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 AUGUST 10, 2021, THE SECURITIES AND EXCAHANGE 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 November 11, 1999 in Kerala)

Corporate Identification Number (CIN): Not Applicable; **PAN**: AAAJK0192K; **RBI Registration No**: Not Applicable
Date and Place of Incorporation: Incorporated on November 11, 1999 in Kerala
Registered Office: 2nd Floor, Felicity Square, MG Road, Statue, Thiruvananthapuram – 695 001
Corporate Office: 2nd Floor, Felicity Square, MG Road, Statue, Thiruvananthapuram – 695 001
Tel.: 0471-2780900; **Email**: financeadmin@kiifb.org; **Website**: https://kiifb.org/
Company Secretary and Compliance Officer: Mr. Sabareeswar Thampan; **Tel.**: 9645544074; **E-mail**: co.fa@kiifb.org
Promoter: State Government of Kerala

PRIVATE PLACEMENT OF UNSECURED, RATED, REDEEMABLE, TAXABLE, LISTED NON-CONVERTIBLE DEBENTURES ("DEBENTURES") 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 SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 (AS AMENDED FROM TIME TO TIME). THE ISSUER INTENDS TO USE BSE LIMITED ("BSE") ELECTRONIC BIDDING PLATFORM ("BSE-BOND EBP") 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 28 DECEMBER 2022 (AS AMENDED FROM TIME TO TIME) AND AN OFFER WILL BE MADE TO SUCCESFUL 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 dated April 18, 2024 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 present issue of Debentures is not underwritten.

GENERAL RISK

Investment in non-convertible securities involves a degree of risk 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	CREDIT RATING	ELIGIBLE INVESTORS
As per the relevant Key Information Document	As per the relevant Key Information Document	As per the relevant Key Information Document

ISSUE PROGRAMME

ISSUE OPENING DATE	ISSUE CLOSING DATE	DATE OF EARLIEST CLOSING
As per the relevant Key Information Document	As per the relevant Key Information Document	As per the relevant Key Information Document

COUPON	COUPON PAYMENT FREQUENCY	REDEMPTION DATE	REDEMPTION AMOUNT
As per the relevant Key Information Document	As per the relevant Key Information Document	As per the relevant Key Information Document	As per the relevant Key Information Document

ARRANGER TO THE ISSUE	DEBENTURE TRUSTEE	REGISTRAR TO THE ISSUE
As per the relevant Key Information Document	As per the relevant Key Information Document	As per the relevant Key Information Document

CREDIT RATING AGENCIES		STATUTORY AUDITOR
As per the relevant Key Information Document	As per the relevant Key Information Document	As per the relevant Key Information Document

TABLE OF CONTENTS

ISSUER'S ABSOLUTE RESPONSIBILITY 1
DISCLAIMERS 1
DEFINITIONS AND ABBREVIATIONS 8
SECTION 1 RISK FACTORS 15
SECTION 2 DISCLOSURES (IN ACCORDANCE WITH THE SEBI NON-CONVERTIBLE SECURITIES LISTING REGULATIONS) 22
SECTION 3 ADDITIONAL DISCLOSURES 54
DECLARATION BY THE ISSUER 65
DECLARATION BY THE MEMBERS OF THE ISSUER 66
SCHEDULE I KEY OPERATIONAL AND FINANCIAL PARAMETERS OF THE ISSUER 67
SCHEDULE II REMUNERATION OF MEMBERS 71
SCHEDULE III TERM SHEET 72

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

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
"**Act**"	Means 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).
"**Allot/ Allotment/ Allotted**"	Means, unless the context otherwise requires or implies, the allotment of the Debentures pursuant to the Issue
"**Applicable Law**"	Means 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.
"**Authorisation**"	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.
"**Board**"	Means the board of members of the Issuer or a committee thereof.
"**BSE**"	Means BSE Limited.
"**Business Day**"	Means all days on which commercial banks in Thiruvananthapuram and Mumbai are open for business.
"**Corpus Fund**"	As per the relevant Key Information Document
"**Coupon Rate**"	As per the relevant Key Information Document
"**Credit Rating Agencies**"	Means such credit rating agencies as may be acceptable to the Debenture Trustee and as mentioned in the relevant Key Information Document.
"**Critical Rating Downgrade Event**"	As per the relevant Key Information Document

TERM	DESCRIPTION
"**Debenture Holders**"	Means 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.
"**Debenture Trust Deed**"	Means 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 Debentures as specifically mentioned in the relevant Key Information Document.
"**Debenture Trustee Agreement**"	Means 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.
"**Debenture Redemption Reserve**"	Means 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.
"**Debentures**"	Means 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.
"**Debenture Trustee**"	Means as defined under the relevant Key Information Document
"**Debt Listing Agreement**"	Means 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.
"**Deemed Date of Allotment**"	Shall have the meaning given to such term in the relevant Key Information Document.
"**Deed of Guarantee**"	Shall have the meaning given to such term in the relevant Key Information Document.
"**Depositories Act**"	Means the Depositories Act, 1996, as amended from time to time and the rules notified by the Depository from time to time.
"**Depository**"	Means the National Securities Depository Limited and/or Central Depository Services (India) Limited, as the case may be.
"**Depository Participant**"	Means a participant as defined under the Depositories Act, 1996, as amended from time to time.
"**DSRA**"	Shall have the meaning given to such term in the relevant Key Information Document.
"**EBP**"	Means the Electronic Book Building Platform of the relevant Stock Exchanges.

TERM	DESCRIPTION
"**EBP Guidelines**"	Means 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.
"**Events of Default**"	Means any event or circumstances as specified in the relevant Key Information Document.
"**Final Redemption Date**"	Shall have the meaning given to such term in the relevant Key Information Document.
"**Finance Parties**"	Shall have the meaning given to such term in the relevant Key Information Document.
"**Financial Indebtedness**"	(i) monies borrowed and debit balances at banks, non-banking financial institutions, other financial institutions; (ii) any amount raised by acceptance under any acceptance credit facility or bill discounting facility (or dematerialised equivalent); (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (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); (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; (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; (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 (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.
"**Financial Year**"	Means the annual accounting period commencing from April 1st of each year till March 31st of the next year.
"**Fixed Deposit**"	Shall have the meaning given to such term in the relevant Key Information Document.

TERM	DESCRIPTION
"**GAAP**"	Means 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.
"**General Information Document**"	Means this general information document for private placement of Debentures.
"**GoK"/ "Kerala State Government**"	Government of Kerala.
"**Governmental Agency**"	Means 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.
"**₹**" or "**INR**" or "**Rs.**" or "**Rupee**"	Means the lawful currency of the Republic of India.
"**Interest**" / "**Coupon**"	Means the interest/ coupon as mentioned under the Summary of Terms in the relevant Key Information Document.
"**Interest Payment Date**" / "**Coupon Payment Date**"	Means the interest payment date/ coupon payment date as mentioned under the Summary of Terms in the relevant Key Information Document.
"**Investors**"	Means 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.
"**ISIN**"	Means the International Securities Identification Number.
"**Issue Closing Date**"	Means the issue closing date in relation to Debentures, as mentioned in the relevant Key Information Document.
"**Issue Opening Date**"	Means the issue opening date in relation to Debentures, as mentioned in the relevant Key Information Document.
"**Issue Proceeds Account**"	Shall have the meaning given to such term in the relevant Key Information Document.

TERM	DESCRIPTION
"**Issuer**"	Means Kerala Infrastructure Investment Fund Board.
"**Key Information Document**"	Means 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.
"**KIFML**"	Kerala Infrastructure Fund Management Limited, a company incorporated under the Act, bearing corporate identification number U67110KL2018PLC055479 and having it registered office at 2nd floor, felicity Square, Statue, M.G. Road, Thiruvananthapuram, Kerala – 695001.
"**KIIFB Bond Servicing Account**"	Shall have the meaning given to such term in the relevant Key Information Document.
"**KIIFCON**"	KIIFCON Private Limited, a company incorporated under the Act, bearing corporate identification number U74999KL2022PTC077405 and having it registered office at 7th Floor, Felicity Square, M. G. Road, Thiruvananthapuram, Kerala – 695001.
"**Masala Bonds**"	Means the 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.
"NEFT"	National Electronic Funds Transfer
"**NSE**"	Means the National Stock Exchange of India Limited.
"PAN"	Permanent Account Number
"**Pay In Date**"	Shall have the meaning given to such term in the relevant Key Information Document.
"**Permitted Investments**"	Shall have the meaning given to such term in the relevant Key Information Document.
"**Put Option**"	The meaning ascribed to the term in the Debenture Trust Deed.
"**Purpose**"	Shall have the meaning given to such term in the relevant Key Information Document.
"**RBI**"	Means the Reserve Bank of India established under the Reserve Bank of India Act, 1934, as amended from time to time.
"**Record Date**"	Shall have the meaning given to such term in the relevant Key Information Document.
"**Recovery Expense Fund**"	Means fund contributed by the Issuer towards creation of a recovery expense fund as required to be created in terms of SEBI 'Operational Circular for Debenture Trustees' with reference number SEBI/HO/DDHS/P/CIR/2035/50 dated March 31, 2023 issued by SEBI, as amended from time to time.
"**Redemption Date**"	Shall have the meaning given to such term in the relevant Key Information Document.

TERM	DESCRIPTION
"**REF**"	Shall have the meaning given to such term in the relevant Key Information Document.
"**Register of Debenture Holders**"	Means the register maintained by the Issuer at its registered office and containing the names of the Debenture Holders.
"**Required DSRA Amount**"	Shall have the meaning given to such term in the relevant Key Information Document.
"**Registrar/Registrar to the Issue**"	Shall have the meaning given to such term in the relevant Key Information Document.
"RTGS"	Real Time Gross Settlement
"Rs./INR"	Indian Rupees
"**SEBI**"	Means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992, as amended from time to time.
"**SEBI Debenture Trustees Regulation**"	Means the SEBI (Debenture Trustees) Regulation, 1993, as amended from time to time.
"SEBI DT Operational Circular"	SEBI circular on 'Operational Circular for Debenture Trustees' dated 31 March 2023 bearing reference number SEBI/HO/DDHS/P/CIR/2023/50, as amended.
"**SEBI LODR Regulations**"	Means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
"**SEBI Master Circular**"	Means the Master Circular for issue and listing of Non-Convertible Securities, Securities Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 issued by SEBI, as amended from time to time.
"**SEBI Non-Convertible Securities Listing Regulations**"	Means the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time.
"**Security**" / "**Security Interest**"	Means 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.
"**Stock Exchange**"	Means BSE and/or NSE, as the case may be.
"**STRPPs/Sub-series**"	Means STRPPs/sub-series of the Debentures comprising seven STRPPs/sub-series 'A' through 'G'.
"**Subscription Amount**"	Shall have the meaning given to such term in the relevant Key Information Document.
"**Tax**"	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,

TERM	DESCRIPTION
	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.
"**Tenor**"	Shall have the meaning given to such term in the relevant Key Information Document.
"**Trading Day**"	Means all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.
"WDM"	Wholesale Debt Market

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 2024, the Issuer had received a sum of INR 18,334.21 Crores (including initial corpus fund) from the Kerala State Government which comprised of INR 3820.04 Crore on account of Cess, INR 11,693.69 Crore on account of Motor Vehicles Tax, INR 2498.42 Crore on account of initial corpus fund and INR 322.07 Crore as an additional grant from the Kerala State Government. 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. The Kerala State’s own tax revenue rose by 23.36% in financial year 2022-23 compared to the previous year. The Kerala State’s non-tax revenue grew by 44.50% in financial year 2022-23 in comparison to the previous year. For financial year 2022-23, share of central taxes grew by 2.47% and total revenue receipts grew by 13.79% as against 19.49% in the previous year due to decline in central transfers, especially in grant-in-aid. Revenue expenditure and capital expenditure declined by 2.89 % & 1.51 % respectively. Revenue deficit (**RD**) and fiscal deficit (**FD**) were at 0.88% & 2.44% of Gross State Domestic Product respectively for financial year 2022-23 as against 1.96% & 3.61% in the revised budget estimates. The improvement in RD and FD in financial year 2022-23 is due to the increase in tax collections and reduction in expenditure, which is due to the sharp decline in central share.

