	2,69,84,86,62,239.00	2,43,59,00,53,739	2,08,20,59,48,149	1,66,82,77,63,843

Particulars	For the period between 1 <sup>st</sup> April 2024 to 31st December 2024	For the financial year 2023-2024	For the financial year 2022-2023	For the financial year 2021-2022
	Unaudited	Audited	Audited	Audited
Revenue from operations	656,06,71,112	7,29,98,18,090	6,30,59,78,695	4,09,95,73,610
Other income	236,51,096	2,57,37,53,120	3,28,29,748	2,54,47,403
Total income	658,43,22,208	9,87,35,71,210	6,33,88,08,442	4,12,50,21,013
Total expense	16,41,90,83,013.22	19,58,75,55,985	14,86,89,35,990	9,74,33,93,165
Profit after tax for the year	-983,47,60,805	-9,71,39,87,614	-8,53,01,27,548	-5,61,83,72,152
Other comprehensive income	NIL	NIL	NIL	NIL
Total comprehensive income	-983,47,60,805	-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
<b>Cash Flow</b>				
Net cash from / used in (-) operating activities		-86,36,92,791	-93,94,46,073	-29,24,51,26,327
Net cash from / used in (-) investing activities		13,94,29,72,839	-2,91,49,45,646	1,28,73,33,338
Net cash from / used in (-) financing activities		-42,31,83,351	4,96,72,02,478	13,10,58,73,154
Net increase/decrease (-) in cash and cash equivalents		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		<b>71,90,31,42,577</b>	<b>59,24,70,45,880</b>	<b>58,13,42,35,120</b>
<b>Additional Information</b>				
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	72,76,04,88,359	71,90,31,42,578	59,24,70,45,880	58,13,42,35,120
Loans	158,08,03,74,673	1,39,71,68,46,092	1,12,61,44,87,446	98,48,66,52,814
Loans (Principal Amount)	158,08,03,74,673	1,39,71,68,46,092	1,12,61,44,87,446	98,48,66,52,814

Particulars	For the period between 1 <sup>st</sup> April 2024 to 31st December 2024	For the financial year 2023-2024	For the financial year 2022-2023	For the financial year 2021-2022
	Unaudited	Audited	Audited	Audited
Total debts to total assets	.867	0.85	0.85	0.79
Interest income	6,56,06,71,111	7,29,98,18,090	6,30,59,78,695	4,09,95,73,610
Interest expense	15,67,88,96,312	18,34,64,15,031	14,16,96,48,958	9,14,47,01,453
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

## SCHEDULE II

### REMUNERATION OF MEMBERS

The Issuer has only paid sitting fees to identified members in respect of the meetings of the board of members of the Issuer, as detailed below:

*(in INR)*

<b>Financial Year</b>	<b>Sushil Khanna</b>	<b>JN Gupta</b>	<b>Salim Gangadharan</b>	<b>Sudipto Mundle</b>	<b>TS Vijayan</b>	<b>Radhakrishnan Nair</b>	<b>C P Chandrashekhar</b>	<b>Ajay Kumar</b>
<b>2022-2023</b>	120,000	90,000	120,000	30,000	60,000	60,000	-	-
<b>2023-2024</b>	140,000	175,000	150,000	-	60,000	110,000	-	60,000
<b>2024-2025</b>	245,000	200,000	215,000	-	190,000	140,000	-	189,300
<b>2025-2026 (till date)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>505,000</b>	<b>465,000</b>	<b>485,000</b>	<b>30,000</b>	<b>310,000</b>	<b>310,000</b>	<b>-</b>	<b>249,300</b>

## SCHEDULE III

### TERM SHEET

<b>Security Name (Name of the debt securities/non-convertible redeemable preference shares which includes (Coupon/dividend, Issuer Name and maturity year) e.g. [·]% XXX [·].</b>	Please refer to the relevant Key Information Document.
<b>Issuer</b>	
<b>Type of Instrument</b>	
<b>Nature of Instrument (secured or unsecured)</b>	
<b>Seniority (Senior or subordinated)</b>	
<b>Eligible Investors</b>	
<b>Listing (name of stock Exchange(s) where it will be listed and timeline for listing)</b>	
<b>Rating of the Instrument</b>	
<b>Issue Size</b>	
<b>Minimum Subscription</b>	
<b>Option to retain oversubscription (Amount)</b>	
<b>Objects of the Issue / Purpose for which there is requirement of funds</b>	
<b>Details of the utilisation of the Proceeds</b>	
<b>Coupon/Dividend Rate</b>	
<b>Step Up / Step Down Coupon Rate</b>	
<b>Coupon/Dividend Payment Frequency</b>	
<b>Coupon/Dividend Payment Date(s)</b>	
<b>Cumulative /Non-cumulative, in case of dividend</b>	
<b>Coupon Type (fixed, floating or other structure)</b>	
<b>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).</b>	
<b>Day Count Basis (Actual/Actual)</b>	
<b>Interest on Application Money</b>	
<b>Default Interest Rate</b>	
<b>Tenor</b>	
<b>Redemption Date</b>	
<b>Redemption Amount</b>	
<b>Redemption Premium / Discount</b>	
<b>Issue Price</b>	
<b>Discount at which security is issued and the effective yield as a result of such discount</b>	

<b>Premium/Discount at which security is redeemed and the effective yield as a result of such premium/discount</b>	
<b>Put Date</b>	
<b>Put Price</b>	
<b>Call Date</b>	
<b>Call Price</b>	
<b>Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)</b>	
<b>Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)</b>	
<b>Face Value</b>	
<b>Minimum Application and in multiples thereafter</b>	
<b>Issue Timing</b>	
<b>Issue / Bid Opening Date</b>	
<b>Issue / Bid Closing Date</b>	
<b>Date of earliest closing of the issue</b>	
<b>Pay – in Date</b>	
<b>Deemed Date of Allotment</b>	
<b>Settlement mode of the Instrument</b>	
<b>Depository</b>	
<b>Disclosure of interest / Redemption Dates</b>	
<b>Record Date</b>	
<b>All covenants of the Issue (including side letters, accelerated payment clause etc.)</b>	
<b>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</b>	
<b>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</b>	
<b>Transaction Documents</b>	
<b>Conditions Precedent to Disbursement</b>	
<b>Conditions Subsequent to Disbursement</b>	
<b>Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement</b>	

<b>Creation of recovery expense fund</b>	
<b>Conditions for breach of covenants (as specified in Debenture Trust Deed)</b>	
<b>Provisions related to Cross Default Clause</b>	
<b>Role and Responsibilities of Debenture Trustee</b>	
<b>Risk factors pertaining to the issue</b>	
<b>Governing Law and Jurisdiction</b>	

**SCHEDULE IV**

**PEER REVIEWED CERTIFICATES OF THE STATUTORY AUDITOR**

*(Attached Separately)*



# The Institute of Chartered Accountants of India

(Setup by an Act of Parliament)

## Peer Review Board

Peer Review Certificate No.: 014223

This is to certify that the Peer Review of

*M/s Varma & Varma*

*Sreeraghavam, Kerala Varma Tower,*

*Building No. 53/2600 B C D & E, Off. Kunjan Bava Road, Vytilla,*

*Kochi-682019*

*FRN No. 004532S*

**has been carried out for the period**

**2018-2021**

pursuant to the *Statement on Peer Review*, issued by the Council of The Institute of Chartered Accountants of India.

**This Certificate shall be effective from: 02-07-2022**

**The Certificate shall remain valid till: 31-07-2025**

**Issued at New Delhi on 18-05-2022**

CA. Chandrashekhar  
Vasant Chitale  
Chairman  
Peer Review Board

CA. Anuj Goyal  
Vice-Chairman  
Peer Review Board

CA. Nidhi Singh  
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 '*Statement on Peer Review*'. 71



# 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*'.

**SCHEDULE V**

**CONSENT LETTER FROM THE DEBENTURE TRUSTEE**

*(Attached Separately)*

CL/DEB/25-26/15650

28<sup>th</sup> April , 2025

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

Dear Sir / Madam,

**Sub.: Consent for inclusion of name and other details in the general information document and/or the relevant key information documents as a debenture trustee in relation to the proposed issuance of relevant non-convertible securities on private placement basis, in one or more tranches, Kerala Infrastructure Investment Fund Board (“Company”), from time to time.**

We, the undersigned, hereby consent to our name being included as ‘**Debenture Trustee**’ in relation to the issuance of relevant non-convertible securities by the Company in terms of the general information document and the relevant key information document(s) (collectively, the “**Offer Documents**”) which shall be filed with the BSE Limited and/or National Stock Exchange of India Limited and/or any other recognised stock exchange in India (“**Stock Exchange**”) and also in all related communications in relation to the proposed issuance of such non-convertible securities, subject to the execution of a debenture trustee agreement in accordance with Regulation 13 of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.

We hereby further consent that all the details and contents of our particulars as the ‘**Debenture Trustee**’, including but not limited to the name and address as mentioned below, may be disclosed in the Offer Documents, as may be required:

Name	<b>CATALYST TRUSTEESHIP LIMITED</b>
Address	Unit No-901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai-400013
Telephone	+91 22 4922 0555
Contact Person	Mr. Umesh Salvi, Managing Director
E-mail Address	ComplianceCTL-Mumbai@ctltrustee.com
Website	www.catalysttrustee.com

Logo



We also agree to execute a debenture trust deed within the timeline as per the applicable law and hereby agree and undertake to comply with the provisions of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021, Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and applicable rules, regulations, circular, master circular issued thereunder and other applicable laws as amended from time to time.

This letter may be relied upon by the Company in relation to the proposed issuance of non-convertible securities and further may be *inter alia* submitted to the Securities and Exchange Board of India, the relevant Registrar of Companies, the relevant Stock Exchange and/or any other regulatory, statutory or legal authority.

Thanking you,

**Yours faithfully,  
For Catalyst Trusteeship Limited**



**Authorized Signatory**

**Name: Nikita Sahu**

**Designation: Assistant Manager**

**SCHEDULE VI**

**IN-PRINCIPLE APPROVAL FROM THE STOCK EXCHANGE**

*(Attached Separately)*

DCS/COMP/PT/IP-PPDI/013/25-26

**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 28 April, 2025 (The Issue)**

We acknowledge receipt of your application on the online portal on April 28, 2025 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 \(bseindia.com\)](#).

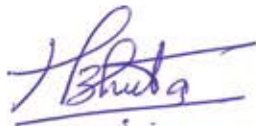
8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

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



Anurag Jain  
Manager

**SCHEDULE VII**

**BOARD RESOLUTION OF THE ISSUER**

*(Attached Separately)*



# KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

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

Finance and Administration Division

website: [www.kiifb.org](http://www.kiifb.org)

*Defining the Future*

**CERTIFIED TRUE COPY OF THE EXCERPTS FROM MINUTES OF**  
**THE MEETING OF 52<sup>nd</sup> GENERAL BODY OF KERALA**  
**INFRASTRUCTURE INVESTMENT FUND BOARD**

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

Date of meeting-13.02.2025

## 15. Agenda Note

Issuance of Domestic Bonds

### Decision


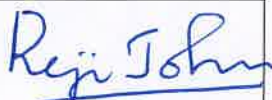
1. The Board approved the issuance of unsecured, rated, listed, redeemable, taxable, non-convertible bonds in the nature of debentures in one or multiple tranches, comprising seven sub-series of a face value of INR 1,00,000/- (Indian Rupees One Lakh only) each, up to INR 5000 Crores.
2. The board approved 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 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.
5. 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.

6. 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.
7. The Board approved listing of the Domestic Bonds with BSE Limited and approve the payment of fees for the issuance and listing of the Domestic Bonds.
8. The Board authorized CEO to appoint any other intermediaries, for the proposed issuance of the Domestic Bonds.
9. 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;
10. 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; and;
- (g) to pay stamp duty as per the applicable laws including statutes and regulations;
- (h) 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	

11. 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.



**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](http://www.kiifb.org)

## **KERALA INFRASTRUCTURE INVESTMENT FUND BOARD (KIIFB)**

**Circular Resolution No.6/2024**

**Dated 12.07.2024**

---

### **Issuance of Domestic Bonds.**

The 48<sup>th</sup> 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**

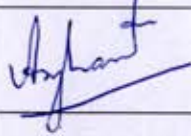
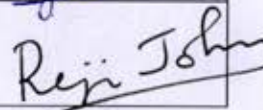
1. The Board approved the issuance of unsecured, rated, listed, redeemable, taxable, non-convertible bonds in the nature of debentures in one or multiple tranches, comprising seven sub-series of a face value of INR 1,00,000/- (Indian Rupees One Lakh only) each, up to INR 3000 Crores.
2. The Board approved 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**

**SCHEDULE VIII**

**BROAD LENDING AND BORROWING POLICY**

*(Attached Separately)*



# Kerala Infrastructure Investment Fund Board (KIIFB)

## BORROWING STRATEGY & POLICY

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## INTRODUCTION

KIIFB was established by the Government of Kerala a Body Corporate on 11.11.1999 under the Kerala Infrastructure Investment Fund Act 1999 (Act 4 of 2000). Subsequently, comprehensive modifications to the Act were made through Kerala Infrastructure Investment (Amendment) Act, 2016, which significantly improved KIIFB's structure, financing and governance mechanisms. The primary objective of KIIFB is to mobilize resources for and monitor the execution of critical and large infrastructure projects in the State of Kerala.

The projects are adopted for funding by KIIFB after the project is recommended from the government through its inclusion in the budget or through a cabinet decision. The projects are actually not owned by KIIFB, but by the concerned government department which is responsible for the execution of the project. KIIFB's role is limited to financing the project and monitoring its execution as per established quality standards. These infrastructure projects may be revenue generating or non-revenue generating.

Under the KIIF Act, KIIFB receives financial support from the Government of Kerala in the following forms in order to achieve its developmental objectives:

- a) A specified share of the Petroleum Fuel Cess and Motor Vehicle Tax (MVT) collected by the State in the previous financial year is transferred to KIIFB on or before 31st Dec of each year.
- b) Government is also required to make a provision in its annual budget to meet any shortfall that KIIFB may face with respect to the payment of any annuity or other repayment obligations.
- c) In addition, KIIFB has also received an initial Corpus of funds from the Government.

KIIFB uses these funds and the future revenue receipts from the Government as the base to raise borrowings from the market to fund the Government's critical infrastructure projects. Under the KIIF Act, these loans of KIIFB are guaranteed by the Government and KIIFB pays an annual Guarantee commission to the government for the same. KIIFB's financing is thus based on a controlled leverage model.

As a socially and financially responsible organization, Kerala Infrastructure Investment Fund Board (KIIFB) believes in conducting its affairs in a fair and transparent manner. For this, KIIFB has adopted the highest standards of Professionalism, Integrity and Ethical Behaviour.

Accordingly, it has been decided to issue a Borrowing Strategy & Policy document which is intended to elucidate the borrowing strategy and holistically cover the principles that govern the various aspects pertaining to borrowings of KIIFB.

## OBJECTIVE

KIIFB's Board has till date approved ~ Rs 70,000 Cr worth of projects to be financed as per the mandate given to KIIFB under the Kerala Infrastructure Investment Fund Act (as amended from time to time) ("**KIIF Act**"), These projects comprise both physical and social infrastructure across a range of sectors including hospitals and health centres, schools and colleges, roads and bridges, water supply and sanitation, electricity and communication networks, industrial parks and cultural complexes etc. Additionally, around ~ 30% of these projects are commercial projects for which amounts disbursed by KIIFB would be repaid as per the terms and conditions for such repayment projects.

KIIFB's borrowings are as per the mandate provided to KIIFB under the KIIF Act and are done by KIIFB as part of its 'agency' function to build infrastructure projects for Government of Kerala. Government operates a scheme similar to a 'growing annuity' model with inflows pegged to a specific share of Motor Vehicles Tax and cess on Petroleum Products sold in the State. These flows are budgeted and are protected in terms of their source, size and regularity.

Section 7 of KIIF Act (as amended in 2016), provides that Government shall, from time to time, make provisions to defray expenses incurred for the payment of annuity or other repayment obligations and to meet operational and administrative expenses of KIIFB. Accordingly, the Act has identified a share of Motor Vehicle Tax and Cess on Petroleum products as contribution from Government to KIIFB each year. In addition, Section 7 of KIIF Act also provides for Government to make grants, advances and loans to KIIFB for the purpose of KIIF Act.

As per Section 9 of KIIF Act, Government shall guarantee all borrowings of KIIFB, provided the total Guarantee issued by Government **shall not exceed the limits set by the Kerala Ceiling on Government Guarantees Act, 2003 (as amended from time to time)**.

Given KIIFB's unique model, there is an inherent requirement of strong liquidity management on account of the risks primarily due to the timing mismatch between the transfers from Government of Kerala to KIIFB each year (in the form of part of Motor Vehicle Tax and Fuel Cess collected in the State in a given year) and the need of funds for project disbursements (determined based on project progress). Given this inherent liquidity management requirement, there is a need to have a stable and de-risked borrowing regime which is robust to enable the organization to effectively manage liquidity and de-risk the operations of KIIFB from the borrowings/ borrowing environment.

The Borrowing Strategy & Policy thus provides KIIFB Management with a holistic guidance to undertake borrowings in a robust manner duly in line with the mandate provided to KIIFB under **KIIF Act**, thereby holistically enabling KIIFB Management to respond to dynamic financing requirements whilst effectively managing risk.

## TYPES OF BORROWINGS

This policy shall be applicable to all borrowings of KIIFB, in line with the mandate provided under the KIIF Act, including short term borrowings and long-term borrowings

## SHORT TERM DEBT

Short Term Debt includes overdraft facilities/ Loan Against Deposits/ Loan Against Securities et al availed by KIIFB for an aggregate amount not exceeding 70% (seventy per cent.) of the liquid funds of KIIFB comprising of the balances in deposit accounts and current investments.

Such Short-Term financing may be availed for a tenor of less than 3 years and are to be availed prudently for liquidity management.

For liquidity management, CEO is authorized to avail short term debt for working capital/ liquidity management. Renewal or roll over of Short-Term facilities may be considered by KIIFB depending on the pricing/RoI and liquidity needs of the organization.

## LONG TERM DEBT

Long term debt of KIIFB may include:

1. All Loans having a tenor of 3 or more years, which includes Term Loans from Banks, Financial Institutions, DFIs, Multilateral Entities et al.
2. All Domestic bonds/ NCDs/Masala Bonds/ Offshore Bonds issued by KIIFB having a tenor of 3 or more years

Transaction Structure of Term Loans from Banks (Bank Loan Facility): Transaction Structure of Bank Loans shall be in line with the defined structure as enclosed in Annexure A. CEO is empowered to approve any further changes to this transaction structure, for availing better terms from Banks as applicable.

### Pricing of Long-Term Debt:

1. Management shall strive to obtain best feasible terms as applicable for a borrower with a risk/credit profile of KIIFB.
2. Management shall, as per the mandate under KIIF Act and based on the need for financing and prevailing interest rate scenario and other relevant economic factors, negotiate and arrive at appropriate pricing.
3. Management may strive to avail pricing in the same range (i.e. within 25 bps) as the prevailing Average Cost of Domestic Borrowing of KIIFB for such type of Borrowing (i.e., fresh Term Loans from Banks to have a pricing comparable to the ACDB of KIIFB for Existing Term Loans from Banks).
4. Any deviation in the pricing over the range of 25 bps from the applicable ACDB for that facility, as indicated in (c) will be accepted only with the approval of the board.

Drawdowns for Term Loans shall be made depending upon the liquidity needs i.e. to ensure a sufficient buffer depending upon the project disbursement requirements.

## APPROVALS & REPORTING OF BORROWINGS

### APPROVALS

1. Overall limit for Long Term Borrowings for any period is to be approved by KIIFB Board.
2. Approvals and Guarantee Orders to be issued by Government for all borrowings of KIIFB, as per KIIF Act provisions.
3. For domestic bank loans/ loans from domestic financial institutions having standard transaction structure, CEO is authorized to take all incidental steps and to sign necessary documents for mobilizing funds within the limits approved by the board.
4. For Bespoke Transactions including Loans from Multi laterals, Bond issuances, Offshore Debt/ Masala Bonds and transactions having structures that are significantly/materially different from standard transaction structures of KIIFB's borrowings, approval of the board will be taken for the transaction

### REPORTING

1. Status of Borrowings to be updated during each Board meeting.
2. Status of Borrowings and status regarding the availability of sufficient funds for Debt Servicing to be reported to FTAC during each meeting.

## GUIDING PRINCIPLES/ STRATEGY FOR BORROWINGS

KIIFB's borrowing strategy encompasses, inter alia, the following:

### COST OF BORROWINGS & OTHER TERMS

Management shall strive to obtain best feasible terms as applicable for a borrower with a similar risk/credit profile of KIIFB

### FIXED VS FLOATING RATE BORROWINGS

Management shall explore having a good mix of fixed rate borrowings and floating rate borrowings to mitigate interest rate risks pertaining to KIIFB's borrowing portfolio to a certain extent

Permissible Percentage of Fixed Rate Borrowing in KIIFB's borrowing portfolio may range from 0% to 30%.

### SANCTIONS AND DRAWDOWNS

While sanctions may be obtained by the management from various sources of borrowings as per the mandate under KIIF Act, drawn downs of loans should be made basis management's assessment of

liquidity needs and duly taking not account the project disbursement requirements, other operational and administrative expenditure for the period.

Management to plan drawdowns from various sanctioned borrowing facilities so as to ensure a minimum buffer of next 6 months' liquidity needs and a maximum buffer of 12 months' liquidity needs.

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#### PROJECT LINKED VS NON-PROJECT LINKED LOANS:

Management shall explore availing a good mix of project linked, and non-project linked loans given certain financial institutions have mandate to provide loans for on lending to only specific infrastructure projects. Also having a good mix of project linked and non-project linked funding would entail reduced negative carry.

Management to explore availing project linked loans so that the borrowing portfolio has a good mix of Project linked loans ranging from 10% to 50% of the borrowings.

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#### MORATORIUM & TENOR

Given KIIFB's mandate to finance upwards of Rs 70,000 Cr worth of infrastructure projects and given the inherent nature of implementation and long gestation periods for infrastructure projects, tenors of 10 years and above may be preferred. However, depending upon the lender's constraints and preference, if such long tenors are not feasible, management may consider shorter tenors.

Also depending on the debt maturity profile of existing borrowings, management may have a good mix of tenors for the borrowings to have a smooth and manageable debt maturity profile.

Given the implementation periods for the term loans, management to explore availing moratorium for repayment depending upon the tenor of borrowing.

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#### TERM LOANS - PRIVATE SECTOR LENDERS

Given the mandate of KIIFB to finance upwards of Rs 70,000 Cr worth of infrastructure projects in the state and given the exposure limits that individual PSU banks may have on the type of loan / the entity, it is essential that management explores the avenue of private sector lenders as well to mitigate the non-availability risk.

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#### TRANSACTION STRUCTURE

A standard transaction structure may be explored wherever applicable for borrowing transactions. The standard transaction structure adopted for Bank Loan facilities is enclosed as Annexure A. Management may also explore revised transaction structures, if applicable, which could obtain a higher credit rating and accordingly reduce the borrowing costs.

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## ANCHOR LENDERS

KIIFB may explore building lending relationships with bigger lenders including Financial Institutions, Private Sector lenders et al who could provide significant funds to KIIFB. Anchor Lenders may be explored who have the potential to provide funds upwards of Rs 5000 Cr to KIIFB.

Given that KIIFB will have to borrow significant amount of funds as per its mandate, for such anchor lenders, a pricing of up to 25 bps spread from Average Cost of Domestic Borrowings (ACDB) of KIIFB may be considered. Any pricing benefit to an Anchor lender beyond the 25 bps spread already provided under the Borrowing Strategy and Policy should be decided by the Board.

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## LEGAL VETTING OF BORROWING DOCUMENTS

Management shall get transaction documents legally vetted for borrowing transactions such as Loans from Multi laterals, Private Sector Lenders, Bond issuances and transactions having structures that are significantly/materially different from standard transaction structures of KIIFB's borrowings.

## APPROVAL AND REVIEW OF THE POLICY

Borrowing policy and any revisions are to be reviewed by the Investment Management Committee (IMC) of KIIFB and IMC to recommend the policy to the board for approval and adoption.

KIIFB management reserves the right to revise this policy at any time and in any manner. Any amendment to the Policy shall take effect from the date when it is approved by the Board of Directors of KIIFB.

## ANNEXURE A – TRANSACTION STRUCTURE OF KIIFB'S TERM LOANS FROM BANKS

For due date for any debt servicing of 'T'

<b>Date</b>	<b>Particulars</b>
<b>T - 6</b>	KIIFB to maintain sufficient balance in the escrow account.
<b>T - 5</b>	Lender shall monitor sufficiency of balance in the escrow account. If balance is inadequate, the DSRA will be dipped into. If the DSRA is utilised for payments, the shortfall should be replenished on priority by the borrower from the escrow account, which receives the inflow from the government of Kerala pertaining to the borrower's share of MVT and petroleum cess as per the KIIF Act.
<b>T</b>	Due date for the payment.
<b>T + 1</b>	Invocation of guarantee through demand for payment notice. The guarantor shall make good the payment corresponding to the amount due to the lender within 30 days from the due date of the payment (T+30).
<b>T + 29</b>	If the guarantee is not invoked by the lender, the guarantor shall make good payment of the amount due to the lender within 30 days of the due date.
<b>T + 30</b>	Deemed date of default.

**SCHEDULE IX**

**AUDITED FINANCIAL STATEMENTS FOR THE ISSUER ALONG WITH AUDITOR'S REPORT**

*(Attached Separately)*

**Independent Auditor’s Review Report on standalone unaudited quarterly and year to date ended financial results 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.

1. We have reviewed the accompanying statements of unaudited financial results of Kerala Infrastructure Investment Fund Board (hereinafter referred to as ‘KIIFB’) for the quarter and year to date ended December 31, 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, (‘the Regulations’) as amended..
2. This interim financial information, which is the responsibility of the KIIFB's Management and approved by its Board, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' ('AS 25') and other accounting principles generally accepted in India and in compliance with the Regulations.

Our responsibility is to issue a report on this interim financial information based on our review.

3. 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 from 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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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 and policies generally accepted in India 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:
  - a. Note No: 5 to the interim financial information stating Promotional and advertisement expenses includes expense incurred towards media, promotional and advertisement of Rs 616.65 Lakhs incurred through parties to whom such works were outsourced. The selection of these parties were made on a nomination basis and subsequently ratified by Board in GB dated 04.03.2024 and the rates are considered competitive considering the nature and exigency of the work involved and also taking into account the prior experience with these parties. Out of the above, an amount of Rs 614.10 lakhs is incurred towards media and promotional campaign activities - KSFE Pravasi Chitty and KNRKWB Customers & Other Pravasi malayalis serving as one of the major funding source of KIIFB.
  - b. Note No: 12 to interim financial information stating that Interest income recognised during the year to date ended December 31,2024 includes an amount of Rs 421.07 lakhs (Previous year to date Rs.404.69 Lakhs) on which 40% stage of disbursement has not been reached. Regarding the IND001-01 project, interest income amounting to Rs 15,683.39 lakhs has been recognised, even though the repayment agreement was executed prior to achieving 40 % of the disbursement milestone. The rate of interest chargeable is fixed only on reaching 40% disbursement 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 (Average Cost Domestic Borrowing) rate as decided by the management.

- c. Note No: 15 to the interim financial information' stating that Loan agreements are pending to be executed as on December 31,2024 with KSFDC for two project loans having loan outstanding aggregating to Rs 1584.18 lakhs (Previous year to date Rs 992.01 lakhs) although more than 40 % stage of disbursement as per the terms of the tripartite agreement between KIIFB, the SPV (Special Purpose Vehicle) and the concerned Government department had exceeded. We were informed that steps are in process for the execution of the loan agreement, which is pending requisite clearance from the concerned SPV.
  
- d. Note No: 17 to the interim financial information' stating that KIIFB had incurred an expenditure of Rs 1816.81 Lakhs (Previous year to date Rs 685.44 lakhs) during the year to date ended December 31,2024 towards KSFE Software expenses which includes an amount of Rs.1476.85 lakhs (Previous year to date Rs 652.84 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). These expenses are supported by invoices of first level intermediary agencies. KSIE Limited has raised invoice on KIIFB ranging from 3% to 10% over cost incurred depending upon the nature of service provided through the intermediary agency to whom the services have been sub-contracted.
  
- e. 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 6029.35 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.

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

## Other Matters

6. The comparative financial information appearing in the statement, of the corresponding quarter and year to date ended 31<sup>st</sup> December 2023 was reviewed by the previous auditor whose report dated 07th February 2024, expressed a qualified conclusion. Further for the year to date financial results for the period 01st April 2023 to 31st March 2024 are audited by the previous statutory auditors whose report dated 25th May 2024 expressed a Qualified Opinion on the standalone financial statements on the authenticity of certain expenses.

Our conclusion is not modified in respect of the above matters for the current quarter and year to date ended 31, December 2024 considering the fact that these expenses are not incurred in the period.

Place: Trivandrum

Date:13-02-2025

For Suri and Co  
Chartered Accountants  
FRN:004283S

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G Rengarajan  
Partner  
Membership Number: 219922  
UDIN: 25219922BMISRU2031

**Kerala Infrastructure Investment Fund Board**  
**2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001**  
**Unaudited Statement of Profit and Loss Account for the quarter and year to date ended 31.12.2024**

**Rs In Lakhs**

Particulars	Three months ended			Year to date for current period ended 31.12.2024 (Unaudited)	Year to date for previous period ended 31.12.2023 (Unaudited)	For the Year Ended 31.03.2024 (Audited)
	31.12.2024 (Unaudited)	30.09.2024 (Unaudited)	31.12.2023 (Unaudited)			
<b>I. Revenue:</b>						
Recoupment of statutory contribution from						
i) Government of Kerala from Corpus Fund for financing of direct project cost as per Contra	1,79,732	72,167	75,977	3,31,774	3,71,787	4,64,195
ii) Interest income from financial assistance for revenue generating projects	18,660	15,764	14,251	49,388	40,916	55,811
iii) Interest income from deposits and investments	6,052	4,446	2,764	16,219	9,951	17,188
iv) Profit on Sale of Mutual Fund Investment	-	-	12,567	-	12,567	17,103
v) Other income	83	85	87	237	106	8,634
<b>Total Revenue (I)</b>	<b>2,04,526</b>	<b>92,462</b>	<b>1,05,647</b>	<b>3,97,617</b>	<b>4,35,327</b>	<b>5,62,930</b>
<b>II. Expenses:</b>						
i) Financing of direct cost of projects -Out of Corpus Fund	1,79,732	72,167	75,977	3,31,774	3,71,787	4,64,195
ii) Employee benefits expense	265	222	201	700	575	784
iii) Finance costs	58,856	49,673	46,085	1,56,789	1,31,764	1,83,464
iv) Depreciation and amortisation expense	62	60	258	180	770	989
v) Other expenses	2,164	2,671	1,112	6,143	7,031	10,638
<b>Total expenses (II)</b>	<b>2,41,079</b>	<b>1,24,794</b>	<b>1,23,633</b>	<b>4,95,586</b>	<b>5,11,927</b>	<b>6,60,070</b>
<b>III. Profit / (Loss) (I- II)</b>	<b>(36,553)</b>	<b>(32,332)</b>	<b>(17,986)</b>	<b>(97,969)</b>	<b>(76,600)</b>	<b>(97,140)</b>
Prior Period Item	223	(5)	-	(379)	-	-
Profit / (Loss) after prior period item	(36,330)	(32,336)	(17,986)	(98,348)	(76,600)	(97,140)
<b>IV. Tax expense:</b>						
(1) Current tax	-	-	304	-	304	-
(2) Tax for Earlier years	-	-	-	-	-	-
(3) Deferred tax(Expense)/Income	-	-	(4,314)	-	(4,000)	369
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	36,330	32,336	13,976	98,348	72,905	96,771
<b>V. Net Profit / (Loss) for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Notes forming part of unaudited financial statements

1-20

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

**Report on Limited Review**  
As per our report of even date attached

**For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD**

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

Thiruvananthapuram  
Date : 13.02.2025

**for Suri & Co**  
Chartered Accountants  
FRN.004283S

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Date: 2025.02.13 16:55:19 +05'30'

**G Rengarajan**  
(Partner)  
M.No. 219922

Thiruvananthapuram  
Date : 13.02.2025

## Notes forming part of Unaudited Standalone Financial results for the period ended December 31, 2024

- 1 The above Standalone Unaudited Financial Results of Statement of Profit & Loss for the quarter ended year to date ended December 31, 2024 were approved by the Board at its meeting held on 13th February 2025 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 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.
- 4 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.
- 5 Promotional and advertisement expenses includes expense incurred towards media, promotional and advertisement of Rs 616.65 Lakhs incurred through parties to whom such works were outsourced. The selection of these parties were made on a nomination basis and subsequently ratified by Board in GB dated 04.03.2024 and the rates are considered competitive considering the nature and exigency of the work involved and also taking into account the prior experience with these parties. Out of the above, an amount of Rs 614.10 lakhs is incurred towards media and promotional campaign activities - KSFE Pravasi Chitty and KNRKWB Customers & Other Pravasi malayalis serving as one of the major funding source of KIIFB.
- 6 The balances under statutory contribution receivable from GoK of Rs 11,76,174 lakhs (Previous year to date Rs 9,39,408.54 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.
- 7 **a)Domestic Bond-III**  
Domestic Bond Series III issued on 08-10-2024 amounting to Rs 85,015 lakhs at a coupon rate of 9.49 % 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.The aggregate issue size of the Domestic Bonds is Rs 1,00,002 lakhs out of this Rs 14,987 lakhs was issued during 29th October 2024.  
**b)Domestic Bond-IV**  
Domestic Bond Series IV issued on 31-12-2024 amounting to Rs 50,001 lakhs at a coupon rate of 9.42% 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.
- 8 KIIFB had received Rs 33,071.30 lakhs till 31.12.2024 from Pravasi Dividend Scheme implemented by Kerala Non-Resident Keralites Welfare Board(KNRKWB), a statutory body which came into existence under Kerala Non-Resident Keralites Welfare Act,2008. KIIFB is liable to pay interest at the rate specified in the agreement to the beneficiaries for three year from the date of deposit of funds. The Principal portion of the loan along with the accrued interest will be used by KIIFB for their operations. After three years KIIFB is liable to pay monthly dividend to the Member/ beneficiaries till end of their life. KIIFB had incurred interest expense of Rs 666.06 lakhs (Previous year to date Rs 1484.05 lakhs) for the period 01-04-2024 to 31-12-2024 against the fund received.
- 9 KIIFB has introduced revised prudential norms on Income recognition, asset classification and provisioning relevant and applicable for long term infrastructure projects i.e. 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.3077.13 lakhs (Previous year to date Rs. 2550.05 lakhs) has been provided in the books of accounts as on December 31,2024. As per the said norms, an asset is recognised as Non-performing when there is arrears of principal or interest overdue for more than twelve months only. Once an asset is recognised as non-performing (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 recategorized 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 upto 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	7,39,407.79	18,108.41	7,57,516.20
II.	Projects which have medium commercial viability	7	22,354.41	263.10	22,617.51
III.	Project which have low commercial viability	2	40,458.12	-	40,458.12
IV.	Projects which have no commercial viability	0	0	0	0
	<b>Total</b>	<b>16</b>	<b>8,02,220.31</b>	<b>18,371.52</b>	<b>8,20,591.83</b>

11.1 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 5,17,604.81 lakhs (Previous year to date Rs. 413,331.87 Lakhs ) (Total Loan outstanding as on December 31,2024).