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 20000 crore each to rejuvenate the economy during COVID-19, disbursal of welfare pensions, support to micro, small & 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 has clocked a growth rate of 17% in gross state domestic product on nominal basis and 12% in real basis for the year 2021-22. The per capita gross state domestic product is higher by 30 % as compared to the national level 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.

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**

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

(b) **A declaration confirming that the permanent account number, Aadhaar number, driving license number, bank account number(s) and passport number 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.**

Declaration
The Issuer confirms that the permanent account number, Aadhaar number, driving license number, bank account number(s) and passport number (each as may be applicable) of the promoter and 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).**

   Please refer to the relevant Key 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:**

Legal counsel	Please refer to the relevant Key Information Document.
Guarantor	Please refer to the relevant Key Information Document.
Arrangers	Please refer to the relevant Key Information Document.
Merchant Banker	Please refer to the relevant Key Information Document.

7. **About the Issuer**

   The following details pertaining to the Issuer:

   (a) **<u>Overview and a brief summary of the business activities of the Issuer</u>**

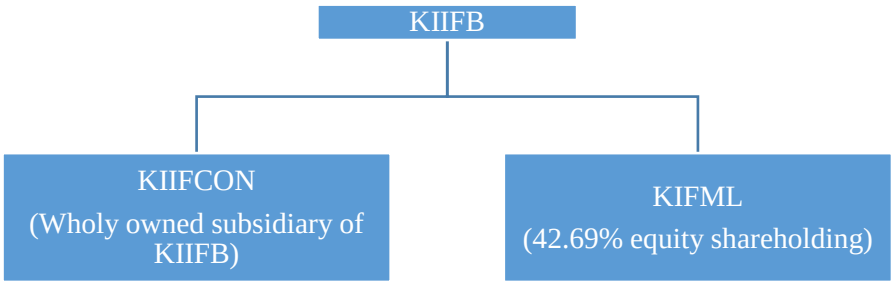
   The Issuer is a body corporate constituted by the State Government under the KIIF Act on 11 November 1999, to manage the Kerala Infrastructure Investment Fund (the "**Fund**"). The Kerala Infrastructure Investment Fund Act, 1999 was amended in November 2016 by the Kerala Infrastructure Investment Fund 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 has been appointed as the Investment Manager (IM) to Kerala Innovation Fund- a proposed Government 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. KIFML is already managing an

infrastructure fund- Kerala Infrastructure Fund (KIF) sponsored by KIIFB as a Category II AIF under SEBI's AIF Regulations. KIF is a Kerala focused Private Equity Fund 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**

Nil

(e) **Project cost and means of financing, in case of funding of new projects**

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

Department	No. of Projects Approved	Approved Amount/Project Cost (INR in Crore)	Amount Disbursed (INR in Crore)
Agriculture	1	21	12
Animal Husbandry	1	10.	-
Ayush	2	183	132
Backward Classes Development Department	1	18	-
Coastal Shipping & Inland Navigation	11	2302	101
Culture	17	485	184
Devaswom	2	139	42
Fisheries and Ports	26	522	192
Forest	4	459	283
General Education	146	3031	1917
Health & Family Welfare	74	5,779	1488
Higher Education	62	1,812	579
Home	6	225	34
Industries	1	62	4033
Information Technology	3	1,413	659
Labour & Skills	5	86	57.24
Local Self Government	23	736	189

Department	No. of Projects Approved	Approved Amount/Project Cost (INR in Crore)	Amount Disbursed (INR in Crore)
Power	18	5,200	1,680
PWD	494	30,917	13,315
Registration	6	89	50
Revenue	2	33	20
SC/ST Development	10	182	81
Sports & YA	39	847	310
Tourism	13	584	62
Transport	3	601	54
Water Resources	96	6,720	2779
Total	**1066**	**62,454**	**28,260**

Projects under Land Acquisition Pool of ₹ 20,000 Crore			**Amount Disbursed (INR in Crore)**
PWD-NHAI	1	6,769.01	5,580.74
Industries (Under LA Pool)	6	16,108.16	-
Industrial Parks - 3 projects - ₹13988.63 Cr			2,952.58
Taking over of land from HNL - ₹200.60 Cr			145.60
Kochi - Bangalore Industrial Corridor & Gift City - ₹1918.93 Cr			828.85
Total	7	22,877.17	9,507.77

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 Part 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.

8. **Expenses of the Issue**

Particulars	Amount (₹ in lakhs)	% of the total issue expense	Percentage of total issue size
Lead manager(s) fees	Please refer to the relevant Key Information Document.		

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

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"). The financial statements shall be accompanied with auditor's report along with requisite schedules, footnotes, summary, etc.**

Audited financial statements on a standalone basis: The audited financial statements of the Issuer along with Auditor's Report is provided in Annexure A (*Audited Financial Statements for the Issuer along with Auditor's Report*) of this General Information Document.

Audited financial statements on a consolidated basis: Not Applicable.

(b) **Key Operational and Financial Parameters on consolidated and standalone basis**

Key operational and financial parameters on a standalone basis**:** The key operational and financial parameters of the Issuer 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 December 2023	As on 31 March 2023	As on 31 March 2022	As on 31 March 2021
Income Tax Assessment	INR 1.90 Crore and INR 0.32 Crores	INR 1.90 Crore and INR 0.32 Crore	INR 0.32 Crore	NIL
Invoice Raised by vendor pending approval by Management	INR 34.04 Crore	INR 10.60 Crores	NIL	NIL
Debt service reserve account under Green Bonds	INR 17.13 Crores	Not Applicable	Not Applicable	Not Applicable
Put option under Green Bonds	Applicable in case of any rating downgrade below (AA-) (a two-notch credit rating downgrade or any subsequent credit downgrade therefrom from the credit rating allotted at the time of issuance of the Green Bonds by a credit rating agency) will give each relevant bond holder the right to either exercise additional 25 bps step up coupon rate or exercise the put	Not Applicable	Not Applicable	Not Applicable

Nature of liability	As on 31 December 2023	As on 31 March 2023	As on 31 March 2022	As on 31 March 2021
	option for premature redemption of the respective Green Bonds, subject to Applicable Law.			
Debt service reserve account under Domestic Bonds Series I	INR 87.472 Crores	Not Applicable	Not Applicable	Not Applicable
Put option under Domestic Bonds Series I	Applicable in case of any rating downgrade below (AA-) (a two-notch credit rating downgrade or any subsequent credit downgrade therefrom from the credit rating allotted at the time of issuance of the Domestic Bonds Series I by a credit rating agency) will give each relevant bond holder the right to either exercise additional 25 bps step up coupon rate or exercise the put option for premature redemption of the respective Domestic Bonds Series I, subject to Applicable Law.	Not Applicable	Not Applicable	Not Applicable
Debt service reserve account under Re-issuance Bonds Series I	INR 87.472 Crores	Not Applicable	Not Applicable	Not Applicable

Nature of liability	As on 31 December 2023	As on 31 March 2023	As on 31 March 2022	As on 31 March 2021
Put option under Re-issuance Bonds Series I	Applicable in case of any rating downgrade below (AA-) (a two-notch credit rating downgrade or any subsequent credit downgrade therefrom from the credit rating allotted at the time of issuance of the Re-issuance Bonds Series I by a credit rating agency) will give each relevant bond holder the right to either exercise additional 25 bps step up coupon rate or exercise the put option for premature redemption of the respective Re-issuance Bonds Series I, subject to Applicable Law.	Not Applicable	Not Applicable	Not Applicable
Debt service reserve account under Domestic Bonds Series II	INR 36.14 Crores	Not Applicable	Not Applicable	Not Applicable
Put option under Domestic Bonds Series II	Applicable in case of any rating downgrade below (AA-) (a two-notch credit rating downgrade or any subsequent credit downgrade therefrom from the credit rating allotted at the time of issuance of the Domestic Bonds Series II by a credit rating agency) will	Not Applicable	Not Applicable	Not Applicable

Nature of liability	As on 31 December 2023	As on 31 March 2023	As on 31 March 2022	As on 31 March 2021
	give each relevant bond holder the right to either exercise additional 25 bps step up coupon rate or exercise the put option for premature redemption of the respective Domestic Bonds Series II, subject to Applicable Law.			
Total	**INR 264.474 Crores**	**INR 12.82 Crores**	**INR 0.32 Crores**	**Not Applicable**

(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.**

Nil

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. March 31, 2024:***

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., March 31, 2024, 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 in the last 1 (one) year:***

Nil

(e) ***Details of reorganization or reconstruction in the last 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	78	3rd Floor, North Block, Government Secretariat, Thiruvananthapuram.	25/05/2016
2	Shri. K. N. Balagopal Vice-Chairperson	60	4th Floor, North Block, Government Secretariat, Thiruvananthapuram	20/05/2021
3	Dr. V Venu IAS Member	59	Government Secretariat, Thiruvananthapuram.	01/07/2023
4	Shri. KG Sanal Kumar Member	56	Government Secretariat, Thiruvananthapuram.	03/08/2023
5	Shri. Rabindra Kumar Agarwal Member	54	Finance Department, Govt. Secretariat, Thiruvananthapuram	01/08/2023
6	Dr. R. Ramachandran Member	70	Kerala State Planning Board, Thiruvananthapuram.	19/08/2016
7	Prof. Sushil Khanna Independent Member	72	IIM Calcutta Hemant Mukhupadhyay Sarani Keyatala, Calcutta- 700029.	19/09/2016
8	Sri. Salim Gangadharan Independent Member	70	C-26, RNP Lane, Near Jawahar Nagar, Vellayambalarn, Sasthmangalam P.O., Thiruvananthapuram-695010	19/09/2016

S. No.	Name, Designation, DIN	Age (in years)	Address	Date of Appointment
9	Sri. J.N. Gupta Independent Member	69	B 204, Muktangan, Upper Govind Nagar, Malad East, Mumbai 400097	19/09/2016
10	Sri. Radhakrishanan Nair Independent Member	68	J1403, Raheja Vistas, Raheja Vihar, Chandivali, Powai, Mumbai - 400072	31/10/2016
11	Dr. Ajay Kumar Independent Member	61	Bungalow No 7, New Moti Bag, Sarojini Nagar, South West Delhi 110023	08/06/2023
12	Shri.T.S Vijayan Independent Member	70	Sunnyvale, TC 8/725(1), Thirumala, Thiruvananthapuram-695 006.	18/03/2020
13	Dr. K. M. Abraham CFA, IAS (Retd.), CEO & Member Secretary	66	B 4 Lower, Millenium Apartments, Jagathy, Thycaud P O, Thiruvananthapuram, Kerala, 695014	19/08/2016

(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. CP Chandrasekhar Independent Member	19/09/2016	02/06/2021	Not Applicable	Not Applicable
Dr. TM Thomas Isaac	25/05/2016	Not Applicable	03/05/2021	Former Minister for Finance
Dr. Vishwas Mehta	31/05/2020	Not Applicable	28/02/2021	Former Chief Secretary
Shri. Tom Jose	01/07/2018	Not Applicable	31/05/2020	Former Chief Secretary
Shri. Aravind Babu	07/06/2019	Not Applicable	31/05/2021	Former Law Secretary
Shri. Rajesh Kumar Singh, IAS	14/01/2022	Not Applicable	22/09/2022	Former Finance Secretary
Shri. K. N. Balagopal	03/05/2021	Not Applicable	Not Applicable	Current Finance Minister
Shri. V. Hari Nair	01/06/2022	Not Applicable	31/07/2023	Former Law Secretary
Shri. Bishwanath Sinha IAS	23/09/2022	Not Applicable	30/06/2023	Former Finance Secretary
Dr. V. P. Joy IAS	01/03/2021	Not Applicable	31/06/2023	Former Chief Secretary
Dr. Sudipto Mundle	31/10/2016	26/08/2023	Not Applicable	Not Applicable
KG Sanal Kumar	03/08/2023	Not Applicable	Not Applicable	Current Law Secretary
Dr. Rabindra Kumar Agarwal	01/08/2023	Not Applicable	Not Applicable	Current Finance Secretary
Dr. Ajay Kumar	08/06/2023	Not Applicable	Not Applicable	Independent Member

(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 30000 (Indian Rupees Thirty 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**

Please refer to Section 3 (*Additional Disclosures*) of this General Information Document.