11.2 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 year to date ended December 31,2024 includes an amount of Rs 421.07 lakhs (Previous year to date Rs.404.69 Lakhs) on which 40% stage of disbursement has not been reached.Regarding the IND001-01 project,interest income amounting to Rs 15,683.39 lakhs has been recognised,even though the repayment agreement was executed prior to achieving 40 % of the disbursement milestone. The rate of interest chargeable is fixed only on reaching 40% disbursement 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 on December 31,2024 with KSFDC for two project loans having loan outstanding aggregating to Rs 1584.18 Lakhs (Previous year to date Rs.992.01 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.
- 16 KIIFB receives income from KIIFCON Private Limited, a 100% subsidiary, for rendering professional and consultancy services.The Chief Executive Officer approves the income computation and terms prior to issuing the invoice.During year to date ended December 31,2024 an income of Rs 174.30 lakhs has been accounted as consultancy charges in the Statement of profit and loss. The balance receivable as on 31-12-2024 is 308.01 lakhs (Previous year to date Rs.134.83 lakhs) which is confirmed by KIIFCON Private Limited.
- 17 KIIFB had incurred an expenditure of Rs 1816.81 Lakhs (Previous year to date 685.44 lakhs) during the year to date ended December 31,2024 towards KSFE Software expenses which includes an amount of Rs.1476.85 lakhs (Previous year to date Rs 652.84 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). These expenses are supported by invoices of first level intermediary agencies. KSIE Limited has raised invoice on KIIFB ranging from 3% to 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 6029.35 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 Previous period's figures have been regrouped / reclassified, wherever necessary to conform to current period's classification.

**For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD**

KANDATHIL  
MATHEW ABRAHAM  
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MATHEW ABRAHAM  
Date: 2025.02.13 16:45:16  
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**Dr. K. M. ABRAHAM (CFA)**  
**FUND MANAGER**

Thiruvananthapuram  
Date : 13.02.2025

**Report on Limited Review**  
As per our report even date attached

For Suri and Co  
Chartered Accountants  
FRN:004283S

GOVINDARAJA  
N RENGARAJAN  
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GOVINDARAJAN RENGARAJAN  
Date: 2025.02.13 16:55:45  
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G Rengarajan  
(Partner)  
M.No. 219922  
Thiruvananthapuram  
Date : 13.02.2025

**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 Obligation and Disclosure Requirements) Regulation, 2015

Rs. In Lakhs

Particulars	Quarter Ended			Year to date for current period ended		Year Ended
	31-12-2024	30-09-2024	31-12-2023	31-12-2024	31-12-2023	31-03-2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
a. Debt- Equity Ratio	7.03	6.39	6.94	7.03	6.94	6.23
b. Debt Service Coverage Ratio	0.12	0.13	0.29	0.15	0.12	0.18
c. Interest Service Coverage Ratio	0.27	0.35	1.21	0.3	0.42	0.48
d. Outstanding Redeemable Preference Shares (Quantity And Value)	NA	NA	NA	NA	NA	NA
e. Capital Redemption Reserve/Debenture Redemption Reserve	NA	NA	NA	NA	NA	NA
f. Net Worth	3,32,701.92	3,32,701.92	2,82,049.28	3,32,701.92	2,82,049.28	3,32,701.92
g. Net Profit After Tax	(36,329.61)	(32,336.44)	(13,976.14)	(98,347.61)	(72,904.60)	(96,771.09)
h. Earnings Per Share	NA	NA	NA	NA	NA	NA
i. Current Ratio	4.74	3.22	2.59	4.74	2.59	3.67
j. Long Term Debt To Working Capital	2	2.46	1.95	2	1.95	1.88
k. Bad Debts To Account Receivable Ratio	NA	NA	NA	NA	NA	NA
l. Current Liability Ratio	0.11	0.13	0.20	0.11	0.20	0.15
m. Total Debts To Total Assets	0.87	0.86	0.86	0.87	0.86	0.85
n. Debtors Turnover	NA	NA	NA	NA	NA	NA
o. Inventory Turnover	NA	NA	NA	NA	NA	NA
p. Operating Margin (%)	NA	NA	NA	NA	NA	NA
q. Net Profit Margin (%)	NA	NA	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

\* Certain ratios/line items with remarks "NA" are not applicable since KIIFB is a Non Corporate Entity.

\* The figures for the previous year ended March 31, 2024, have been reclassified in the current period, resulting in minor deviations in the ratios reported for the respective dates.

**Items included in numerator and denominator for computing the ratios:**

**a) Debt-Equity Ratio**

Debt-Equity ratio compares an entity's total debt to Corpus Fund

Debt-Equity Ratio = Total Debt / Shareholder's 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 (DSCR)**

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

Debt Service Coverage Ratio (DSCR) = Earning for Debt Service/ Debt service

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

Interest + other adjustments like loss on sale of Fixed assets etc.

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 adjustments like loss on sale of Fixed assets etc.

**d) Networth**

Networth is used to measure the value of an entity

Networth = Total Asset - Total outside Liabilities which is equal to Initial Corpus Fund

**e) Current Ratio**

Current Ratio = Current Assets/ Current Liabilities

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

Current Liabilities include - 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 / 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

**INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS**

To

The Members of Kerala Infrastructure Investment Fund Board,  
Thiruvananthapuram

**Report on the Audit of Standalone Financial Statements**

**Qualified Opinion**

We have audited the accompanying standalone financial statements of Kerala Infrastructure Investment Fund Board (hereinafter referred to as 'KIIFB'), which comprise the standalone Balance Sheet as at March 31st 2024, the standalone Profit and Loss account and the standalone Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the Basis for Qualified Opinion section of our report, the accompanying standalone financial statements give a true and fair view of the state of affairs of the KIIFB as at March 31, 2024, and of its Nil profit/loss and its cash flows for the year ended on the above said date in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

**Basis for Qualified Opinion**

1. As stated in Note No.19.3, 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.
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, 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. 24, 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.

As stated in the notes, 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 Financial Statements 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 on the audit of the financial statements.

**Emphasis of Matter**

We draw attention to the following matters described in the Notes to accounts of the standalone financial statements:

- (i) As stated in Note No.1.2 to the accounts, 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 carried forward 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 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.42250 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.17.2 to the standalone financial statements. 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 as detailed in Note no 10.3 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.17.3 to the standalone financial statements. 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 10.1, 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.10.2.

(v) As stated in Note No.2.6.1 to the accounts, 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.28 to the accounts 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.14.2 to the accounts, 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 statements of the current year. These matters were addressed in the context of our audit of the financial statements 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.II. (I) 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>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.3,0323.88 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.10.2 to the accounts.</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.10.5 to the accounts. 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 standalone financial statements.</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.1295.46 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>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 22.3 to the financial statements.</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</p>	<p>As stated in Note No.22.3 to the accounts, 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</p>



Key Audit Matters	How addressed in Audit
<p>on relation of such expenditure with the activities of KIIFB.</p>	<p>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 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&amp;L a/c</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 in to 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</p>



Key Audit Matters	How addressed in Audit
<p>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>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 47<sup>th</sup> 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.25 to the accounts.</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 Financial Statements**

Management is responsible for the preparation of these standalone financial statements 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. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing KIIFB'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 management 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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.
- 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 KIIFBs 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 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 KIIFB to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements 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 statements.

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.

#### **Report on Other Legal & Regulatory Requirements**

1. We report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matter stated in Basis for Qualified Opinion paragraph (1) to (3).
  - (b) In our opinion, proper books of account as required by law have been kept by KIIFB so far as it appears from our examination of those books.
  - (c) The standalone Balance Sheet, standalone Profit and Loss account and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - (d) 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, 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.



*Varma & Varma*

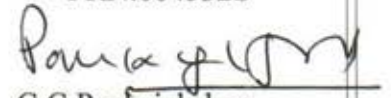
Chartered Accountants

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(e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards issued by the Institute of Chartered Accountants of India in all material aspects.



For Varma and Varma  
Chartered Accountants  
FRN.004532S

  
C.G.Pankajakshan  
Partner

Membership No.020512

UDIN: 24020512BKGUXP6063

Place : Thiruvananthapuram

Date : 25.05.2024

**Kerala Infrastructure Investment Fund Board**  
**2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001**  
**Standalone Balance Sheet as at 31.03.2024**

(Figures in Lakhs Rs.)

Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
<b>I. EQUITY AND LIABILITIES</b>			
1 Initial Corpus Fund	1	3,32,701.92	2,82,049.28
2 Corpus Fund - Revolving ( shown on the asset side )	2	-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	3	17,88,950.02	14,32,257.88
(b) Deferred tax liabilities	9	-	368.79
(c) Other Long term liabilities	4	7,099.67	5,401.25
<b>4 Current liabilities</b>			
(a) Short-term borrowings	5	2,85,203.82	3,44,923.44
(b) Other current liabilities	6	21,945.10	17,058.86
		<b>24,35,900.53</b>	<b>20,82,059.50</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment and Intangible Asset	7		
(i)Tangible assets		470.91	485.21
(ii)Intangible assets		586.13	1,473.66
(b) Non-current investments	8	425.52	425.52
(c) Deferred tax assets	9	-	-
(d) Long-term loans and advances	10	5,24,104.58	4,86,946.01
(e) Corpus fund revolving being the Statutory contribution receivable from GoK -Non current	2	7,49,129.01	4,97,106.59
(f) Other Non Current Assets	11	5,357.24	5,981.87
<b>2 Current assets</b>			
(a) Current investments	12	-	1,05,175.02
(b) Cash and cash equivalents	13	7,19,031.43	5,92,470.47
(c) Short term loans and advances	14	1,17,282.31	1,05,791.71
(d) Corpus fund revolving being the Statutory contribution receivable from GoK -Current	2	3,13,000.00	2,80,900.00
(e) Other current assets	15	6,513.40	5,303.44
		<b>24,35,900.53</b>	<b>20,82,059.50</b>

Notes forming part of standalone financial statements

I, II & 1-33

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

**AUDITOR'S REPORT**

As per our report of even date attached

**For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD**

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



Thiruvananthapuram  
Date : 25.05.2024



for Varma & Varma  
Chartered Accountants  
FRN.004532S

*Pankajakshan*  
**C.G Pankajakshan**  
(Partner)

M.No. 020512

**Kerala Infrastructure Investment Fund Board**  
**2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001**  
**Standalone Profit and Loss Account for the year ended 31.03.2024**

(Figures in Lakhs Rs.)

Particulars	Note No.	For the Year Ended 31.03.2024	For the Year Ended 31.03.2023
<b>I. Revenue:</b>			
i) Recoupment of statutory contribution from Government of Kerala from Corpus Fund for financing of direct project cost as per Contra	19	4,64,194.54	4,69,977.35
ii) Interest income from financial assistance for revenue generating projects	17	55,810.59	46,541.05
iii) Interest income from deposits and investments	16	17,187.58	16,518.73
iv) Profit on Sale of Mutual Fund Investment		17,103.06	
v) Other income	18	8,634.46	328.30
<b>Total Revenue (I)</b>		<b>5,62,930.23</b>	<b>5,33,365.43</b>
<b>II. Expenses:</b>			
i) Financing of direct cost of projects -Out of Corpus Fund	19	4,64,194.54	4,69,977.35
ii) Employee benefits expense	20	784.10	755.79
iii) Finance costs	21	1,83,464.15	1,41,696.48
iv) Depreciation and amortisation expense	7	989.42	1,100.04
v) Other expenses	22	10,637.90	5,137.11
<b>Total expenses (II)</b>		<b>6,60,070.11</b>	<b>6,18,666.77</b>
<b>III. Profit / (Loss) (I- II)</b>		(97,139.88)	(85,301.34)
Prior Period Item	23	-	(26.33)
Profit / (Loss) after prior period item		(97,139.88)	(85,327.67)
<b>IV. Tax expense:</b>			
(1) Current tax		-	
(2) Tax for Earlier years			
(3) Deferred tax(Expense)/Income	9	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		96,771.09	85,333.02
<b>V. Net Profit / (Loss) for the Year</b>		-	-

Notes forming part of standalone financial statements

I, II & 1-33

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

**AUDITOR'S REPORT**

As per our report of even date attached

For **KERALA INFRASTRUCTURE INVESTMENT FUND BOARD**

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



for Varma & Varma  
Chartered Accountants  
FRN.004532S

*Pankaj*

C.G Pankajakshan  
(Partner)

M.No. 020512

Thiruvananthapuram  
Date : 25.05.2024

**Kerala Infrastructure Investment Fund Board**  
2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001  
Standalone Cash Flow Statement 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
<b>A. Cash flow from operating activities</b>		
Profit before income tax	(97,139.88)	(85,327.67)
<u>Adjustments for:</u>		
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	-
<b>Operating profit / (loss) before working capital changes</b>	<b>754.90</b>	<b>38,389.88</b>
<u>Changes in working capital:</u>		
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)
<b>Net Changes in working capital:</b>	<b>(9,436.29)</b>	<b>(10,108.01)</b>
<b>Cash generated from operations</b>	<b>(9,436.29)</b>	<b>(10,108.01)</b>
Net income tax (paid) / refunds	799.37	713.56
<b>Net cash from/ (used in) operating activities (A)</b>	<b>(8,636.92)</b>	<b>(9,394.45)</b>
<b>B. Cash flow from investing activities</b>		
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	-
<b>Net cash from/ (used in) investing activities (B)</b>	<b>1,39,429.71</b>	<b>(29,149.46)</b>
<b>C. Cash flow from financing activities</b>		
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	1,165.71
Finance cost paid	(1,64,505.64)	(1,34,962.15)
Fund utilised for NABARD Projects	(5,038.73)	(12,741.68)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(4,231.83)</b>	<b>49,672.02</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,26,560.96</b>	<b>11,128.11</b>
Cash and cash equivalents at the beginning of the financial year	5,92,470.47	5,81,342.36
<b>Cash and cash equivalents at end of the year</b>	<b>7,19,031.43</b>	<b>5,92,470.47</b>

**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(Lien against OD)	1,51,001.00	-
	<b>7,19,031.43</b>	<b>5,92,470.47</b>

Notes forming part of standalone financial statements

I, II & 1-33

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

For KERALA INFRASTRUCTURE INVESTMENT  
FUND BOARD

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



Thiruvananthapuram  
Date : 25.05.2024

**AUDITOR'S REPORT**

As per our report of even date attached

for Varma & Varma  
Chartered Accountants  
FRN 004532S

*C.G. Paikjakkian*  
C.G. Paikjakkian  
(Partner)

M.No. 020512



**Kerala Infrastructure Investment Fund Board**  
**2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001**  
**Notes to Standalone Financial Statements for the year ended 31.03.2024**

All amounts in Lakhs except for specifically stated

**NOTE-I**

**GENERAL INFORMATION**

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. With new strategy and structure, KIIFB aims to dynamically mobilise funds for the infrastructure development of Kerala including major land acquisition needs of the State. KIIFB has recourse to the advanced financial instruments approved by SEBI / RBI and is expected to promote substantial development of sustainable infrastructure in the State.

KIIFB is a body corporate established under an Act of Government of Kerala (KIF ACT 1999) exclusively for undertaking sub-sovereign functions of financing the key infrastructure projects in the State of Kerala and all activities are done in pursuance of the above objective only.

Non convertible Debt Securities of KIIFB (Debentures) are listed on stock exchange of BSE Limited in pursuant to the provisions of SEBI Act 1992, LODR Regulations and Debenture trustee regulations.

The rupee denominated Masala Bond of KIIFB backed by the Guarantee of Govt of Kerala, listed in the London Stock Exchange and Singapore Stock Exchange has been fully repaid and closed during the year.

**NOTE-II**

**SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- a. The Standalone Financial Statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and Accounting Standard issued by Institute of Chartered Accountants of India. 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.
- b. KIIFB follows Mercantile System of Accounting and recognizes significant items of income and expenditure on accrual basis, except to the extent otherwise stated in the notes.
- c. The Financial Statements are presented in INR, which is the functional currency and all values are rounded to the nearest lakhs (INR 1,00,000), except when otherwise indicated. Due to rounding, numbers presented may not add up precisely to totals provided.

**B. USE OF ESTIMATES**

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

**C. PROPERTY, PLANT AND EQUIPMENT**

(a) **Tangible Assets:** The Gross carrying amount of Property, Plant & Equipment have been accounted on cost model, and cost comprises of purchase price, duties, levies and any direct attributable costs of bringing the assets to its working condition for the intended use.

**Depreciation:** Depreciation has been provided on Written down Value Method at the rates prescribed in appendix to the Income Tax Rules.

(b) **Intangible Asset**

Intangible Assets are recorded at the cost of acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

**Amortisation:** Amortisation has been provided for on Written down Value Method on assets (other than masala bond expenses and issue expense for KSFE) at the rates prescribed in appendix to the Income Tax Rules. In respect of expenditure incurred towards issuance of Masala Bond and expenditure towards issue for KSFE Bond, the same is amortised over a period 5 years being the period during which the benefits are expected to materialise. The expenditure has been fully amortised as at the year end being the fifth year.

**D. PRIOR PERIOD ADJUSTMENTS**

As per AS 5 "Net profit or Loss for the period, Prior Period Items and Changes in Accounting Policies",

- (i) Prior period adjustments represent entries for correction of errors or omissions in the preparation of financial statements of one or more prior periods and as such are shown separately in the Notes annexed to and forming part of Accounts.
- (ii) Extra-ordinary items are those material adjustments that arise from events or transactions that are clearly distinct from the ordinary activity of KIIFB and are not expected to occur frequently or regularly and therefore are shown separately in the Notes annexed to and forming part of Accounts.



## E. REVENUE RECOGNITION

In line with the prescriptions in AS 9 on **Revenue Recognition**", revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection as per the assessment of the management.

Interest income on fixed deposits is recognised time proportionately based on periods for which amounts are outstanding and the interest rate applicable.

Interest generated from the investments made out of the corpus funds received are credited to the corpus fund as such interest is to be mandatorily used for the objectives of the Act and hence forms a part of statutory contribution accounted under Corpus Fund.

Interest income on loans granted for revenue generating projects is recognised on accrual basis as per the terms of the loan agreement, wherever such agreements have been entered into except to the extent otherwise disclosed in the notes to accounts. In case of loans granted for which the loan agreement is pending to be executed, interest is recognised on accrual basis at rates and methodology as per comparable loan agreements entered into with other parties as per the estimate of the management or at the interest rates agreed upon at the time of sanction of loan in certain cases where ever applicable. Late payment charges, prepayment charges are recognised on a point in time basis, and are recorded when realized since the probability of collecting such monies is established when the borrower pays.

## F. CORPUS FUND- Revenue Recognition and Accounting of Utilisation

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 KIIF 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. The corpus fund-revolving also includes funds received under LAC/ADS scheme and PTA/CSR Fund as per government order.

## G. INVESTMENTS

As per AS 13 "Accounting for Investments", Current Investments are carried at the lower of cost or quoted / fair value, computed category-wise. Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary. Investments that are readily realisable and intended to be held for not more than 12 months from the date of acquisition are classified as current investment. All other investments are classified as non-current investments.

## H. BORROWING COST

As per AS 16 "Borrowing Costs", Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

## I. INCOME RECOGNITION AND ASSET CLASSIFICATION NORMS

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. As per the said norms, an asset is recognised as Non performing when there is arrears of principal or interest overdue for more than twelve months only. Once an asset is recognised as non performing (Substandard or lower), entire unrealised interest is reversed and income is accounted for on cash basis only. 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%

Further IRACP norms has been amended 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(Category I), Medium(Category II), Low (Category III) and no commercial viability projects(Category IV). Projects under category III are not identified as loan in books of accounts and accordingly IRACP norms are not applicable till such time repayment agreement are executed or the projects are identified as loan in books of accounts whichever is earlier. Projects under category IV have no commercial viability and are implemented through grant scheme.

**J. ACCOUNTING FOR TAXES ON INCOME**

Income Tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS-22), which include Current Taxes and Deferred Taxes. Provision for Current Tax is made in accordance with the provisions of The Income Tax Act, 1961. Deferred Tax assets/ liabilities representing timing differences between accounting income and taxable income are recognized to the extent considered capable of being reversed in subsequent years by applying tax rate substantively enacted as at the end of the year. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that Deferred Tax Assets arising due to unabsorbed depreciation and losses are recognised if there is a virtual certainty that sufficient future taxable income will be available to realise the same.

**K. CASH FLOW STATEMENT**

Cash flows from operating activities are prepared using the indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

**L. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", Provisions are recognised when KIIFB has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates. Contingent Liabilities are not recognised but are disclosed in notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**M. EMPLOYEE BENEFITS**

Provision of AS 15 "Employee Benefits", has been considered while Preparation of Financial Statements

- (i) Short Term Employee Benefits - All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognized in the period in which the employee renders the related service.
- (ii) Defined contribution plan and Defined benefit plan - KIIFB does not have any defined contribution plan and defined benefit plan as detailed in Note No 20.1 to the financial statements.

**Note - 1**

**Initial Corpus Fund**

Initial corpus fund for Major Infrastructural Development Projects  
Add: Addition to Initial Corpus Fund

As at 31.03.2024	As at 31.03.2023
2,82,049.28	2,82,049.28
50,652.64	-
<b>3,32,701.92</b>	<b>2,82,049.28</b>



- 1.1 The initial Corpus fund of Rs 2,49,842.28 Lakhs represents fund received towards initial corpus fund for Major Infrastructural Development Projects as per GoK Govt. Orders - G.O (Ms) No 16/2016/Plg. dated 30.03.2016 and G.O (Ms) No 18/2017/Plg. dated 30.03.2017 and amount received during the financial year 2021-22 as additional financial support for infrastructure development amounting to Rs 32,207/- Lakhs has been received as per G.O(Rt)No. 389/2022/Fin dated 17.01.2022 which has been credited to Initial Corpus fund. The amounts are kept separately in government treasury account, (interest free). The additional contribution during 2021-22 is to provide funds required over and above the mandatory entitlement of tax devolution for the year to bridge the shortfall for the year in its ALM projection calculated at an annual growth of 10% over its revenues from petrol cess and share of Motor Vehicle tax. Since the amount has been credited to special treasury savings account, the same is to be treated as part of the initial corpus.
- 1.2 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).

**Note - 2**

**Corpus Fund - Revolving**

	As at 31.03.2024	As at 31.03.2023
A. Fund from Contingency Fund of Government of Kerala	75.00	75.00
<b>Total -(A)</b>	<b>75.00</b>	<b>75.00</b>
<b>B. Corpus fund by way of statutory contribution from GoK</b>		
<b>Opening Balance</b>	12,88,192.11	10,38,715.75
Add: Statutory contribution received during the year	3,23,025.00	2,46,969.00
Less: Transfer to initial corpus fund (refer note 1.2)	(42,250.00)	
Add/(less): Allotment of funds/(return) of unutilised LAC-ADS share	(94.39)	30.00
Add: Allotment of funds under PTA & CSR Fund	24.64	406.30
Add : Interest received during the period from Deposits made out of corpus fund (Refer Note 2.2)	4,486.69	1,163.71
Add : Corpus fund resumed by the Govt during the preceding year returned during the year	103.15	1,010.50
Less : Corpus fund resumed by the Govt .during the year	(49.24)	(103.15)
<b>Closing Balance of funds available for utilisation</b>	<b>15,73,437.96</b>	<b>12,88,192.11</b>
<b>Utilisation of Corpus Fund</b>		
i) Funds Utilised for financing of direct project cost as at year end (see Note 2.4 below)	(23,37,692.83)	(18,73,498.29)
ii) Fund Utilised for financial assistance by way of long term loans to revenue generating projects as at year end (see Note 2.5 below)	(5,14,072.12)	(5,02,823.11)
iii) Deficit from operations in P & L a/c recouped (see Note 2.3 below)	(2,89,546.50)	(1,92,775.41)
(iv) Transfer to Initial Corpus fund (refer note 1.2)	(8,402.64)	-
<b>Subtotal</b>	<b>(31,49,714.09)</b>	<b>(25,69,096.81)</b>
<b>Total-(B)</b>	<b>(15,76,276.13)</b>	<b>(12,80,904.70)</b>
<b>C. Reserve for financial assistance to revenue generating projects</b>		
Financial assistance for revenue generating projects adjusted as per contra	5,14,072.12	5,02,823.11
<b>Total-(C)</b>	<b>5,14,072.12</b>	<b>5,02,823.11</b>
<b>Total (A)+(B)+( C )</b>	<b>(10,62,129.01)</b>	<b>(7,78,006.59)</b>
<b>Less: Transferred to statutory contribution receivable from GoK (see Note 2.6 below)</b>	<b>(10,62,129.01)</b>	<b>(7,78,006.59)</b>
	<b>-</b>	<b>-</b>



2.1 The corpus fund represents capital investment of State Government in KIIFB to meet its long term/short term capital requirements for financing the infrastructure projects in the State as per the objectives in the KIIF Act, 1999 as amended by amendment Act of 2016. 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.

2.2 Interest generated from the investments made directly out of corpus fund amounting to Rs. 4486.69 Lakhs is credited to the corpus fund based on resolution of the board taken in line with the provisions of KIIF Act, which stipulates that such interest is to be mandatorily used for the objectives of KIIFB and hence forms a part of statutory contribution accounted under Corpus Fund. Such interest are directly attributable to deposits made out of such contribution during the year.

2.3 Deficit in operations in P & L a/c recouped	As at 31.03.2024	As at 31.03.2023
Accumulated deficit as at beginning of the year	(1,92,775.41)	(1,07,442.39)
Current Year profit/(Loss)	(96,771.09)	(85,333.02)
<b>Closing Balance</b>	<b>(2,89,546.50)</b>	<b>(1,92,775.41)</b>

The net loss in Profit and Loss account for the year of Rs. 96,771.09 lakhs representing utilisation of Corpus Fund for meeting the expenses in relation to the administration of the fund has been recouped from the Corpus Fund by transferring an amount equal to the net loss for the year from operations from Corpus Fund to P&L a/c.

2.4 Particulars of Fund Utilised out of Corpus Fund / Statutory contribution for direct project cost	As at 31.03.2024	As at 31.03.2023
Opening Balance	18,73,498.29	14,03,520.94
Add: Utilised during the year for financing of direct project cost (See Note 19)	4,64,194.54	4,69,977.35
<b>Closing Balance</b>	<b>23,37,692.83</b>	<b>18,73,498.29</b>

2.4.1 Out of utilisation above an amount of Rs.56,709.16 lakhs has been incurred as project cost towards NABARD Projects till 31.03.2024.

2.5 Particulars showing movement of fund utilised out of Corpus Fund / statutory contribution for financial assistance to revenue generating projects	As at 31.03.2024	As at 31.03.2023
Opening Balance	5,02,823.11	4,86,941.57
Add : Financial assistance given during the year including retention amount	43,035.97	62,406.68
Less : Financial assistance repaid during the year	(23,177.48)	(12,352.46)
Less: Classified to Category III project (Considered doubtful)	(8,609.48)	(34,172.68)
<b>Closing Balance</b>	<b>5,14,072.12</b>	<b>5,02,823.11</b>

2.6 Particulars of Fund transferred to statutory contribution receivable from GoK	As at 31.03.2024	As at 31.03.2023
Current portion of statutory contribution receivable	3,13,000.00	2,80,900.00
Non Current portion of statutory contribution receivable	7,49,129.01	4,97,106.59
	<b>10,62,129.01</b>	<b>7,78,006.59</b>

2.6.1 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.

2.6.2 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.



**Note - 3****Long Term Borrowings****Unsecured Loans**

	As at 31.03.2024	As at 31.03.2023
(a) KNRKWB under Pravasi dividend scheme (Note 3.3)	33,800.56	32,292.79
(b) KSFE Pravasi Bond (Note 3.1)	1,16,817.00	91,113.00
(c) Masala Bond (Note 3.2)	-	2,15,000.00
(d) Issue proceeds from Bonds (Note 3.4)		
Domestic Bond	2,11,162.00	
Green Bond	30,002.00	
(e) Loan From Banks and Financial Institutions (Note 3.5)		
i. Loan From NABARD	1,05,432.15	1,17,330.00
ii. Loan From SBI	62,989.01	75,558.49
iii. Loan From Union Bank	50,000.00	58,750.00
iv. Loan From Indian Bank	80,875.06	89,758.96
v. Loan From Canara Bank	63,750.00	67,113.34
vi. Loan from Bank of Maharashtra	95,721.48	1,00,662.47
vii. Loan from Bank of Baroda	1,85,156.25	2,00,000.00
viii. Loan from Bank of India	68,246.85	70,000.00
ix. Loan from ICICI	15,000.00	20,000.00
x. Loan from Kotak Mahindra Bank	10,000.00	10,000.00
xi. Loan from REC	4,49,836.14	3,79,602.27
xii. Loan from KFC	83,337.53	1,00,000.00
xiii. Loan from PFC	75,571.63	
xiv. Loan from HUDCO	2,69,038.50	1,50,000.00
<b>Total A</b>	<b>20,06,736.16</b>	<b>17,77,181.32</b>

**Less: Current Maturity of loan shown under Short Term Borrowings:**

i. Loan From NABARD	11,897.85	10,359.38
ii. Loan From REC	64,862.30	25,893.51
iii. Loan from KFC	16,661.32	12,500.00
iv. Loan From Union Bank	8,750.00	8,750.00
v. Loan From Indian Bank	10,080.00	8,820.00
vi. Loan from SBI	12,500.00	12,500.00
vii. Loan from Canara Bank	7,000.00	3,250.00
viii. Loan from Bank of Baroda	25,000.00	14,843.75
ix. Loan from Bank of India	7,000.00	1,750.00
x. Loan from Bank of Maharashtra	10,000.00	5,000.00
xi. KSFE Pravasi Bond	25,830.00	21,256.80
xii. Masala Bond	-	2,15,000.00
xiii. Loan from ICICI	5,000.00	5,000.00
xiv. Loan from HUDCO	11,538.00	
xv. Loan from Kotak Mahindra Bank	1,666.67	
<b>Total B</b>	<b>2,17,786.14</b>	<b>3,44,923.44</b>
<b>Total (A-B)</b>	<b>17,88,950.02</b>	<b>14,32,257.88</b>

**Note - 3.1****KSFE Pravasi Bond**

KIIFB had issued Security Bonds & Deposit Bonds to KSFE Ltd. Security bonds carry the interest rate of that for FDs (of similar tenure) at Government Treasury prevailed during the time of issue of the Bonds and the rate offered by Deposit Bond is 0.10% higher than Security bond. Exclusive Government orders are also been issued in this regard. These bonds are also backed by the Guarantee of the State to the extent of value of Bond Outstanding.