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

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**

Name of the Auditors	Address	Date of appointment
As per the relevant Key Information Document	As per the relevant Key Information Document	As per the relevant Key Information Document

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

As of the date of this General Information Document:

Name of the auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
Nil	Nil	Nil	Nil	Nil

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

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

Nil.

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

Details of outstanding unsecured loan facilities is 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	315.86	565	12 Years including 2 years moratorium	Not applicable
State Bank of India	Term Loan	624.82	1000	10 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Indian Bank	Term Loan	340.40	500	12 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Union Bank of India	Term Loan	302.08	500	10 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Syndicate Bank (Canara)	Term Loan	150	200	12 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Corporation Bank (UBI)	Term Loan	197.92	250	12 Years including 2 years 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
Bonds to KSFE Ltd	Bond	1168.17	1473.14	Ranging from 3 years to 6 Years	Not applicable
Pravasi Dividend Scheme	Loan	330.57	330.57	NA (Subject to conditions of the scheme)	Not applicable
NABARD-NIDA (Tranche 2)	Term Loan	738.46	1061.73	15 Years including 2 years moratorium	Not applicable
REC Ltd- I	Term Loan	1808.89	2268.27	7 Years including 2 Year moratorium	Not applicable
Bank of Baroda (Tranche 1)	Term Loan	679.69	750	10 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Indian Bank (Tranche 2)	Term Loan	462.20	500	12 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Bank of Maharashtra	Term Loan	950	1000	12 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Bank of Baroda (Tranche 2)	Term Loan	1171.88	1250	10 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Bank of India	Term Loan	682.50	700	12 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
Canara Bank	Term Loan	487.50	500	12 Years including 2 years moratorium	CRISIL A+ (CE) /Negative
HUDCO	Term Loan	490.39	1000	15 Years including 2 years moratorium	Not applicable
ICICI Bank Ltd	Term loan	150	300	5 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
Kerala Financial Corporation	Term Loan	833.38	1000	7 years including 1 year moratorium	CRISIL A+ (CE) /Negative
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	100	100	5 years including 2 year moratorium	CRISIL A+ (CE) /Negative
HUDCO	Term Loan	1400	2000	15 Years including 2 years moratorium	Not applicable
HUDCO	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
TOTAL		**15,479.92**	**24,122.64**		

(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 Series-I 8.49% KERALA INFRASTRUCTURE INVESTMENT FUND BOARD 2033 ("**Green Bonds**")	INE658F08011, INE658F08029, INE658F08037, INE658F08045, INE658F08052, INE658F08060, INE658F08078	4-10 Years under 7 different STRPPs A though G	8.49	300.02 Crore	03/07/2023	02-10-2026 to 04/07/2033	AA (CE) by India Ratings and Research Ltd and Acuite Research Ltd	Unsecured	Unsecured, Rated, Listed, Redeemable, Taxable, Non-Convertible Green Bonds in the form of non-convertible debentures supported by unconditional and irrevocable guarantee by the GoK as a principal debtor and not merely as a surety.
2	KIIFB Domestic Bonds 8.95%	INE658F08086, INE658F08128	4-10 Years under 7 different	8.95	1002.96 Crore	22/12/2023	22/03/2027 to 22/12/2033	AA (CE)/ Stable by India	Unsecured	Unsecured, Rated, Listed, Redeem

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount outstanding	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security
	KERALA INFRASTRUCTURE INVESTMENT FUND BOARD 2033 ("**Domestic Bonds Series I**")	, INE658F08110, INE658F08102, INE658F08094, INE658F08144 and INE658F08136	STRPPs A though G					Ratings and Research Ltd and Acuite Research Ltd		able, 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.
3	KIIFB Domestic Bonds 8.95% KERALA INFRASTRUCTURE INVESTMENT	INE658F08086, INE658F08128, INE658F08110, INE658F08102, INE658F08094	Approximately 4-10 Years under 7 different STRPPs A though G	8.95	497 Crore	18/01/2024	22/03/2027 to 22/12/2033	AA (CE)/ Stable by India Ratings and Research Ltd and Acuite Research Ltd	Unsecured	Unsecured, Rated, Listed, Redeemable, Taxable, Non-Convertible bonds in the form of non-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
	FUND BOARD 2033 (re-issue under ISINs: INE658F08086, INE658F08128, INE658F08110, INE658F08102, INE658F08094, INE658F08144 and INE658F08136) ("**Re-issuance Bonds Series I**")	, INE658F08144 and INE658F08136								ble debentures supported by unconditional and irrevocable guarantee by the GoK as a principal debtor and not merely as a surety.
4	KIIFB Domestic Bonds – Series II 9.10% KERA	INE658F08151, INE658F08169,	4-10 Years under 7 different STRPPs A though G	9.10	611.66 Crore	26/02/2024	26/06/2027 to 26/03/2034	AA (CE)/ Stable by India Ratings and Research Ltd	Unsecured	Unsecured, Rated, Listed, Redeemable, Taxable, 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
	LA INFRASTRUCTURE INVESTMENT FUND BOARD 2034 ("**Domestic Bonds Series II**")	INE658F08177, INE658F08185, INE658F08193, INE658F08201, INE658F08219						and Acuite Research Ltd		ble 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.

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 1473.14 Crore (guaranteed by a guarantee provided by GoK), as of March 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) **Promissory Note Bonds**

As of, March 31, 2024, the Promissory Note Bonds for outstanding principal amount of INR 1473.14 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 March 31, 2024:**

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.

(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.

(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) **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

(r) **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. **Details of the Debenture Trustee and a copy of the consent letter issued by the Debenture Trustee in relation to the Issue.**

Please refer to the relevant Key Information Document.

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.

17. **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.

18. **Procedure and time schedule for allotment and Issue of securities**

Please refer to the relevant Key Information Document.

19. **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**		
Name of Issuer	Kerala Infrastructure Investment Fund Board		
Face Value (per security)	Please refer to the relevant Key Information Document.		
Deemed Date of Allotment	Please refer to the relevant Key Information Document.		
Date of Redemption	Please refer to the relevant Key Information Document.		
Tenure and Coupon Rate	Please refer to the relevant Key Information Document.		
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	

20. **Undertakings by the Issuer**

20.1 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.

20.2 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.

20.3 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.

21. **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 securities**

Please refer to the relevant Key Information Document.

(i) **Issue details**

Please refer to the relevant Key Information Document.

(j) **Application process**

Please refer to the relevant Key Information Document.

(k) **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.

22. OTHER MATTERS AND REPORTS

22.1 **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.

22.2 **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.

Nil

22.3 **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

22.4 **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 Annexure B (*Broad Lending and Borrowing Policy*) of this General Information Document.

22.5 **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.

22.6 **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) General Information Document and Key Information Document.

(ii) Agreement entered into between the Issuer and the Registrar.

(iii) Letter appointing the Debenture Trustee to the Issue.

(iv) Copy of the resolutions of the board of members of the Issuer passed at their meeting 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.

(v) Letter of consent from the Debenture Trustee to act as Debenture Trustee to the Issue.

(vi) In-principle approval for listing of Debenture by the relevant Stock Exchange.

(vii) Letter from the Credit Rating Agency conveying the credit rating for the Debentures.

(viii) Tripartite Agreement between the Issuer, the relevant Depository and Registrars for issue of Debentures in dematerialized form.

(ix) Annual Report along with Audited financials and Audit Reports for the last three financial years and for the nine months period ended December 31, 2023.

(x) 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.

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 KIIF 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	2nd Floor, Felicity Square, M G Road, Statue, Thiruvananthapuram – 695 001
Corporate Office	2nd Floor, Felicity Square, M G Road, Statue, Thiruvananthapuram – 695 001
Website	https://kiifb.org/
Contact details	0471-2780900 financeadmin@kiifb.org

(b) ***Date of incorporation of the Issuer:***

November 11, 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, 4th 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 an additional Secretary and Joint Secretary amongst others. The Additional Secretary and Joint Secretary 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.

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.

Management's perception of risk factors: Please refer to Section 1 (*Risk Factors*) of this General Information Document.

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

3. **Names, designation, address and phone number, email ID of the nodal/ compliance officer of the Issuer, if any, for the private placement offer process**:

Name: Mr. Sabareeswar Thampan

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

Address: 2nd floor, Felicity Square, MG Road, Statue, Thiruvananthapuram - 695001

Email ID: co.fa@kiifb.org

Phone number: 9645544074

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

Not applicable

Particulars of the Offer

Financial position of the Issuer for the last 3 (three) Financial Year	Please refer to Annexure A (*Audited Financial Statements for the Issuer along with Auditor's Report*) of this General Information Document.
Date of passing of resolution by the board of the Issuer and the shareholders of the Issuer	Please refer to the relevant Key Information Document.
Date of passing of resolution in general meeting of the shareholders of the Issuer, authorizing the offer of securities	Not applicable.
Kinds of securities offered (i.e. whether shares or debenture) and class of security; the total number of shares or debentures or other securities to be issued	Please refer to the relevant Key Information Document.
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 '*Eligible Investors*' of the *Summary of Terms* 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

<table>
<tr><td>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.</td><td>Please see Paragraph 13(c) of Section 2 (Disclosures (in accordance with the SEBI Non-Convertible Securities Listing Regulations)) of this General Information Document.</td></tr>
<tr><td>The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.</td><td>Not applicable.</td></tr>
<tr><td>Amount, which the Issuer intends to raise by way of proposed offer of securities</td><td>Please refer to the relevant Key Information Document.</td></tr>
<tr><td>Debenture Trust Deed</td><td>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.</td></tr>
<tr><td>Terms of raising of securities:</td><td><table>
<tr><td>Duration, if applicable</td><td>Please refer to the relevant Key Information Document.</td></tr>
<tr><td>Rate of Interest</td><td>Please refer to the relevant Key Information Document.</td></tr>
<tr><td>Mode of Payment</td><td>RTGS/NEFT</td></tr>
<tr><td>Mode of Repayment</td><td>RTGS/NEFT</td></tr>
</table></td></tr>
<tr><td>Proposed time schedule for which the General Information Document is valid</td><td>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.</td></tr>
<tr><td>Purpose and objects of the Issue</td><td>Please refer to the relevant Key Information Document.</td></tr>
<tr><td>Contribution being made by the Promoter or directors of either as part of the offer or separately in furtherance of the object</td><td>Nil.</td></tr>
<tr><td>Principal terms of assets charged as security, if applicable</td><td>Please refer to the relevant Key Information Document.</td></tr>
<tr><td>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</td><td>Nil.</td></tr>
<tr><td>If the proceeds, or any part of the proceeds, of the issue of the</td><td>Nil.</td></tr>
</table>

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).	
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.	Nil.

Pre-issue and Post-issue shareholding pattern of the Issuer as on March 31, 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.

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
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	Nil

statutory authority upon conclusion of such litigation or legal action shall be disclosed.	
Remuneration of directors of the Issuer (during the current year and the last 3 (three) financial years).	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 Schedule II (*Remuneration of Members*) of this General Information Document.
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.	Nil
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.	Nil
Details of any inquiry, inspections or investigations initiated or conducted under the Act, any 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	Nil

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.	
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	Nil
Appointment of any relative to an office or place of profit of the Issuer, its subsidiary or associate company	Nil
Shareholding of the directors of the Issuer in the Issuer including any stock options	Not applicable
Shareholding of the directors of the Issuer in subsidiaries and associate companies on a fully diluted basis	Nil
Particulars of the nature and extent of interest, if any, of every director of the Issuer (a) in the promotion of the Issuer; or (b) in any immoveable property acquired by the Issuer in the 2 (two) years preceding the date of this General Information Document or any immoveable property proposed to be acquired by it; or (c) where the interest of such 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	Nil

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.	
Details of pending proceedings initiated against the Issuer for economic offences, if any.	Please refer to Section 2 (*Disclosures (in accordance with SEBI Non-Convertible Securities Listing Regulations)*) of this General Information Document.