**Maturity Profile of the KSFE Pravasi bond**

Maturity Profile	Amount in Rs.(Lakhs)
2024 - 25	25,830
2025 - 26	33,957
2026 - 27	47,577
2027 - 28	4,521
2028 - 29	3,916
2029 - 30	846
2031 - 32	80
2033 - 34	90
<b>Total</b>	<b>1,16,817</b>



**Note - 3.2****Masala Bond @ 9.723%**

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.

**Note - 3.3**

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.

**Note 3.4****a) Domestic Bond-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-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
<b>Total</b>	<b>30,002</b>	<b>1,49,996</b>	<b>61,166</b>	<b>2,41,164</b>

**Note No 3.5****Loan From Banks and Financial Institution and other lenders**

- KIIFB has availed Loan from various Public Sector Banks, scheduled banks, companies and Financial Institutions duly backed by Guarantee of Government of Kerala as mandated by the KIIF Act, 1999 and subsequent amendment Act of 2016 passed by Kerala Legislature except in the case of loan from Kerala Non Residents Keralites' Welfare Board (KNRKWB) under Pravasi dividend scheme which is guaranteed by GoK to KNRKWB.
- The details of the term loans and the terms of repayment are as follows:



SI No	Name of lender	Sanction Date	Amount Sanctioned (in INR Lakhs)	Tenure and Interest Rate (%)	Repayment Terms
1	State Bank of India	15.12.2018	100000	10 Years with 2 years moratorium Interest Rate of 7.7% 9.55% (w.e.f 31.01.2024)	In 32 equal quarterly instalments of Term Loan availed within 18 months of first disbursement and commencing after a moratorium of 24 months from the date of first disbursement.
2	Indian Bank	19.12.2018	50000	12 Years with 2 years moratorium Interest Rate of 7.7% 9.2% (w.e.f 31.01.2024)	Repayable in 120 monthly instalments of Rs.4.20 Crore each besides interest charged on monthly rests after an initial moratorium period of 2 years. Interest to be serviced as and when debited including during holiday period. Total door to door tenure is 12 years.
	Indian Bank	30.06.2021	50000	12 Years with 2 years moratorium Interest Rate of 7.5% 8.85% (w.e.f 01.09.2023)	Repayable in 120 monthly instalments of Rs.4.20 Crore each besides interest charged on monthly rests after an initial moratorium period of 2 years. Interest to be serviced as and when debited including during holiday period. Total door to door tenure is 12 years.
3	Union Bank of India	15.02.2020	25000	12 Years with 2 years moratorium Interest Rate of 7.55% 10.20% (w.e.f 26.02.2024)	The Term loan to be repaid in 120 equal monthly instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced as and when due whether debited or not.
		29.12.2018	50000	10 Years with 2 years moratorium Interest Rate of 7.55% 10.10% (w.e.f 04.02.2024)	The Term loan to be repaid in 96 equal instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced every month.
4	NABARD	24.03.2017	20080	12 Years including 2 Years moratorium Interest Rate of 9%	12 Years including 2 Years moratorium. Principal to be repaid in 40 quarters.
			36420	12 Years including 2 Years moratorium Interest Rate of 8.8%	
		27.04.2021	80000	15 Years including 2 Years moratorium Interest Rate of 7.9%	15 Years including 2 Years moratorium. Principal to be repaid in 52 quarters.



5	Canara Bank	29.08.2019	20000	12 Years with 2 years moratorium Interest Rate of 7.55% 8.9% (w.e.f. 06.09.2023)	The Term loan to be repaid in 40 equal quarterly instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced every month.
		30.11.2021	50000	12 Years with 2 years moratorium Interest Rate of 7.45% 8.95% (w.e.f. 31.12.2023)	
6	KNRKWB under Pravasi dividend scheme	19.12.2019	18114.525	Interest rate @9%	Repayment in accordance with the terms of the pravasi dividend scheme.
			13276	Interest rate @8.3%	
			1649	Interest rate @8.6%	
7	Bank of India	21.12.2021	70000	12 Years with 2 years moratorium Interest Rate of 7.45% 9% (w.e.f.24.12.2023)	The Term loan to be repaid in 40 equal quarterly instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced every month.
8	Bank of Maharashtra	26.07.2021	100000	12 Years with 2 years moratorium Interest Rate of 7.50% 8.8% (w.e.f. 23.09.2023)	The Term loan to be repaid in 40 equal quarterly instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced every month.
9	Bank of Baroda	26.05.2021	75000	10 Years with 2 years moratorium Interest Rate of 7.55% 8.90% (w.e.f.30-09-2023)	The Term loan to be repaid in 32 equal quarterly instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced every month.
		29.09.2021	125000		
10	Rural Electrification Corporation Limited	06.06.2021	400000	7 Years with 2 years moratorium Interest Rate of 8.80%	The Term loan to be repaid in 60 equal monthly instalments after initial moratorium of 2 years. In the moratorium period interest has to be serviced every month.
		22.03.2024	7047	Interest Rate 8.80%	
		01.09.2021	100000	15 Years with 2 years moratorium Interest Rate of 7.45% 9.05% (w.e.f. 22.03.2024)	The Term loan to be repaid in 52 equal quarterly instalments after initial moratorium of 2 years. In the moratorium period interest has to be serviced quarterly.



11	Housing and Urban Development Corporation Ltd.(HUDCO)	06-10-2022	200000	15 Years with 2 years moratorium Interest Rate of 9.05%/8.80% (w.e.f. 13.12.2023/14.09.2023)	The Term loan to be repaid in 52 quarterly instalments after initial moratorium of 2 years. In the moratorium period interest has to be serviced quarterly.
		13-03-2024	85000	9.4% per annum (First year).The interest rate shall be reset on annual basis.	The Term loan to be repaid in 56 equal quarterly instalments .
12	ICICI Bank	28-01-2022	30000	5 Years with 1 Year moratorium Interest Rate 7.45% 8.95% (w.e.f 02.04.2023)	The Term loan to be repaid 8 equal semi-annual instalment after a moratorium of 1 year from date of 1st disbursement
13	Kotak Mahindra Bank	28-09-2022	10000	5 year including moratorium of 2 years Interest Rate 8.4% 9.5% (w.e.f 16.09.2023)	Moratorium shall be 2 years from the date of first Loan disbursement Loan shall be repaid by way of 36 monthly principal payments starting from month following the 2 year moratorium Interest shall be paid on monthly basis.
14	Kerala Financial Corporation (KFC)	28-06-2022	100000	7 years with 12 months moratorium Interest Rate of 7.95% 9.40% (w.e.f 01.07.2023)	The Term loan to be repaid in 24 equal quarterly instalment commencing after a moratorium of 12 months from the date of first instalment
15	Power Finance Corporation(PFC)	28-03-2024	99133	Interest rate of 8.95% p.a shall remain fixed for all disbursements upto a period of 1 year from the date of 1st disbursement or till 31 st March 2025, which ever is earlier. The interest rate shall be reset on annual basis.	The loan shall be repaid in 180 equal monthly instalments on 15 th day of each month , commencing from the first repayment date falling 12 months after scheduled Date of Commencement of Commercial Operations (DCCO).



**Note - 4****Other Long term liabilities**

Interest Accrued on Loan From KNRKWB under Pravasi dividend scheme  
 Less: Transfer of accrued Interest to principal upon maturity  
 Total  
 Retention Money Payable

As at 31.03.2024	As at 31.03.2023
8,200.93	6,374.54
(1,776.23)	(1,647.31)
6,424.70	4,727.23
674.97	674.02
<b>7,099.67</b>	<b>5,401.25</b>

**Note - 5****Short Term Borrowings****Secured, Repayable on Demand**

Overdraft from Indian Bank  
*(Secured by Lien on Deposits.)*  
*(Interest rate 0.20% higher than FD rate)*

**Total-(A)**

Current maturity of long term borrowing :

i. Loan From NABARD  
 ii. Loan From REC  
 iii. Loan from KFC  
 iv. Loan From Union Bank  
 v. Loan From Indian Bank  
 vi. Loan from SBI  
 vii. Loan from Canara Bank  
 viii. Loan from Bank of Baroda  
 ix. Loan from Bank of India  
 x. Loan from Bank of Maharashtra  
 xi. KSFE Pravasi Bond  
 xii. Masala Bond  
 xiii. Loan from ICICI  
 xiv. Loan from HUDCO  
 xv. Loan from Kotak Mahindra Bank

As at 31.03.2024	As at 31.03.2023
67,417.69	-
<b>67,417.69</b>	-
11,897.84	10,359.38
64,862.30	25,893.51
16,661.32	12,500.00
8,750.00	8,750.00
10,080.00	8,820.00
12,500.00	12,500.00
7,000.00	3,250.00
25,000.00	14,843.75
7,000.00	1,750.00
10,000.00	5,000.00
25,830.00	21,256.80
-	2,15,000.00
5,000.00	5,000.00
11,538.00	-
1,666.67	-
<b>2,17,786.13</b>	<b>3,44,923.44</b>
<b>2,85,203.82</b>	<b>3,44,923.44</b>

**Total (A)+(B)****Note - 6****Other Current Liabilities**

Sundry Creditors for Expenses (Note 6.1)  
 Guarantee Commission Payable  
 Statutory Liabilities  
 Centage Payable  
 Interest on Masala Bond Payable  
 Interest on Domestic Bond Payable  
 Interest on Green Bond Payable  
 Interest on KSFE Bond Payable  
 Interest on Term Loan Payable  
 Interest on KNRKWB Loans  
 Salary Payable  
 Audit Fee Payable  
 Other payables

**Total**

As at 31.03.2024	As at 31.03.2023
1,501.78	706.50
14,805.15	13,085.45
1,406.59	907.02
20.52	410.68
-	171.82
365.54	-
585.60	-
1,936.00	1,515.86
515.95	180.89
90.28	16.28
44.80	53.70
12.90	10.66
659.99	-
<b>21,945.10</b>	<b>17,058.86</b>

6.1 Sundry creditors for expenses does not include bills raised by Rail India Technical and Economic Services (RITES) for work done up to 31.03.2024 amounting to Rs. 174 Lakhs which are pending to be approved by the Board. Details disclosed in Note 29.5 relating to Invoices pending approval. The above amount is outstanding for more than one year.

**Note - 7****Written down balance of Property, Plant and Equipment & Intangible Asset**

Tangible assets  
 Intangible assets

As at 31.03.2024	As at 31.03.2023
470.91	485.21
586.13	1,473.66
<b>1,057.04</b>	<b>1,958.87</b>

Refer Note -7 Property, Plant and Equipment and Depreciation statement

**Note - 8****Non-current investments**

Investment in Associate Company Kerala Infrastructure Fund Management Limited (unquoted)  
 Investment in wholly owned subsidiary company - KIIFCON Pvt Ltd (unquoted)  
 Total

As at 31.03.2024	As at 31.03.2023
167.45	167.45
258.07	258.07
<b>425.52</b>	<b>425.52</b>

8.1 Kerala Infrastructure Fund Management Limited is a Company formed under Companies Act, 2013 with main objective of Fund Management services.



8.2 KIIFCON Private Limited is a Company formed under Companies Act, 2013 as a wholly owned subsidiary of KIIFB with main objective to provide consultancy services in the fields of infrastructure and related technologies. The value of net asset being the excess of income over expenditure earned during the pre-incorporation period of KIIFCON amounting to Rs.158.07 Lakhs was converted into equity investment as above in the preceding year

**Note - 9**

**Deferred Tax Asset**

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Opening Balance</b>	(368.79)	(363.44)
Add : Deferred Tax Asset \/(Liability) for the year	3,436.48	(5.35)
<b>Closing Deferred Tax Asset \/(liability)</b>	<b>3,067.69</b>	<b>(368.79)</b>
<i>Net Deferred Tax (Expense)/ Income taken to Profit and Loss account*</i>	368.79	(5.35)
<b>Components of Deferred Tax</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
<b>Deferred Tax Liability : A</b>		
On ICDS adjustment on revenue recognition	212.64	12,865.41
On excess of net book value over Income Tax Written Down Value of Property, Plant & Equipment	16.08	247.93
	<b>228.72</b>	<b>13,113.34</b>
<b>Deferred Tax Asset : B</b>		
On business loss and unabsorbed depreciation	4,196.10	12,744.55
On provision for Standard Asset	(899.69)	-
	<b>3,296.41</b>	<b>12,744.55</b>
<b>Net Deferred tax Asset (A-B)</b>	<b>3,067.69</b>	<b>(368.79)</b>
<i>Previous year figure being deferred tax liability shown on liability side</i>		
<b>Net Deferred Tax Asset taken to Balance Sheet*</b>	<b>Nil</b>	

\*The management estimates that the deferred tax asset can be set off against the deferred tax liability expected to arise in future. However, in the absence of virtual/ reasonable certainty that sufficient future taxable income will arise in order to set off the deferred tax asset on depreciation and business loss, as a matter of prudence, no deferred tax asset (on a net basis) is recognised as at the reporting date.

**Note - 10**

**Long Term Loans & Advances**

(Considered good)	As at 31.03.2024	As at 31.03.2023
Financial assistance made to Revenue Generating Projects (contra by credit to Financial assistance Reserve for revenue)	4,26,758.68	3,99,373.48
Accrued Interest on Loans for projects*	99,450.74	87,572.53
<b>Total-(A)</b>	<b>5,26,209.42</b>	<b>4,86,946.01</b>
* Represents interest not yet fallen due		
<b>(Considered doubtful)</b>		
Financial assistance made to Revenue Generating Projects	30,323.88	30,117.04
Accrued Interest on Loans for projects	10,134.24	9,267.80
Less : Provision for conversion of Loan into Non income generating project (Net)	(40,458.12)	(39,384.84)
<b>Total-(B)</b>	<b>-</b>	<b>-</b>
<b>Total(A+B)</b>	<b>5,26,209.42</b>	<b>4,86,946.01</b>
Less : Provision for Standard Asset	(2,104.84)	-
<b>Total</b>	<b>5,24,104.58</b>	<b>4,86,946.01</b>

10.1 The meeting of the General Body of KIIFB held on 27.02.2023 has directed to take steps to frame and develop IRAC norms relevant and applicable for long term infrastructure projects based on study conducted by an external agency. Such norms prepared have been approved by the General Body at its meeting held on 27.02.2023 and amended by way of circular resolution dated 13.04.2023 thereafter. 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.



Details showing categorisation of Revenue generating projects and outstanding balance are given below.

Category	Type of Category	No. of Projects	Rs. in Lakhs	Rs. in Lakhs
			Loan	Interest Accrued
I	Projects which have high commercial viability	8	4,96,610.56	1,25,466.03
II	Projects which have medium commercial viability	6	17,461.56	1906.48
III	Projects which have low commercial viability	2	30,323.88	10,134.24
IV	Projects which have no commercial viability	0	-	-
		<b>16</b>	<b>5,44,396.00</b>	<b>1,37,506.75</b>

Table showing movement of Provision Rs. in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Opening balance of provision	39,384.84	-
Add: Provision made during the year	9,475.92	39,384.84
Less: Reversal of provision	(8,402.64)	-
<b>Closing balance of provision</b>	<b>40,458.12</b>	<b>39,384.84</b>

- 10.2 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.

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.

- 10.3 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).
- 10.4 Out of the financial assistance to revenue generating projects, an amount of Rs.44,414.68 Lakhs is secured by way of mortgage by deposit of title deed.
- 10.5 There are no overdues in principal and interest outstanding as at 31.03.2024 as per terms of loan agreement.
- 10.6 Provision for standard assets at 0.40% has been made towards the outstanding amount of principal and interest as prescribed under IRACP Norms. i.e. (Category I and II projects)



**Note - 11**

<b>Other Non Current Assets</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
<b>Considered Good</b>		
TDS Credit (F.Y. 2023-24) Refer Note 27	238.46	-
TDS Credit (F.Y. 2022-23)	56.47	1,094.30
TDS Credit (F.Y. 2021-22)	1,139.44	1,139.44
TDS Credit (F.Y. 2019-20)	3,564.81	3,564.81
Income Tax Refund Due (F.Y. 2018-19)	118.79	118.79
GST Deposit -Appeal	163.32	-
Deposits	75.95	64.53
<b>Total</b>	<b>5,357.24</b>	<b>5,981.87</b>

11.1 TDS Credit for FY 2022-23 represents credit adjusted against outstanding demand vide intimation order dated 23.01.2024.

**Note - 12**

<b>Current Investments at cost</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
SBI Mutual Funds (Growth Fund) (refer note 12.1)	-	60,000.00
Investment in Government Securities (refer note 12.2)	-	44,698.05
Accrued Interest on Investment in Government Securities	-	476.97
<b>Total</b>	<b>-</b>	<b>1,05,175.02</b>

12.1 Investments in SBI Mutual Fund units has been sold during the year at a profit of Rs.17103.06 lakhs.

12.2 Investment in Government Securities and Government Strips as per terms stipulated in issue circular of masala bond issue has been fully redeemed during the year end, upon closure of tenure of Masala Bond.

**Note - 13**

<b>Cash and Cash Equivalents</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
Cash on Hand	0.06	0.02
Balance with Treasury	0.02	0.01
Balance with Banks	-	-
in Term Deposits	1,82,103.95	2,86,156.72
in Sweep Accounts	-	-
in Savings account and current account	53,224.48	24,241.38
	<b>2,35,328.51</b>	<b>3,10,398.13</b>
Other bank balance		
Balance with Treasury (Refer Note 13.1)	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 OD)	1,51,001.00	-
<b>Total</b>	<b>7,19,031.43</b>	<b>5,92,470.47</b>

13.1 Balance with treasury under other bank balances represents initial Corpus fund and additional financial support to infrastructure development of Rs 3,32,701.92 lakhs kept separately in government treasury account.

**Note - 14**

<b>Short Term Loans and Advances</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
Advances and other Receivables (refer note 14.1 ,14.2)	2,508.04	2,342.08
Current maturity of Financial assistance made to Revenue Generating Projects (contra by credit to Financial assistance Reserve for revenue)	87,313.44	1,03,449.63
	-	-
Current maturity of interest accrued w.r.t Financial assistance made to Revenue Generating Projects	27,921.77	-
	(460.94)	-
Less : Provision for Standard Asset		
<b>Total</b>	<b>1,17,282.31</b>	<b>1,05,791.71</b>

14.1 Advance and receivable includes an amount of Rs.67.22 Lakhs receivable from KIFML and Rs.136.96 Lakhs receivable from KIFCON as disclosed in Note No. 30 for which balance confirmation have been received as at 31.03.2024

14.2 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.

**Note - 15**

<b>Other Current Assets</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
Prepaid Expenses	143.19	92.04
Accrued Interest on Deposits	6,370.21	5,211.40
<b>Total</b>	<b>6,513.40</b>	<b>5,303.44</b>



	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>Note - 16</b>		
<b>Interest income from deposits and investments</b>		
Interest earned during the year	21,674.27	17,682.44
Less : Interest received during the period from Deposits made out of corpus fund (Refer note 2.2)	(4,486.69)	(1,163.71)
	<b>17,187.58</b>	<b>16,518.73</b>

	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>Note - 17</b>		
Interest Income from Financial Assistance for revenue generating project		
	55,810.59	46,541.05
	<b>55,810.59</b>	<b>46,541.05</b>

17.1 Interest income on loans granted for revenue generating projects is recognised on accrual basis as per the terms of the loan agreement, wherever such agreements have been entered into. Such loan agreement are entered into upon reaching 40% stage of disbursement as per the terms of the tripartite agreement between KIIFB, the SPV and the concerned Govt department.

As per revised IRACP norms projects are classified into four categories namely I, II, III and IV based on commercial viability high, medium, low and no commercial viability respectively. 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.

17.2 On facts of the case, many of the projects financed with long gestation period are yet to be completed as at the year end. As per the terms of the loan sanctioned the repayment of principal and interest commences on completion of moratorium period. There have been certain significant time overrun on some of the projects due to various factors, but interest is payable on completion of moratorium period regardless of project completion as per terms of agreement.

17.3 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 .

17.4 The interest income recognised includes an amount of Rs 330.27 lakhs which is classified under category I and II projects(majority cases with discounted interest rate). This represents the case dealt with in Para 17.3 above and loan with progress/ disbursements below 40% for which original loan agreement is pending to be executed as at 31.03.2024.

	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>Note - 18</b>		
<b>Other Income</b>		
Income from Consultancy Division-KIIFCON	128.20	206.91
Dividend Income- KIIFCON	51.61	-
Miscellaneous Income	7.00	1.52
Interest on Income Tax refund	45.01	119.87
Provision for Revenue generating project written back	8,402.64	-
<b>Total</b>	<b>8,634.46</b>	<b>328.30</b>

	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>Note - 19</b>		
<b>Financing of direct cost of projects -Out of Corpus Fund</b>		
General Education	17,720.60	23,172.82
Public Works	2,26,871.10	1,86,043.19
Water Resources	48,361.15	74,987.55
Medical	52,113.28	45,624.37
Higher Education	30,292.35	12,258.91
Other Projects	48,813.00	52,261.01
NABARD Project	5,038.73	12,741.68
Loan to KINFRA written off Direct project cost	-	4,055.64
Provision for Category III Loan (refer Note 10.2)	9,475.92	39,384.84
Centage/ Additional Centage	11,500.80	7,535.74
Allocation of Expenses towards Projects	14,007.61	11,911.60
	<b>4,64,194.54</b>	<b>4,69,977.35</b>

19.1 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.



19.2 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 31.03.2024 from the inception.

19.3 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).

#### Note - 20

##### Employee Benefit Expenses

	For the year ended 31.03.2024	For the year ended 31.03.2023
Salary, Wages & Allowances	689.63	647.76
Employers Contribution to various Fund	5.07	4.11
Other Employee Expenses	89.40	103.92
<b>Total</b>	<b>784.10</b>	<b>755.79</b>

20.1 The employees in KIIFB working on contract basis do not come under the purview of the Central Provident Fund and Gratuity rules for compulsory remittance of PF and Gratuity contributions. Other than through cadre posts, deputation or direct contract, KIIFB has an arrangement for obtaining necessary outsourced services through CMD. Hence, the provisions of the CPF and Gratuity Act/Rules are currently not applicable to KIIFB.

#### Note - 21

##### Finance Cost

	For the year ended 31.03.2024	For the year ended 31.03.2023
Guarantee Commission (GOK)	14,805.15	13,085.44
Interest on Loan from Banks and Financial Institution	1,27,968.05	98,442.76
Interest on Masala Bond	20,732.97	20,904.78
Interest on Domestic Bond	3,415.83	
Interest on Green Bond	1,892.98	
Interest on KSFE Bond	8,170.30	6,202.47
Interest on Loan from KNRKWB	1,787.18	2,907.73
Interest on OD	217.69	
Other Interest and Finance Charge	4,474.00	153.30
<b>Total</b>	<b>1,83,464.15</b>	<b>1,41,696.48</b>

#### Note - 22

##### Other Expenses

	For the year ended 31.03.2024	For the year ended 31.03.2023
Technical & Consultancy Charges	2,652.41	1,403.11
Professional Fee	537.52	252.70
Promotional and advertisement Expenses (Refer Note 22.3 below)	2,888.25	661.03
Meeting and Conference expense	20.76	24.58
Repairs and Maintenance	30.18	41.28
Electricity & Water Charges	19.16	19.99
Rent and Utility Charges	250.07	261.67
Telephone & Internet Charges	4.27	4.46
Provision for standard asset	2,565.78	
Vehicle Hire Charges	171.43	145.06
Printing and Stationery	12.57	16.66
Miscellaneous Expense	24.42	22.86
Receivable Written Off	-	540.33
Payments to the auditor (Refer Note 22.1 below)	20.10	18.17
GST on Reverse charge mechanism	352.27	311.35
Software Charges	152.05	124.62
KSFE Software Operating and hosting charges (Refer Note 24)	936.66	1,289.24
<b>Total</b>	<b>10,637.90</b>	<b>5,137.11</b>



**22.1 Details of Payments to the Auditor**

**Amount in Lakh Rs.**

Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023
Statutory Audit fees	13.94	11.87
Special purpose audit fee	-	1.50
Limited Review Audit Fee	2.25	
Tax Audit fees	1.50	0.50
Other taxation services	1.50	4.00
Other certification services	0.91	0.30
<b>Total</b>	<b>20.10</b>	<b>18.17</b>

22.2 Expenditure incurred under various expenses heads includes an amount aggregating to Rs.1639.47 Lakhs being the actual expenditure incurred in excess of the operational budget approved in the general body for the FY 2023-24 which is to be approved/ratified in the General Body of KIIFB to be held for approval of accounts for the year. The details are given below. While approving the budget for Misc. administrative expenses, the LA unit expense was taken as included due to an inadvertent error and if such expenditure is excluded, actual expenditure is within the budget limit only. This has been rectified/regularised in the previous year figure of expenditure by excluding LA unit expense while approving the budget for the FY 2024-25 in the general body. This stands support to the fact that the inclusion of word 'LA Expense' in the budget for the year 2023-24 was only an error.

**Amount in Lakhs Rs**

Head of Account	Actual (I)	Budget- (II)	Excess-(III)
Repairs & maintenance	30.18	28.58	1.60
Misc. administrative expenses including LA Unit expenses	1,917.66	279.79	1,637.87
<b>Total</b>	<b>1,947.84</b>	<b>308.37</b>	<b>1,639.47</b>

22.3 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 shall be intimated to KIIFB by CE, PWD.

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.

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 operation 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.

**Note - 23**

**Prior Period Item**

**For the year ended  
31.03.2024**                      **For the year ended  
31.03.2023**

**Prior Period Expenditure -**

Software Subscription and Manpower Cost	-	25.78
Rental Charges	-	0.55
<b>Total</b>	<b>-</b>	<b>26.33</b>

**Note - 24**

KIIFB has 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.



**Note - 25**

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.

**Note - 26****Capital Commitments**

In accordance with the decision of 46th General Body, KIIFB has entered into a finance capital commitment as sponsor for the Alternate Investment Fund – Kerala Infrastructure Fund (KIF) to extent of Rs 18000 lakhs at 30% of revised fund size of 60000 lakhs. Accordingly, a commitment agreement was entered during the year by KIIFB with trustee and investment manager of KIF.

**Note - 27**

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.

**Note - 28**

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.

**Note - 29****Contingent Liability**

29.1 During the previous year Income tax demand of Rs 112.57 Lakhs was raised for AY 2018-19 under limited scrutiny assessment disallowing the carried forward business loss of Rs.203.46 Lakhs for the A.Y.2014-15 against which appeal has been filed with higher authorities and is pending disposal. The demand amount of Rs 32.25 Lakhs is on account of erroneous computation in the assessment order for which rectification has been filed and has not been paid or provided for in positive anticipation of a favourable order. The balance demand of Rs 80.33 Lakhs has been paid and written off to Profit & Loss account in the previous year though the matter has been contested on appeals before higher authorities as stated above on a due consideration of the grounds of appeal.

Income Tax Department has adjusted the said demand amount (Rs.112.57 Lakhs) against the Refund due for AY 2019-20 which has resulted in double payment to the extent of Rs 80.33 Lakhs already remitted as stated as above . KIIFB is in the process of taking steps for recovery of said refund amount by filing a refund reissue application with the department. The entire amount has been carried forward under Refund due from the department in Note 11.

29.2 Demands raised for the AY 2020-21 vide order u/S.143(3) dt.27.9.22 and AY 2021-22 vide order u/S.143(3) dt.20.12.22 on completion of scrutiny assessment aggregating to Rs.1,292.01 Lakhs (Rs.79.59 Lakhs for AY 20-21 {considering the rectification order u/S.154 of the Act dt 15.03.23} and Rs.1,212.42 Lakhs 21-22) has been contested on appeals filed with appellate authorities. Since the demands have arisen on account of wrong interpretation/ invocation of the provisions of Section 69C of the Income Tax Act, 1961 the amount is not considered payable by the management and not provided for as the management is quite hopeful of favourable outcome of the appeal filed.

The Income Tax Department has adjusted refund of succeeding years to the extent of Rs.1297.39 lakhs against the above demands.

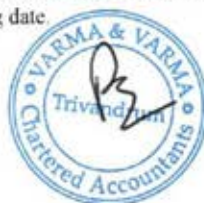
29.3 Income tax proceedings for AY 2022-23 was completed during the year vide order u/s 143(3) dated 23.03.2024 and disallowances were made by assessing authority to extent of Rs 592.16 lakhs. No demand has been raised since the addition made has been adjusted against the loss for the year. KIIFB has filed appeal against the addition made as above and is pending for disposal.

29.4 Income tax demand of Rs.190.30 Lakhs ( including interest for delayed payment ) has been raised by the DCIT -TDS u/s.201 of the Act on KIIFB

29.5 Invoices raised by the Vendor pending approval by the management : M/s RITES has been engaged for independent quality review, design review, consultancy and assisting in the empanelment of supervision consultants. Invoices issued by M/s RITES and reflected in GSTR-2B that have not been received by KIIFB as on the date of reporting amount to Rs.833.19 lakhs. Additionally, in respect of invoices received, claim to extent of Rs 174 lakhs (outstanding for more than one year) is not provided for pending verification /approval and are considered as contingent liability due to difficulties in estimating the amount that may be approved .

In addition to the above, invoice amounting to Rs.413 lakhs of Ospyn technologies Pvt Ltd has not been treated as expense in P&L account since the same is pending for verification/approval by management.

29.6 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 the 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



**Note - 30**

**Related Party Disclosures in accordance with AS-18**

Name of the Related Party	Nature of relationship	Nature of Transaction	For the year ended 31.03.2024	For the year ended 31.03.2023
Dr. K.M. Abraham, CFA, IAS	CEO and Member Secretary	Salary	46.09	42.49
Shri. Vikramjit Singh, IPS (upto May 2022)	Deputy Managing Director	Salary	-	2.88
Shri. K.P.Purushothaman	Executive Director	Salary	33.52	31.16
Shri. Satyajit Rajan, IAS	Additional CEO	Salary	37.44	34.97
KIIFCON	Wholly owned Subsidiary Company	Income from Consultancy Division	128.20	206.91
		Dividend Income	51.61	-
		Carrying value of Investment	258.07	258.07
		Balance outstanding (Receivable)	136.96	72.48
Kerala Infrastructure Fund Management Limited (KIFML)	Associate company	Balance outstanding (Receivable)	67.22	67.22
		Carrying Value of Investment	167.45	167.45

**Note - 31**

**Segment Reporting**

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.

**Note - 32**

Internal Audit System - During the current reporting year, concurrent audit has been completed up to the quarter ended 31.03.2024, of which report of Q3 and Q4 are to be placed in the ensuing Internal audit management committee. Further all 15 areas in multiple frequency of Risk Based Internal Audit (RBIA) have been completed as per the Audit Plan. Final Internal Audit Report of Concurrent Audit Q1, Q2 and 8 Reports of RBIA has also been issued as approved by the Internal Audit Management Committee. The matters stated in the audit report has been duly considered for making required/necessary adjustments in the books of accounts and also for preparation of financial statements.