5. **Financial position of the Issuer**

(a) **The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value) as on March 31, 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)
2019-20	(171.10)	(171.10)
2020-21	(336.71)	(339.80)
Not applicable 2021-22	(562.18)	(563.53)
2022-23	(853.27)	(853.33)

2023-24 (For the period ending 31st December 2023)	(766.00)	(729.05)
***Note*: Net profit/ (loss) for the financial years 2019-2020, 2020-2021, 2021-2022, 2022-2023 and for the period between April 1, 2023, to December 31, 2023 was "NIL".**		

(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, 2020- 0.57

(ii) As of 31 March 2021- 0.37

(iii) As of 31 March 2022 - 0.39

(iv) As of 31 March 2023- 0.41

(v) As of 31 December 2023- 0.32

(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 OPERATIONAL CIRCULAR

Sr. No.	Particulars	Details
1.	Security free from encumbrance	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.
2.	Information on consents/permissions required for creation of further charges on assets.	Not applicable
3.	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.	As per the terms set out in the relevant Key Information Document
4.	Due diligence certificate as per the format in Annexure II-A of Chapter II of the SEBI DT Operational Circular.	As per the terms set out in the relevant Key Information Document
5.	Disclaimers under the SEBI DT Operational Circular	As per the terms set out in the relevant Key Information Document
6.	Any additional covenant (including any side letter, accelerated payment clause etc.)	As per the terms set out in the relevant Key Information Document

DECLARATION BY THE ISSUER

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

KANDATHIL MATHEW ABRAHAM
Digitally signed by KANDATHIL MATHEW ABRAHAM
Date: 2024.04.18 11:00:05 +05'30'

Name: Dr. KM Abraham
Designation: CEO & Member Secretary
DIN: DIN-05178826
Date: April 18, 2024
Place: Thiruvananthapuram

DECLARATION BY THE MEMBERS OF THE ISSUER

The Members make the following declarations:

(a) the Issuer is in compliance with the provisions of the Act (as applicable), the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, 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 General Information Document; and

(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.

I am authorised by the board of members of the Issuer by way of the resolutions of the board of members of the Issuer and the investment management committee of the Issuer, as mentioned in the relevant Key Information Document, to sign this form and declare that all the requirements under Applicable Law thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with.

Whatever is stated in this form 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 in accordance with the original records maintained by the members of the Issuer.

For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

KANDATHIL MATHEW ABRAHAM

Digitally signed by KANDATHIL MATHEW ABRAHAM
Date: 2024.04.23 11:01:08 +05'30'

Name: Dr. KM Abraham
Designation: CEO & Member Secretary
DIN: DIN-05178826
Date: April 18, 2024
Place: Thiruvananthapuram

SCHEDULE I

KEY OPERATIONAL AND FINANCIAL PARAMETERS OF THE ISSUER

Particulars	For the period between April 1, 2023 to December 31, 2023	For the financial year 2022-2023	For the financial year 2021-2022	For the financial year 2020-2021	For the financial year 2019-2020
	Audited	Audited	Audited	Audited	Audited
Balance Sheet					
Assets					
Property, Plant and Equipment	4,40,59,750	4,85,21,852	4,54,71,773	5,57,12,391	4,88,90,167
Financial Assets	57,16,09,49,650	48,73,71,53,659	44,13,98,27,385	23,29,83,43,083	12,15,39,03,701
Non-financial Assets excluding property, plant and equipment	1,69,11,36,40,359	1,59,42,02,72,638	1,22,64,24,64,685	87,29,93,53,820	90,74,97,17,729
Total Assets	2,26,31,86,49,759	2,08,20,59,48,149	1,66,82,77,63,843	1,10,65,34,09,294	1,02,95,25,11,597
Liabilities					
Financial Liabilities					
- Derivative financial instruments	NIL	NIL	NIL	NIL	NIL
- Trade payables	NIL	NIL	NIL	NIL	NIL
- Debt securities	45,66,53,74,500.07	30,61,13,00,000	27,96,80,00,000	25,10,31,80,000	22,70,42,80,000
- Borrowings (other than debt securities)	1,12,63,12,07,108.81	1,12,61,44,87,446	98,48,66,52,814	27,94,44,39,508	26,81,21,83,333
- Subordinated liabilities	NIL	NIL	NIL	NIL	NIL
- Other financial liabilities	37,41,19,51,706.57	34,49,23,44,726	10,34,44,00,000	28,39,61,83,969	5,07,53,27,159
Non-Financial Liabilities					
- Current tax liabilities (net)	NIL	NIL	NIL	NIL	NIL
- Provisions	NIL	NIL	NIL	NIL	NIL
- Deferred tax liabilities (net)	NIL	3,68,78,343	3,63,43,554	2,28,84,402	NIL

Particulars	For the period between April 1, 2023 to December 31, 2023	For the financial year 2022-2023	For the financial year 2021-2022	For the financial year 2020-2021	For the financial year 2019-2020
	Audited	Audited	Audited	Audited	Audited
- Other non-financial liabilities	2,40,51,88,599.97	2,24,60,09,791	1,78,74,39,632	4,20,24,93,571	1,19,37,00,466
Equity (Equity Share Capital and Other Equity)	28,20,49,27,844.00	28,20,49,27,844	28,20,49,27,844	24,98,42,27,844	47,16,70,20,638
Total Liabilities and Equity	2,26,31,86,49,759	2,08,20,59,48,149	1,66,82,77,63,843	1,10,65,34,09,294	1,02,95,25,11,597
Profit and Loss					
Revenue from operations	5,08,66,38,700	6,30,59,78,695	4,09,95,73,610	2,86,71,22,641	2,51,66,07,910
Other income	1,26,73,32,532	3,28,29,748	2,54,47,403	4,08,641	2,67,73,022
Total income	6,35,39,71,232.	6,33,88,08,442	4,12,50,21,013	2,86,75,31,282	2,54,33,80,932
Total expense	14,01,39,96,390.53	14,86,89,35,990	9,74,33,93,165	6,21,36,34,631	4,66,37,53,444
Profit after tax for the year	-7,66,00,25,158	-8,53,01,27,548	-5,61,83,72,152	-3,34,61,03,349	-2,12,03,72,512
Other comprehensive income	NIL	NIL	NIL	NIL	NIL
Total comprehensive income	-7,66,00,25,158	-8,53,01,27,548	-5,61,83,72,152	-3,34,61,03,349	-2,12,03,72,512
Earnings per equity share (Basic)	NIL	NIL	NIL	NIL	NIL
Earnings per equity share (Diluted)	NIL	NIL	NIL	NIL	NIL
Cash Flow					
Net cash from / used in (-) operating activities	Not applicable	-93,94,46,073	-29,24,51,26,327	-11,66,92,45,051	-5,50,40,40,547
Net cash from / used in (-) investing activities	Not applicable	-2,91,49,45,646	1,28,73,33,338	1,41,08,09,649	-6,23,56,11,983

Particulars	For the period between April 1, 2023 to December 31, 2023	For the financial year 2022-2023	For the financial year 2021-2022	For the financial year 2020-2021	For the financial year 2019-2020
	Audited	Audited	Audited	Audited	Audited
Net cash from / used in (-) financing activities	Not applicable	4,96,72,02,478	13,10,58,73,154	2,40,90,86,253	20,42,67,06,296
Net increase/decrease (-) in cash and cash equivalents	Not applicable	1,11,28,10,760	-14,85,19,19,835	-7,84,93,49,149	8,68,70,53,766
Cash and cash equivalents as per Cash Flow Statement as at end of Year	Not applicable	**59,24,70,45,880**	**58,13,42,35,120**	**72,98,61,54,955**	**80,83,55,04,104**
Additional information					
Net worth	28,20,49,27,844.00	28,20,49,27,844	28,20,49,27,844	24,98,42,27,844	35,02,31,66,937
Cash and cash equivalents	59,67,88,91,167	59,24,70,45,880	58,13,42,35,120	72,98,61,54,955	80,83,55,04,104
Loans	1,12,63,12,07,108.81	1,12,61,44,87,446	98,48,66,52,814	27,94,44,39,508	26,81,21,83,333
Loans (Principal Amount)	1,12,63,12,07,108.81	1,12,61,44,87,446	98,48,66,52,814	27,94,44,39,508	26,81,21,83,333
Total debts to total assets	0.86	0.85	0.79	0.74	0.53
Interest income	5,08,66,38,700.49	6,30,59,78,695	4,09,95,73,610	2,86,71,22,641	2,51,66,07,910
Interest expense	13,17,64,09,847.54	14,16,96,48,958	9,14,47,01,453	5,34,93,68,408	4,01,12,49,897
Impairment on financial instruments	NIL	NIL	NIL	NIL	NIL
Bad debts to loans	NIL	NIL	NIL	NIL	NIL
% stage 3 loans on loans (Principal amount)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
% net stage 3 loans on loans (Principal amount)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Particulars	For the period between April 1, 2023 to December 31, 2023	For the financial year 2022-2023	For the financial year 2021-2022	For the financial year 2020-2021	For the financial year 2019-2020
	Audited	Audited	Audited	Audited	Audited
Tier I capital adequacy ratio (%)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Tier II capital adequacy ratio (%)	Not applicable	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:

Financial Year	Sushil Khanna	JN Gupta	Salim Gangadharan	Sudipto Mundle	TS Vijayan	Radhakrishnan Nair	C P Chandrashekhar	Ajay Kumar
2019-20	INR 120,000.00	INR 60,000.00	INR 60,000.00	INR 60,000.00	-	INR 40,000.00	-	
2020-21	INR 140,000.00	INR 140,000.00	INR 140,000.00	INR 60,000.00	INR 60,000.00	INR 60,000.00	INR 60,000.00	
2021-22	INR 110,000.00	INR 100,000.00	INR 140,000.00	INR 50,000.00	INR 50,000.00	INR 50,000.00		
2022-23	INR 120,000.00	INR 90,000.00	INR 120,000.00	INR 30,000.00	INR 60,000.00	INR 60,000.00		
2023-24	INR 140,000.00	INR 175,000.00	INR 150,000.00		INR 60,000.00	INR 110,000.00		INR 60,000.00
Total	INR 630,000.00	INR 565,000.00	INR 610,000.00	INR 200,000.00	INR 230,000.00	INR 32,0000.00	INR 60,000.00	INR 60,000.00

SCHEDULE III

TERM SHEET

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

Redemption Amount	
Redemption Premium / Discount	
Issue Price	
Discount at which security is issued and the effective yield as a result of such discount	
Premium/Discount at which security is redeemed and the effective yield as a result of such premium/discount	
Put Date	
Put Price	
Call Date	
Call Price	
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	
Face Value	
Minimum Application and in multiples thereafter	
Issue Timing	
Issue / Bid Opening Date	
Issue / Bid Closing Date	
Date of earliest closing of the issue	
Pay – in Date	
Deemed Date of Allotment	
Settlement mode of the Instrument	
Depository	
Disclosure of interest / Redemption Dates	
Record Date	
All covenants of the Issue (including side letters, accelerated payment clause etc.)	
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	
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	
Transaction Documents	
Conditions Precedent to Disbursement	
Conditions Subsequent to Disbursement	
Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement	
Creation of recovery expense fund	
Conditions for breach of covenants (as specified in Debenture Trust Deed)	
Provisions related to Cross Default Clause	
Role and Responsibilities of Debenture Trustee	
Risk factors pertaining to the issue	
Governing Law and Jurisdiction	

Annexure A – Audited Financial Statements for the Issuer along with Auditor's Report.

Varma & Varma
Chartered Accountants

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 the 'Board'), which comprise the Balance Sheet as at March 31st 2021, 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 Board as at March 31, 2021, and of its Nil 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 the Board in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

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

(i) As stated in Note No.4.2 to the accounts, crediting of interest received of Rs. 142,80,41,956 attributable to funds invested out of corpus/statutory contribution received from GoK directly to the corpus fund - revolving account based on resolution of the board taken in the preceding year is in line with the provisions of KIIFB Act, which stipulates that corpus fund (including interest thereon) has to be used exclusively for meeting the objectives of the Act. The above amounts has been worked out pro rata in the proportion of cash inflow from statutory contribution from GoK received during the year and additional loans received from various sources as per the cash flow statement.