**Note - 33**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

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



Thiruvananthapuram  
Date : 25.05.2024



**AUDITOR'S REPORT**

As per our report of even date attached

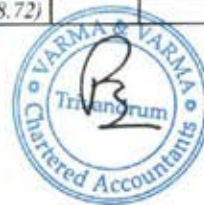
for Varma & Varma  
Chartered Accountants  
FRN.004532S

  
C.G Pankajakshan  
(Partner)  
M.No. 020512

Note 7

Property, Plant and Equipment and Depreciation Statement For the period 01-04-2023 to 31-03-2024

PARTICULARS		GROSS BLOCK					DEPRECIATION/AMORTISATION				NET BLOCK	
Sl. No.	ITEM	As on 01.04.2023	Additions		Sale/ Adjustment during the period	Total As on 31.03.2024	Rate %	As on 01.04.2023	For the Period	Up to 31.03.24	WDV As On 31.03.2024	WDV As On 31.03.2023
			On / Before 04.10.2023	After 04.10.2023								
<b>A</b>	<b>Tangible Asset</b>											
1	Air Cooler <i>(Previous Year)</i>	0.05 <i>(00.05)</i>	- -	- -	- -	0.05 <i>(00.05)</i>	10 10	0.05 <i>(00.05)</i>	- -	0.05 <i>(00.05)</i>	- -	- -
2	Computer <i>(Previous Year)</i>	250.68 <i>(212.84)</i>	0.64 <i>(25.10)</i>	12.95 <i>(12.74)</i>	- -	264.27 <i>(250.68)</i>	40 40	191.49 <i>(156.27)</i>	26.53 <i>(35.22)</i>	218.02 <i>(191.49)</i>	46.29 <i>(59.19)</i>	59.19 <i>(56.57)</i>
3	Communication Equipment <i>(Previous Year)</i>	4.06 <i>(03.78)</i>	0.06 -	0.05 <i>(00.28)</i>	- -	4.17 <i>(04.06)</i>	40 40	3.68 <i>(03.52)</i>	0.18 <i>(00.16)</i>	3.86 <i>(03.68)</i>	0.30 <i>(00.38)</i>	0.38 <i>(00.26)</i>
4	Furniture & Fittings <i>(Previous Year)</i>	77.23 <i>(64.74)</i>	11.78 <i>(09.28)</i>	0.95 <i>(03.21)</i>	- -	89.96 <i>(77.23)</i>	10 10	24.59 <i>(18.92)</i>	6.49 <i>(05.67)</i>	31.08 <i>(24.59)</i>	58.88 <i>(52.64)</i>	52.64 <i>(45.82)</i>
5	Photostat Machine <i>(Previous Year)</i>	1.72 <i>(01.72)</i>	- -	- -	- -	1.72 <i>(01.72)</i>	40 40	1.66 <i>(01.61)</i>	0.03 <i>(00.05)</i>	1.69 <i>(01.66)</i>	0.04 <i>(00.06)</i>	0.06 <i>(00.11)</i>
6	Printer <i>(Previous Year)</i>	6.76 <i>(04.81)</i>	0.15 <i>(00.64)</i>	0.12 <i>(01.31)</i>	- -	7.03 <i>(06.76)</i>	40 40	4.33 <i>(03.15)</i>	1.05 <i>(01.18)</i>	5.38 <i>(04.33)</i>	1.64 <i>(02.43)</i>	2.43 <i>(01.66)</i>
7	Plant & Machinery <i>(Previous Year)</i>	279.72 <i>(258.76)</i>	0.85 <i>(20.28)</i>	0.08 <i>(00.68)</i>	- -	280.65 <i>(279.72)</i>	15 15	120.05 <i>(91.93)</i>	24.08 <i>(28.12)</i>	144.13 <i>(120.05)</i>	136.52 <i>(159.67)</i>	159.67 <i>(166.83)</i>
8	Electrical Equipment <i>(Previous Year)</i>	20.03 <i>(18.51)</i>	0.78 -	0.17 <i>(01.52)</i>	- -	20.98 <i>(20.03)</i>	10 10	7.78 <i>(06.50)</i>	1.32 <i>(01.28)</i>	9.10 <i>(07.78)</i>	11.88 <i>(12.25)</i>	12.25 <i>(12.01)</i>
9	Vehicle <i>(Previous Year)</i>	69.61 <i>(69.61)</i>	- -	59.00 -	- -	128.61 <i>(69.61)</i>	15 15	35.27 <i>(29.21)</i>	9.58 <i>(06.06)</i>	44.85 <i>(35.27)</i>	83.77 <i>(34.34)</i>	34.34 <i>(40.40)</i>
10	Computer & Accessories TRC <i>(Previous Year)</i>	171.93 <i>(153.63)</i>	- <i>(02.55)</i>	- <i>(15.75)</i>	- -	171.93 <i>(171.93)</i>	40 40	117.92 <i>(87.18)</i>	21.60 <i>(30.74)</i>	139.52 <i>(117.92)</i>	32.38 <i>(54.01)</i>	54.01 <i>(66.45)</i>
11	Interior Decoration <i>(Previous Year)</i>	146.93 <i>(90.66)</i>	- <i>(26.98)</i>	- <i>(29.29)</i>	- -	146.93 <i>(146.93)</i>	10 10	36.69 <i>(26.07)</i>	11.02 <i>(10.62)</i>	47.71 <i>(36.69)</i>	99.21 <i>(110.24)</i>	110.24 <i>(64.59)</i>
	<b>TOTAL</b>	<b>1,028.72</b> <i>(879.11)</i>	<b>14.26</b> <i>(84.83)</i>	<b>73.32</b> <i>(64.78)</i>	<b>-</b> <i>(028.72)</i>	<b>1,116.30</b> <i>(1,028.72)</i>		<b>543.51</b> <i>(424.41)</i>	<b>101.88</b> <i>(119.10)</i>	<b>645.39</b> <i>(543.51)</i>	<b>470.91</b> <i>(485.21)</i>	<b>485.21</b> <i>(454.70)</i>



Amount in Rs. Lakhs

PARTICULARS		GROSS BLOCK					DEPRECIATION/AMORTISATION			NET BLOCK		
SL. No.	ITEM	As on 01.04.2023	Additions		Sale/ Adjustment during the period	Total As on 31.03.2024	Rate %	As on 01.04.2023	For the Period	Up to 31.03.24	WDV As On 31.03.2024	WDV As On 31.03.2023
			On / Before 04.10.2023	After 04.10.2023								
<b>B</b>	<b>Intangible Asset</b>											
1	Software for KSFE Pravasi Chit <i>(Previous Year)</i>	1,847.51 <i>(1847.51)</i>	- -	- -	- -	1,847.51 <i>(1847.51)</i>	25	1,245.77 <i>(1045.19)</i>	150.44 <i>(200.58)</i>	1,396.21 <i>(1245.77)</i>	451.31 <i>(601.74)</i>	601.74 <i>(802.32)</i>
2	Software TRC <i>(Previous Year)</i>	259.02 <i>(185.31)</i>	- -	- <i>(73.71)</i>	- -	259.02 <i>(259.02)</i>	25	114.22 <i>(78.24)</i>	36.20 <i>(35.98)</i>	150.42 <i>(114.22)</i>	108.60 <i>(144.80)</i>	144.80 <i>(107.07)</i>
3	Other Software <i>(Previous Year)</i>	104.54 <i>(92.76)</i>	- <i>(11.78)</i>	- -	- -	104.54 <i>(104.54)</i>	25	69.58 <i>(57.92)</i>	8.74 <i>(11.66)</i>	78.32 <i>(69.58)</i>	26.22 <i>(34.96)</i>	34.96 <i>(34.84)</i>
4	Expenses on Issuance of Masala Bond <i>(Previous Year)</i>	2,473.14 <i>(2473.14)</i>	- -	- -	- -	2,473.14 <i>(2473.14)</i>		1,982.58 <i>(1487.95)</i>	490.56 <i>(494.63)</i>	2,473.14 <i>(1982.58)</i>	- <i>(490.56)</i>	490.56 <i>(985.19)</i>
5	Expenses on issue of KSFE Bond <i>(Previous Year)</i>	1,190.43 <i>(1190.43)</i>	- -	- -	- -	1,190.43 <i>(1190.43)</i>		988.83 <i>(750.74)</i>	201.60 <i>(238.09)</i>	1,190.43 <i>(988.83)</i>	- <i>(201.60)</i>	201.60 <i>(439.69)</i>
	<b>TOTAL</b>	<b>5,874.64</b> <i>(5789.15)</i>	- <i>(11.78)</i>	- <i>(73.71)</i>	- -	<b>5,874.64</b> <i>(5874.64)</i>		<b>4,400.98</b> <i>(3420.04)</i>	<b>887.54</b> <i>(980.94)</i>	<b>5,288.52</b> <i>(4400.98)</i>	<b>586.13</b> <i>(1473.66)</i>	<b>1,473.66</b> <i>(2369.11)</i>
	<b>TOTAL</b>	<b>6,903.36</b> <i>(6668.26)</i>	<b>14.26</b> <i>(96.61)</i>	<b>73.32</b> <i>(138.49)</i>	- -	<b>6,990.94</b> <i>(6903.36)</i>		<b>4,944.49</b> <i>(3844.45)</i>	<b>989.42</b> <i>(1100.04)</i>	<b>5,933.91</b> <i>(4944.49)</i>	<b>1,057.04</b> <i>(1958.87)</i>	<b>1,958.87</b> <i>(2823.81)</i>

**Note**

7.1 The property, plant and equipment and the intangible assets are purchased using the corpus fund received. However, the amount is not deducted from the gross value of assets or no separate deferred income is recognised for an amount equivalent to the cost of asset in accordance with AS-12 Accounting for Government Grants, since the break up details of assets acquired out of corpus fund/loans have not been maintained.

7.2 The system of maintenance of a formal Fixed Asset register showing full particulars of assets in various locations and physical verification of fixed assets is in the process of implementation. Physical verification of fixed assets and reconciliation of values with asset register is pending to be done and adjustments if any required on such verification would be made in the succeeding year on completion of this process. Based on the management assessment of the internal controls in place over physical possession and available records regarding details of fixed assets, no material discrepancies are expected to arise on physical verification of fixed assets.

7.3 The Gross carrying value and net carrying value of intangible asset towards software for KSFE pravasi Chitty and issue expenses amounts to Rs. 3037.94 lakhs and Rs. 451.30 lakhs respectively. Revenue expenses incurred towards software maintenance charges during the year amounts to Rs. 936.66 lakhs (cumulatively over the period amounts to Rs.3964.81 lakhs). The actual borrowing infused is Rs. 1,16,817 lakhs only and is perpetually growing. The management estimates no impairment in the value of the asset considering the benefits out of the borrowing by issue of bonds to KSFE at reasonable rate of interest and further towards recovery of cost as per terms of MoA between KIIFB and KSFE. Accordingly the value in use as per management is sufficient to cover the net carrying value of asset. The higher expenditure on maintenance is explained by the management on account of substantially higher utilisation capacity of the software, as compared to its actual use/exploitation.



**INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS**

To

The Members of Kerala Infrastructure Investment Fund Board,  
Thiruvananthapuram

**Report on the Audit of Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of Kerala Infrastructure Investment Fund Board (hereinafter referred to as 'KIIFB'), which comprise the standalone Balance Sheet as at March 31st 2023, the standalone Profit and Loss account and the standalone Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying standalone financial statements give a true and fair view of the state of affairs of the KIIFB as at March 31, 2023, and of its Nil profit/loss and its cash flows for the year ended on the above said date in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

**Basis for Opinion**

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 Financial Statements 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 opinion.

**Emphasis of Matter**

We draw attention to the following matters described in the Notes to accounts of the standalone financial statements:

- (i) Interest income recognised during the year includes an amount of Rs.18,837.23 Lakhs for which original loan agreements are pending to be executed (including cases which have exceeded 40% stage of disbursement noted in (iii) below, interest on such borrowing for the year being Rs. 13,812.97 Lakhs and the revenue recognised is based on rates charged on comparable loan agreements with other borrowers ( at rates of Average Cost of Domestic Borrowings) or at rates agreed upon at the time of sanction of the loan as mentioned in Note No 17.4 to the standalone financial statements.



- (ii) Interest income has been recognised on revenue generating projects in cases where there has been certain delays on implementation of the projects financed by such loans, as detailed in Note no.17.2 to the standalone financial statements since according to the management it is not contingent on the project earning any revenue. According to the management, certain inherent delays which have occurred during implementation stage of infrastructure does not have adverse effect on the recovery of finance granted considering the operational model of KIIFB as detailed in Note no 10.2 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. Confirmation of balances have been obtained from loanees as at 31.03.2023
- (iii) Loan agreements are pending to be executed as on date with one SPV for loan outstanding aggregating to Rs.1,47,366.90 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.17.3 to the standalone financial statements. As explained by the management, steps for execution of loan agreements is under process, which is pending the requisite clearance from the concerned departments of the Govt of Kerala. Such cases pending for more than one year amounts to Rs.1,18,211.37 Lakhs.
- (iv) As stated in Note No.19.5, based on decision at the meeting of CEO, Principal secretary, Industries department and KSIDC officials held on 24.06.2023 it was decided to place before the general body of KIIFB, the proposal for conversion of the cost incurred on project Bio 360 life science park-Phase I of Rs. 30,117.04 Lakhs and accrued interest Rs.9,267.80 Lakhs related to the said loan upto 31.03.2021, hitherto treated as revenue generating, into non -revenue generating. The total cost of Rs.39,384.84 Lakhs has been fully provided for and transferred to project cost in the accounts for the year in anticipation and subject to approval of the General Body of KIIFB and Govt of Kerala.
- (v) As stated in Note No 10.1, the meeting of the General Body of KIIFB held on 27.02.2023 has directed to take steps to frame and develop IRAC norms relevant and applicable for long term infrastructure projects based on study conducted by an external agency. Such norms prepared have been approved by the General Body at its meeting held on 27.02.2023 and amended by way of circular resolution dated 13.04.2023 thereafter. The General Body has decided to reinstate the norms w.e.f 1st April 2023 with modifications suggested to the norms which were in force upto 31.03.2021.
- (vi) As stated in Note No.24, during the year KIIFB had incurred an expenditure of Rs.1,289.24 Lakhs for operating, hosting and value adding charges of KSFE Pravasi chitty software which includes mostly payments supported by invoices of intermediary agencies only to whom the services have been outsourced on a nomination basis and

invoices of end service providers have been furnished to KIIFB on a sample basis. The aggregate operating expenditure for a period of 3 years from 2020-21 to 2022-23 amounts to Rs.3,103.59 Lakhs against the original cost of Rs.3,037.94 Lakhs (Gross carrying value). We have relied on the management submission that such heavy operating cost is essentially required considering the huge capacity of the software developed. As per the MoA between KIIFB and KSFE the parties shall enter into a separate agreement covering the terms of repayment of the expenses incurred by KIIFB towards development of the Pravasi Chitty software and incidental charges which is pending at this stage. Management intends to take up the matter regarding recovery of capital cost and operating cost of software incurred from inception with KSFE at the time of finalisation and entering into agreement as noted above. There is a need to finalise the agreement on this without further delay.

- (vii) As stated in Note No.2.7.1 to the standalone financial statements, the balances under statutory contribution receivable from GoK of Rs.7,78,006.59 Lakhs upto 31.03.2023 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.
- (viii) As per details of expenditure furnished in Note No 19.3 to the standalone financial statements, the allocation of expenses towards Projects includes cost incurred towards 'Ente Keralam' program of Rs.5,203.37 Lakhs being payment made to external agencies (as per furnished in note 19.3) to whom certain advertisements/ publicity functions have been outsourced, which in the opinion of the management, are direct expenses to be capitalised. Hence no specific provision is explained to be required for this in the budget approved by the General Body for the above expenditure which has been authorised by GoK vide GO No.4/2022/I&PRD dated 18.02.2022. This order stipulates that KIIFB shall meet the entire infrastructure facility as part of Ente Keralam program being an activity undertaken in connection with the first anniversary celebration of the Government. The above agencies including IIC which is a Government owned institute as per GO issued have been appointed on nomination basis by the CEO subject to ratification by the general body in the ensuing meeting. Payments for each activity has been preapproved by the management and such payments are duly authenticated by management based on certain documentation authenticating supply / service received. However, invoices from end service providers have not been furnished to KIIFB. Due to practical difficulties arising out of urgency of works issue of work orders to the nominated agencies, in many cases have been done after completion of work and receipt of invoice



- (ix) As stated in Note No. 22.3, Receivable written off includes an amount of Rs.140.96 Lakhs related to C-DIT ( GoK Body) which was pending reconciliation for long period. As stated in Note 22.4 TDS amount on the Interest income from bankers of Rs.375.77 Lakhs being difference noted in prior years between the books of accounts and Form 26AS (being higher amount in books) has been provided for since efforts put in for such reconciliation did not yield any positive results.

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 statements of the current year. These matters were addressed in the context of our audit of the financial statements 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) In case of loans granted for which the loan agreement is pending to be executed, interest is recognised on accrual basis at interest rates as per comparable loan agreements entered into with other parties or at the interest rates agreed upon at the time of sanction of loan, as the case may be, as per the estimate of the management.</p> <p>The interest income recognised as per method mentioned in para (i) above is Rs. 18,837.23 Lakhs for which original loan agreement is pending to be executed (including one SPV aggregating to Rs. 13,812.97 Lakhs where 40% disbursement has been exceeded as per note (ii) below).</p> <p>Such costs includes amounts outstanding for more than one year Rs.1,18,211.37 Lakhs where 40% disbursement has exceeded.</p>	<p>As per the principles laid down in AS 9 Revenue recognition, KIIFB has recognized interest income on accrual basis for loans given for which loan agreements are pending to be executed, at the rates charged to other comparable borrowers. This is done as per confirmation given by the management as to recoverability of the amount and is duly disclosed in Note No.17 to the standalone financial statements.</p> <p>Recognition of interest revenue for projects for which original loan agreement is not yet executed is based on the consistent management practice of recognising revenue by using the rates of comparable projects for which original loan agreement is already executed.</p> <p>According to the management, in respect of projects for which agreement is not entered yet, any change in the rate of interest on revision which is not expected to be material shall be accounted for in the year in which such agreement is entered into.</p>



Key Audit Matters	How addressed in Audit
<p>(ii) As per tripartite agreement entered into between KIIFB, SPV and respective Administrative Department, the loan agreement fixing the rate of interest is to be executed upon completion of 40% of the project disbursement. Loan agreements are pending to be executed as on date with one SPV for loan outstanding aggregating to Rs.1,47,366.90 Lakhs which has disbursements exceeding 40% stage.</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 and is also not contingent on the project earning any revenue. 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.</p>	<p>The management has given a representation that active steps are underway in entering into loan agreement with the parties to whom disbursement has exceeded 40% stage and that there will be no material impact on the income or asset recognised due to this delay.</p> <p>Income has been recognized based on the terms of the loan sanctioned and there is no significant doubt as to realization at this stage. Facts have been duly disclosed in the standalone financial statements.</p>
<p>As stated in Note No. II.I under significant accounting policies and note 10 to the standalone financials, the meeting of the General Body of KIIFB held on 27.02.2023 has directed to take steps to frame and develop IRAC norms relevant and applicable for long term infrastructure projects based on study conducted by an external agency.</p>	<p>The IRAC norms prepared have been approved by the General Body at its meeting held on 27.02.2023 and amended by way of circular resolution dated 13.04.2023 thereafter. The General Body has decided to reinstate the norms w.e.f 1st April 2023 with modifications suggested to the norms which were in force upto 31.03.2021.</p> <p>Facts have been duly disclosed in the standalone financial statements.</p>

Key Audit Matters	How addressed in Audit
<p>At the meeting of CEO, principal secretary, Industries department and KSIDC officials held on 24.06.2023 it was decided to place before the general body of KIIFB, the proposal for conversion of the the cost incurred on project Bio 360 life science park-Phase I of Rs. 30,117.04 Lakhs and accrued interest Rs.9,267.80 Lakhs related to the said loan upto 31.03.2021, hitherto treated as revenue generating into non -revenue generating project. Consequent to this the cost incurred as above has been fully provided for in the accounts of the year in anticipation of the approval of the General body and Govt of Kerala.</p>	<p>The total cost of Rs.39,384.84 Lakhs has been fully provided for and transferred to project cost in the accounts in anticipation and subject to approval of the General Body of KIIFB and GoK Order.</p> <p>No interest has been recognised on the project subsequent to 31.03.2021 pending implementation of a resolution plan.</p> <p>As per the minutes of the said meeting, if any commercial consideration is received on disposal of land, such sums shall be remitted to KIIFB towards the above loan and on receipt basis such sum shall be treated as revenue.</p> <p>The fact duly disclosed in note 19.5 to the standalone financial statement.</p> <p>During the special audit conducted for the period ended 31.12.2022, for SEBI listing purposes the loan was treated as good and recoverable on the basis of confirmation received from the party. The above treatment is based on decision in the meeting held on 24.06.23 referred to.</p>
<p>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&amp;L a/c to reflect the activities undertaken to meet the objectives as per the Act.</p>	<p>The balances under statutory contribution receivable from GoK as at 31.03.2023 of Rs. 7,78,006.59 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 in to 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.</p>

Key Audit Matters	How addressed in Audit
<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 31.03.2023 is Rs. 7,78,006.59 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>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 to safeguard the best interest of KIIFB. 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.</p>

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of these standalone financial statements 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. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 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 Financial Statements**

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

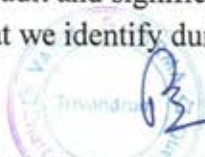


As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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.
- 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 KIIFBs 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 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 KIIFB to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements 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 statements.

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.

**Report on Other Legal & Regulatory Requirements**

1. We report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by KIIFB so far as it appears from our examination of those books.
  - (c) The standalone Balance Sheet, standalone Profit and Loss account and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - (d) The rupee denominated borrowings shown under Liabilities in the said Balance sheet represent external borrowings under Masala Bonds availed by KIIFB, in the year 2018-2019 and outstanding on 31st March 2023, 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, 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.
  - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards issued by the Institute of Chartered Accountants of India in all material aspects.

For Varma and Varma  
Chartered Accountants  
FRN.004532S



*Pankajakshan*  
C.G.Pankajakshan  
Partner

Membership No.020512

UDIN: 23020512BG1ZTXV7027

Place : Thiruvananthapuram

Date : 02.09.2023

**Kerala Infrastructure Investment Fund Board**  
**2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001**  
**Standalone Balance Sheet as at 31.03.2023**

(Figures in Lakhs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
<b>I. EQUITY AND LIABILITIES</b>			
1 Initial Corpus Fund	1	2,82,049.28	2,82,049.28
2 Corpus Fund - Revolving ( shown on the asset side )	2	-	
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	3	14,32,257.88	12,64,546.52
(b) Deferred tax liabilities (Net)	9	368.79	363.44
(c) Other Long term liabilities	4	5,401.25	3,509.29
<b>4 Current liabilities</b>			
(a) Short-term borrowings	5	3,44,923.44	1,03,444.00
(b) Other current liabilities	6	17,058.86	14,365.10
		<b>20,82,059.50</b>	<b>16,68,277.63</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment and Intangible Asset	7		
(i)Tangible assets		485.21	454.70
(ii)Intangible assets		1,473.66	2,369.11
(b) Non-current investments	8	425.52	167.45
(c) Deferred tax assets (net)- shown as liability	9	-	-
(d) Long-term loans and advances	10	4,86,946.01	4,41,230.82
(e) Statutory contribution receivable from GoK -Non current	2	4,97,106.59	2,43,638.58
(f) Other Non Current Assets	11	5,981.87	7,091.99
<b>2 Current assets</b>			
(a) Current investments	12	1,05,175.02	60,000.00
(b) Cash and cash equivalents	13	5,92,470.47	5,81,342.36
(c) Short term loans and advances	14	1,05,791.71	98,910.41
(d) Statutory contribution receivable from GoK -Current	2	2,80,900.00	2,28,534.00
(e) Other current assets	15	5,303.44	4,538.21
		<b>20,82,059.50</b>	<b>16,68,277.63</b>

Notes forming part of standalone financial statements

I, II & 1-32

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

**AUDITOR'S REPORT**

As per our report of even date attached

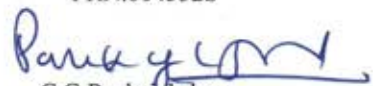
**For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD**

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

Thiruvananthapuram  
 Date :



for Varma & Varma  
 Chartered Accountants  
 FRN.004532S

  
**C.G. Pankajakshan**  
 (Partner)  
 M.No. 020512

Thiruvananthapuram  
 Date : 2/9/2023

**Kerala Infrastructure Investment Fund Board**  
**2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001**  
**Standalone Profit and Loss Account for the year ended 31.03.2023**

(Figures in Lakhs)

Particulars	Note No.	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022
<b>I. Revenue:</b>			
i) Recoupment of statutory contribution from Government of Kerala from Corpus Fund for financing of direct project cost as per Contra	19	4,69,977.35	5,98,880.54
ii) Interest income from financial assistance for revenue generating projects	17	46,541.05	28,024.93
iii) Interest income from deposits and investments	16	16,518.73	12,970.80
iv) Other income	18	328.30	254.48
<b>Total Revenue (I)</b>		<b>5,33,365.43</b>	<b>6,40,130.75</b>
<b>II. Expenses:</b>			
i) Financing of direct cost of projects -Out of Corpus Fund	19	4,69,977.35	5,98,880.54
ii) Employee benefits expense	20	755.79	726.95
iii) Finance costs	21	1,41,696.48	91,447.01
iv) Depreciation and amortisation expense	7	1,100.04	1,180.51
v) Other expenses	22	5,137.11	4,079.44
<b>Total expenses (II)</b>		<b>6,18,666.77</b>	<b>6,96,314.45</b>
<b>III. Profit / (Loss) (I- II)</b>		(85,301.34)	(56,183.70)
Prior Period Item	23	(26.33)	(34.69)
Profit / (Loss) after prior period item		(85,327.67)	(56,218.39)
<b>IV. Tax expense:</b>			
(1) Current tax			
(2) Tax for Earlier years			
(3) Deferred tax(Expense)/Income	9	(5.35)	(134.60)
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		85,333.02	56,352.99
<b>V. Net Profit / (Loss) for the Year</b>		-	-

Notes forming part of standalone financial statements

I, II & 1-32

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

**AUDITOR'S REPORT**

As per our report of even date attached

**For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD**

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

Thiruvananthapuram  
Date :



for Varma & Varma  
Chartered Accountants  
FRN.004532S

*Pankajakshan*

C.G Pankajakshan  
(Partner)  
M.No. 020512

Thiruvananthapuram  
Date : 21/9/2023

**Kerala Infrastructure Investment Fund Board**  
**2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001**  
**Standalone Cash Flow Statement for the year ended 31.03.2023**

(Figures in Lakhs)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>A. Cash flow from operating activities</b>		
<b>Profit before income tax</b>	(85,327.67)	(56,218.39)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	1,100.04	1,180.51
Interest income	(63,059.78)	(40,995.73)
Finance Cost	1,41,696.48	91,447.01
Fixed Assets Written off	-	11.73
Provision for conversion of loan into Non income generating project(incl accrue	39,384.84	-
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	-
Sundry Balances written back	-	(254.04)
<b>Operating profit / (loss) before working capital changes</b>	<b>38,389.88</b>	<b>(4,828.91)</b>
<b>Changes in working capital:</b>		
Adjustments for (increase) / Decrease in operating assets:		
Loans and Advances	17.98	(248.37)
Financial assistance made to Revenue Generating Projects	(45,998.59)	(2,50,013.53)
Other Non Current and Current Assets	(368.67)	11,958.23
Adjustments for increase / (Decrease) in operating liabilities:		
Other Current/Non current Liabilities	(2,148.61)	(1,68,681.57)
<b>Net Changes in working capital:</b>	<b>(10,108.01)</b>	<b>(4,11,814.15)</b>
<b>Cash generated from operations</b>	<b>(10,108.01)</b>	<b>(4,11,814.15)</b>
Net income tax (paid) / refunds	713.56	(1,494.62)
<b>Net cash from/ (used in) operating activities (A)</b>	<b>(9,394.45)</b>	<b>(4,13,308.77)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of PPE (including changes in CWIP)	(235.10)	(108.84)
(Purchase)/ disposal proceeds of Investments	(258.07)	-
Sale proceeds of PPE	-	11.37
Interest income received out of fixed deposit	16,518.73	12,970.80
Investment in Govt Securities	(45,175.02)	-
<b>Net cash from/ (used in) investing activities (B)</b>	<b>(29,149.46)</b>	<b>12,873.33</b>
<b>C. Cash flow from financing activities</b>		
Loans from :-		
(i) Banks and Financial Institutions	4,73,204.78	7,85,873.84
(ii) Bonds	26,433.00	28,648.20
(iii) Pravasi Dividend Scheme	3,520.62	10,737.61
Loans repaid during the year	(93,967.60)	(3,02,366.16)
Statutory contribution from GoK	2,47,876.35	2,05,797.12
Additional Financial Support for Infrastructure Development	-	32,207.00
CSR and PTA fund	436.30	1,756.81
Recoupment by way of Statutory contribution from Govt of Kerala from Corpus Fund for direct project cost (other than NABARD)	(4,61,291.31)	(5,85,575.71)
Interest received during the period from Deposits made out of corpus fund	1,163.71	4,145.31
Finance cost paid	(1,34,962.15)	83,997.05
Fund utilised for NABARD Projects	(12,741.68)	(13,304.82)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>49,672.02</b>	<b>2,51,916.25</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>11,128.11</b>	<b>(1,48,519.19)</b>
Cash and cash equivalents at the beginning of the financial year	5,81,342.36	7,29,861.55
<b>Cash and cash equivalents at end of the year</b>	<b>5,92,470.47</b>	<b>5,81,342.36</b>

**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	0.02	0.01
Balance with Treasury	0.01	9.51
Term Deposits/Sweep	2,86,156.72	1,63,203.62
Other deposit, savings and current accounts	24,241.38	1,14,579.94
Other Bank balance in Treasury Accounts	2,82,049.28	2,82,049.28
In Masala Bond Sinking Fund Account	23.06	21,500.00
	<b>5,92,470.47</b>	<b>5,81,342.36</b>

Notes forming part of standalone financial statements

I, II & 1-32

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

For KERALA INFRASTRUCTURE INVESTMENT  
FUND BOARD

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

Thiruvananthapuram  
Date :



Thiruvananthapuram  
Date : 2/9/2023

**AUDITOR'S REPORT**

As per our report of even date attached

for Varma & Varma  
Chartered Accountants  
FRN.004532S

C.G Pankajakshan  
(Partner)  
M.No. 020512

**Kerala Infrastructure Investment Fund Board**  
**2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001**  
**Notes to Standalone Financial Statements for the year ended 31.03.2023**

All amounts in Lakhs except for specifically stated

**NOTE-I**

**GENERAL INFORMATION**

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. With new strategy and structure, KIIFB aims to dynamically mobilise funds for the infrastructure development of Kerala including major land acquisition needs of the State. KIIFB has recourse to the advanced financial instruments approved by SEBI / RBI and is expected to promote substantial development of sustainable infrastructure in the State.

KIIFB is a body corporate established under an Act of Government of Kerala (KIIF ACT 1999) exclusively for undertaking sub-sovereign functions of financing the key infrastructure projects in the State of Kerala and all activities are done in pursuance of the above objective only.

The rupee denominated Masala Bond of KIIFB backed by the Guarantee of Govt of Kerala is listed in the London Stock Exchange and Singapore Stock Exchange.

**NOTE-II**

**SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- a. The Standalone Financial Statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and Accounting Standard issued by Institute of Chartered Accountants of India.
- b. KIIFB follows Mercantile System of Accounting and recognizes significant items of income and expenditure on accrual basis, except to the extent otherwise stated in the notes.
- c. The Financial Statements are presented in INR, which is the functional currency and all values are rounded to the nearest lakhs

(INR 1,00,000), except when otherwise indicated. Due to rounding, numbers presented may not add up precisely to totals provided

**B. USE OF ESTIMATES**

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

**C. PROPERTY, PLANT AND EQUIPMENT**

**(a) Tangible Assets:** The Gross carrying amount of Property, Plant & Equipment have been accounted on cost model, and cost comprises of purchase price, duties, levies and any direct attributable costs of bringing the assets to its working condition for the intended use.

**Depreciation:** Depreciation has been provided on Written down Value Method at the rates prescribed in appendix to the Income Tax Rules.

**(b) Intangible Asset**

Intangible Assets are recorded at the cost of acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

**Amortisation:** Amortisation has been provided for on Written down Value Method on assets (other than masala bond expenses and issue expense for KSFE) at the rates prescribed in appendix to the Income Tax Rules. In respect of expenditure incurred towards issuance of Masala Bond and expenditure towards issue for KSFE Bond, the same is amortised over a period 5 years being the period during which the benefits are expected to materialise.

**D. PRIOR PERIOD ADJUSTMENTS**

As per AS 5 "Net profit or Loss for the period, Prior Period Items and Changes in Accounting Policies",

- (i) Prior period adjustments represent entries for correction of errors or omissions in the preparation of financial statements of one or more prior periods and as such are shown separately in the Notes annexed to and forming part of Accounts.
- (ii) Extra-ordinary items are those material adjustments that arise from events or transactions that are clearly distinct from the ordinary activity of KIIFB and are not expected to occur frequently or regularly and therefore are shown separately in the Notes annexed to and forming part of Accounts.



## **E. REVENUE RECOGNITION**

In line with the prescriptions in AS 9 on **Revenue Recognition**", revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection as per the assessment of the management.

Interest income on fixed deposits is recognised time proportionately based on periods for which amounts are outstanding and the interest rate applicable.

Interest generated from the investments made out of the corpus funds received are credited to the corpus fund as such interest is to be

mandatorily used for the objectives of the Act and hence forms a part of statutory contribution accounted under Corpus Fund.

Interest income on loans granted for revenue generating projects is recognised on accrual basis as per the terms of the loan agreement, wherever such agreements have been entered into except to the extent otherwise disclosed in the notes to accounts. In case of loans granted for which the loan agreement is pending to be executed, interest is recognised on accrual basis at rates and methodology as per comparable loan agreements entered into with other parties as per the estimate of the management or at the interest rates agreed upon at the time of sanction of loan in certain cases where ever applicable. Late payment charges, prepayment charges are recognised on a point in time basis, and are recorded when realized since the probability of collecting such monies is established when the borrower pays.

## **F. CORPUS FUND- Revenue Recognition and Accounting of Utilisation**

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 KIIF 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. The corpus fund-revolving also includes funds received under LAC/ADS scheme and PTA/CSR Fund as per Govt.Order.

## **G. INVESTMENTS**

As per AS 13 "Accounting for Investments ", Current Investments are carried at the lower of cost or quoted / fair value, computed category-wise. Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary. Investments that are readily realisable and intended to be held for not more than 12 months from the date of acquisition are classified as current investment. All other investments are classified as non-current investments.

## **H. BORROWING COST**

As per AS 16 "Borrowing Costs", Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

## **I. INCOME RECOGNITION AND ASSET CLASSIFICATION NORMS**

Income recognition and asset classification norms prepared by an external agency relevant and applicable for long term infrastructure projects would be introduced w.e.f 01.04.2023 as per the decision of general body through circular resolution dated on 13.04.2023.

## **J. ACCOUNTING FOR TAXES ON INCOME**

Income Tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS-22), which include Current Taxes and Deferred Taxes. Provision for Current Tax is made in accordance with the provisions of The Income Tax Act, 1961. Deferred Tax assets/ liabilities representing timing differences between accounting income and taxable income are recognized to the extent considered capable of being reversed in subsequent years by applying tax rate substantively enacted as at the end of the year. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that Deferred Tax Assets arising due to unabsorbed depreciation and losses are recognised if there is a virtual certainty that sufficient future taxable income will be available to realise the same.

## **K. CASH FLOW STATEMENT**

Cash flows from operating activities are prepared using the indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

## **L. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", Provisions are recognised when KIIFB has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates. Contingent Liabilities are not recognised but are disclosed in notes. Contingent Assets are neither recognised nor disclosed in the financial statements.



## M. EMPLOYEE BENEFITS

Provision of AS 15 "Employee Benefits", has been considered while Preparation of Financial Statements

- Short Term Employee Benefits - All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognized in the period in which the employee renders the related service.
- Defined contribution plan and Defined benefit plan - KIIFB does not have any defined contribution plan and defined benefit plan as detailed in Note No 20.1 to the financial statements.

### Note - 1

#### Initial Corpus Fund

	As at 31.03.2023	As at 31.03.2022
Initial corpus fund for Major Infrastructural Development Projects	2,82,049.28	2,49,842.28
Add: Addition to Initial Corpus Fund	-	32,207.00
	<b>2,82,049.28</b>	<b>2,82,049.28</b>

1.1 The initial Corpus fund of Rs 2,49,842.28 Lakhs represents fund received towards initial corpus fund for Major Infrastructural Development Projects as per GoK Govt. Orders - G.O (Ms) No 16/2016/Plg. dated 30.03.2016 and G.O (Ms) No 18/2017/Plg. dated 30.03.2017. The amount is kept separately in government treasury account (interest free).

1.2 During the financial year 2021-22, in addition to statutory contribution received, financial support for infrastructure development amounting to Rs 32,207/- Lakhs as per G.O(Rt)No. 389/2022/Fin dated 17.01.2022 was received which has been credited under Initial Corpus fund. The amount is kept separately in government treasury account, (interest free). The additional contribution is to provide funds required over and above the mandatory entitlement of tax devolution for the year 2021-22 to KIIFB to bridge the shortfall for the year in its ALM projection calculated at an annual growth of 10% over its revenues from petrol cess and share of Motor Vehicle tax. Since the amount has been credited to special treasury savings account, the same is to be treated as part of the initial corpus fund.

### Note - 2

#### Corpus Fund - Revolving

	As at 31.03.2023	As at 31.03.2022
A. Fund from Contingency Fund of Government of Kerala	75.00	75.00
<b>Total -(A)</b>	<b>75.00</b>	<b>75.00</b>

#### B. Corpus fund by way of statutory contribution from GoK

<b>Opening Balance</b>	10,38,715.75	8,27,016.51
Add: Statutory contribution received during the year	2,46,969.00	2,06,807.62
Add: Allotment of funds under LAC-ADS	30.00	1,505.81
Add: Allotment of funds under PTA & CSR Fund	406.30	251.00
Add : Interest received during the period from Deposits made out of corpus fund (Refer Note 2.2)	1,163.71	4,145.31
Add : Corpus fund resumed by the Govt returned during the year	1,010.50	-
Less : Corpus fund resumed by the Govt .during the year (Refer note 2.6)	(103.15)	(1,010.50)
<b>Closing Balance of funds available for utilisation</b>	<b>12,88,192.11</b>	<b>10,38,715.75</b>

#### Utilisation of Corpus Fund

i) Funds Utilised for financing of direct project cost as at year end (see Note 2.4 below)	(18,73,498.29)	(14,03,520.94)
ii) Fund Utilised for financial assistance by way of long term loans to revenue generating projects as at year end (see Note 2.5 below)	(5,02,823.11)	(4,86,941.57)
iii) Deficit from operations in P & L a/c recouped (see Note 2.3 below)	(1,92,775.41)	(1,07,442.39)

#### Subtotal

	<b>(25,69,096.81)</b>	<b>(19,97,904.90)</b>
<b>Total-(B)</b>	<b>(12,80,904.70)</b>	<b>(9,59,189.15)</b>

#### C. Reserve for financial assistance to revenue generating projects

Financial assistance for revenue generating projects adjusted as per contra	5,02,823.11	4,86,941.57
<b>Total-(C)</b>	<b>5,02,823.11</b>	<b>4,86,941.57</b>

<b>Total (A)+(B)+( C )</b>	<b>(7,78,006.59)</b>	<b>(4,72,172.58)</b>
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<b>Less: Transferred to statutory contribution receivable from GoK (see Note 2.7 below)</b>	<b>(7,78,006.59)</b>	<b>(4,72,172.58)</b>
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Current portion of statutory contribution receivable	2,80,900.00	2,28,534.00
Non Current portion of statutory contribution receivable	4,97,106.59	2,43,638.58
	<b>7,78,006.59</b>	<b>4,72,172.58</b>

2.1 The corpus fund represents capital investment of State Government in KIIFB to meet its long term/short term capital requirements for financing the infrastructure projects in the State as per the objectives in the KIIF Act, 1999 as amended by amendment act of 2016.

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.

2.2 Interest generated from the investments made directly out of corpus fund amounting to Rs.1,163.71 Lakhs are credited to the corpus fund based on resolution of the board taken in line with the provisions of KIIF Act, which stipulates that such interest is to be mandatorily used for the objectives of KIIFB and hence forms a part of statutory contribution accounted under Corpus Fund. Such interest are directly attributable to deposits made out of such contribution during the year.

2.3 <b>Deficit in operations in P &amp; L a/c recouped</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
Accumulated deficit as at beginning of the year	(1,07,442.39)	(51,089.40)
Current Year profit/(Loss)	(85,333.02)	(56,352.99)
<b>Closing Balance</b>	<b>(1,92,775.41)</b>	<b>(1,07,442.39)</b>

The net loss in Profit and Loss account for the year of Rs.85,333.02 Lakhs representing utilisation of Corpus Fund for meeting the expenses in relation to the administration of the fund has been recouped from the Corpus Fund by transferring an amount equal to the net loss for the year from operations from Corpus Fund to P&L a/c.

2.4 <b>Particulars of Fund Utilised out of Corpus Fund / Statutory contribution for direct project cost</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
Opening Balance	14,03,520.94	8,04,640.40
Add: Utilised during the year for financing of direct project cost (See Note 19)	4,69,977.35	5,98,880.54
<b>Closing Balance</b>	<b>18,73,498.29</b>	<b>14,03,520.94</b>

2.4.1 KIIFB received an amount of Rs.1,36,500 Lakhs as loan funds sanctioned by NABARD for various specific projects. An amount of Rs. 87,259.77 Lakhs has been paid upto the reporting period of which Rs.51,670.43 Lakhs has been incurred towards the project cost and included in the above utilisation. Balance Rs 35,589.34 Lakhs has been given by way of loan for revenue generating projects.

2.5 <b>Particulars of Fund Utilised out of Corpus Fund / statutory contribution for financial assistance to revenue generating projects</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
Opening Balance	4,86,941.57	2,36,928.04
Add : Financial assistance given during the year(net of repayment)	15,881.54	2,50,013.53
<b>Closing Balance</b>	<b>5,02,823.11</b>	<b>4,86,941.57</b>

2.6 Corpus amount of Rs.103.15 Lakhs has been resumed by government during the year based on the Government Direction Number 1458/2023/F2 dt 30.03.2023 and recredited back to the treasury account subsequently on 04-04-2023.

2.7 <b>Particulars of Fund transferred to statutory contribution receivable from GoK</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
Current portion of statutory contribution receivable	2,80,900.00	2,28,534.00
Non Current portion of statutory contribution receivable	4,97,106.59	2,43,638.58
	<b>7,78,006.59</b>	<b>4,72,172.58</b>

2.7.1 The balances under statutory contribution receivable from GoK of Rs.7,78,006.59 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.



2.7.2 Current portion of statutory contribution receivable has been ascertained on the basis of Budgetary allotment of statutory contribution as per annual Finance Act 2023 of GoK and balance amount has been shown under Non Current Asset.

**Note - 3**

**Long Term Borrowings**

**Unsecured Loans**

	As at 31.03.2023	As at 31.03.2022
(a) Loan from KNRKWB	30,645.48	
Add: Transfer of accrued interest on maturity	1,647.31	
KNRKWB under Pravasi dividend scheme (Note 3.3, 3.4)	32,292.79	28,772.17
(b) KSFE Pravasi Bond (Note 3.1)	91,113.00	64,680.00
(c) Masala Bond (Note 3.2)	2,15,000.00	2,15,000.00
(d) Loan From Banks and Financial Institutions (Note 3.4)		
i. Loan From NABARD	1,17,330.00	1,23,074.00
ii. Loan From SBI	75,558.49	88,054.02
iii. Loan From Union Bank	58,750.00	67,500.00
iv. Loan From Indian Bank	89,758.96	94,728.54
v. Loan From Canara Bank	67,113.34	69,121.83
vi. Loan from Bank of Maharashtra	1,00,662.47	89,450.12
vii. Loan from Bank of Baroda	2,00,000.00	1,65,000.00
viii. Loan from Bank of India	70,000.00	52,500.00
ix. Loan from ICICI	20,000.00	-
x. Loan from Kotak Mahindra Bank	10,000.00	-
xi. Loan from REC	3,79,602.27	2,00,109.84
xii. Loan from KFC	1,00,000.00	-
xiii. Loan from HUDCO	1,50,000.00	50,000.00
<b>Total A</b>	<b>17,77,181.32</b>	<b>13,07,990.52</b>
<b>Less: Current Maturity of loan shown under Short Term Borrowings:</b>		
i. Loan From NABARD	10,359.38	5,744.00
ii. Loan From REC	25,893.51	-
iii. Loan from KFC	12,500.00	-
iv. Loan From Union Bank	8,750.00	8,750.00
v. Loan From Indian Bank	8,820.00	5,040.00
vi. Loan from SBI	12,500.00	12,500.00
vii. Loan from Canara Bank	3,250.00	2,000.00
viii. Loan from Bank of Baroda	14,843.75	-
ix. Loan from Bank of India	1,750.00	-
x. Loan from Bank of Maharashtra	5,000.00	-
xi. KSFE Pravasi Bond	21,256.80	9,410.00
xiii. Masala Bond	2,15,000.00	-
xiv. Loan from ICICI	5,000.00	-
<b>Total B</b>	<b>3,44,923.44</b>	<b>43,444.00</b>
<b>Total (A-B)</b>	<b>14,32,257.88</b>	<b>12,64,546.52</b>

**Note - 3.1**

**KSFE Pravasi Bond**

KIIFB had issued Security Bonds & Deposit Bonds to KSFE Ltd. Security bonds carry the interest rate of that for FDs (of similar tenure) at Government Treasury prevailed during the time of issue of the Bonds and the rate offered by Deposit Bond is 0.10% higher than Security bond. Exclusive Government orders are also been issued in this regard. These bonds are also backed by the Guarantee of the State to the extent of value of Bond Outstanding.



**Note - 3.2****Masala Bond @ 9.723%**

KIIFB had raised an amount of Rs. 2150 crore 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 .The interest has to be serviced on semi-annual basis and the principal amount at the end of the Bond period. This bond offering is also backed by guarantee given by Government of Kerala for the repayment of its interest and principal amount. For the purpose of repayment of Masala Bond, the management has made investment in sinking fund and government securities as per terms of the issue. The value of such investment made is referred to in Note No 12 being Investment in Government Securities and referred to in Note No 13 being Sinking Fund Account with Axis Bank.

**Note - 3.3**

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.

**Note - 3.4****Loan From Banks and Financial Institution and other lenders**

i. KIIFB has availed Loan from various Public Sector Banks, scheduled banks, companies and Financial Institutions duly backed by Guarantee of Government of Kerala as mandated by the KIIF Act, 1999 and subsequent amendment Act of 2016 passed by Kerala Legislature except in the case of loan from Kerala Non Residents Keralites' Welfare Board (KNRKWB) under Pravasi dividend scheme which is guaranteed by GoK to KNRKWB.

ii. The details of the term loans and the terms of repayment are as follows:

SI No	Name of lender	Sanction Date	Amount Sanctioned (in INR Crores)	Tenure and Interest Rate (%)	Repayment Terms
1	State Bank of India	15.12.2018	1000	10 Years with 2 years moratorium Interest Rate of 7.7% 8.2% (w.e.f 31/07/2022) 9.05% (w.e.f 31.01.2023)	In 32 equal quarterly instalments of Term Loan availed within 18 months of first disbursement and commencing after a moratorium of 24 months from the date of first disbursement.
2	Indian Bank	19.12.2018	500	12 Years with 2 years moratorium Interest Rate of 7.7% 8.3%(w.e.f 9/11/2022) 9.3% (w.e.f 31/1/2023)	Repayable in 120 monthly instalments of Rs.4.20 Crore each besides interest charged on monthly rests after an initial moratorium period of 2 years. Interest to be serviced as and when debited including during holiday period. Total door to door tenure is 12 years.



2	Indian Bank	30.06.2021	500	12 Years with 2 years moratorium Interest Rate of 7.5% 8.4%(w.e.f 9/11/2022)	Repayable in 120 monthly instalments of Rs.4.20 Crore each besides interest charged on monthly rests after an initial moratorium period of 2 years. Interest to be serviced as and when debited including during holiday period. Total door to door tenure is 12 years.
3	Union Bank of India	15.02.2020	250	12 Years with 2 years moratorium Interest Rate of 7.55% 8.95% (w.e.f 26.02.2023)	The Term loan to be repaid in 120 equal monthly instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced as and when due whether debited or not.
		29.12.2018	500	10 Years with 2 years moratorium Interest Rate of 7.55% 8.7% (w.e.f 04.02.2023)	The Term loan to be repaid in 96 equal instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced every month.
4	NABARD	24.03.2017	200.8	12 Years including 2 Years moratorium Interest Rate of 9%	12 Years including 2 Years moratorium. Principal to be repaid in 40 quarters.
			364.2	12 Years including 2 Years moratorium Interest Rate of 8.8%	
		27.04.2021	800	15 Years including 2 Years moratorium Interest Rate of 7.9%	15 Years including 2 Years moratorium. Principal to be repaid in 52 quarters.
5	Canara Bank	29.08.2019	200	12 Years with 2 years moratorium Interest Rate of 7.55% 7.85%(w.e.f	The Term loan to be repaid in 40 equal quarterly instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced every month.
		30.11.2021	500	12 Years with 2 years moratorium Interest Rate of 7.45% 8.35%(w.e.f 31/12/2022)	
6	KNRKWB under Pravasi dividend scheme	19.12.2019	181.1	Interest rate @9%	Repayment in accordance with the terms of the pravasi dividend scheme.
			132.8	Interest rate @8.3%	



7	Bank of India	21.12.2021	700	12 Years with 2 years moratorium Interest Rate of 7.45% 8.35%(w.e.f 24/12/2022)	The Term loan to be repaid in 40 equal quarterly instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced every month.
8	Bank of Maharashtra	26.07.2021	1000	12 Years with 2 years moratorium Interest Rate of 7.50% 7.8%(w.e.f 23/09/2022)	The Term loan to be repaid in 40 equal quarterly instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced every month.
9	Bank of Baroda	26.05.2021	750	10 Years with 2 years moratorium Interest Rate of 7.55% 8%(w.e.f 30/09/2022)	The Term loan to be repaid in 32 equal quarterly instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced every month.
		29.09.2021	1250		
10	Rural Electrification Corporation Limited	06.06.2021	4000	7 Years with 2 years moratorium Interest Rate of 8.80%	The Term loan to be repaid in 60 equal monthly instalments after initial moratorium of 2 years. In the moratorium period interest has to be serviced every month.
11	Housing and Urban Development Corporation Ltd.(HUDCO)	01.09.2021	1000	15 Years with 2 years moratorium Interest Rate of 7.45% 8.8% (w.e.f 22.03.2023)	The Term loan to be repaid in 52 equal quarterly instalments after initial moratorium of 2 years. In the moratorium period interest has to be serviced quarterly.
		06-10-2022	2000	15 Years with 2 years moratorium Interest Rate of 8.8%	The Term loan to be repaid in 2 quarterly instalments after initial moratorium of 2 years. In the moratorium period interest has to be serviced quarterly.



12	ICICI Bank	28-01-2022	300	5 Years with 1 Year moratorium Interest Rate 7.45%	The Term loan to be repaid 8 equal semi-annual instalment after a moratorium of 1 year from date of 1st disbursement
13	Kotak Mahindra Bank	28-09-2022	100	5 year including moratorium of 2 years Interest Rate 8.4%	Moratorium shall be 2 years from the date of first Loan disbursement Loan shall be repaid by way of 36 monthly principal payments starting from month following the 2 year moratorium Interest shall be paid on monthly basis.
14	Kerala Financial Corporation (KFC)	28-06-2022	1000	7 years with 12 months moratorium Interest Rate of 7.95%	The Term loan to be repaid in 24 equal quarterly instalment commencing after a moratorium of 12 months from the date of first instalment

**Note - 4**

**Other Long term liabilities**

	As at 31.03.2023	As at 31.03.2022
Interest Accrued on Loan From KNRKWB under Pravasi dividend scheme	6,374.54	3,509.29
Less: Transfer of accrued Interest to principal upon maturity	(1,647.31)	-
Retention Money Payable	674.02	-
	<b>5,401.25</b>	<b>3,509.29</b>

**Note - 5**

**Short Term Borrowings**

**Secured, Repayable on Demand**

	As at 31.03.2023	As at 31.03.2022
Short Term Loan from Kotak Mahindra Bank (Secured by pledge over Debt/Gilt Mutual Fund) (Maximum tenor of 180 days ,repayable on demand)	-	60,000.00
<b>Total-(A)</b>	<b>-</b>	<b>60,000.00</b>

**Current maturity of long term borrowing :**

i. Loan From NABARD	10,359.38	5,744.00
ii. Loan From REC	25,893.51	-
iii. Loan from KFC	12,500.00	-
iv. Loan From Union Bank	8,750.00	8,750.00
v. Loan From Indian Bank	8,820.00	5,040.00
vi. Loan from SBI	12,500.00	12,500.00
vii. Loan from Canara Bank	3,250.00	2,000.00
viii. Loan from Bank of Baroda	14,843.75	-
ix. Loan from Bank of India	1,750.00	-
x. Loan from Bank of Maharashtra	5,000.00	-
xi. KSFE Pravasi Bond	21,256.80	9,410.00
xii. Masala Bond	2,15,000.00	-
xiv. Loan from ICICI	5,000.00	-
	<b>3,44,923.44</b>	<b>43,444.00</b>
	<b>3,44,923.44</b>	<b>1,03,444.00</b>

**Total (A)+(B)**



**Note - 6****Other Current Liabilities**

	As at 31.03.2023	As at 31.03.2022
Sundry Creditors for Expenses (Note 6.1)	706.50	1,034.84
Guarantee Commission Payable	13,085.45	9,591.54
Statutory Liabilities	907.02	1,180.87
Centage Payable	410.68	1,006.88
Interest on Masala Bond Payable	171.82	171.82
Interest on KSFE Bond Payable	1,515.86	1,109.83
Interest on Term Loan Payable	180.89	198.28
Interest on KNRKWB Loans	16.28	-
Salary Payable	53.70	60.28
Audit Fee Payable	10.66	10.76
<b>Total</b>	<b>17,058.86</b>	<b>14,365.10</b>

6.1 Sundry creditors for expenses does not include bills raised by Rail India Technical and Economic Services (RITES) for work done up to 31/03/2023 amounting to Rs.1,060.69 Lakhs which are pending to be approved by the Board .In addition to the above, an amount of Rs 211.17 Lakhs (including an amount of Rs.135.30 Lakhs more than one year) for which claims were not accepted by KIIFB which credit note has not been raised by the party.(Details disclosed in Note 28.4 relating to Invoices pending approval).

**Note - 7****Written down balance of Property, Plant and Equipment & Intangible Asset**

	As at 31.03.2023	As at 31.03.2022
Tangible assets	485.21	454.70
Intangible assets	1,473.66	2,369.11
<b>Total</b>	<b>1,958.87</b>	<b>2,823.81</b>

Refer Note -7 Property, Plant and Equipment and Depreciation statement

**Note - 8****Non-current investments**

	As at 31.03.2023	As at 31.03.2022
Investment in Associate Company - Kerala Infrastructure Fund Management Limited (unquoted)	167.45	167.45
Investment in wholly owned subsidiary company - KIIFCON Pvt Ltd (unquoted)	258.07	-
<b>Total</b>	<b>425.52</b>	<b>167.45</b>

8.1 Kerala Infrastructure Fund Management Limited is a Company formed under Companies Act, 2013 with main objective of Fund Management services.

8.2 KIIFCON Private Limited is a Company formed under Companies Act, 2013 as a wholly owned subsidiary of KIIFB with main objective to provide consultancy services in the fields of infrastructure and related technologies. Specific general body approval is to be taken in ensuing meeting for additional investment in KIIFCON, as per section 6(h) of KIIF Act. The value of net asset being the excess of income over expenditure earned during the pre-incorporation period of KIIFCON amounting to Rs.158.07 Lakhs was converted into equity investment as above.

**Note - 9****Deferred Tax Asset****Particulars**

	As at 31.03.2023	As at 31.03.2022
<b>Opening Balance</b>	(363.44)	(228.84)
Add : Deferred Tax Asset \Liability) for the year	(5.35)	(134.60)
<b>Closing Deferred Tax Asset /(liability)</b>	<b>(368.79)</b>	<b>(363.44)</b>

**Components of Deferred****Tax****Deferred Tax Liability : A**

	As at 31.03.2023	As at 31.03.2022
On ICDS adjustment on revenue recognition	12,865.41	11,526.93
On excess of net book value over Income Tax Written Down Value of Property, Plant & Equipment	247.93	501.17
	<b>13,113.34</b>	<b>12,028.10</b>

**Deferred Tax Asset : B**

On business loss and unabsorbed depreciation

**Net Deferred tax liability (A-B)**

	As at 31.03.2023	As at 31.03.2022
	12,744.55	11,664.66
	<b>368.79</b>	<b>363.44</b>



**Note - 10****Long Term Loans & Advances  
(Considered good)**

	As at 31.03.2023	As at 31.03.2022
Financial assistance made to Revenue Generating Projects (contra by credit to Financial assistance Reserve for revenue)	3,99,373.48	3,88,929.57
Accrued Interest on Loans for projects	87,572.53	52,301.25
<b>Total-(A)</b>	<b>4,86,946.01</b>	<b>4,41,230.82</b>
<b>(Considered doubtful)</b>		
Financial assistance made to Revenue Generating Projects	30,117.04	-
Accrued Interest on Loans for projects	9,267.80	-
Less : Provision for conversion of Loan into Non income generating project	(39,384.84)	-
<b>Total-(B)</b>	<b>-</b>	<b>-</b>
<b>Total(A+B)</b>	<b>4,86,946.01</b>	<b>4,41,230.82</b>

10.1 The meeting of the General Body of KIIFB held on 27.02.2023 has directed to take steps to frame and develop IRAC norms relevant and applicable for long term infrastructure projects based on study conducted by an external agency. Such norms prepared have been approved by the General Body at its meeting held on 27.02.2023 and amended by way of circular resolution dated 13.04.2023 thereafter. The General Body has decided to reinstate the norms w.e.f 1st April 2023 with modifications suggested to the norms which were in force upto 31.03.2021.

10.2 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 finance 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. 2,92,019.44 Lakhs

10.3 Out of the financial assistance to revenue generating projects an amount of Rs.44,679.68 Lakhs is secured by way of mortgage by deposit of title deed.

**Note - 11****Other Non Current Assets****Considered Good**

	As at 31.03.2023	As at 31.03.2022
TDS Credit (F.Y. 2022-23) Refer Note 27.1	1,094.30	-
TDS Credit (F.Y. 2021-22)	1,139.44	1,139.44
TDS Credit (F.Y. 2020-21)	-	1,807.86
TDS Credit (F.Y. 2019-20)	3,564.81	3,940.58
Income Tax Refund Due (F.Y. 2018-19)	118.79	118.79
Deposits	64.53	85.32
<b>Total-(A)</b>	<b>5,981.87</b>	<b>7,091.99</b>

**Considered Doubtful**

TDS Credit (F.Y. 2019-20)	375.77	-
Less: Provision for TDS Asset (refer Note 22.4)	375.77	-
<b>Total-(B)</b>	<b>-</b>	<b>-</b>
<b>Total (A)+(B)</b>	<b>5,981.87</b>	<b>7,091.99</b>

**Note - 12****Current Investments at cost**

	As at 31.03.2023	As at 31.03.2022
SBI Mutual Funds (Growth Fund) refer note 12.1	60,000.00	60,000.00
Investment in Government Securities refer note 12.2	44,698.05	-
Accrued Interest on Investment in Government Securities	476.97	-
<b>Total</b>	<b>1,05,175.02</b>	<b>60,000.00</b>

12.1 Net Asset Value of SBI Mutual Funds as at year end is : Rs 72,787.89 Lakhs ( PY : Rs 68,980.30 Lakhs-)

12.2 The market value of Investment in Government Securities and Government Strips as at reporting date is Rs.44,825.94 Lakhs Investment in Government securities are made as stipulated in the terms of Masala Bond issue. Face value/redemption value of securities at the time of maturity amounts to Rs.45,551.50 Lakhs



**Note - 13****Cash and Cash Equivalents**

	As at 31.03.2023	As at 31.03.2022
Cash on Hand	0.02	0.01
Balance with Treasury	0.01	9.51
Balance with Banks	-	-
in Term Deposits	2,86,156.72	1,63,183.00
in Sweep Accounts	-	20.62
in Savings account and current account	24,241.38	1,14,579.94
	<b>3,10,398.13</b>	<b>2,77,793.08</b>
Other bank balance		
Balance with Treasury (Refer Note 13.1)	2,82,049.28	2,82,049.28
In Masala Bond Sinking Fund Account with Axis Bank (Refer Note 13.2)	23.06	21,500.00
<b>Total</b>	<b>5,92,470.47</b>	<b>5,81,342.36</b>

13.1 Balance with treasury under other bank balances represents initial Corpus fund and additional financial support to infrastructure development of Rs 2,82,049.28 Lakhs kept separately in government treasury account.

13.2 Represents balance earmarked as per terms of issue of Masala Bond

**Note - 14****Short Term Loans and Advances**

	As at 31.03.2023	As at 31.03.2022
Advances and other Receivables (refer note 14.1 ,14.2)	2,342.08	898.42
Current maturity of Financial assistance made to Revenue Generating Projects '(contra by credit to Financial assistance Reserve for revenue)	1,03,449.63	98,011.99
<b>Total</b>	<b>1,05,791.71</b>	<b>98,910.41</b>

14.1 Advance and receivable includes an amount of Rs.63.68 Lakhs receivable from KIFML and Rs. 72.48 Lakhs receivable from KIIFCON as disclosed in Note No. 29.

14.2 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.

**Note - 15****Other Current Assets**

	As at 31.03.2023	As at 31.03.2022
Prepaid Expenses	92.04	140.57
Accrued Interest on Deposits	5,211.40	4,397.64
<b>Total</b>	<b>5,303.44</b>	<b>4,538.21</b>

**Note - 16****Interest income from deposits and investments**

	For the year ended 31.03.2023	For the year ended 31.03.2022
Interest earned during the year	17,682.44	17,116.11
Less : Interest received during the period from Deposits made out of corpus fund (Refer note 2.2)	(1,163.71)	(4,145.31)
	<b>16,518.73</b>	<b>12,970.80</b>

**Note - 17****Interest Income from Financial Assistance for revenue generating project**

	For the year ended 31.03.2023	For the year ended 31.03.2022
Interest Income from Financial Assistance for revenue generating project	46,541.05	28,024.93
	<b>46,541.05</b>	<b>28,024.93</b>

17.1 Interest income on loans granted for revenue generating projects is recognised on accrual basis as per the terms of the loan agreement, wherever such agreements have been entered into. Such loan agreement are entered into upon reaching 40% stage of disbursement as per the terms of the tripartite agreement between KIIFB, the SPV and the concerned Govt department. In case of loans granted for which the loan agreement is pending to be executed, interest is recognised on accrual basis at interest rates as per comparable loan agreements entered into with other parties or at the interest rates agreed upon at the time of sanction of loan, as the case may be, as per the estimate of the management. Based on the above terms, KIIFB charges interest income at the rate of Average Cost of Domestic Borrowing (ACDB) of KIIFB reset every six months in a calendar year with monthly compounding for entire revenue generating projects (other than loan given to KSFDC of Rs. 1,551.59 Lakhs ,KSRTC of Rs.3,697.59 Lakhs and KTDC of Rs.800.24 Lakhs).



- 17.2 On facts of the case, many of the projects financed with long gestation period are yet to be completed as at the year end. As per the terms of the loan sanctioned the repayment of principal and interest commences on completion of moratorium period and it is not contingent on the project earning any revenue. There have been certain significant time overrun on some of the projects due to the impact of covid 19 but interest is payable on completion of moratorium period regardless of project completion or whether project is earning revenue or not.
- 17.3 Loan agreements are pending to be executed with one SPV as at 31.03.2023 for loan outstanding aggregating to Rs.1,47,366.90 Lakhs(which includes loan amount more than one year of Rs.1,18,211.37 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. Steps are under process for execution of loan agreements which is pending the requisite clearance from the concerned departments of the Govt of Kerala .
- 17.4 The interest income recognised includes an amount of Rs. 18,837.23 Lakhs (which represents cases dealt with in Para 17.3 above and loans with progress/ disbursements which is below 40%) for which original loan agreement is pending to be executed as at 31.03.2023. This includes interest amounting to Rs. 13,812.97 Lakhs which have exceeded 40% stage of disbursement.

<b>Note - 18</b>	<b>For the year ended</b>	<b>For the year ended</b>
<b>Other Income</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
Sundry Balances Written Back	-	254.04
Miscellaneous Income	1.52	0.43
Interest on Income Tax refund	119.87	-
Income from Consultancy Division	206.91	-
Right to Information	-	0.01
<b>Total</b>	<b>328.30</b>	<b>254.48</b>

<b>Note - 19</b>	<b>For the year ended</b>	<b>For the year ended</b>
<b>Financing of direct cost of projects -Out of Corpus Fund</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
General Education	23,172.82	33,321.01
Public Works	1,86,043.19	4,03,784.54
Water Resources	74,987.55	63,341.68
Medical	45,624.37	22,251.61
Higher Education	12,258.91	10,817.38
Other Projects	52,261.01	34,136.78
NABARD Project	12,741.68	13,304.82
Loan to KINFRA written off Direct project cost (Refer Note 19.4)	4,055.64	-
Provision for conversion of loan into Non income generating project(incl accrued interest) (Refer Note 19.5)	39,384.84	-
Centage/ Additional Centage	7,535.74	11,020.46
Allocation of Expenses towards Projects	11,911.60	6,902.26
	<b>4,69,977.35</b>	<b>5,98,880.54</b>

19.1 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.

19.2 Expenses towards Projects includes 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 31.03.2023 from the inception.

19.3 Government of Kerala has entrusted KIIFB the work of providing the entire cost of infrastructure facility to the programmes in connection with the first anniversary celebrations of the Government 'Ente Keralam' being arranged by The Information & Public Relations Department vide GO No.4/2022/1&PRD dated 18.02.2022.

Allocation of Expenses towards Projects includes cost incurred towards 'Ente Keralam' program during the period is Rs.5,203.37 Lakhs , which consists of payments made to Indian Institute of Infrastructure & Construction (IIIC) of Rs.2,572.09 Lakhs ( which is government owned institution as per GO ), Kerala State Industrial Enterprise Ltd of Rs.1,380.74 Lakhs, Global Kerala Initiative of Rs.1,030.29 Lakhs and Other Parties Rs.220.25 Lakhs which are direct expenses to be capitalised.



The above agencies (including IIC which is a government owned institute as per GO 95/2019/LBR dt.24.10.2019) have been appointed on nomination basis by the CEO pending to be ratified by the general body. Payments for each activity has been preapproved by the media cell and such payments are duly authenticated by media cell based on requisite documentation authenticating supply / service received. Due to practical difficulties arising out of urgency of works, issue of work orders to the nominated agencies has been done after completion of work and receipt of invoices in many cases. The expenditure incurred aggregating to Rs.5,203.37 Lakhs is therefore proposed to be approved by the board in ensuing meeting, being not covered by the budget.