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(ii) As stated in Note No 27 to the accounts,

(a) Interest income amounting to Rs.85,76,20,484 is recognised at an estimated rate (being at a rate applicable for other comparable cases or based on the interest rates agreed upon at the time of sanction of loan) on loans given for revenue generating projects for which agreements are pending to be entered into fixing the rate of interest.

(b) Interest rate would be fixed on entering into loan agreement only upon reaching 40% stage of disbursement as per the terms of the tripartite agreement. 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 the impact of covid 19. The interest is payable by the borrower regardless of completion of project and is also not contingent on the project earning any revenue.

(iii) As stated in Note No 8.2 to the accounts, balances under Sundry creditors for expense include an amount of Rs. 4,68,35,097 which are subject to confirmation/reconciliation and adjustment, if any, required which will be done in succeeding year on reconciliation. As stated in Note No 16.2 to the accounts, balance in advances and receivable includes an amount of Rs.1,40,61,748 due from vendors for goods/services subject to reconciliation which includes an amount of Rs.1,40,19,729/- outstanding for more than one year.

(iv) As stated in Note No 25 to the accounts, C&AG in their report under Section 14 of C&AG Act for the period from 1.1.2016 to 31.3.2020 has taken a view that cost incurred on development of Software for KSFE Pravasi Chity cannot be accounted under intangible asset due to control of software being vested with KSFE. According to the management, on facts of the case the ownership and control is vested with KIIFB only and entire economic benefits of the scheme is shared by KIIFB. Hence the aggregate cost of development of software amounting to Rs 18,47,51,211 (including Rs.1,49,61,625 incurred during the year) is treated as intangible asset based on consideration of proposal by the Board at its 31st meeting held on 30.11.2017. It was explained that the agreement with KSFE would be entered into fixing other terms and conditions as stipulated in Memorandum of Agreement (MoA) in due course.

Our opinion is not modified in respect of these matters.



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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
The Board did not have a formal internal audit system in force during the year for conducting verification of transactions to ensure adherence to laid down procedures and also to ensure the effectiveness of internal control/checks with regard to various segment of activities/ operations. There was also no standard operating procedures in force during the year.	We have obtained an understanding of the Board's internal control system. We tested the design, implementation and operating effectiveness and also carried out substantive audit procedures on a sample basis of the Board's significant internal controls which are critical to financial reporting. We also tested key automated and manual internal controls relevant to the audit that would materially impact the financial statements and no material deficiencies have been noted on such verification. Further, as stated in Note No 35 to the financial statements, the Board has considered the need of internal audit and tendering process for appointment of Internal auditor is initiated during the year on the basis of risk based internal audit framework got prepared by a firm of chartered accountants. Standard operating procedures for carrying out transactional activities have also been prepared and duly approved by the board, which will be implemented in the year 2021-22.
As stated in Note no 4.2 to the accounts, Interest income received of Rs. 142,80,41,956 in respect of investment out of surplus funds of Corpus fund/statutory contribution has been credited to corpus fund – revolving as per resolution of the Board taken during the preceding year.	Since interest earned out of investment of corpus funds/statutory contribution is to be exclusively used for meeting the objectives of the Act, it partakes the same nature as the fund and is therefore to be credited to fund account only. Such interest has been arrived on pro rata basis by identifying the source of funds from cash flow.

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As stated in Note No. 27 to the financial statements, (i) Interest income amounting to Rs.85,76,20,484 is recognised on loans given for revenue generating projects at an estimated rate (applicable to comparable loans or based on the interest rates agreed upon at the time of sanction of loan) in respect of which agreements are pending to be entered into. (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 only upon completion of 40% of the project disbursement. 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.	The estimated rate of 9% (applicable in most of the cases) or rate agreed in the terms is applied based on assessment of management with reference to rate applicable for comparable loans for which loan agreement has been entered. Actual rate on entering into agreement could vary. At this stage, on accrual concepts income has been taken credit for as stated in Note (i) above.



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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 the Board 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 the Board'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 the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's 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 the Board's internal control.

VARMA & VARMA Trivandrum Chartered Accountants

T.C.9/2610-1, E-3, "Sahasraram", Elankom Gardens, Sasthamangalam, Thiruvananthapuram - 695010
Tel : 0471-2727345, 2727346, Email : trivandrum@varmaandvarma.com

- 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 the Board'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 the Board 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 the Board 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.



T.C.9/2610-1, E-3, "Sahasraram", Elankom Gardens, Sasthamangalam, Thiruvananthapuram - 695010
Tel : 0471-2727345, 2727346, Email : trivandrum@varmaandvarma.com

(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 2021, 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.

for Varma and Varma
Chartered Accountants
FRN.004532S

C.G.Pankajakshan
Partner
Membership No.020512
UDIN :21020512AAAACS6441

Thiruvananthapuram
Dated :07.08.2021

T.C.9/2610-1, E-3, "Sahasraram", Elankom Gardens, Sasthamangalam, Thiruvananthapuram - 695010
Tel : 0471-2727345, 2727346, Email : trivandrum@varmaandvarma.com

Kerala Infrastructure Investment Fund Board

2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001

Balance Sheet as at 31st March 2021

Amounts in Rs.

	Particulars	Note No.	As at 31-03-2021	As at 31-03-2020
I.	**EQUITY AND LIABILITIES**			
1	Share Capital	**1**	-	-
2	Reserves & Surplus	**2**	-	-
3	Initial Corpus Fund	**3**	24,98,42,27,844	24,98,42,27,844
4	Corpus Fund - Revolving	**4**	-	22,18,27,92,794
5	**Non-current liabilities**			
	(a) Long-term borrowings	**5**	53,04,76,19,508	49,51,64,63,334
	(b) Deferred tax liabilities (Net)	**11**	2,28,84,402	-
	(c) Other Long term liabilities	**6**	12,32,48,223	66,01,636
6	**Current liabilities**			
	(a) Short-term borrowings	**7**	28,39,61,83,969	5,07,53,27,159
	(b) Other current liabilities	**8**	4,07,92,45,348	1,18,70,98,830
			1,10,65,34,09,294	**1,02,95,25,11,597**
II.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	**9**		
	(i)Tangible assets		5,57,12,391	4,88,90,167
	(ii)Intangible assets		33,61,49,986	42,99,53,090
	(b) Non-current investments	**10**	1,67,44,940	1,00,50,000
	(c) Deferred tax assets (net)	**11**	-	-
	(d) Long-term loans and advances	**12**	23,28,15,98,143	12,14,38,53,701
	(e) Other Non Current Assets	**13**	2,91,69,07,186	1,41,07,98,355
2	**Current assets**			
	(a) Current investments	**14**	6,00,00,00,000	6,00,00,00,000
	(b) Cash and cash equivalents	**15**	72,98,61,54,955	80,83,55,04,104
	(c) Short term loans and advances	**16**	48,47,42,472	7,58,21,545
	(d) Statutory contribution receivable from GoK	**4**	2,86,38,29,402	-
	(e) Other current assets	**17**	1,71,15,69,819	1,99,76,40,635
			1,10,65,34,09,294	**1,02,95,25,11,597**

Notes forming part of financial statements **I , II & 1-36**

The accompanying notes form an integral part of the financial statements

AUDITORS' 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

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

Thiruvananthapuram
Date : 07.08.2021

Kerala Infrastructure Investment Fund Board

2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001

Profit and Loss Account for the year ended 31.03.2021

Amounts in Rs.

Particulars	Note No.	For the Year Ended 31-03-2021	For the Year Ended 31-03-2020
I. Revenue:			
i) Recoupment of statutory contribution from Government of Kerala from Corpus Fund for financing of direct project cost as per Contra	**20**	45,21,77,28,436	23,86,14,85,760
ii) Interest income from financial assisstance for revenue generating projects		1,41,07,30,946	60,73,59,899
iii) Interest income from deposits and investments	**18**	1,45,63,91,695	1,90,92,48,011
iv) Other income	**19**	4,08,641	2,67,73,022
Total Revenue (I)		**48,08,52,59,718**	**26,40,48,66,692**
II. Expenses:			
i) Financing of direct cost of projects -Out of Corpus Fund	**20**	45,21,77,28,436	23,86,14,85,760
ii) Employee benefits expense	**21**	5,63,90,190	4,59,68,114
iii) Finance costs	**22**	5,34,93,68,408	4,01,12,49,897
iv) Depreciation and amortisation expense	**9**	12,58,67,987	11,82,24,463
v) Other expenses	**23**	68,20,08,046	48,83,10,970
Total expenses (II)		**51,43,13,63,067**	**28,52,52,39,204**
III. Profit / (Loss) (I- II)		(3,34,61,03,349)	(2,12,03,72,512)
Prior Period Item	**24**	(2,09,53,219)	40,94,05,886
Profit / (Loss) after prior period item		(3,36,70,56,568)	(1,71,09,66,626)
IV. Tax expense:			
(1) Current tax		-	-
(2) Tax for Earlier years	**33**	(80,32,810)	-
(3) Deferred tax(Expense)/Income	**11**	(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		3,39,79,73,780	1,71,09,66,626
V. Net Profit / (Loss) for the Year		-	-

Notes forming part of financial statements **I , II & 1-36**

The accompanying notes form an integral part of the financial statements

AUDITORS' REPORT

As per our report of even date attached

for Varma & Varma
Chartered Accountants
FRN.004532S

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

For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

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

Thiruvananthapuram
Date : 07.08.2021

Kerala Infrastructure Investment Fund Board
2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001
Cash Flow Statement for the year ended 31.03.2021

Amounts in Rs.

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
A. Cash flow from operating activities		
Profit before income tax	(3,36,70,56,568)	(1,71,09,66,626)
Adjustments for:		
Depreciation and amortisation expense	12,58,67,987	11,82,24,463
Interest income	(2,86,71,22,641)	(2,51,66,07,911)
Finance Cost	5,34,93,68,408	4,01,12,49,897
Operating profit / (loss) before working capital changes	(75,89,42,814)	(9,81,00,177)
Changes in working capital:		
Adjustments for (increase) / Decrease in operating assets:		
Current investments	-	(3,00,00,00,000)
Loans and Advances	22,84,725	(4,23,68,570)
Financial assistance made to Revenue Generating Projects	(11,54,89,50,094)	(8,41,19,69,552)
Other Non Current and Current Assets	33,48,40,933	(1,44,30,41,178)
Adjustments for increase / (Decrease) in operating liabilities:		
Other Current Liabilities	45,37,03,012	7,31,04,312
Net Changes in working capital:	(11,51,70,64,238)	(12,92,23,75,164)
Cash flow from exceptional items	-	-
Cash generated from operations	(11,51,70,64,238)	(12,92,23,75,164)
Net income tax (paid) / refunds	(15,21,80,813)	(38,62,75,036)
Net cash from/ (used in) operating activities (A)	**(11,66,92,45,051)**	**(13,30,86,50,200)**
B. Cash flow from investing activities		
Purchase of PPE (including changes in CWIP)	(3,88,87,106)	(34,02,00,341)
(Purchase)/ disposal proceeds of Investments	(66,94,940)	(50,000)
Interest income received	1,45,63,91,695	1,90,92,48,011
Net cash from/ (used in) investing activities (B)	**1,41,08,09,649**	**1,56,89,97,670**
C. Cash flow from financing activities		
Loans from :-		
(i) Banks and Financial Institutions (Net)	25,57,15,39,458	22,51,47,58,662
(ii) Bonds	2,39,89,00,000	1,14,66,00,000
(ii) Pravasi Dividend Scheme	1,23,76,56,860	56,58,00,000
Statutory contribution from GoK	21,72,85,50,000	22,00,00,00,000
CSR and PTA fund	41,24,88,064	-
Recoupment by way of Statutory contribution from Govt of Kerala from Corpus Fund for direct project cost (other than NABARD)	(44,56,93,64,196)	(22,95,59,80,479)
Interest received during the period from Deposits made out of corpus fund	1,42,80,41,956	2,04,75,17,608
Finance cost paid	(5,15,03,61,649)	(3,98,64,84,214)
Fund utilised for Nabard Projects	(64,83,64,240)	(90,55,05,281)
Net cash from/ (used in) financing activities (C)	**2,40,90,86,253**	**20,42,67,06,296**
Net increase (decrease) in cash and cash equivalents (A+B+C)	(7,84,93,49,149)	8,68,70,53,766
Cash and cash equivalents at the beginning of the financial year	80,83,55,04,104	72,14,84,50,338
Cash and cash equivalents at end of the year	**72,98,61,54,955**	**80,83,55,04,104**

Notes:

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

Balances with banks		
Cash in Hand	5,654	10,000
Balance with Treasury	22,07,62,564	35,92,46,219
Term Deposits	24,18,31,54,878	43,91,10,11,664
Other deposit, savings and current accounts	23,59,80,04,015	11,58,10,08,377
Other Bank balance in Treasury Accounts	24,98,42,27,844	24,98,42,27,844
	72,98,61,54,955	**80,83,55,04,104**

Notes forming part of financial statements **I, II & 1-36**

The accompanying notes form an integral part of the financial statements

For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

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

Thiruvananthapuram
Date : 07.08.2021

AUDITORS' 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 Financial Statements for the year ended 31st March, 2021

All amounts in Rs. except for specifically stated

NOTE-I
GENERAL INFORMATION

Kerala Infrastructure Investment Fund Board (KIIFB referred to as the Board) 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, the Board aims to dynamically mobilise funds for the infrastructure development of Kerala including major land acquisition needs of the State. The Board has recourse to the advanced financial instruments approved by SEBI / RBI and is expected to promote substantial development of sustainable infrastructure in the State.