19.4 Loan converted to project cost referred to an amount of Rs.4,055.64 Lakhs as per approval of GoK vide Order no.8/2023/ID dated 09.02.2023 which relates to loan given to State Government controlled entity - M/s Kerala Industrial Infrastructure Development Corporation.

19.5 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, in respect of the cost incurred on project Bio 360 life science park-Phase I of Rs. 30,117.04 Lakhs and accrued interest Rs.9,267.80 Lakhs related to the said loan upto 31.03.2021, a proposal for conversion of this project which was hitherto treated as revenue generating, into non -revenue generating project. Consequent to this the cost incurred as above would turn out to be irrecoverable. The total cost of Rs.39,384.84 Lakhs has been fully provided for and transferred to project cost in the accounts in anticipation and subject to approval of the general body of KIIFB and GoK Order. No interest has been recognised on the project subsequent to 31.03.2021 pending implementation of a resolution plan. As per the minutes of the said meeting, if any commercial consideration is received on disposal of land, such sums shall be remitted to KIIFB towards the above loan and on receipt basis such sum shall be treated as revenue.

**Note - 20**

**Employee Benefit Expenses**

	For the year ended 31.03.2023	For the year ended 31.03.2022
Salary, Wages & Allowances	647.76	646.85
Employers Contribution to various Fund	4.11	8.54
Other Employee Expenses	103.92	71.56
<b>Total</b>	<b>755.79</b>	<b>726.95</b>

20.1 The employees in KIIFB working on contract basis do not come under the purview of the Central Provident Fund and Gratuity rules for compulsory remittance of PF and Gratuity contributions. Other than through cadre posts, deputation or direct contract, KIIFB has an arrangement for obtaining necessary outsourced services through CMD. Hence the provisions of the CPF and Gratuity Act/Rules are currently not applicable to KIIFB.

**Note - 21**

**Finance Cost**

	For the year ended 31.03.2023	For the year ended 31.03.2022
Guarantee Commission (GOK)	13,085.44	9,591.55
Interest on Loan from Banks and Financial Institution	98,442.76	54,391.43
Interest on Masala Bond	20,904.78	20,904.78
Interest on KSFE Bond	6,202.47	4,148.53
Interest on Loan from KNRKWB	2,907.73	2,264.35
Other Interest and Finance Charge	153.30	146.37
<b>Total</b>	<b>1,41,696.48</b>	<b>91,447.01</b>

**Note - 22**

**Other Expenses**

	For the year ended 31.03.2023	For the year ended 31.03.2022
Technical & Consultancy Charges	1,403.11	1,127.23
Professional Fee	252.70	204.83
Promotional Expenses	661.03	907.90
Meeting and Conference Expense	24.58	6.77
Repairs and Maintenance	41.28	4.41
Electricity & Water Charges	19.99	12.61
Rent and Utility Charges	261.67	228.03
Telephone & Internet Charges	4.46	5.21
Vehicle Hire Charges	145.06	101.56
Printing and Stationery	16.66	15.34
Miscellaneous Expense	22.86	48.61
Provision for TDS Asset FY 2019-20 (refer Note 22.4 below)	375.77	-
Fixed Assets Written Off	-	11,73



Receivable Written Off (refer Note 22.3 below)	164.56	-
Payments to the auditor (Refer Note 22.1 below)	18.17	12.69
GST on Reverse charge mechanism	311.35	290.48
Rates and Taxes	-	4.15
Software Charges	124.62	111.73
KSFE Software operating and hosting charges	1,289.24	986.16
<b>Total</b>	<b>5,137.11</b>	<b>4,079.44</b>

#### 22.1 Details of Payments to the Auditor

Amount in Rs.

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Statutory Audit fees	11.87	8.64
Special Purpose Audit Fee	1.50	-
Tax Audit fees	0.50	1.00
Other taxation services	4.00	3.05
Other certification services	0.30	-
<b>Total</b>	<b>18.17</b>	<b>12.69</b>

22.2 Expenditure incurred under various expenses heads includes an amount aggregating to Rs.7,041.70 Lakhs being the actual expenditure incurred in excess of the operational budget approved in the general body for the FY 2022-23 which is to be approved/ratified in the General Body of KIIFB to be held for approval of accounts for the year. The details are given below.

Head of Account	Actual (I)	Budget- (II)	Excess-(III)
Salary & allowances	739.68	726.50	13.18
TRC Expenses	3,564.98	2,250.17	1,314.81
Repairs & maintenance	41.28	4.26	37.02
Training expenses	2.13	-	2.13
Misc administrative expe	6,734.42	1,059.86	5,674.56
<b>Total</b>	<b>11,082.49</b>	<b>4,040.79</b>	<b>7,041.70</b>

22.3 Receivable written off includes an amount of Rs.140.96 Lakhs related to C-DIT ( GoK Body) which was pending reconciliation for long period has been written off to P&L A/c of the period, since efforts put in for such reconciliation did not yield any positive outcome.

22.4 TDS amount on the Interest income from bankers of Rs.375.77 Lakhs being difference noted in prior years between the books of accounts and Form 26AS (being higher amount in books) has been provided for since the efforts put in does not yield any positive outcome.

#### Note - 23

##### Prior Period Item

##### Prior Period Income -

Reimbursement of Expenses incurred on behalf of KIFML  
Rent Deposit  
Interest income on TDS credit reconciliation

##### Prior Period Expenditure -

Advertisement & Promotion Expenses  
Software Subscription and Manpower Cost  
Rental Charges  
Salaries and Allowances  
Professional & Consultancy Expenses  
Other Administrative Expenses

##### Total

For the year ended  
31.03.2023

For the year ended  
31.03.2022

-	46.89
-	8.36
-	322.43
-	330.41
25.78	-
0.55	22.47
-	9.86
-	41.50
-	8.13
<b>(26.33)</b>	<b>(34.69)</b>



**Note - 24**

During the year, KIIFB had incurred an expenditure of Rs.1,289.24 Lakhs for operating, hosting and value adding charges of KSFE Pravasi chitty software which includes mostly payments made to outsourced agency which are supported by invoices of intermediaries and invoices of end service providers have been furnished to KIIFB on sample basis. The aggregate maintenance expenditure for a period of 3 years from 2020-21 to 2022-23 amounts to Rs.3,103.59 Lakhs against the original cost of Rs.3,037.94 Lakhs(Gross carrying value). In accordance with the Memorandum of Agreement (MoA) entered into between KIIFB and KSFE, the parties shall enter into a separate agreement covering the terms of repayment of the expenses incurred by KIIFB towards development of the Pravasi Chitty software and incidental charges. According to the management, though the software is being used by KSFE, the ownership is vested with KIIFB and entire economic benefits of the scheme are shared by KIIFB also, as envisaged in MoA. Due to the on going development activity, the separate agreement for recovery is pending to be executed. At this stage, the cost for development of software is treated as intangible asset based on consideration and approval of proposal by KIIFB and other operating, hosting and value adding charges are charged to P&L. The effective control of the above software vests with KIIFB. The management does not expect any impairment loss in the value of software considering the pendency of execution of agreement with KSFE for recovery of cost. Management intends to take up the matter regarding recovery of capital cost and operating cost of software incurred from inception with KSFE at the time of finalisation and entering into agreement as noted above.

**Note - 25**

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. 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 has found to be properly in place to safeguard the best interest of KIIFB.

**Note - 26**

Commitments - KIIFB sponsored the Kerala Infrastructure Fund (KIF) as AIF (Alternate Investment Fund) registered with SEBI in April 2019. As per SEBI regulations, the sponsor of the fund must commit a minimum of 2.5% or Rs. 5 crores of the fund size and maintain the said minimum amount as continuing interest of the sponsor towards sponsor's commitment, as required under Regulation 10(d) of the AIF regulations, during the term of the Fund. As per the draft PPM submitted to SEBI, the Fund size of KIF is indicated as Rs 3000 Cr (Rs. 1500 crore with green shoe option of Rs. 1500 crore).

The General Body has decided the capital commitment as 10% of the fund size subject to a maximum of Rs 300 crores.

**Note - 27**

27.1 Reconciliation of Form 26 AS (as per Income Tax Act,1961) and Book of accounts - Interest income as per Form 26 AS is higher by Rs.277.32 Lakhs with respect to a particular bank which is prima facie noted to be duplication of entry in Form 26 AS which is subject to reconciliation. TDS portion of the same was also not taken credit for in books of accounts due to above mismatch.

**Note - 28****Contingent Liability**

28.1 During the previous year Income tax demand of Rs 112.57 Lakhs was raised for AY 2018-19 under limited scrutiny assessment disallowing the carried forward business loss of Rs.203.46 Lakhs for the A.Y.2014-15 against which appeal has been filed with higher authorities and is pending disposal. The demand amount of Rs 32.25 Lakhs is on account of erroneous computation in the assessment order for which rectification has been filed and has not been paid or provided for in positive anticipation of a favourable order. The balance demand of Rs 80.33 Lakhs has been paid and written off to Profit & Loss account in the previous year though the matter has been contested on appeals before higher authorities as stated above on a due consideration of the grounds of appeal.

Income Tax Department has adjusted the said demand amount (Rs.112.57 Lakhs) against the Refund due for AY 2019-20 which has resulted in double payment to the extent of Rs 80.33 Lakhs already remitted as stated as above. KIIFB is in the process of taking steps for recovery of said refund amount by filing a refund reissue application with the department. The entire amount has been carried forward under Refund due from the department in Note 11.



28.2 Income tax demand of Rs.190.30 Lakhs ( including interest for delayed payment ) has been raised by the DCIT -TDS u/s.201 of the Act on KIIFB by treating it as an assessee in default for non-deduction /delay in the remittance of TDS on works bills raised by contractors on SPVs/Advance payments to SPVs on the above account. The management is of the firm view that there is no liability for tax deduction in the hands of board as the privity of contract under Section 194C is between the awardee of the work (SPV) and contractor and hence TDS provisions under Chapter XVIIB are not applicable to KIIFB on such payments. The person responsible for such payment including TDS thereon is the SPV u/s 204 of the Income Tax Act is only the SPV who has awarded the work to the contractor and in whose name the work bill has been raised by contractors. KIIFB has obtained legal opinion from Senior advocate of repute on the above matter. KIIFB has also obtained stay order from Hon'ble High Court of Kerala on a writ petition filed for an interim period of six months and steps are under way to further extend the stay .The balance amount of demand has not been provided for in the accounts in positive anticipation of a favourable order on disposal of the writ petition on merits.

28.3 Demands raised for the AY 2020-21 vide order u/S.143(3) dt.27.9.22 and AY 2021-22 vide order u/S.143(3) dt.20.12.22 on completion of scrutiny assessment aggregating to Rs.1,292.01 Lakhs (Rs.79.59 Lakhs for AY 20-21 {considering the rectification order u/S.154 of the Act dt 15.03.23} and Rs.1,212.42 Lakhs 21-22) has been contested on appeals filed with appellate authorities. Since the demands have arisen on account of wrong interpretation/invoke of the provisions of Section 69C of the Income Tax Act, 1961 the amount is not considered payable by the management and not provided for quite hopeful of favourable outcome of the appeal filed.

28.4 Invoices raised by the Vendor pending approval by the management : M/s RITES, the consultant engaged during the year for independent quality review, design review, consultancy and providing assistance in empanelment of supervision consultants has raised a total claim of Rs.1,060.69 Lakhs which is pending to be approved/accepted by KIIFB as on date and hence represent claims not acknowledged as debt by KIIFB and hence not provided for. The amount is reckoned as contingent liability at this stage and would be accounted for as and when approved /accepted by KIIFB. In addition to the above, an amount of Rs 211.17 Lakhs for which claims were not accepted by KIIFB in respect of which credit note is not raised by the party. Out of the above an amount of Rs.135.30 Lakhs is more than one year for which credit note is pending to be raised by the party.

**Note - 29**

**Related Party Disclosures in accordance with AS-18**

Name of the Related Party	Nature of relationship	Nature of Transaction	For the year ended 31.03.2023	For the year ended 31.03.2022
Dr. K.M. Abraham, CFA, IAS	CEO and Member Secretary	Salary	42.49	40.18
Shri. Vikramjit Singh, IPS (upto May 2022)	Deputy Managing Director	Salary	2.88	28.22
Shri. K.P.Purushothaman	Executive Director	Salary	31.16	16.5
Shri. Satyajit Rajan, IAS	Additional CEO	Salary	34.97	26.37
KIIFCON	Wholly owned Subsidiary Company	Carrying value of Investment	258.07	0
		Balance outstanding (Receivable)	72.48	0
Kerala Infrastructure Fund Management Limited (KIFML)	Associate company	Reimbursement of Expense	3.54	50.43
		Balance outstanding (Receivable)	63.68	50.43
		Carrying Value of Investment	167.45	167.45

**Note - 30**

**Segment Reporting**

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.



**Note - 31**

Internal Audit System - During the current reporting year, concurrent internal audit has been completed up to Q4. Risk Based Internal Audit: 14 out of 15 areas in multiple frequencies has been completed as per the Audit Plan. Final Internal Audit Report up to Concurrent Audit Q2 and 7 Reports of RBIA has been issued as approved by the Internal Audit Management Committee. The matters stated in the audit report has been duly considered for making required/necessary adjustments in the books of accounts and also for preparation of financial statements.

**Note - 32**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD**

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

Thiruvananthapuram  
Date :

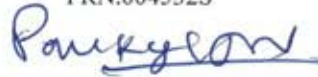


Thiruvananthapuram  
Date : 2/9/2023

**AUDITOR'S REPORT**

As per our report of even date attached

for Varma & Varma  
Chartered Accountants  
FRN.004532S



C.G Pankajakshan  
(Partner)  
M.No. 020512

**Note 7**

**Property, Plant and Equipment and Depreciation Statement For the period 01-04-2022 to 31-03-2023**

PARTICULARS		GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
SL. No.	ITEM	As on 01.04.2022	Additions		Sale/ Adjustment during the period	Total As on 31.03.2023	Rate %	As on 01.04.2022	For the Period	Sale/ Adjustment during the period	Up to 31.03.23	WDV As On 31.03.2023	WDV As On 31.03.2022
			Before 03.10.2022	on/After 03.10.2022									
<b>A</b>	<b>Tangible Asset</b>												
1	Air Cooler <i>(Previous Year)</i>	0.05 <i>(00.05)</i>	- -	- -	- -	0.05 <i>(00.05)</i>	10.00	0.05 <i>(00.05)</i>	- -	- -	0.05 <i>(00.05)</i>	- -	- -
2	Computer <i>(Previous Year)</i>	212.84 <i>(205.33)</i>	25.10 -	12.74 <i>(07.86)</i>	- <i>(00.35)</i>	250.68 <i>(212.84)</i>	10.00	156.27 <i>(120.94)</i>	35.22 <i>(35.33)</i>	- -	191.49 <i>(156.27)</i>	59.19 <i>(56.57)</i>	56.57 <i>(84.39)</i>
3	Communication Equipme <i>(Previous Year)</i>	3.78 <i>(03.78)</i>	- -	0.28 -	- -	4.06 <i>(03.78)</i>	10.00	3.52 <i>(03.35)</i>	0.16 <i>(00.17)</i>	- -	3.68 <i>(03.52)</i>	0.38 <i>(00.26)</i>	0.26 <i>(00.43)</i>
4	Furniture & Fittings <i>(Previous Year)</i>	64.74 <i>(53.22)</i>	9.28 <i>(11.69)</i>	3.21 <i>(05.08)</i>	- <i>(05.25)</i>	77.23 <i>(64.74)</i>	10.00	18.92 <i>(13.53)</i>	5.67 <i>(05.39)</i>	- -	24.59 <i>(18.92)</i>	52.64 <i>(45.82)</i>	45.82 <i>(39.69)</i>
5	Photostat Machine <i>(Previous Year)</i>	1.72 <i>(01.72)</i>	- -	- -	- -	1.72 <i>(01.72)</i>	10.00	1.61 <i>(01.53)</i>	0.05 <i>(00.08)</i>	- -	1.66 <i>(01.61)</i>	0.06 <i>(00.11)</i>	0.11 <i>(00.19)</i>
6	Printer <i>(Previous Year)</i>	4.81 <i>(03.34)</i>	0.64 <i>(00.14)</i>	1.31 <i>(01.81)</i>	- <i>(00.48)</i>	6.76 <i>(04.81)</i>	10.00	3.15 <i>(02.33)</i>	1.18 <i>(00.82)</i>	- -	4.33 <i>(03.15)</i>	2.43 <i>(01.66)</i>	1.66 <i>(01.01)</i>
7	Plant & Machinery <i>(Previous Year)</i>	258.76 <i>(258.76)</i>	20.28 -	0.68 -	- -	279.72 <i>(258.76)</i>	10.00	91.93 <i>(62.49)</i>	28.12 <i>(29.44)</i>	- -	120.05 <i>(91.93)</i>	159.67 <i>(166.83)</i>	166.83 <i>(196.27)</i>
8	Electrical Equipment <i>(Previous Year)</i>	18.51 <i>(21.93)</i>	- <i>(02.24)</i>	1.52 -	- <i>(05.66)</i>	20.03 <i>(18.51)</i>	10.00	6.50 <i>(04.54)</i>	1.28 <i>(01.96)</i>	- -	7.78 <i>(06.50)</i>	12.25 <i>(12.01)</i>	12.01 <i>(17.39)</i>
9	Vehicle <i>(Previous Year)</i>	69.61 <i>(69.61)</i>	- -	- -	- -	69.61 <i>(69.61)</i>	10.00	29.21 <i>(22.08)</i>	6.06 <i>(07.13)</i>	- -	35.27 <i>(29.21)</i>	34.34 <i>(40.40)</i>	40.40 <i>(47.53)</i>
10	Computer & Accessories <i>(Previous Year)</i>	153.63 <i>(128.70)</i>	2.55 <i>(24.93)</i>	15.75 -	- -	171.93 <i>(153.63)</i>	10.00	87.18 <i>(42.89)</i>	30.74 <i>(44.29)</i>	- -	117.92 <i>(87.18)</i>	54.01 <i>(66.45)</i>	66.45 <i>(85.81)</i>
11	Interior Decoration <i>(Previous Year)</i>	90.66 <i>(102.03)</i>	26.98 -	29.29 -	- <i>(11.37)</i>	146.93 <i>(90.66)</i>	10.00	26.07 <i>(17.63)</i>	10.62 <i>(08.44)</i>	- -	36.69 <i>(26.07)</i>	110.24 <i>(64.59)</i>	64.59 <i>(84.40)</i>
	<b>TOTAL</b>	<b>879.11</b> <i>(848.47)</i>	<b>84.83</b> <i>(39.00)</i>	<b>64.78</b> <i>(14.75)</i>	<b>-</b> <i>(23.11)</i>	<b>1,028.72</b> <i>(879.11)</i>		<b>424.41</b> <i>(291.36)</i>	<b>119.10</b> <i>(133.05)</i>	<b>-</b> <i>(424.41)</i>	<b>543.51</b> <i>(454.70)</i>	<b>485.21</b> <i>(454.70)</i>	<b>454.70</b> <i>(557.11)</i>
<b>B</b>	<b>Intangible Asset</b>												
1	Software for KSFE Pravasi Chit <i>(Previous Year)</i>	1,847.51 <i>(1847.51)</i>	- -	- -	- -	1,847.51 <i>(1847.51)</i>	10.00	1,045.19 <i>(777.75)</i>	200.58 <i>(267.44)</i>	- -	1,245.77 <i>(1045.19)</i>	601.74 <i>(802.32)</i>	802.32 <i>(1069.76)</i>



2	Software TRC <i>(Previous Year)</i>	185.31 <i>(130.23)</i>	- <i>(55.08)</i>	73.71 -	- -	259.02 <i>(185.31)</i>	10.00	78.24 <i>(42.55)</i>	35.98 <i>(35.69)</i>	- -	114.22 <i>(78.24)</i>	144.80 <i>(107.07)</i>	107.07 <i>(87.68)</i>
3	Other Software <i>(Previous Year)</i>	92.76 <i>(92.76)</i>	11.78 -	- -	- -	104.54 <i>(92.76)</i>	10.00	57.92 <i>(46.31)</i>	11.66 <i>(11.61)</i>	- -	69.58 <i>(57.92)</i>	34.96 <i>(34.84)</i>	34.84 <i>(46.45)</i>
4	Expenses on Issuance of Masala Bond <i>(Previous Year)</i>	2,473.14 <i>(2473.14)</i>	- -	- -	- -	2,473.14 <i>(2473.14)</i>	10.00	1,487.95 <i>(993.32)</i>	494.63 <i>(494.63)</i>	- -	1,982.58 <i>(1487.95)</i>	490.56 <i>(985.19)</i>	985.19 <i>(1479.82)</i>
5	Expenses on issue of KSFE Bond <i>(Previous Year)</i>	1,190.43 <i>(1190.43)</i>	- -	- -	- -	1,190.43 <i>(1190.43)</i>	10.00	750.74 <i>(512.65)</i>	238.09 <i>(238.09)</i>	- -	988.83 <i>(750.74)</i>	201.60 <i>(439.69)</i>	439.69 <i>(677.78)</i>
	<b>TOTAL</b>	<b>5,789.15</b> <i>(5734.07)</i>	<b>11.78</b> <i>(55.08)</i>	<b>73.71</b> -	<b>-</b> -	<b>5,874.64</b> <i>(5789.15)</i>		<b>3,420.04</b> <i>(2372.58)</i>	<b>980.94</b> <i>(1047.46)</i>	<b>-</b> -	<b>4,400.98</b> <i>(3420.04)</i>	<b>1,473.66</b> <i>(2369.11)</i>	<b>2,369.11</b> <i>(3361.49)</i>
	<b>TOTAL</b>	<b>6,668.26</b> <i>(6582.54)</i>	<b>96.61</b> <i>(94.08)</i>	<b>138.49</b> <i>(14.75)</i>	<b>-</b> <i>(23.11)</i>	<b>6,903.36</b> <i>(6668.26)</i>	<b>-</b>	<b>3,844.45</b> <i>(2663.94)</i>	<b>1,100.04</b> <i>(1180.51)</i>	<b>-</b>	<b>4,944.49</b> <i>(3844.45)</i>	<b>1,958.87</b> <i>(2823.81)</i>	<b>2,823.81</b> <i>(3918.60)</i>

**Note** 7.1 The management estimates that the future economic benefit from the expenditure towards issue of Masala Bond and issue of KSFE Bond will accrue to the Board over the period of the Bond being 5 years. Accordingly, such expenditure are treated as Intangible Asset and amortised over 5 years.

7.2 The property, plant and equipment and the intangible assets are purchased using the corpus fund received. However, the amount is not deducted from the gross value of assets or no separate deferred income is recognised for an amount equivalent to the cost of asset in accordance with AS-12 Accounting for Government Grants, since the break up details of assets acquired out of corpus fund/loans have not been maintained.

7.3 The system of maintenance of a formal Fixed Asset register showing full particulars of assets in various locations and physical verification of fixed assets is in the process of implementation. Physical verification of fixed assets and reconciliation of values with asset register is pending to be done and adjustments if any required on such verification would be made in the succeeding year on completion of this process. Based on the management assessment of the internal controls in place over physical possession and available records regarding details of fixed assets, no material discrepancies are expected to arise on physical verification of fixed assets.

7.4 The Gross carrying value and net carrying value of intangible asset towards software for KSFE pravasi Chitty and issue expenses amounts to Rs. 3,037.94 Lakhs and Rs. 803.34 Lakhs respectively. Revenue expenses incurred towards software maintenance charges during the reporting period amounts to Rs. 1,289.24 Lakhs (cumulatively over the period amounts to Rs.3,103.59 Lakhs). The actual borrowing infused is Rs. 91,113 Lakhs only and is perpetually growing. The management estimates no impairment in the value of the asset considering the benefits out of the borrowing by issue of bonds to KSFE at reasonable rate of interest and further towards recovery of cost as per terms of MoA between KIIFB and KSFE. Accordingly the value in use as per management is sufficient to cover the net carrying value of asset. The higher expenditure on maintenance is explained by the management to be on account of substantially higher utilisation capacity of the software, as compared to its actual use/exploitation.



**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of Kerala Infrastructure Investment Fund Board,  
Thiruvananthapuram

**Opinion**

We have audited the financial statements of Kerala Infrastructure Investment Fund Board (hereinafter referred to as 'KIIFB'), which comprise the Balance Sheet as at March 31st 2022, the Profit and Loss account and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give a true and fair view of the state of affairs of the KIIFB as at March 31, 2022, and of its Nil profit/loss and its cash flows for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

**Basis for Opinion**

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 Financial Statements 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 opinion.

**Emphasis of Matter**

We draw attention to the following matters described in the Notes to accounts of the financial statements:

The interest income recognised during the year includes such income recognised based on the following facts and circumstances:

- (i) During the year Kerala Infrastructure Investment Fund Board (KIIFB) has revised the method of charging interest to the rate of Average Cost of Domestic Borrowings (ACDB) reset every 6 months in a calendar year with monthly compounding of interest for entire revenue generating projects from the procedure followed in the preceding year of fixed rate under simple interest method except for loans given to Kerala State Film Development Corporation (KSFDC) aggregating to Rs.9,94,29,168/- which is charged at original agreement rate. The agreements already entered in to in respect of loans aggregating to Rs.1930,28,21,727/-, stipulating interest at fixed rate are pending to be amended to incorporate the revised method adopted in the current year as stated above for reasons stated in Note no.17.1 to the financial statements.



- (ii) Interest income recognised includes an amount of Rs.171,99,06,910/- for which original loan agreements are pending to be executed (including cases which have exceeded 40% stage of disbursement noted in (iv) below) and the revenue recognised is based on rates charged on comparable loan agreements with other borrowers (whose rate has been revised during the year to floating ACDB rates) or at rates agreed at the time of sanction of the loan. Change in method of estimating interest income for projects as noted above constitutes a revision in the method of making estimate by the management and as a result, the income recognised during the year is higher by Rs.19,38,56,268/- as compared to previous year as detailed in Note no.17.4 to the financial statements.
- (iii) Interest income has been recognised on revenue generating projects also in cases where there has been significant time over run on implementation of the projects financed by such loans due to impact of Covid, as detailed in Note no.17.2 to the financial statements since it is not contingent on the project earning any revenue.
- (iv) Loan agreements are pending to be executed with four SPVs to whom loans have been disbursed and have outstanding loans aggregating to Rs.2256,54,47,448/-, 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.17.3 to the financial statements.
- (v) As stated in Note No 17.5, the balance in the loan account of KSIDC Ltd as at 31.03.22 amounting to Rs 3,93,84,83,787/- (including interest of Rs.92,67,79,726/- taken credit for upto 31.03.2021) for the Project Bio 360 Life science Park-Phase II land acquisition Trivandrum is subject to confirmation. At the General body meeting held on 07.07.2022, decision was taken to work out a resolution plan for facilitating recovery of the loan and interest charged by restructuring the project implementation suitably. Due to complexities involved and consequential delay anticipated in the implementation of the resolution plan, interest income for the year amounting to Rs.65,24,79,378/- has not been taken credit for as matter of prudence.
- (vi) As stated in Note 27.2 to the financial statements, the TDS taken Credit in the books of account amounting to Rs.3,75,77,143 relate to TDS deducted on interest income by banks in the financial year 2019-20 which is not reflected in Form 26AS and is pending reconciliation.
- (vii) As stated in Note 24.2 to the financial statements, payments made to KSIE Ltd ( an intermediary agency engaged by KIIFB for procuring multiple supply of goods and services from third parties ) during the year amounts to Rs 23,78,54,025 based on the terms of agreed work order issued on KSIE Ltd explained to be on competitive basis and the invoices submitted by the said company.



- (viii) As stated in Note No. II(I), the meeting of the General Body of KIIFB held on 7.7.2022 has decided to reverse wef 01-04-2021 the decision taken by it in prior years to voluntarily adopt the Income Recognition and Asset Classification (IRAC) norms issued by RBI applicable to banks and NBFCs. As stated in the above note, steps are being taken by KIIFB for defining and implementing suitable norms for classification of loans, provisioning and recognition of income appropriate and relevant to the unique nature of activities being undertaken, for financing of infrastructure projects with long gestation period, with focused social commitment to meet the objectives in the KIIF Act 1999( as amended by Act of 2016).

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 statements of the current year. These matters were addressed in the context of our audit of the financial statements 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>During the year, KIIFB has decided to change the method of fixing the rate of interest and charge at the Average Cost of Domestic Borrowing (ACDB) of KIIFB reset every six months in a calendar year with monthly compounding for entire revenue generating projects (other than loan given to KSFDC) which was earlier accounted at a fixed rate under simple interest method.</p> <p>However, terms of loan agreement executed in prior years with fixed interest rate are pending to be revised by amending the interest rate to floating method at ACDB rate as stated above.</p>	<p>Revenue has been recognized at the interest rate of ACDB for entire revenue generating projects for which agreement was executed (other than loan given to KSFDC) on accrual basis.</p> <p>According to the management, in respect of projects for which loan agreement is already executed, the revision in rate of interest is to be incorporated through amendment agreements which will be done in due course. Such changes in rate of interest used for revenue recognition have been duly disclosed in Note 17 to the financial statements.</p>
<p>(i) In case of loans granted for which the loan agreement is pending to be executed, interest is recognised on accrual basis at interest rates as per comparable loan agreements entered into with other parties or at the interest rates agreed upon at the time of sanction of loan, as the case may be, as per the estimate of the management.</p>	<p>As per the principles defined in AS 9 Revenue recognition, KIIFB has recognized interest income on accrual basis during the year at the rates charged to other comparable borrowers pending execution of the loan agreements. This is considered reasonable and is duly disclosed in Note no.17 to the financial statements.</p>

(ii) The interest income recognised includes an amount of Rs.1,71,99,06,910 for which original loan agreement is pending to be executed as stated in the preceding para (including four cases aggregating to Rs 22,56,54,47,448 where 40% disbursement has been exceeded as per note (iii) below). During the year, in respect of the above cases, there is a change in method of estimating interest income from fixed rate-simple interest to floating rate of ACDB compounded, as stated in Note no 17.1 to the accounts, consequent to such change agreed upon in cases where loan agreements have been already entered in to. The amendments are however pending to be effected in such loan agreements for the change in rate as above. Consequent to such change of income recognised in the above cases is higher by Rs.19,38,56,268/-.

(iii) As per tripartite agreement entered into between KIIFB, SPV and respective Administrative Department, the loan agreement fixing the rate of interest is to be executed only upon completion of 40% of the project disbursement. Loan agreements are pending to be executed with four parties for loan outstanding aggregating to Rs.2256,54,47,448 which has disbursements exceeding 40% stage.

On facts of the case, many of the projects financed with long gestation period are yet to be completed as at the year end. As per the terms of the loan sanctioned, the repayment of principal and interest commences on completion of moratorium period. There has been certain significant time overrun on some of the projects due to the impact of covid 19. Interest is payable by the borrower as per terms of agreement as above regardless of completion of project and is also not contingent on the project earning any revenue.

Recognition of interest revenue for projects for which original loan agreement is not yet executed is based on the consistent management practice of recognising revenue by using the rates of comparable projects for which original loan agreement is already executed. (for which interest rate is pending revision as stated in Note 17.1 to accounts)

According to the management, in respect of projects for which agreement is not entered yet, any change in the rate of interest on revision which is not expected to be material shall be accounted for in the year in which such agreement is entered into.

The management has given a representation that active steps are underway in entering into loan agreement with the parties to whom disbursement has exceeded 40% stage and that there will be no material impact on the income or asset recognised due to this delay.

Income has been recognized based on the terms of the loan sanctioned and there is no significant doubt as to realization at this stage. Facts have been duly disclosed in the financial statements.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of these financial statements 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. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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.



- 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 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 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 KIIFB to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements 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 statements.

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.

#### **Report on Other Legal & Regulatory Requirements**

1. We report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by KIIFB so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Profit and Loss account and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.



# Varma & Varma

Chartered Accountants

- (d) The rupee denominated borrowings shown under Liabilities in the said Balance sheet represent external borrowings under Masala Bonds availed by KIIFB, in the year 2018-2019 and outstanding on 31st March 2022, 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, 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.
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards issued by the Institute of Chartered Accountants of India in all material aspects.



For Varma and Varma  
Chartered Accountants  
FRN.004532S

C.G.Pankajakshan  
Partner

Membership No.020512

UDIN: 22020512AMUEMWE6416

Place : Thiruvananthapuram

Date : 11.07.2022

**Kerala Infrastructure Investment Fund Board**  
**2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001**  
**Balance Sheet as at 31.03.2022**

(Figures in Rupees)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
<b>I. EQUITY AND LIABILITIES</b>			
1 Initial Corpus Fund	1	28,20,49,27,844	24,98,42,27,844
2 Corpus Fund - Revolving ( shown on the asset side )	2	-	-
3 <b>Non-current liabilities</b>			
(a) Long-term borrowings	3	1,26,45,46,52,813	53,04,76,19,508
(b) Deferred tax liabilities (Net)	9	3,63,43,554	2,28,84,402
(c) Other Long term liabilities	4	35,09,28,839	12,32,48,223
4 <b>Current liabilities</b>			
(a) Short-term borrowings	5	6,00,00,00,000	28,39,61,83,969
(b) Other current liabilities	6	5,78,09,10,793	4,07,92,45,348
		<u>1,66,82,77,63,843</u>	<u>1,10,65,34,09,294</u>
<b>II. ASSETS</b>			
1 <b>Non-current assets</b>			
(a) Property, plant and equipment	7		
(i)Tangible assets		4,54,71,773	5,57,12,391
(ii)Intangible assets		23,69,11,955	33,61,49,986
(b) Non-current investments	8	1,67,44,940	1,67,44,940
(c) Deferred tax assets (net)- shown as liability	9	-	-
(d) Long-term loans and advances	10	44,12,30,82,445	25,66,04,59,545
(e) Statutory contribution receivable from GoK-Non current	2	24,36,38,59,679	-
(f) Other Non Current Assets	11	70,06,66,748	53,80,45,784
2 <b>Current assets</b>			
(a) Current investments	12	6,00,00,00,000	6,00,00,00,000
(b) Cash and cash equivalents	13	58,13,42,35,120	72,98,61,54,955
(c) Short term loans and advances	14	9,89,95,73,193	53,35,12,589
(d) Statutory contribution receivable from GoK-Current	2	22,85,34,00,000	2,86,38,29,402
(e) Other current assets	15	45,38,17,990	1,66,27,99,702
		<u>1,66,82,77,63,843</u>	<u>1,10,65,34,09,294</u>

Notes forming part of financial statements

I, II & 1-33

The accompanying notes form an integral part of the financial statements

**AUDITOR'S REPORT**

As per our report of even date attached

**For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD**

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

Thiruvananthapuram  
Date : 07.07.2022



for Varma & Varma  
Chartered Accountants  
FRN.004532S

**C.G Pankajakshan**  
(Partner)  
M.No. 020512

Thiruvananthapuram  
Date : 11.07.2022

**Kerala Infrastructure Investment Fund Board**  
**2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001**  
**Profit and Loss Account for the year ended 31.03.2022**

(Figures in Rupees)

Particulars	Note No.	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
<b>I. Revenue:</b>			
i) Recoupment of statutory contribution from Government of Kerala from Corpus Fund for financing of direct project cost as per Contra	19	59,88,80,53,071	45,21,77,28,436
ii) Interest income from financial assistance for revenue generating projects	17	2,80,24,93,442	1,41,07,30,946
iii) Interest income from deposits and investments	16	1,29,70,80,169	1,45,63,91,695
iv) Other income	18	2,54,47,403	4,08,641
<b>Total Revenue (I)</b>		<b>64,01,30,74,085</b>	<b>48,08,52,59,718</b>
<b>II. Expenses:</b>			
i) Financing of direct cost of projects -Out of Corpus Fund	19	59,88,80,53,071	45,21,77,28,436
ii) Employee benefits expense	20	7,26,95,697	5,63,90,190
iii) Finance costs	21	9,14,47,01,453	5,34,93,68,408
iv) Depreciation and amortisation expense	7	11,80,52,081	12,58,67,987
v) Other expenses	22	40,79,43,934	68,20,08,046
<b>Total expenses (II)</b>		<b>69,63,14,46,236</b>	<b>51,43,13,63,067</b>
<b>III. Profit / (Loss) (I- II)</b>		(5,61,83,72,151)	(3,34,61,03,349)
Prior Period Item	23	(34,69,184)	(2,09,53,219)
Profit / (Loss) after prior period item		(5,62,18,41,335)	(3,36,70,56,568)
<b>IV. Tax expense:</b>			
(1) Current tax		-	-
(2) Tax for Earlier years		-	(80,32,810)
(3) Deferred tax(Expense)/Income	9	(1,34,59,152)	(2,28,84,402)
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		5,63,53,00,487	3,39,79,73,780
<b>V. Net Profit / (Loss) for the Year</b>		<b>-</b>	<b>-</b>

Notes forming part of financial statements I, II & 1-33  
The accompanying notes form an integral part of the financial statements

**AUDITOR'S REPORT**

As per our report of even date attached

**For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD**

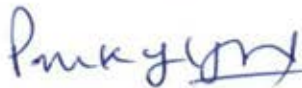
  
**Dr. K. M. ABRAHAM (CFA)**  
**FUND MANAGER**

Thiruvananthapuram  
Date : 07.07.2022



Thiruvananthapuram  
Date : 11.07.2022

for Varma & Varma  
Chartered Accountants  
FRN.004532S



**C.G Pankajakshan**  
(Partner)  
M.No. 020512

**Kerala Infrastructure Investment Fund Board**  
2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001  
Cash Flow Statement for the year ended 31.03.2022

(Figures in Rupees)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>A. Cash flow from operating activities</b>		
Profit before income tax	(5,62,18,41,335)	(3,36,70,56,568)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	11,80,52,081	12,58,67,987
Interest income	(4,09,95,73,610)	(2,86,71,22,641)
Finance Cost	3,68,60,46,393	5,34,93,68,408
Fixed Assets Written off	11,73,398	-
Sundry Balances written back	(2,54,03,660)	-
<b>Operating profit / (loss) before working capital changes</b>	(5,94,15,46,733)	(75,89,42,814)
<b>Changes in working capital:</b>		
Adjustments for (increase) / Decrease in operating assets:		
Loans and Advances	(9,36,60,60,604)	22,84,725
Financial assistance made to Revenue Generating Projects	(15,66,01,29,458)	(11,54,89,50,094)
Other Non Current and Current Assets	1,19,58,22,803	33,48,40,933
Adjustments for increase / (Decrease) in operating liabilities:		
Other Current/Non current Liabilities	67,62,49,720	45,37,03,012
<b>Net Changes in working capital:</b>	(29,09,56,64,272)	(11,51,70,64,238)
<b>Cash generated from operations</b>	(29,09,56,64,272)	(11,51,70,64,238)
Net income tax (paid) / refunds	(14,94,62,055)	(15,21,80,813)
<b>Net cash from/ (used in) operating activities (A)</b>	<b>(29,24,51,26,327)</b>	<b>(11,66,92,45,051)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of PPE (including changes in CWIP)	(1,08,83,939)	(3,88,87,106)
(Purchase)/ disposal proceeds of Investments	-	(66,94,940)
Sale proceeds of PPE	11,37,108	-
Interest income received	1,29,70,80,169	1,45,63,91,695
<b>Net cash from/ (used in) investing activities (B)</b>	<b>1,28,73,33,338</b>	<b>1,41,08,09,649</b>
<b>C. Cash flow from financing activities</b>		
Loans from :-		
(i) Banks and Financial Institutions	78,58,73,84,299	26,22,99,39,458
(ii) Bonds	2,86,48,20,000	2,39,89,00,000
(iii) Pravasi Dividend Scheme	1,07,37,60,684	1,23,76,56,860
Loans repaid during the year	(30,23,66,15,647)	(65,84,00,000)
Statutory contribution from GoK	20,57,97,11,681	21,72,85,50,000
Additional Financial Support for Infrastructure Development	3,22,07,00,000	-
CSR and PTA fund	17,56,81,024	41,24,88,064
Recoupment by way of Statutory contribution from Govt of Kerala from Corpus Fund for direct project cost (other than NABARD)	(58,55,75,71,315)	(44,56,93,64,196)
Interest received during the period from Deposits made out of corpus fund	41,45,30,576	1,42,80,41,956
Finance cost paid	(3,68,60,46,393)	(5,15,03,61,649)
Fund utilised for NABARD Projects	(1,33,04,81,755)	(64,83,64,240)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>13,10,58,73,154</b>	<b>2,40,90,86,253</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	(14,85,19,19,835)	(7,84,93,49,149)
Cash and cash equivalents at the beginning of the financial year	72,98,61,54,955	80,83,55,04,104
<b>Cash and cash equivalents at end of the year</b>	<b>58,13,42,35,120</b>	<b>72,98,61,54,955</b>
<b>Notes:</b>		
1. The above cash flow statement has been prepared under indirect method prescribed in AS 3 "Cash Flow Statements".		
2. Components of cash and cash equivalents		
<b>Balances with banks</b>		
Cash in Hand	504	5,654
Balance with Treasury	9,50,841	22,07,62,564
Term Deposits/Sweep	16,32,03,61,986	47,23,30,91,536
Other deposit, savings and current accounts	11,45,79,93,945	54,80,67,357
Other Bank balance in Treasury Accounts	28,20,49,27,844	24,98,42,27,844
In Masala Bond Sinking Fund Account	2,15,00,00,000	-
	<b>58,13,42,35,120</b>	<b>72,98,61,54,955</b>

Notes forming part of financial statements

I, II & 1-33

The accompanying notes form an integral part of the financial statements

For KERALA INFRASTRUCTURE INVESTMENT  
FUND BOARD

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

Thiruvananthapuram  
Date : 07.07.2022



Thiruvananthapuram  
Date : 11.07.2022

**AUDITOR'S REPORT**

As per our report of even date attached

for Varma & Varma  
Chartered Accountants  
FRN 004532S

  
C.G. Pankajakshan  
(Partner)

M.No. 020512 187

**NOTE-I**

**GENERAL INFORMATION**

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. With new strategy and structure, KIIFB aims to dynamically mobilise funds for the infrastructure development of Kerala including major land acquisition needs of the State. KIIFB has recourse to the advanced financial instruments approved by SEBI / RBI and is expected to promote substantial development of sustainable infrastructure in the State.

KIIFB is a body corporate established under an Act of Government of Kerala (KIIFB ACT 1999) exclusively for undertaking sub-sovereign functions of financing the key infrastructure projects in the State of Kerala and all activities are done in pursuance of the above objective only.

The rupee denominated Masala Bond of KIIFB backed by the Guarantee of Govt of Kerala is listed in the London Stock Exchange and Singapore Stock Exchange.

**NOTE-II**

**SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- a. The Financial Statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and Accounting Standard issued by Institute of Chartered Accountants of India.
- b. KIIFB follows Mercantile System of Accounting and recognizes significant items of income and expenditure on accrual basis, except to the extent otherwise stated in the notes.

**B. USE OF ESTIMATES**

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

**C. PROPERTY, PLANT AND EQUIPMENT**

**(a) Tangible Assets:** The Gross carrying amount of Property, Plant & Equipment have been accounted on cost model, and cost comprises of purchase price, duties, levies and any direct attributable costs of bringing the assets to its working condition for the intended use.

**Depreciation:** Depreciation has been provided on Written down Value Method at the rates prescribed in appendix to the Income Tax Rules.

**(b) Intangible Asset**

Intangible Assets are recorded at the cost of acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

**Amortisation:** Amortisation has been provided for on Written down Value Method on assets (other than masala bond expenses and issue expense for KSFE) at the rates prescribed in appendix to the Income Tax Rules. In respect of expenditure incurred towards issuance of Masala Bond and expenditure towards issue for KSFE Bond, the same is amortised over a period 5 years being the period during which the benefits are expected to materialise.

**D. PRIOR PERIOD ADJUSTMENTS**

As per AS 5 "Net profit or Loss for the period, Prior Period Items and Changes in Accounting Policies",

- (i) Prior period adjustments represent entries for correction of errors or omissions in the preparation of financial statements of one or more prior periods and as such are shown separately in the Notes annexed to and forming part of Accounts.
- (ii) Extra-ordinary items are those material adjustments that arise from events or transactions that are clearly distinct from the ordinary activity of KIIFB and are not expected to occur frequently or regularly and therefore are shown separately in the Notes annexed to and forming part of Accounts.

**E. REVENUE RECOGNITION**

In line with the prescriptions in AS 9 on "Revenue Recognition", revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection as per the assessment of the management.

Interest income on fixed deposits is recognised time proportionately based on periods for which amounts are outstanding and the interest rate applicable.

Interest generated from the investments made out of the corpus funds received are credited to the corpus fund as such interest is to be mandatorily used for the objectives of the Act and hence forms a part of statutory contribution accounted under Corpus Fund.

Interest income on loans granted for revenue generating projects is recognised on accrual basis as per the terms of the loan agreement, wherever such agreements have been entered into except to the extent otherwise disclosed in the notes to accounts. In case of loans granted for which the loan agreement is pending to be executed, interest is recognised on accrual basis at rates and methodology as per comparable loan agreements entered into with other parties as per the estimate of the management or at the interest rates agreed upon at the time of sanction of loan in certain cases where ever applicable. Late payment charges, prepayment charges are recognised on a point in time basis, and are recorded when realized since the probability of collecting such monies is established when the borrower pays.



## F. CORPUS FUND- Revenue Recognition and Accounting of Utilisation

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. The corpus fund-revolving also includes funds received under LAC/ADS scheme and PTA/CSR Fund as per Govt.Order.

## G. INVESTMENTS

As per AS 13 "Accounting for Investments", Current Investments are carried at the lower of cost or quoted / fair value, computed category-wise. Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary. Investments that are readily realisable and intended to be held for not more than 12 months from the date of acquisition are classified as current investment. All other investments are classified as non-current investments.

## H. BORROWING COST

As per AS 16 "Borrowing Costs", Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

## I. INCOME RECOGNITION AND ASSET CLASSIFICATION NORMS

Amounts shown under long term loans represents finance assistance to revenue generating projects.

The Income Recognition and Asset Classification (IRAC) norms issued by RBI and applicable to Banks/ NBFCs which fact has been disclosed in significant accounting policies of the previous year. However, since KIIFB is engaged in financing infrastructure projects with long gestation period and the revenue generation is contingent on factors beyond the control of the entity, strict adoption of the IRAC norms is considered to be impracticable and not feasible. Hence the above decision taken by the General Body has been reversed at the meeting held on 07.07.2022 to discontinue the implementation of the IRAC Norms with effect from 01.04.2021. The financial impact on the accounts on account of the above is nil. Steps are being taken for defining and implementing suitable norms for classification of loans, provisioning and recognition of income appropriate and relevant to the unique nature of activities being undertaken, for financing of infrastructure projects with long gestation period, with focused social commitment to meet the objectives in the KIIF Act 1999( as amended by Act of 2016).

## J. ACCOUNTING FOR TAXES ON INCOME

Income Tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS-22), which include Current Taxes and Deferred Taxes. Provision for Current Tax is made in accordance with the provisions of The Income Tax Act, 1961. Deferred Tax assets/liabilities representing timing differences between accounting income and taxable income are recognized to the extent considered capable of being reversed in subsequent years by applying tax rate substantively enacted as at the end of the year. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that Deferred Tax Assets arising due to unabsorbed depreciation and losses are recognised if there is a virtual certainty that sufficient future taxable income will be available to realise the same.

## K. CASH FLOW STATEMENT

Cash flows from operating activities are prepared using the indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

## L. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", Provisions are recognised when KIIFB has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates. Contingent Liabilities are not recognised but are disclosed in notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

## M. EMPLOYEE BENEFITS

Provision of AS 15 "Employee Benefits", has been considered while Preparation of Financial Statements

- (i) Short Term Employee Benefits - All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognized in the period in which the employee renders the related service.
- (ii) Defined contribution plan and Defined benefit plan - KIIFB does not have any defined contribution plan and defined benefit plan as detailed in Note No 20.I to the financial statements.

### Note - 1

#### Initial Corpus Fund

Initial corpus fund for Major Infrastructural Development Projects  
Add: Addition to Initial Corpus Fund

	As at 31.03.2022	As at 31.03.2021
Initial corpus fund for Major Infrastructural Development Projects	24,98,42,27,844	24,98,42,27,844
Add: Addition to Initial Corpus Fund	3,22,07,00,000	-
	<u>28,20,49,27,844</u>	<u>24,98,42,27,844</u>

- 1.1 The initial Corpus fund of Rs 24,98,42,27,844/- represents fund received towards initial corpus fund for Major Infrastructural Development Projects as per GoK Govt. Orders - G.O (Ms) No 16/2016/Plg. dated 30.03.2016 and G.O (Ms) No 18/2017/Plg. dated 30.03.2017. The amount is kept separately in government treasury account (interest free).



- 1.2 During the year, in addition to statutory contribution received, financial support for infrastructure development amounting to Rs 3,22,07,00,000/- as per G.O(Rt)No. 389/2022/Fin dated 17.01.2022 was received which has been credited under Initial Corpus fund. The amount is kept separately in government treasury account, (interest free). The additional contribution is to provide funds required over and above the mandatory entitlement of tax devolution for the year 2021-22 to KIIFB to bridge the shortfall for the year in its ALM projection calculated at an annual growth of 10% over its revenues from petrol cess and share of Motor Vehicle tax. Since the amount has been credited to special treasury savings account, in the opinion of the management the same is to be treated as part of the initial corpus fund.

**Note - 2**

**Corpus Fund - Revolving**

	As at 31.03.2022	As at 31.03.2021
A. Fund from Contingency Fund of Government of Kerala	75,00,000	75,00,000
<b>Total -(A)</b>	<b>75,00,000</b>	<b>75,00,000</b>
<b>B. Corpus fund by way of statutory contribution from GoK</b>		
<b>Opening Balance</b>	82,70,16,50,800	59,13,25,70,780
Add: Statutory contribution received during the year	20,68,07,62,000	21,72,85,50,000
Add: Allotment of funds under LAC-ADS	15,05,80,554	40,41,00,000
Add: Allotment of funds under PTA & CSR Fund	2,51,00,470	83,88,064
Add : Interest received during the period from Deposits made out of corpus fund (Refer Note 2.2)	41,45,30,576	1,42,80,41,956
Less : Corpus fund resumed by the Govt .during the year (Refer note 2.6)	(10,10,50,319)	-
<b>Closing Balance of funds available for utilisation</b>	<b>1,03,87,15,74,081</b>	<b>82,70,16,50,800</b>
<b>Utilisation of Corpus Fund</b>		
i) Funds Utilised for financing of direct project cost as at year end (see Note 2.4 below)	(1,40,35,20,92,867)	(80,46,40,39,796)
ii) Fund Utilised for financial assistance by way of long term loans to revenue generating projects as at year end (see Note 2.5 below)	(48,69,41,56,631)	(23,69,28,03,795)
iii) Deficit from operations in P & L a/c recouped (see Note 2.3 below)	(10,74,42,40,893)	(5,10,89,40,406)
<b>Subtotal</b>	<b>(1,99,79,04,90,391)</b>	<b>(1,09,26,57,83,997)</b>
<b>Total-(B)</b>	<b>(95,91,89,16,309)</b>	<b>(26,56,41,33,197)</b>
<b>C. Reserve for financial assistance to revenue generating projects</b>		
Financial assistance for revenue generating projects adjusted as per contra	48,69,41,56,630	23,69,28,03,795
<b>Total-(C)</b>	<b>48,69,41,56,630</b>	<b>23,69,28,03,795</b>
<b>Total (A)+(B)+( C)</b>	<b>(47,21,72,59,679)</b>	<b>(2,86,38,29,402)</b>
<b>Less: Transferred to statutory contribution receivable from GoK (see Note 2.7 below)</b>	<b>(47,21,72,59,679)</b>	<b>(2,86,38,29,402)</b>

- 2.1 The corpus fund represents capital investment of State Government in KIIFB to meet its long term/short term capital requirements for financing the infrastructure projects in the State as per the objectives in the KIIFB Act, 1999 as amended by amendment act of 2016. 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.

- 2.2 Interest generated from the investments made directly out of corpus fund amounting to Rs.41,45,30,576/- are credited to the corpus fund based on resolution of the board taken in the preceding year is in line with the provisions of KIIFB Act, which stipulates that such interest is to be mandatorily used for the objectives of KIIFB and hence forms a part of statutory contribution accounted under Corpus Fund. Such interest are directly attributable to deposits made out of such contribution during the year.

**2.3 Deficit in operations in P & L a/c recouped**

	As at 31.03.2022	As at 31.03.2021
Accumulated deficit as at beginning of the year	(5,10,89,40,406)	(1,71,09,66,626)
Current Year profit/(Loss)	(5,63,53,00,487)	(3,39,79,73,780)
<b>Closing Balance</b>	<b>(10,74,42,40,893)</b>	<b>(5,10,89,40,406)</b>

The net loss in Profit and Loss account for the year of Rs.5,63,53,00,487/- representing utilisation of Corpus Fund for meeting the expenses in relation to the administration of the fund has been recouped from the Corpus Fund by transferring an amount equal to the net loss for the year from operations from Corpus Fund to P&L a/c.



2.4 Particulars of Fund Utilised out of Corpus Fund / Statutory contribution for direct project cost	As at 31.03.2022	As at 31.03.2021
Opening Balance	80,46,40,39,796	35,24,63,11,360
Add: Utilised during the year for financing of direct project cost (See Note 19)	59,88,80,53,071	45,21,77,28,436
<b>Closing Balance</b>	<b>1,40,35,20,92,867</b>	<b>80,46,40,39,796</b>
2.4.1 KIIFB received an amount of Rs.13,65,00,00,000/- (CY-8,00,00,00,000) as loan funds sanctioned by NABARD for various specific projects. Out of the above loan funds, an amount of Rs.389,28,75,230/- has been incurred towards the project cost upto the year end and an amount of Rs.265,90,06,787/- has been disbursed as finance assistance loan to revenue generating projects upto the year end and funds utilised have been set off against statutory contribution since the repayment of the loan would be made out of statutory contribution as per agreed repayment schedule.		
2.5 Particulars of Fund Utilised out of Corpus Fund / statutory contribution for financial assistance to revenue generating projects	As at 31.03.2022	As at 31.03.2021
Opening Balance	23,69,28,03,795	12,14,38,53,701
Add : Financial assistance given during the year	25,00,13,52,836	11,54,89,50,094
<b>Closing Balance</b>	<b>48,69,41,56,631</b>	<b>23,69,28,03,795</b>
2.6 Corpus amount of Rs.10,10,50,319/- has been resumed by government during the year based on the G.O (p) No.35/2022/Fin dated 24-03-2022 and recredited back to the treasury account subsequently on 06-04-2022.		
2.7 Particulars of Fund transferred to statutory contribution receivable from GoK	As at 31.03.2022	As at 31.03.2021
Current portion of statutory contribution receivable	22,85,34,00,000	2,86,38,29,402
Non Current portion of statutory contribution receivable	24,36,38,59,679	-
	<b>47,21,72,59,679</b>	<b>2,86,38,29,402</b>

**Note - 3**

**Long Term Borrowings**

**Unsecured Loans**

	As at 31.03.2022	As at 31.03.2021
(a) KSFE Pravasi Bond (Note 3.1)	6,46,80,00,000	3,60,31,80,000
(b) Masala Bond (Note 3.2)	21,50,00,00,000	21,50,00,00,000
(c) KNRKWB under Pravasi dividend scheme (Note 3.3 & 3.4)	2,87,72,17,544	1,80,34,56,860
(d) Loan From Banks and Financial Institutions (Note 3.4)		
i. Loan From NABARD	12,30,74,00,000	4,88,18,00,000
ii. Loan From SBI	8,80,54,01,656	10,00,00,00,000
iii. Loan From Union Bank	6,75,00,00,000	7,39,58,33,333
iv. Loan From Indian Bank	9,47,28,53,655	4,91,60,00,000
v. Loan From Canara Bank	6,91,21,83,425	2,01,32,49,315
vi. Loan from Bank of Maharashtra	8,94,50,12,554	-
vii. Loan from Bank of Baroda	16,50,00,00,000	-
viii. Loan from Bank of India	5,25,00,00,000	-
ix. Loan from REC	20,01,09,83,979	-
x. Loan from HUDCO	5,00,00,00,000	-
<b>Total A</b>	<b>1,30,79,90,52,813</b>	<b>56,11,35,19,508</b>

**Less: Current Maturity of loan shown under Other Current Liabilities:**

i. Loan From NABARD	57,44,00,000	57,44,00,000
ii. Loan From Union Bank	87,50,00,000	63,75,00,000
iii. Loan From Indian Bank	50,40,00,000	50,40,00,000
iv. Loan from SBI	1,25,00,00,000	1,25,00,00,000
v. Loan from Canara Bank	20,00,00,000	10,00,00,000
vi. KSFE Pravasi Bond	94,10,00,000	-
<b>Total B</b>	<b>4,34,44,00,000</b>	<b>3,06,59,00,000</b>

**Total (A-B)**

**1,26,45,46,52,813**      **53,04,76,19,508**

**Note - 3.1**

**KSFE Pravasi Bond**

KIIFB had issued Security Bonds & Deposit Bonds to KSFE Ltd. Security bonds carry the interest rate of that for FDs (of similar tenure) at Government Treasury prevailed during the time of issue of the Bonds and the rate offered by Deposit Bond is 0.10% higher than Security bond. Exclusive Government orders are also been issued in this regard. These bonds are also backed by the Guarantee of the State to the extent of value of Bond Outstanding.



**Note - 3.2****Masala Bond @ 9.723%**

KIIFB had raised an amount of Rs. 2150 crore 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. The interest has to be serviced on semi-annual basis and the principal amount at the end of the Bond period. This bond offering is also backed by guarantee given by Government of Kerala for the repayment of its interest and principal amount.

**Note - 3.3**

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.

**Note - 3.4****Loan From Banks and Financial Institution and other lenders**

i. KIIFB has availed Loan from various Public Sector Banks, companies and Financial Institutions duly backed by Guarantee of Government of Kerala as mandated by the KIIF Act, 1999 and subsequent amendment Act of 2016 passed by Kerala Legislature except in the case of loan from Kerala Non Residents Keralites' Welfare Board (KNRKWB) under Pravasi dividend scheme which is guaranteed by GoK to KNRKWB.

ii. The details of the term loans and the terms of repayment are as follows:

Sl No	Name of lender	Sanction Date	Amount Sanctioned (in INR Crores)	Tenure and Interest Rate (%)	Repayment Terms
1	State Bank of India	15.12.2018	1000	10 Years with 2 years moratorium Interest Rate of 7.7%	In 32 equal quarterly instalments of Term Loan availed within 18 months of first disbursement and commencing after a moratorium of 24 months from the date of first disbursement.
2	Indian Bank	19.12.2018	500	12 Years with 2 years moratorium Interest Rate of 7.7%	Repayable in 120 monthly instalments of Rs.4.20 Crore each besides interest charged on monthly rests after an initial moratorium period of 2 years. Interest to be serviced as and when debited including during holiday period. Total door to door tenure is 12 years.
		30.06.2021	500	12 Years with 2 years moratorium Interest Rate of 7.5%	
3	Union Bank of India	15.02.2020	250	12 Years with 2 years moratorium Interest Rate of 7.55%	The Term loan to be repaid in 120 equal monthly instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced as and when due whether debited or not.
		29.12.2018	500	10 Years with 2 years moratorium Interest Rate of 7.55%	The Term loan to be repaid in 96 equal instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced every month.



4	NABARD	24.03.2017	200.8	12 Years including 2 Years moratorium Interest Rate of 9%	12 Years including 2 Years moratorium. Principal to be repaid in 40 quarters.
			364.2	12 Years including 2 Years moratorium Interest Rate of 8.8%	
		27.04.2021	800	15 Years including 2 Years moratorium Interest Rate of 7.9%	
5	Canara Bank	29.08.2019	200	12 Years with 2 years moratorium Interest Rate of 7.55%	The Term loan to be repaid in 40 equal quarterly instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced every month.
		30.11.2021	500	12 Years with 2 years moratorium Interest Rate of 7.45%	
6	KNRKWB under Pravasi dividend scheme	19.12.2019	181.1	Interest rate @9%	Repayment in accordance with the terms of the pravasi dividend scheme.
			110.2	Interest rate @8.3%	
7	Bank of India	21.12.2021	700	12 Years with 2 years moratorium Interest Rate of 7.45%	The Term loan to be repaid in 40 equal quarterly instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced every month.
8	Bank of Maharashtra	26.07.2021	1000	12 Years with 2 years moratorium Interest Rate of 7.50%	The Term loan to be repaid in 40 equal quarterly instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced every month.
9	Bank of Baroda	26.05.2021	750	10 Years with 2 years moratorium Interest Rate of 7.55%	The Term loan to be repaid in 32 equal quarterly instalments after initial moratorium of 2 years. In the initial moratorium interest has to be serviced every month.
		29.09.2021	1250		
10	Rural Electrification Corporation Limited	06.06.2021	4000	7 Years with 2 years moratorium Interest Rate of 8.80%	The Term loan to be repaid in 60 equal monthly instalments after initial moratorium of 2 years. In the moratorium period interest has to be serviced every month.
11	Housing and Urban Development Corporation Ltd.(HUDCO)	01.09.2021	1000	15 Years with 2 years moratorium Interest Rate of 7.45%	The Term loan to be repaid in 52 equal quarterly instalments after initial moratorium of 2 years. In the moratorium period interest has to be serviced quarterly.



**Note - 4****Other Long term liabilities**

Interest Accrued on Loan From KNRKWB under Pravasi dividend scheme

As at 31.03.2022	As at 31.03.2021
35,09,28,839	12,32,48,223
<b>35,09,28,839</b>	<b>12,32,48,223</b>

**Note - 5****Short Term Borrowings****Secured, Repayable on Demand**

Short Term Loan from Kotak Mahindra Bank

*(Secured by pledge over Debt/Gilt Mutual Fund)**(Maximum tenor of 180 days, repayable on demand)*

Overdraft from Banks

*(on the security by Lien on Fixed Deposits)*

As at 31.03.2022	As at 31.03.2021
6,00,00,00,000	-
-	28,39,61,83,969
<b>6,00,00,00,000</b>	<b>28,39,61,83,969</b>

Note 5.1 -All overdraft accounts from banks were closed during the year.

**Note - 6****Other Current Liabilities**

Current maturity of long term borrowing :

i. Loan From NABARD

ii. Loan From Union Bank

iii. Loan From Indian Bank

iv. Loan from SBI

v. Loan from Canara Bank

vi. KSFE Pravasi Bond

As at 31.03.2022	As at 31.03.2021
57,44,00,000	57,44,00,000
87,50,00,000	63,75,00,000
50,40,00,000	50,40,00,000
1,25,00,00,000	1,25,00,00,000
20,00,00,000	10,00,00,000
94,10,00,000	-

Sundry Creditors for Expenses (Note 6.1 )

Guarantee Commission Payable

Statutory Liabilities

Centage Payable (Note 6.2)

Interest on Masala Bond Payable

Interest on KSFE Bond Payable

Interest on Term Loan Payable

Interest on OD payable

Salary Payable

Audit Fee Payable

**Total**

10,34,84,665	33,23,78,380
95,91,54,195	40,78,27,721
11,80,86,862	3,65,55,808
10,06,88,544	5,10,67,436
1,71,81,740	1,71,81,740
11,09,82,780	6,30,82,365
1,98,28,460	9,76,03,182
-	28,91,000
60,27,527	39,37,716
10,76,020	8,20,000
<b>5,78,09,10,793</b>	<b>4,07,92,45,348</b>

6.1 Sundry creditors for expenses does not include bills raised by Rail India Technical and Economic Services (RITES) for work done up to 31/03/2022 amounting to Rs.10,30,27,859/- which are pending to be approved by the Board (Details disclosed in Note 28.3 relating to Invoices pending approval).

6.2 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 the claim by the management.

**Note - 7****Written down balance of Property, Plant and Equipment**

Tangible assets

Intangible assets

As at 31.03.2022	As at 31.03.2021
4,54,71,773	5,57,12,391
23,69,11,955	33,61,49,986
<b>28,23,83,728</b>	<b>39,18,62,377</b>

Refer Note -7 Property, Plant and Equipment and Depreciation statement

**Note - 8****Non-current investments**

Investment in Kerala Infrastructure Fund Management Limited (unquoted)

Shares Pending Allotment- Kerala Infrastructure Fund

Management Limited

**Total**

As at 31.03.2022	As at 31.03.2021
1,67,44,940	1,00,50,000
-	66,94,940
<b>1,67,44,940</b>	<b>1,67,44,940</b>

8.1 Kerala Infrastructure Fund Management Limited is a Company formed under Companies Act, 2013 formed with main objective of Fund Management services.