The Board 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 the Board 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. The Board 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 and as such are shown separately in the Notes annexed to and forming part of Accounts.

(ii) Extra-ordinary items are those material adjustments necessitated by circumstances which though related to prior periods are determined in the current period and as such are shown separately in the Notes annexed to and forming part of Accounts.

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

VARMA & VARMA Chartered Accountants Trivandrum

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 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. In case of loans granted for which the loan agreement is pending to be executed, interest is recognised on accrual basis at rates 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 as the case may be.

F. CORPUS FUND- Revenue Recognition and Accounting of Utilisation

The initial corpus fund representing capital investment of State Government in the Board comprises initial corpus received vide Government order.

The revolving/ corpus funds 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 (the Board). 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.

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. Loans are classified as performing and non-performing and provision for non-performing assets is made in accordance with the Income Recognition and Asset Classification (IRAC) norms applicable to financial institutions as a matter of prudence. Interest Income on non performing assets is recognised on cash basis only. Loan assets are classified as non performing in cases where instalments of loan and interest is overdue for more than 90 days. Being entity engaged in long term financing of infrastructural projects, adhoc provision is not made on standard assets.

J. ACCOUNTING FOR TAXES ON INCOM

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 the Board 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 - The Board does not have any defined contribution plan and defined benefit plan as detailed in Note No 21.1 to the financial statements.

Note - 1

Share Capital	**As at 31.03.2021**	**As at 31.03.2020**
Fund from Contingency Fund of Government of Kerala		
Opening Balance	-	75,00,000
Less : Transferred to Corpus Fund	-	(75,00,000)
Closing Balance	-	-

Note - 2

Reserves & Surplus	**As at 31.03.2021**	**As at 31.03.2020**
Opening Balance		4,21,94,213
Add : Profit for the year	-	-
Less : Additional income tax for the year 2017-18	-	-
Add : Deferred tax asset/ (liability) till 31.03.2018	-	-
Deferred tax asset reversed		
Less :	-	(4,66,40,941)
Less : Transferred to Corpus Fund	-	44,46,728
Closing Balance	-	-

2.1 Balance in Reserves and Surplus is transferred to Corpus fund as per 39th General body decision during the P.Y. 2019-20.

Note -3

Initial Corpus Fund	**As at 31.03.2021**	**As at 31.03.2020**
Initial corpus fund for Major Infrastructural Development Projects	24,98,42,27,844	24,98,42,27,844
	24,98,42,27,844	**24,98,42,27,844**

3.1 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, on interest free basis.

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIFB GOVERNMENT OF KERALA

VARMA & VARMA Thiruvananthapuram Chartered Accountants

Note - 4
Corpus Fund - Revolving

	As at 31.03.2021	As at 31.03.2020
A. Fund from Contingency Fund of Government of Kerala	75,00,000	75,00,000
Total -(A)	**75,00,000**	**75,00,000**
B. Corpus fund by way of statutory contribution from GoK		
Opening Balance	59,13,25,70,780	35,08,94,99,900
Add: Statutory contribution received during the year	21,72,85,50,000	22,00,00,00,000
Add: Allotment of funds under LAC-ADS	40,41,00,000	-
Add: Allotment of funds under PTA & CSR Fund	83,88,064	-
Add : Interest received during the period from Deposits made out of corpus fund (Refer Note 4.2)	1,42,80,41,956	2,04,75,17,608
Add : Transfer from Reserve & Surplus Account	-	(44,46,728)
Closing Balance of funds available for utilisation	**82,70,16,50,800**	**59,13,25,70,780**
Utilisation of Corpus Fund		
i) Funds Utilised for financing of direct project cost as at year end (see Note 4.4 below)	(80,46,40,39,797)	(35,24,63,11,360)
ii) Fund Utilised for financial assistance by way of long term loans to revenue generating projects as at year end (see Note 4.5 below)	(23,69,28,03,795)	(12,14,38,53,701)
iii) Deficit from operations in P & L a/c recouped (see Note 4.6 below)	(5,10,89,40,406)	(1,71,09,66,626)
Total-(B)	**(26,56,41,33,197)**	**10,03,14,39,093**
C. Reserve for financial assistance to revenue generating projects		
Financial assistance for revenue generating projects adjusted as per contra	23,69,28,03,795	12,14,38,53,701
Total-(C)	**23,69,28,03,795**	**12,14,38,53,701**
Total (A)+(B)+(C)	**(2,86,38,29,402)**	**22,18,27,92,794**
Less: Transferred to statutory contribution receivable from GoK	**(2,86,38,29,402)**	-
	-	**22,18,27,92,794**

4.1 The corpus fund represents capital investment of State Government in the Board 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 funds are 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.

4.2 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. Such interest amounting to Rs. 1,42,80,41,956/- relatable to deposits made out of statutory contribution has been determined prorata in the proportion of cash inflow from statutory contribution and fresh loans received as per the cash flow statement.

4.3 The net loss in Profit and Loss account for the year of Rs. 3,39,79,73,780/- 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.

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

VARMA & VARMA Chartered Accountants Trivandrum

4.4	**Particulars of Fund Utilised out of Corpus Fund / Statutory contribution for direct project cost**	**As at 31.03.2021**	**As at 31.03.2020**
	Opening Balance	35,24,63,11,360	10,38,13,01,646
	Add : Transfer from opening balance of NABARD Projects asset shown as recoverable in earlier years	-	1,00,35,23,954
	Add: Utilised during the year for financing of direct project cost (See Note 20)	45,21,77,28,436	23,86,14,85,760
	Closing Balance	**80,46,40,39,797**	**35,24,63,11,360**

4.4.1 The Board received an amount of Rs.565,00,00,000/- as loan funds sanctioned by NABARD under NIDA assistance scheme during the preceding years for development of 16 roads in 4 districts of Kerala. Out of the above loan funds, an amount of Rs.255,73,93,475 /- has been incurred towards the project cost upto the year end and 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.

4.5	**Particulars of Fund Utilised out of Corpus Fund / statutory contribution for financial assistance to revenue generating projects**	**As at 31.03.2021**	**As at 31.03.2020**
	Opening Balance	12,14,38,53,701	3,73,18,84,149
	Add : Financial assistance given during the year	11,54,89,50,094	8,41,19,69,552
	Closing Balance	**23,69,28,03,795**	**12,14,38,53,701**

4.6	**Deficit in operations in P & L a/c recouped**		
	Accumulated deficit as at beginning of the year	(1,71,09,66,626)	-
	Current Year profit/(Loss)	(3,39,79,73,780)	(1,71,09,66,626)
	Closing Balance	**(5,10,89,40,406)**	**(1,71,09,66,626)**

Note -5

Long Term Borrowings		**As at 31.03.2021**	**As at 31.03.2020**
Unsecured Loans			
(a)	KSFE Pravasi Bond (Note 5.1)	3,60,31,80,000	1,20,42,80,000
(b)	Masala Bond (Note 5.2)	21,50,00,00,000	21,50,00,00,000
(c)	KNRKWB under Pravasi dividend scheme (Note 5.3)	1,80,34,56,860	56,58,00,000
(d)	Loan From Banks and Financial Institutions (Note 5.3)		
	i. Loan From NABARD	4,88,18,00,000	5,45,62,00,000
	ii. Loan From SBI	10,00,00,00,000	8,00,00,00,000
	iii. Loan From Union Bank	7,39,58,33,333	6,50,00,00,000
	iv. Loan From Indian Bank	4,91,60,00,000	5,00,00,00,000
	v. Loan From Canara Bank	2,01,32,49,315	2,00,00,00,000
	Total A	**56,11,35,19,508**	**50,22,62,80,000**
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	63,75,00,000	5,20,83,333
	iii. Loan From Indian Bank	50,40,00,000	8,33,33,333
	iv. Loan from SBI	1,25,00,00,000	-
	v. Loan from Canara Bank	10,00,00,000	-
	Total B	**3,06,59,00,000**	**70,98,16,666**
	Total (A-B)	**53,04,76,19,508**	**49,51,64,63,334**





Note -5.1

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 Bond Outstanding.

Note -5.2

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. The Board 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 sovereign guarantee for the repayment of its interest and principal amount by the Government of Kerala.

Note -5.3

Loan From Banks and Financial Institution and other lenders

i. KIIFB has availed Loan from various Public Sector Banks and Financial Institution duly backed by Guarantee of Government of Kerala as mandated by the KIIF Act, 1999 and subsequent amendment Act of 2016 passed by the Legislature. Also, specific Government Orders regarding these Guarantees have also been issued. There is no tangible security for the loans. Except in the case of Loan from Kerala Non Residents Keralites' Welfare Board (KNRKWB) under Pravasi dividend scheme, all other loans are guaranteed by GoK.

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 holiday period of 2 years. Interest to be serviced as and when debited including during holiday period. Total door to door tenure is 12 years.

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

VARMA & VARMA Trivandrum Chartered Accountants

3	Union Bank of India	15-02-2020	250	10 Years with 2 years moratorium Interest Rate of 7.5%	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 7.45%	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%	
5	Canara Bank	29-08-2019	200	10 Years with 2 years moratorium Interest Rate of 7.8%	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.
6	KNRKWB under Pravasi dividend scheme	19-12-2019	56.58	3 Years Interest Rate of 9%	The repayment commences after 3 years from date of disbursement.

Note-6

Other Long term liabilities	**As at 31.03.2021**	**As at 31.03.2020**
Interest Accrued on Loan From KNRKWB under Pravasi dividend scheme	12,32,48,223	66,01,636
	12,32,48,223	**66,01,636**

Note- 7

Short Term Borrowings	**As at 31.03.2021**	**As at 31.03.2020**
Secured, Repayable on Demand		
Overdraft from Banks	28,39,61,83,969	5,07,53,27,159
(on the security by Lien on Fixed Deposits)		
	28,39,61,83,969	**5,07,53,27,159**
7.1 **Name of the Bank**	**Amount outstanding**	**Amount outstanding**
Bank of Baroda	-	1,38,00,00,000
Union Bank of India	3,33,00,50,478	3,69,53,27,159
Canara Bank	19,29,88,01,578	-
Indian Bank	60,01,82,219	-
Axis Bank	3,38,70,04,924	-
HDFC Bank	1,78,01,44,770	
	28,39,61,83,969	**5,07,53,27,159**

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

VARMA & VARMA Thiruvananthapuram Chartered Accountants

Note-8

Other Current Liabilities	**As at 31.03.2021**	**As at 31.03.2020**
Current maturity of long term borrowing :		
i. Loan From NABARD	57,44,00,000	57,44,00,000
ii. Loan From Union Bank	63,75,00,000	5,20,83,333
iii. Loan From Indian Bank	50,40,00,000	8,33,33,333
iv. Loan from SBI	1,25,00,00,000	-
v. Loan from Canara Bank	10,00,00,000	-
Sundry Creditors for Expenses (Note 8.1 and 8.2)	38,82,03,532	5,79,45,435
Guarantee Commission Payable	40,78,27,721	37,24,86,887
Statutory Liabilities	3,65,55,808	1,07,14,076
Interest on Masala Bond Payable	1,71,81,740	1,71,81,740
Interest on KSFE Bond Payable	6,30,82,365	1,89,54,026
Interest on Term Loan Payable	9,76,03,182	-
Interest on OD payable	28,91,000	-
Total	**4,07,92,45,348**	**1,18,70,98,830**

8.1 Sundry creditors for expenses does not include bills raised by Rail India Technical and Economic Services (RITES) for work done up to 31/03/2021 amounting to Rs. 4,27,21,265 which are pending to be approved by the Board . (Details disclosed in Note 28 relating to claims not acknowledged as debt).

8.2 Sundry creditors for expense include an amount of Rs. 4,68,35,097 which are subject to confirmation/reconciliation and adjustment if any, required will be done in succeeding year on reconciliation

Note - 9

Written down balance of Property, Plant and Equipment	**As at 31.03.2021**	**As at 31.03.2020**
Tangible assets	5,57,12,391	4,88,90,167
Intangible assets	33,61,49,986	42,99,53,090
	39,18,62,376	**47,88,43,257**

* Refer Note -9 Property,Plant and Equipment and Depreciation statement

Note-10

Non-current investments	**As at 31.03.2021**	**As at 31.03.2020**
Investment in Kerala Infrastructure Fund Management Limited (unquoted)	1,00,50,000	1,00,50,000
Shares Pending Allotment- Kerala Infrastructure Fund Management Limited	66,94,940	-
Total	**1,67,44,940**	**1,00,50,000**

10.1 Kerala Infrastructure Fund Management Limited is a Company formed under Companies Act, 2013 formed with main objective of Fund Management services. The additional shares of 6,69,494 at Rs. 10 each amounting to Rs.66,94,940 subscribed during the year was pending to be allotted as on 31.03.2021. The allotment was completed subsequently on 07-04-2021.

Note-11

Deferred Tax Asset

Particulars	**As at 31.03.2021**	**As at 31.03.2020**
Opening Balance	-	4,66,40,941
Add : Deferred Tax Asset \(Liability) for the year	(2,28,84,402)	
Less : Reversal/ write off of deferred tax asset by transfer to Corpus Fund	-	(4,66,40,941)
Closing Deferred Tax Asset /(liability)	**(2,28,84,402)**	**-**

Components of Deferred Tax	**As at 31.03.2021**	**As at 31.03.2020**
Deferred Tax Liability : A		
On ICDS adjustment on revenue recognition	57,86,72,166	-
On excess of net book value over Income Tax Written Down Value of Property, Plant & Equipment	7,17,58,886	-
	65,04,31,052	-
Deferred Tax Asset : B		
On business loss and unabsorbed depreciation	**62,75,46,650**	-
Net Deferred tax liability (A-B)	**2,28,84,402**	-

Note-12

Long Term Loans & Advances (Unsecured considered good)	**As at 31.03.2021**	**As at 31.03.2020**
Financial assistance made to Revenue Generating Projects	23,28,15,98,143	12,14,38,53,701
(contra by credit to Financial assistance Reserve for revenue)		
Total	**23,28,15,98,143**	**12,14,38,53,701**

12.1 All the above balances are standard assets as at the Balance Sheet Date as loans have not fallen due for payment. There is also moratorium for payment of interest on the above.

Note- 13

Other Non Current Assets	**As at 31.03.2021**	**As at 31.03.2020**
Project spending towards NABARD Projects	-	1,00,35,23,954
Less : Transfer to funds utilised	-	(1,00,35,23,954)
TDS paid for AY 2020-21 (Pending Assessment)	30,64,80,680	39,38,97,781
TDS Credit (A.Y. 2021-22) (Refer Note 30)	23,15,65,104	-
Accrued Interest on Loans for projects	2,37,88,61,402	1,01,69,00,574
Total	**2,91,69,07,186**	**1,41,07,98,355**

Note -14

Current Investments at cost	**As at 31.03.2021**	**As at 31.03.2020**
SBI Mutual Funds	6,00,00,00,000	6,00,00,00,000
Total	**6,00,00,00,000**	**6,00,00,00,000**

14.1 Net Asset Value as at year end is : Rs 663,06,82,439/-(PY : Rs 620,72,77,428/-)

Note -15

Cash and Cash Equivalents	**As at 31.03.2021**	**As at 31.03.2020**
Cash on Hand	5,654	10,000
Balance with Treasury	22,07,62,564	35,92,46,219
Balance with Banks		
in Term Deposits	24,18,31,54,878	43,91,10,11,664
in Sweep Accounts	23,04,99,36,658	9,77,13,23,666
in Savings account and current account	54,80,67,357	1,80,96,84,711
	48,00,19,27,111	**55,85,12,76,260**
Other bank balance		
Balance with Treasury (Refer Note 15.1)	**24,98,42,27,844**	**24,98,42,27,844**
Total	**72,98,61,54,955**	**80,83,55,04,104**

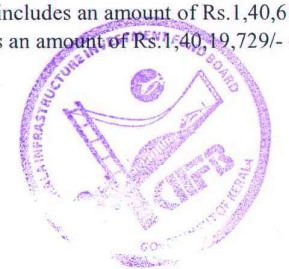
15.1 Other bank balance represents initial Corpus fund of Rs 24,98,42,27,844/- kept separately in government treasury account.

Note-16

Short Term Loans and Advances	**As at 31.03.2021**	**As at 31.03.2020**
Deposits	50,61,226	43,62,426
Advances and other Receivables (refer note 16.1 & 16.2)	6,84,75,594	7,14,59,119
Current maturity of Financial assistance made to Revenue Generating Projects '(contra by credit to Financial assistance Reserve for revenue)	41,12,05,652	-
Total	**48,47,42,472**	**7,58,21,545**

16.1 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 since the centage claim has not raised so far by the SPV. The testing equipments, which is to be provided with vehicles amounting to Rs.2,69,24,123 which have been already handed over and being used by SPV, are yet to be written off to the individual project cost at this stage, since the order for procurement of items is pending to be executed in full and final decision on allocation of cost to the respective projects can be taken only after the same . The same is now shown under advances and receivables, pending decision of the management to allocate to the respective projects for which the above vehicles have been procured and allotted for use.

16.2 Balance in advances and receivable includes an amount of Rs.1,40,61,748/- due from vendors for goods/services which is subject to reconciliation which includes an amount of Rs.1,40,19,729/- outstanding for more than one year.





Note-17

Other Current Assets	**As at 31.03.2021**	**As at 31.03.2020**
Prepaid Expenses	29,37,473	10,27,050
Accrued Interest on Deposits	1,65,98,62,229	1,99,66,13,585
Current maturity of Accrued Interest on Loans for projects	4,87,70,117	-
Total	**1,71,15,69,819**	**1,99,76,40,635**

Note-18

Interest income from deposits and investments	**For the year ended 31.03.2021**	**For the year ended 31.03.2020**
Interest earned during the year(refer note 27)	2,88,44,33,651	3,95,67,65,619
Less : Interest received during the period from Deposits made out of corpus fund	(1,42,80,41,956)	(2,04,75,17,608)
	1,45,63,91,695	**1,90,92,48,011**

Note-19

Other income	**For the year ended 31.03.2021**	**For the year ended 31.03.2020**
Interest on IT Refund	-	1,04,632
Income received under Asian Bond Grant Scheme from Monetary Authority of Singapore for Masala Bond	-	2,04,13,837
Other Income	4,08,641	62,54,553
Total	**4,08,641**	**2,67,73,022**

Note - 20

Financing of direct cost of projects -Out of Corpus Fund	**For the year ended 31.03.2021**	**For the year ended 31.03.2020**
General Education	2,89,39,35,918	8,77,71,10,402
Public Works	33,20,31,60,268	7,19,99,17,678
Water Resources	2,89,61,63,120	2,49,41,25,410
Medical	1,17,85,57,982	1,09,66,70,107
Other Projects	2,46,38,34,450	1,31,49,05,651
NABARD Project	64,83,64,240	90,55,05,281
Centage/ Additional Centage	1,24,89,99,544	2,07,32,51,231
Allocation of Expenses towards Projects	68,47,12,914	-
	45,21,77,28,436	**23,86,14,85,760**

20.1 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 by the management. Centages payable to SPV as per Government Order is consistently accounted for on cash basis and in line with the above, payable as at 31.03.2021 represented by claims by way of invoices received upto 31.03.2021 amounting to Rs. 14,10,89,386 has not provided for as at the close of the year. Since the expenses is allocated to project costs, which is shown as a contra item in P & L a/c, this has no effect on the working results for the year (Previous Year Rs.4,56,40,274).

20.2 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 and Centage /additional centage charges which are allocated to cost of projects. However, TRC, Detailed Project Report support services, Independent quality audit & design review charges, land acquisition and centage charges aggregating to Rs. 1,62,95,16,086/- are pending to be allocated to individual projects as at 31.03.2021.

20.3 Allocation of Expenses towards projects as above includes an amount of Rs 30,41,96,373 being Media cost expenses by way of advertisement and publicity and inaugural expenses incurred during the year directly relatable to various individual projects as identified by the management and duly approved by the Governing body of the Board.

Note-21

Employee Benefit Expenses	**For the year ended 31.03.2021**	**For the year ended 31.03.2020**
Salary, Wages & Allowances	5,31,23,853	3,98,60,510
Employers Contribution to various Fund	6,90,969	4,68,989
Other Employee Expenses	25,75,368	56,38,615
Total	**5,63,90,190**	**4,59,68,114**

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA
VARMA & VARMA Trivandrum Chartered Accountants

21.1 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 as the eligible number of such employees are less than 10. 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-22

Finance Cost	**For the year ended 31.03.2021**	**For the year ended 31.03.2020**
Guarantee Commission (GOK)	40,78,28,081	37,23,52,099
Interest on Loan from Banks and Financial Institution	2,52,65,86,002	1,48,59,10,015
Interest on Masala Bond	2,09,04,79,700	2,09,24,92,732
Interest on KSFE Bond	19,35,97,901	4,43,71,618
Other Interest and Finance Charge	13,08,76,724	1,61,23,433
Total	**5,34,93,68,408**	**4,01,12,49,897**

Note-23

Other Expenses	**For the year ended 31.03.2021**	**For the year ended 31.03.2020**
Technical & Consultancy Charges *	10,82,50,974	15,53,07,994
Professional Fee	1,55,52,799	1,43,13,803
Promotional Expenses (Refer Note 23.1)	42,37,50,172	25,33,29,147
Meeting and Conference Expense	10,15,018	21,87,745
Repairs and Maintenance	15,91,624	1,90,261
Electricity & Water Charges	5,79,978	6,03,861
Rent and Utility Charges	1,57,22,932	1,24,77,840
Telephone & Internet Charges	3,61,387	1,65,979
Vehicle Hire Charges	84,79,658	60,65,331
Technical Resource Centre Expenses *	-	3,30,09,017
Printing and Stationery	17,74,977	22,52,165
Miscellaneous Expense	32,84,208	36,31,986
Payments to the auditor (Refer Note 23.3 below)	10,26,500	6,00,000
Software Charges	1,77,98,990	41,15,841
KSFE Software maintenance Charges	8,28,18,829	-
Membership and Subscription Fee	-	60,000
Total	**68,20,08,046**	**48,83,10,970**

* Technical Resource Centre Expenses and certain nature of technical and consultancy charges which are directly attributable to project cost are classified and accounted under Financing of direct cost of projects - Out of Corpus Fund.