Note 7

Property, Plant and Equipment and Depreciation Statement For the period 01-04-2021 to 31-03-2022

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK			
		As on 01.04.2021		Additions		Sale/ Adjustment during the period	Rate	As on 01.04.2021	For the Period	Sale/ Adjustment during the period	Up to 31.03.22	WDV As On 31.03.2022	WDV As On 31.03.2021
		Before 01.10.2021	on/After 01.10.2021	Before 01.10.2021	on/After 01.10.2021								
A	Tangible Asset												
1	Air Cooler (Previous Year)	5,430 (5,430)	-	-	-	10	5,407 (5,404)	2 (3)	-	5,409 (5,407)	21 (23)	23 (26)	
2	Computer (Previous Year)	2,05,33,428 (1,49,55,571)	7,86,368 (47,89,247)	34,575	-	40	1,20,93,841 (80,63,865)	35,33,109 (40,29,976)	-	1,56,26,950 (1,20,93,841)	56,58,271 (84,39,587)	84,39,587 (68,91,706)	
3	Communication Equipme (Previous Year)	3,77,559 (3,77,559)	-	-	-	40	3,35,138 (3,06,858)	16,968 (28,280)	-	3,52,106 (3,35,138)	25,453 (42,421)	42,421 (70,701)	
4	Furniture & Fittings (Previous Year)	53,22,017 (50,74,689)	5,08,292 (1,36,526)	5,24,678	-	10	13,52,783 (9,19,342)	5,39,260 (4,33,441)	-	18,92,043 (13,52,783)	45,82,812 (39,69,234)	39,69,234 (41,55,347)	
5	Photostat Machine (Previous Year)	1,72,409 (1,72,409)	-	-	-	40	1,52,720 (1,39,593)	7,876 (13,126)	-	1,60,596 (1,52,720)	11,813 (19,690)	19,690 (32,816)	
6	Printer (Previous Year)	3,33,652 (2,96,354)	14,250 (37,298)	48,422	-	40	2,32,576 (1,77,625)	82,413 (54,951)	-	3,14,989 (2,32,576)	1,65,903 (1,01,076)	1,01,076 (1,18,729)	
7	Plant & Machinery (Previous Year)	2,58,76,084 (2,24,94,368)	-	-	-	15	62,49,143 (27,97,918)	29,44,041 (34,51,225)	-	91,93,184 (62,49,143)	1,66,82,900 (1,96,76,941)	1,96,26,941 (1,96,96,450)	
8	Electrical Equipment (Previous Year)	21,93,027 (21,78,631)	-	5,65,722	-	10	4,53,629 (2,61,162)	1,96,295 (1,92,467)	-	6,49,924 (4,53,629)	12,00,928 (17,39,398)	17,39,398 (19,17,469)	
9	Vehicle (Previous Year)	69,61,005 (69,61,005)	-	-	-	15	22,07,794 (13,68,992)	7,12,982 (8,38,802)	-	29,20,776 (22,07,794)	40,40,229 (47,53,211)	47,53,211 (55,92,013)	
10	Computer & Accessories (Previous Year)	1,28,69,517 (38,32,909)	-	-	-	40	42,89,465 (15,33,164)	44,29,247 (27,56,301)	-	87,18,712 (42,89,465)	66,43,870 (85,80,053)	85,80,053 (22,99,745)	
11	Interior Decoration (Previous Year)	1,02,03,333 (90,06,376)	-	11,37,109	-	10	17,62,576 (8,91,212)	8,44,076 (8,71,364)	-	26,06,652 (17,62,576)	64,59,572 (84,40,757)	84,40,757 (81,15,164)	
	<b>TOTAL</b>	<b>39,00,086</b> <b>(42,86,537)</b>	<b>14,76,072</b> <b>(1,52,05,623)</b>	<b>23,10,506</b>	<b>8,79,13,113</b> <b>(8,48,47,461)</b>		<b>2,91,35,071</b> <b>(1,64,65,135)</b>	<b>1,33,06,268</b> <b>(1,26,69,936)</b>		<b>4,24,41,340</b> <b>(2,91,35,071)</b>	<b>4,54,71,773</b> <b>(5,57,12,391)</b>	<b>5,57,12,391</b> <b>(4,88,90,167)</b>	



SL. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK			
		As on 01.04.2021	Additions		Sale/ Adjustment during the period	Total As on 31.03.2022	Rate %	As on 01.04.2021	For the Period	Sale/ Adjustment during the period	Up to 31.03.22	WDV As On 31.03.2022	WDV As On 31.03.2021
			Before 01.10.2021	on/After 01.10.2021									
B	<b>Intangible Asset</b>												
1	Software for KSFE Pravas Chit (Previous Year)	18,47,51,211 (16,97,89,586)	- (1,37,41,690)	- (12,19,935)	18,47,51,211 (18,47,51,211)	25	7,77,75,252 (4,23,19,922)	2,67,43,989 (3,54,55,330)	-	10,45,19,242 (7,77,75,252)	8,02,31,970 (10,69,75,958)	10,69,75,958 (12,74,69,663)	
2	Software TRC (Previous Year)	1,30,23,191 (85,89,870)	55,07,781 (44,33,321)	-	1,85,30,972 (1,30,23,191)	25	42,54,526 (13,31,637)	35,69,112 (29,22,888)	-	78,23,638 (42,54,526)	1,07,07,334 (87,68,665)	87,68,665 (72,58,233)	
3	Other Software (Previous Year)	92,75,961 (92,75,961)	-	-	92,75,961 (92,75,961)	25	46,30,518 (30,82,037)	11,61,361 (15,48,481)	-	57,91,879 (46,30,518)	34,84,082 (46,45,443)	46,45,443 (61,93,924)	
4	Expenses on Issuance of Masala Bond (Previous Year)	24,73,13,909 (24,73,13,909)	-	-	24,73,13,909 (24,73,13,909)	-	9,93,32,107 (4,98,69,325)	4,94,62,782 (4,94,62,782)	-	14,87,94,889 (9,93,32,107)	9,85,19,020 (14,79,81,802)	14,79,81,802 (19,74,44,584)	
5	Expenses on issue of KSFE Bond (Previous Year)	11,90,42,844 (11,90,42,844)	-	-	11,90,42,844 (11,90,42,844)	-	5,12,64,727 (2,74,56,158)	2,38,08,569 (2,38,08,569)	-	7,50,73,296 (5,12,64,727)	4,39,69,548 (6,77,78,117)	6,77,78,117 (9,15,86,686)	
	<b>TOTAL</b>	<b>57,34,07,116</b> <b>(55,40,12,170)</b>	<b>55,07,781</b> <b>(1,81,75,011)</b>	<b>-</b> <b>(12,19,935)</b>	<b>57,89,14,897</b> <b>(57,34,07,116)</b>		<b>23,72,57,130</b> <b>(12,40,59,080)</b>	<b>10,47,45,813</b> <b>(11,31,98,050)</b>	<b>-</b> <b>-</b>	<b>34,20,02,943</b> <b>(23,72,57,130)</b>	<b>23,69,11,955</b> <b>(33,61,49,986)</b>	<b>33,61,49,986</b> <b>(42,99,53,090)</b>	
	<b>TOTAL</b>	<b>65,82,54,577</b> <b>(61,93,67,471)</b>	<b>94,07,867</b> <b>(2,24,61,548)</b>	<b>14,76,072</b> <b>(1,64,25,558)</b>	<b>66,68,28,010</b> <b>(65,82,54,577)</b>		<b>26,63,92,201</b> <b>(14,05,24,215)</b>	<b>11,80,52,081</b> <b>(12,58,67,987)</b>	<b>-</b> <b>-</b>	<b>38,44,44,283</b> <b>(26,63,92,201)</b>	<b>28,23,83,728</b> <b>(39,18,62,377)</b>	<b>39,18,62,377</b> <b>(47,88,43,257)</b>	

**Note** 7.1 The management estimates that the future economic benefit from the expenditure towards issue of Masala Bond and issue of KSFE Bond will accrue to the Board over the period of the Bond being 5 years. Accordingly, such expenditure are treated as Intangible Asset and amortised over 5 years.

7.2 The property, plant and equipment and the intangible assets are purchased using the corpus fund received. However, the amount is not deducted from the gross value of assets or no separate deferred income is recognised for an amount equivalent to the cost of asset in accordance with AS-12 Accounting for Government Grants, since the break up details of assets acquired out of corpus fund/loans have not been maintained.

7.3 The system of maintenance of a formal Fixed Asset register showing full particulars of assets in various locations and physical verification of fixed assets is in the process of implementation. Physical verification of fixed assets and reconciliation of values with asset register is pending to be done and adjustments if any required on such verification would be made in the succeeding year on completion of this process. Based on the management assessment of the internal controls in place over physical possession and available records regarding details of fixed assets, no material discrepancies are expected to arise on physical verification of fixed assets.

7.4 The Net carrying value of intangible asset towards software for KSFE pravasi Chitty and expense on issue of KSFE bond amounts to Rs. 12,42,01,517/- and expenses towards software maintenance charges during the year amounting to Rs. 9,86,16,057/-. The actual borrowing infused is Rs. 646.80 crores only and is perpetually growing. The management estimates no impairment in the value of the asset considering the benefits out of the borrowing by issue of bonds to KSFE at reasonable rate of interest and further towards recovery of cost as per terms of MoA between KIBF and KSFE. Accordingly the value in use as per management is sufficient to cover the net carrying value of asset.



Note - 9

Deferred Tax Asset

Particulars

	As at 31.03.2022	As at 31.03.2021
<b>Opening Balance</b>	(2,28,84,402)	-
Add : Deferred Tax Asset \/(Liability) for the year	(1,34,59,152)	(2,28,84,402)
<b>Closing Deferred Tax Asset /(liability)</b>	<b>(3,63,43,554)</b>	<b>(2,28,84,402)</b>

**Components of Deferred Tax**

**Deferred Tax Liability : A**

	As at 31.03.2022	As at 31.03.2021
On ICDS adjustment on revenue recognition	1,15,26,92,780	57,86,72,166
On excess of net book value over Income Tax Written Down Value of Property, Plant & Equipment	5,01,16,699	7,17,58,886
<b>Total</b>	<b>1,20,28,09,479</b>	<b>65,04,31,052</b>

**Deferred Tax Asset : B**

On business loss and unabsorbed depreciation

**Net Deferred tax liability (A-B)**

	<b>1,16,64,65,925</b>	<b>62,75,46,650</b>
<b>Total</b>	<b>3,63,43,554</b>	<b>2,28,84,402</b>

Note - 10

Long Term Loans & Advances

(Unsecured considered good)

Financial assistance made to Revenue Generating Projects  
(contra by credit to Financial assistance Reserve for revenue)

Accrued Interest on Loans for projects

	As at 31.03.2022	As at 31.03.2021
	38,89,29,57,485	23,28,15,98,143
	5,23,01,24,960	2,37,88,61,402
<b>Total</b>	<b>44,12,30,82,445</b>	<b>25,66,04,59,545</b>

Note - 11

Other Non Current Assets

TDS Credit (F.Y. 2021-22) (Refer Note 27.1)

Income Tax Refund Due (F.Y. 2018-19)

TDS Credit (F.Y. 2019-20)(Refer Note 27.2)

TDS Credit (F.Y. 2020-21)

**Total**

	As at 31.03.2022	As at 31.03.2021
	11,39,44,033	-
	1,18,78,974	1,18,78,974
	39,40,57,824	38,08,98,915
	18,07,85,917	14,52,67,895
<b>Total</b>	<b>70,06,66,748</b>	<b>53,80,45,784</b>

Note - 12

Current Investments at cost

SBI Mutual Funds (Growth Fund)

**Total**

12.1 Net Asset Value as at year end is : Rs 689,80,30,049/- (PY : Rs 663,06,82,439/-)

	As at 31.03.2022	As at 31.03.2021
	6,00,00,00,000	6,00,00,00,000
<b>Total</b>	<b>6,00,00,00,000</b>	<b>6,00,00,00,000</b>

Note - 13

Cash and Cash Equivalents

Cash on Hand

Balance with Treasury

Balance with Banks

in Term Deposits

in Sweep Accounts

in Savings account and current account

Other bank balance

Balance with Treasury (Refer Note 13.1)

In Masala Bond Sinking Fund Account with Axis Bank (Refer Note 13.2)

**Total**

	As at 31.03.2022	As at 31.03.2021
	504	5,654
	9,50,841	22,07,62,564
	16,31,82,99,995	24,18,31,54,878
	20,61,991	23,04,99,36,658
	11,45,79,93,945	54,80,67,357
	<b>27,77,93,07,276</b>	<b>48,00,19,27,111</b>
	28,20,49,27,844	24,98,42,27,844
	2,15,00,00,000	-
<b>Total</b>	<b>58,13,42,35,120</b>	<b>72,98,61,54,955</b>

13.1 Balance with treasury under other bank balances represents initial Corpus fund and additional financial support to infrastructure development of Rs 28,20,49,27,844/- kept separately in government treasury account.

13.2 Represents balance earmarked as per terms of issue of Masala Bond

13.3 Balance of Rs.42,705 in treasury account No. Escrow 14014 has been written off to profit & loss account under interest and finance charges during the year since the amount was transferred to revenue deposit as per confirmation from Treasury.



**Note - 14****Short Term Loans and Advances**

	As at 31.03.2022	As at 31.03.2021
Deposits	85,32,369	50,61,226
Advances and other Receivables (refer note 14.1, 14.2 & 14.3)	8,98,41,678	6,84,75,594
Current maturity of Financial assistance made to Revenue Generating Projects (contra by credit to Financial assistance Reserve for revenue)	9,80,11,99,146	45,99,75,769
<b>Total</b>	<b>9,89,95,73,193</b>	<b>53,35,12,589</b>

14.1 Advance and other receivables include an amount of Rs.1,19,99,473 receivable from SPV (Kerala Road Fund Board) for the purchase of vehicle. As per the GO Rt. No 4511/2020/fin dated 06.08.2020 it was directed to recoup the said advance from the centage payable to SPV. The same is pending to be adjusted as at the year end.

14.2 Advance and receivable also includes an amount of Rs.50,43,016/- receivable from KIFML as disclosed in Note No. 29.

14.3 Balance in advances and receivable includes an amount of Rs.1,48,32,879/- due from vendors for goods/services which are subject to confirmation /reconciliation out of which an amount of Rs.1,40,95,746/- is outstanding for over three years. Steps would be taken to effect reconciliation/adjustments of these balances in the succeeding years.

**Note - 15****Other Current Assets**

	As at 31.03.2022	As at 31.03.2021
Prepaid Expenses	1,40,53,978	29,37,473
Accrued Interest on Deposits	43,97,64,012	1,65,98,62,229
<b>Total</b>	<b>45,38,17,990</b>	<b>1,66,27,99,702</b>
	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>

**Note - 16****Interest income from deposits and investments**

Interest earned during the year	1,71,16,10,745	2,88,44,33,651
Less : Interest received during the period from Deposits made out of corpus fund (Refer note 2.2)	(41,45,30,576)	(1,42,80,41,956)
	<b>1,29,70,80,169</b>	<b>1,45,63,91,695</b>
	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>

**Note - 17****Interest Income from Financial Assistance for revenue generating project**

	<b>2,80,24,93,442</b>	<b>1,41,07,30,946</b>
	<b>2,80,24,93,442</b>	<b>1,41,07,30,946</b>
	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>

17.1 Interest income on loans granted for revenue generating projects is recognised on accrual basis as per the terms of the loan agreement, wherever such agreements have been entered into. Such loan agreement are entered into upon reaching 40% stage of disbursement as per the terms of the tripartite agreement between KIIFB, the SPV and the concerned Govt department. In case of loans granted for which the loan agreement is pending to be executed, interest is recognised on accrual basis at interest rates as per comparable loan agreements entered into with other parties or at the interest rates agreed upon at the time of sanction of loan, as the case may be, as per the estimate of the management on simple interest basis till previous year. During the year, KIIFB has decided to charge interest income at the rate of Average Cost of Domestic Borrowing (ACDB) of KIIFB reset every six months in a calendar year with monthly compounding for entire revenue generating projects (other than loan given to KSFDC Rs.9,94,29,168/-) which was earlier accounted at a fixed rate under simple interest method. Terms of loan agreement (loan amount aggregating to Rs.19,30,28,21,727) executed in prior years with fixed interest rate are pending to be amended by changing interest rate to floating method at ACDB rate as above due to procedural formalities to be completed.

17.2 On facts of the case, many of the projects financed with long gestation period are yet to be completed as at the year end. As per the terms of the loan sanctioned the repayment of principal and interest commences on completion of moratorium period and it is not contingent on the project earning any revenue. There have been certain significant time overrun on some of the projects due to the impact of covid 19 but interest is payable on completion of moratorium period regardless of project completion or whether project is earning revenue or not.

17.3 As at the end of the year, loan agreements are pending to be executed with four parties for loan outstanding aggregating to Rs.22,56,54,47,448/- 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 completed.

17.4 The interest income recognised includes an amount of Rs.1,71,99,06,910/- for which original loan agreement is not executed and the revenue recognition is based on comparable loan agreements with other borrowers or at the interest rates agreed upon at the time of sanction of loan. Due to the change in the method of charging of interest income for projects where loan agreement is entered into, such similar changes in the revenue recognition of projects for which no agreement is entered constitutes a revision in the method of making estimate by the management. As a result, the income recognised during the year is higher by Rs.19,38,56,268/- compared to previous year where interest income was recognised at a fixed rate with simple interest.

17.5 The Balance in the loan account of KSIDC Ltd as at 31/03/22 amounting to Rs.3,93,84,83,787/- (including interest of Rs.92,67,79,726/- taken credit for upto 31.03.2021) for the Project Bio 360 Life science Park-Phase II land acquisition Trivandrum is subject to confirmation. At the Board meeting held on 07.07.2022, decision was taken to work out a resolution plan for facilitating recovery of the loan and interest charged by restructuring the project implementation suitably. Due to complexities involved and consequential delay anticipated in the implementation of the resolution plan, interest income for the year amounting to Rs.65,24,79,378/- has not been taken credit for as matter of prudence.



	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Note - 18</b>		
<b>Other Income</b>		
Sundry Balances Written Back*	2,54,03,660	-
Miscellaneous Income	42,609	4,07,863
Right to Information	1,134	778
<b>Total</b>	<b>2,54,47,403</b>	<b>4,08,641</b>

\* Represents old outstanding credit balances without any claims.

**Note - 19**

**Financing of direct cost of projects -Out of Corpus Fund**

	For the year ended 31.03.2022	For the year ended 31.03.2021
General Education	3,33,21,01,130	2,89,39,35,918
Public Works	40,37,84,53,981	33,20,31,60,268
Water Resources	6,33,41,67,983	2,89,61,63,120
Medical	2,22,51,60,530	1,17,85,57,982
Higher Education	1,08,17,37,637	40,32,32,295
Other Projects	3,41,36,77,825	2,06,06,02,155
NABARD Project	1,33,04,81,755	64,83,64,240
Centage/ Additional Centage	1,10,20,46,033	1,24,89,99,544
Allocation of Expenses towards Projects	69,02,26,197	68,47,12,914
<b>Total</b>	<b>59,88,80,53,071</b>	<b>45,21,77,28,436</b>

19.1 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.

19.2 Expenses towards Projects includes 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 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 31.03.2022.

**Note - 20**

**Employee Benefit Expenses**

	For the year ended 31.03.2022	For the year ended 31.03.2021
Salary, Wages & Allowances	6,46,85,169	5,31,23,853
Employers Contribution to various Fund	8,54,470	6,90,969
Other Employee Expenses	71,56,058	25,75,368
<b>Total</b>	<b>7,26,95,697</b>	<b>5,63,90,190</b>

20.1 The employees in KIIFB working on contract basis do not come under the purview of the Central Provident Fund and Gratuity rules for compulsory remittance of PF and Gratuity contributions. Other than through cadre posts, deputation or direct contract, KIIFB has an arrangement for obtaining necessary outsourced services through CMD. Hence the provisions of the CPF and Gratuity Act/Rules are currently not applicable to KIIFB.

**Note - 21**

**Finance Cost**

	For the year ended 31.03.2022	For the year ended 31.03.2021
Guarantee Commission (GOK)	95,91,54,554	40,78,28,081
Interest on Loan from Banks and Financial Institution	5,43,91,43,183	2,52,65,86,002
Interest on Masala Bond	2,09,04,78,400	2,09,04,79,700
Interest on KSFE Bond	41,48,53,201	19,35,97,901
Interest on Loan from KNRKWB	22,64,34,831	11,71,48,179
Other Interest and Finance Charge	1,46,37,284	1,37,28,545
<b>Total</b>	<b>9,14,47,01,453</b>	<b>5,34,93,68,408</b>

**Note - 22**

**Other Expenses**

	For the year ended 31.03.2022	For the year ended 31.03.2021
Technical & Consultancy Charges	11,26,12,974	10,82,50,974
Professional Fee	2,04,82,568	1,55,52,799
Promotional Expenses (Refer Note 22.1)	9,07,90,098	42,37,50,172
Meeting and Conference Expense	6,76,978	10,15,018
Repairs and Maintenance	4,40,747	15,91,624
Electricity & Water Charges	12,61,198	5,79,978
Rent and Utility Charges	2,28,03,051	1,57,22,932
Telephone & Internet Charges	5,21,137	3,61,387
Vehicle Hire Charges	1,01,55,589	84,79,658
Printing and Stationery	15,33,779	17,74,977
Miscellaneous Expense	49,70,969	30,87,769
Fixed Assets Written Off	11,73,398	-
Payments to the auditor (Refer Note 22.3 below)	12,69,000	10,26,500
GST on Reverse charge mechanism	2,90,48,195	-
Rates and Taxes	4,15,028	1,96,439
Software Charges	1,11,73,168	1,77,98,990
KSFE Software maintenance Charges	9,86,16,057	8,28,18,829
<b>Total</b>	<b>40,79,43,934</b>	<b>68,20,08,046</b>



- 22.1 During the year KIIFB has incurred promotional expenses amounting to Rs.12,38,31,049/- in the course of administration of fund for building up public awareness about KIIFB's Projects based on powers vested on it under KIIFB Act 1999 as amended by amendment Act of 2016 which has been duly approved in the 42nd General Body of KIIFB. The details of promotional expenditure incurred during the year debited to P&L a/c duly verified with invoices, work orders and proof of receipt of supply/ services by the nodal officer, media cell of KIIFB is as under.

Amount in Rs.

Nature of Expenditure	2021-22	2020-21
Kerala Nirmithi Program	6,24,370	80,08,898
TV ad programmes, Newspaper ads, Railway Jingles and digital	34,72,802	32,17,29,468
Social Media activities	8,90,71,191	9,53,49,133
Advertisement in publications, pull outs, FM Radio & Others	3,06,62,686	1,72,84,613
Net expenses charged in P&L(incl.prior period expenses in Note 23)	<b>12,38,31,049</b>	<b>44,23,72,112</b>
Less: Prior period Expense included above	3,30,40,951	1,86,21,940
Net amount charged to P&L during the year	<b>9,07,90,098</b>	<b>42,37,50,172</b>

- 22.2 Expenditure incurred under various expenses heads includes an amount aggregating to Rs.19,82,72,729 /- being the actual expenditure incurred in excess of the operational budget, which are duly approved in the General Body of KIIFB at its meeting held on 07.07.2022 along with accounts. The details are given below.

Head of Account	Actual	Prior period Expenses	Total (incl prior period)-(I)	Budget- (II)
Salaries & Allowance	7,26,95,696	9,86,392	7,36,82,088	6,20,29,209
TRC Expense	19,76,65,026	-	19,76,65,026	8,44,74,715
Utility Charge	2,28,03,051	22,46,892	2,50,49,943	1,83,30,727
Misc. Admin expense including LA unit expense	15,95,45,495	8,12,726	16,03,58,221	12,66,88,849
Promotional and advertisement expenses(shown under prior period expenses)	-	3,30,40,951	3,30,40,951	-
<b>Total</b>	<b>45,27,09,268</b>	<b>3,70,86,961</b>	<b>48,97,96,229</b>	<b>29,15,23,500</b>
<b>Excess expenditure (I)- (II)</b>			<b>19,82,72,729</b>	

22.3 Details of Payments to the Auditor

Amount in Rs.

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Statutory Audit fees	8,64,000	7,20,000
Tax Audit fees	1,00,000	2,18,000
Other taxation services	3,05,000	88,500
<b>Total</b>	<b>12,69,000</b>	<b>10,26,500</b>

Note - 23

Prior Period Item

For the year ended  
31.03.2022

For the year ended  
31.03.2021

Prior Period Income -

- Reimbursement of Expenses incurred on behalf of KIFML
- Rent Deposit
- Interest income on TDS credit reconciliation
- Interest income from Project Loans

46,89,016  
8,36,000  
3,22,43,045  
-

-  
-  
-  
-

Prior Period Expenditure -

- Advertisement & Promotion Expenses
- Software Subscription and Manpower Cost
- Rental Charges
- Salaries and Allowances
- Professional & Consultancy Expenses
- Other Administrative Expenses

3,30,40,951  
-  
22,46,892  
9,86,392  
41,50,284  
8,12,726

1,86,21,940  
23,31,279  
-  
-  
-  
-

**Total**

**(34,69,184)**

**(2,09,53,219)**



**Note - 24**

24.1 During the year, KIIFB had incurred an expenditure of Rs.9,86,16,057/- for maintenance, hosting and value adding charges of KSFE Pravasi chitty software. In accordance with the Memorandum of Agreement (MoA) entered into between KIIFB and KSFE, the parties shall enter into a separate agreement covering the terms of repayment of the expenses incurred by KIIFB towards development of the Pravasi Chitty software and incidental charges. According to the management, though the software is being used by KSFE, the ownership is vested with KIIFB and entire economic benefits of the scheme are shared by KIIFB also, as envisaged in MoA. Due to the on going development activity, the separate agreement for recovery is pending to be executed. At this stage, the cost for development of software is treated as intangible asset based on consideration and approval of proposal by KIIFB and other maintenance, hosting and value adding charges are charged to P&L. The effective control of the above software vests with KIIFB. The management does not expect any impairment loss in the value of software considering the pendency of execution of agreement with KSFE for recovery of cost. Management intends to take up the matter regarding recovery of capital cost and operating/maintenance cost of software incurred from inception with KSFE at the time of finalisation and entering into agreement as noted above.

24.2 Other expenses includes an amount of Rs.19,41,52,291/- being payment towards KSIE Ltd (an intermediary agency engaged by KIIFB for procuring multiple supply of goods and services from third parties ) which comprises of payment towards KSFE software maintenance charges, technical support charges, promotional expenses etc. Further an amount of Rs. 4,37,01,734/- incurred towards technical support charges and paid to KSIE Ltd has been charged to direct project cost. Above expenses are incurred as per the terms of work order issued by KIIFB from time to time based on prices quoted by KSIE Ltd on competitive basis for such goods and services. The payments for services/supplies from the third parties through KSIE have been settled on the basis of invoices submitted by KSIE relating to the above services arranged by KSIE Ltd from third party service providers.

**Note - 25**

KIIFB has put in place a system/process of computation of Asset Liability Management, the beta version of which has been released and is in the process of being further reviewed, tested and stabilised to be sound and fully effective. During the year, 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. 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.

**Note - 26**

Commitments - KIIFB sponsored the Kerala Infrastructure Fund (KIF) as AIF (Alternate Investment Fund) registered with SEBI in April 2019. As per SEBI regulations, the sponsor of the fund must commit a minimum of 2.5% or Rs. 5 crores of the fund size and maintain the said minimum amount as continuing interest of the sponsor towards sponsor's commitment, as required under Regulation 10(d) of the AIF regulations, during the term of the Fund. As per the draft PPM submitted to SEBI, the Fund size of KIF is indicated as Rs 3000 Cr (Rs. 1500 crore with green shoe option of Rs. 1500 crore).

The General Body has decided the capital commitment as 10% of the fund size subject to a maximum of Rs 300 crores.

**Note - 27**

27.1 Reconciliation of Form 26 AS (as per Income Tax Act,1961) and Book of accounts - Reconciliation of Income for the year F.Y. 21-22 and TDS credit as per Form 26AS with books of accounts is pending to be conducted since Form 26AS in the Income tax web portal is yet to be updated with the entries for the quarter ended 31.3.2022. During the year 2020-21, interest income relating to that year amounting to Rs 3,22,43,045 was detected on such reconciliation and this has been credited to prior period income as detailed in Note 23 to the accounts.

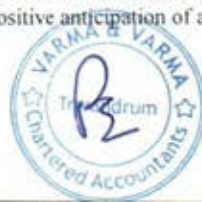
27.2 The TDS Credit in books of account amounting to Rs.3,75,77,143 relating to interest income from a bank for the FY 2019-20 is yet to be credited in Form 26AS and necessary steps to obtain credit will be taken in succeeding year by carrying out a detailed reconciliation of entries in books of accounts with the entries in 26AS. Due to non credit of the amount in 26AS, the same could not be claimed in the return of income filed for AY 2020-21 relevant to FY 19-20.

**Note - 28****Contingent Liability**

28.1 During the previous year Income tax demand of Rs 1,12,57,446 was raised for AY 2018-19 under limited scrutiny assessment against which appeal has been filed with higher authorities and is pending disposal. The demand amount of Rs 32,24,636 is on account of erroneous computation in the assessment order for which rectification has been filed and has not been paid or provided for in positive anticipation of a favourable order. The balance demand of Rs 80,32,810 has been paid and written off to Profit & Loss account in the previous year though the matter has been contested on appeals before higher authorities as stated above on a due consideration of the grounds of appeal.

Income Tax Department has adjusted the said demand amount (Rs.1,12,57,446/-) against the Refund due for AY 2019-20 which has resulted in double payment to the extent of Rs 80,32,810 already remitted as stated as above. KIIFB is in the process of taking steps for recovery of said refund amount by filing a refund reissue application with the department. The entire amount has been carried forward under Refund due from the department in Note 11.

28.2 Income tax demand of Rs.1,90,30,459/- ( including interest for delayed payment ) has been raised by the DCIT -TDS u/s.201 of the Act on KIIFB by treating it as an assessee in default for non-deduction /delay in the remittance of TDS on works bills raised by contractors on SPVs/Advance payments to SPVs on the above account. The management is of the firm view that there is no liability for tax deduction in the hands of board as the privity of contract under Section 194C is between the awardee of the work (SPV) and contractor and hence TDS provisions under Chapter XVIIIIB are not applicable to KIIFB on such payments. The person responsible for such payment including TDS thereon is the SPV u/s 204 of the Income Tax Act is only the SPV who has awarded the work to the contractor and in whose name the work bill has been raised by contractor. KIIFB has obtained legal opinion from Senior advocate of repute on the above matter. KIIFB has also obtained stay order from Hon'ble High Court of Kerala on a writ petition filed for an interim period of six months and steps are under way to further extend the stay. The balance amount of demand has not been provided for in the accounts in positive anticipation of a favourable order on disposal of the writ petition on merits.



28.3 Invoices raised by the Vendor pending approval by the management : M/s RITES, the consultant engaged during the year for independent quality review, design review, consultancy and providing assistance in empanelment of supervision consultants has raised a total claim of Rs.10,30,27,859/- which is pending to be approved/accepted by KIIFB as on date and hence represent claims not acknowledged as debt by KIIFB and hence not provided for . The amount is reckoned as contingent liability at this stage and would be accounted for as and when approved /accepted by KIIFB.

**Note - 29**

**Related Party Disclosures in accordance with AS-18**

Name of the Related Party	Nature of relationship	Nature of Transaction	For the year ended 31.03.2022	For the year ended 31.03.2021
Dr. K.M. Abraham, CFA, IAS	CEO and Member Secretary	Salary	40,17,750	39,60,000
Shri. Vikramjit Singh, IPS	Deputy Managing Director	Salary	28,21,937	23,63,626
Shri. K.P.Purushothaman	Executive Director	Salary	16,50,000	-
Shri. Satyajit Rajan, IAS	Additional CEO (w.e.f May 2021)	Salary	26,37,097	-
Kerala Infrastructure Fund Management Limited (KIFML)	Associate company	Reimbursement of Expense (including prior period expense of Rs.46,89,016)	50,43,016	-
		Balance outstanding	50,43,016	-
		Share application pending allotment	-	66,94,940
		Carrying Value of Investment	1,67,44,940	1,00,50,000

**Note - 30**

**Segment Reporting**

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.

**Note - 31**

Impact of Covid - 19 on the Accounts - Serious disruptions to trade, business and industry have been caused by the adverse impact of Covid-19 pandemic from March 2020 onward and this is still continuing. There are several projects which are now time over run as at the year end . Though this could result in consequential delays in the financing and implementation of major infrastructure projects being financed by KIIFB, this does not have any material impact in the financial position i.e., on the assets and liabilities position as at 31.03.2022, as per assessment of the management.

**Note - 32**

Internal Audit System / standard operating procedures - During the year 2021-22, an internal audit wing and an Internal audit management committee(IAMC) as approved by the general body was constituted. Concurrent Audit and Risk based Internal Audit (RBIA) was conducted by an independent chartered accountant firm. The Concurrent and RBIA has commenced from 01.08.2021. The concurrent audit and RBIA for the FY 2021-22 has been successfully completed. The concurrent audit reports till Q3 and RBIA of 9 out of 15 areas has been approved by the IAMC and the report for the quarter ended March 2022 is pending to be approved. This has been duly considered for making required/necessary adjustments in the books of accounts and also for preparation of financial statements.

**Note - 33**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

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

Thiruvananthapuram  
Date : 07.07.2022



**AUDITOR'S REPORT**

As per our report of even date attached

for Varma & Varma  
Chartered Accountants  
FRN.004532S



Thiruvananthapuram  
Date : 11.07.2022

C.G Pankajakshan

(Partner)  
M.No.020512