23.1 During the year the Board has incurred promotional expenses amounting to Rs 44,23,72,112 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 by the Governing Body of the Board including excess expenses of Rs.31,76,246 incurred over budget provision made. The details of promotional expenditure incurred during the year debited to P&L a/c is as under.

Amount in Rs.

Sl.No	Nature of Expenditure	2020-21	2019-20
1	Kerala Nirmithi Program	80,08,898	13,60,72,529
2	TV ad programmes, Newspaper ads, Railway Jingles and digital	32,17,29,468	6,20,78,214
3	Social Media activities	9,53,49,133	4,53,24,043
4	Advertisement in publications ,pull outs ,FM Radio & Others	1,72,84,613	98,54,361
	Net expenses charged in P&L(incl.prior period expenses in Note 24)	**44,23,72,112**	**25,33,29,147**

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

VARMA & VARMA Chartered Accountants Trivandrum

23.2 Further, other expenses incurred under various expenses heads includes an amount aggregating to Rs 9,92,17,000/- being the actual expenditure incurred in excess of the operational budget, which has been duly approved by the Board.

23.3 Details of Payments to the Auditor **Amount in Rs.**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Statutory Audit fees	7,20,000	6,00,000
Tax Audit fees (including fee for previous year)	2,18,000	-
Other taxation services	88,500	-
Total	**10,26,500**	**6,00,000**

Note - 24

Prior Period Item	**For the year ended 31.03.2021**	**For the year ended 31.03.2020**
Prior Period Income -		
Interest income from Project Loans	-	40,95,40,674
Prior Period Expenditure -		
Advertisement & Promotion Expenses	1,86,21,940	
Software Subscription and Manpower Cost	23,31,279	
Guarantee Commission	-	1,34,788
Total	**(2,09,53,219)**	**40,94,05,886**

Note - 25

During the year, KIIFB had incurred an expenditure of Rs. 1,49,61,625 for development of software and Rs. 8,28,18,829 for maintenance, hosting and value adding charges. 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 of proposal by the Board and other maintenance, hosting and value adding charges are charged to P&L. The management of KIIFB did not agree with the audit observation of C&AG that the control of the software is with KSFE only, on a detailed consideration of the facts of the case.

Note - 26

The Board has put in place a system/process of computation of Asset Liability Management which is currently undergoing Beta Version test and is in the process of being further improved upon, tested and stabilised.

Note -27

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 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. Such interest income recognised as per the management estimate is Rs. 85,76,20,484. On facts of the case, many of the projects financed with long gestation period are yet to commence 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.

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

VARMA & VARMA Chartered Accountants Trivandrum

Note - 28

Claims not acknowledged as Debt : M/s RITES, the consultant engaged during the year for independent quality review, design review and providing assistance in empanelment of supervision consultants has raised a total claim of Rs. 5,02,44,708 which is pending to be approved/accepted by the Board as on date and hence represent claims not acknowledged as debt by the board.

Note -29

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

Note -30

Reconciliation of Form 26 AS (as per Income Tax Act,1961) and Book of accounts - Reconciliation of Income and TDS credit as per Form 26AS with books of accounts is pending to be done since Form 26AS in the Income tax webportal is yet to be updated with the entries for the quarter ended 31.3.2021.

Note - 31

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. 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 though the matter has been contested on appeals before higher authorities on a due consideration of the grounds of appeal raised.

Note - 32

Related Party Disclosures in accordance with AS-18

Name of the Related Party	Nature of relationship	For the year ended 31.03.2021	For the year ended 31.03.2020
Dr. K.M. Abraham, CFA, IAS	CEO and Member Secretary	39,60,000	37,15,250
Shri. Vikramjit Singh, IPS	Deputy Managing Director (w.e.f March 2020)	23,63,626	1,85,003
Shri. Satyajit Rajan, IAS	Additional CEO (w.e.f May 2021)	-	-
Kerala Infrastructure Fund Management Limited-Share application pending allotment	Associate company	66,94,940	-

Note - 33

Segment Reporting

The Board 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 - 34

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. Though there could be certain consequential delays in the financing and implementation of major infrastructure projects, being financed by the Board, on account of the above, this does have any material impact in the financial position i.e, on the assets and liabilities position as at 31.03.2021, as per assessment of the management.





Note - 35

Internal Audit System / standard operating procedures - During the year 2020-21, there was no system of internal audit of transactions in the Board. However internal checks and inbuilt controls have been in force to effectively monitor and safeguard the best interests of the Board, including from a propriety angle. The Board has considered the need of internal audit and tendering process for appointment of Internal auditor is initiated during the year on the basis of risk based internal audit framework got prepared by a firm of chartered accountants. Standard operating procedures for carrying out transactional activities have also been prepared and duly approved by the board, which will be implemented in the year 2021-22.

Note -36

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

AUDITORS' REPORT
As per our report of even date attached

for Varma & Varma
Chartered Accountants
FRN.004532S

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

Place : Thiruvananthapuram
Date : 07.08.2021

Note 9

Property, Plant and Equipment and Depreciation Statement For the period 01-04-2020 to 31-03-2021

PARTICULARS		GROSS BLOCK					DEPRECIATION/AMORTISATION				NET BLOCK	
SL. No.	ITEM	As on 01.04.2020	Additions		Sale/ Adjustment during the period	Total As on 31.03.2021	Rate %	As on 01.04.2020	For the Period	Sale/ Adjustment during the period	Up to 31.03.21	WDV As On 31.03.2021	WDV As On 31.03.2020
			Before 01.10.2020	on/After 01.10.2020									
A	**Tangible Asset**												
1	Air Cooler	5,430			-	5,430	10	5,404	3	-	5,407	23	26
	(Previous Year)	*(5,430)*				*(5,430)*		*(5,401)*	*(0,003)*		*(5,404)*	*(26)*	*(29)*
2	Computer	1,49,55,571	7,88,610	47,89,247	-	2,05,33,428	40	80,63,865	40,29,976	-	1,20,93,841	84,39,587	68,91,706
	(Previous Year)	*(98,93,744)*	*(7,65,114)*	*(42,96,713)*		*(1,49,55,571)*		*(49,01,632)*	*(31,62,233)*		*(80,63,865)*	*(68,91,706)*	*(49,92,112)*
3	Communication Equipme	3,77,559			-	3,77,559	40	3,06,858	28,280	-	3,35,138	42,421	70,701
	(Previous Year)	*(3,77,559)*				*(3,77,559)*		*(2,59,724)*	*(47,134)*		*(3,06,858)*	*(70,701)*	*(1,17,835)*
4	Furniture & Fittings	50,74,689	1,10,802	1,36,526	-	53,22,017	10	9,19,342	4,33,441	-	13,52,784	39,69,234	41,55,347
	(Previous Year)	*(28,06,219)*	*(20,63,932)*	*(2,04,538)*		*(50,74,689)*		*(4,69,000)*	*(4,50,342)*		*(9,19,342)*	*(41,55,347)*	*(23,37,218)*
5	Photostat Machine	1,72,409			-	1,72,409	40	1,39,593	13,126	-	1,52,720	19,689	32,816
	(Previous Year)	*(1,72,409)*				*(1,72,409)*		*(1,17,716)*	*(21,877)*		*(1,39,593)*	*(32,816)*	*(54,693)*
6	Printer	2,96,354	-	37,298	-	3,33,652	40	1,77,625	54,951	-	2,32,576	1,01,076	1,18,729
	(Previous Year)	*(2,96,354)*				*(2,96,354)*		*(98,472)*	*(79,153)*		*(1,77,625)*	*(1,18,729)*	*(1,97,882)*
7	Plant & Machinery	2,24,94,368	32,41,721	1,39,995	-	2,58,76,084	15	27,97,918	34,51,225	-	62,49,143	1,96,26,941	1,96,96,450
	(Previous Year)	*(80,06,059)*		*(1,44,88,309)*		*(2,24,94,368)*		*(6,00,454)*	*(21,97,464)*		*(27,97,918)*	*(1,96,96,450)*	*(74,05,605)*
8	Electrical Equipment	21,78,631	-	14,396	-	21,93,027	10	2,61,162	1,92,467	-	4,53,629	17,39,398	19,17,469
	(Previous Year)	*(4,81,096)*	*(16,97,535)*			*(21,78,631)*		*(48,110)*	*(2,13,052)*		*(2,61,162)*	*(19,17,469)*	*(4,32,986)*
9	Vehicle	69,61,005			-	69,61,005	15	13,68,992	8,38,802	-	22,07,794	47,53,211	55,92,013
	(Previous Year)	*(61,03,900)*		*(8,57,105)*		*(69,61,005)*		*(4,57,793)*	*(9,11,199)*		*(13,68,992)*	*(55,92,013)*	*(56,46,107)*
10	Computer & Accessories	38,32,909	1,45,404	88,91,204	-	1,28,69,517	40	15,33,164	27,56,301	-	42,89,464	85,80,053	22,99,745
	(Previous Year)	-	*(38,32,909)*			*(38,32,909)*		-	*(15,33,164)*		*(15,33,164)*	*(22,99,745)*	-
11	Interior Decoration	90,06,376	-	11,96,957	-	1,02,03,333	10	8,91,212	8,71,364	-	17,62,576	84,40,757	81,15,164
	(Previous Year)	*(34,12,586)*		*(55,93,790)*		*(90,06,376)*		*(3,00,293)*	*(5,90,919)*		*(8,91,212)*	*(81,15,164)*	*(31,12,293)*
	TOTAL	**6,53,55,301**	**42,86,537**	**1,52,05,623**	**-**	**8,48,47,461**		**1,64,65,135**	**1,26,69,936**	**-**	**2,91,35,071**	**5,57,12,391**	**4,88,90,167**
		(3,15,55,356)	*(83,59,490)*	*(2,54,40,455)*	-	*(6,53,55,301)*		*(72,58,595)*	*(92,06,540)*		*(1,64,65,135)*	*(4,88,90,167)*	*(2,42,96,702)*

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIFB GOVERNMENT OF KERALA

VARMA & VARMA Trivandrum Chartered Accountants

PARTICULARS		GROSS BLOCK					DEPRECIATION/AMORTISATION				NET BLOCK	
SL. No.	ITEM	As on 01.04.2020	Additions		Sale/ Adjustment during the period	Total As on	Rate	As on 01.04.2020	For the Period	Sale/ Adjustment during the period	Up to 31.03.21	WDV As On 31.03.2021	WDV As On 31.03.2020
			Before 01.10.2020	on/After 01.10.2020		31.03.2021	%						
B	**Intangible Asset**												
1	Software for KSFE Pravasi Chit	16,97,89,586	1,37,41,690	12,19,935	-	18,47,51,211	25	4,23,19,922	3,54,55,330	-	7,77,75,252	10,69,75,958	12,74,69,663
	(Previous Year)	*(7,51,04,493)*	*(3,73,36,927)*	*(5,73,48,166)*		*(16,97,89,586)*		*(93,88,062)*	*(3,29,31,860)*		*(4,23,19,922)*	*(12,74,69,663)*	*(6,57,16,431)*
2	Software TRC	85,89,870	44,33,321	-	-	1,30,23,191	25	13,31,637	29,22,888	-	42,54,526	87,68,665	72,58,233
	(Previous Year)	-	*(20,63,228)*	*(65,26,642)*		*(85,89,870)*		-	*(13,31,637)*		*(13,31,637)*	*(72,58,233)*	-
3	Other Software	92,75,961		-	-	92,75,961	25	30,82,037	15,48,481	-	46,30,518	46,45,443	61,93,924
	(Previous Year)	*(44,99,321)*		*(47,76,640)*		*(92,75,961)*		*(18,13,502)*	*(12,68,535)*		*(30,82,037)*	*(61,93,924)*	*(26,85,819)*
4	Expenses on Issuance of Masala Bond	24,73,13,909		-	-	24,73,13,909		4,98,59,325	4,94,62,782	-	9,93,32,107	14,79,81,802	19,74,44,584
	(Previous Year)	*(11,68,01,419)*	*(12,41,57,311)*	*(63,55,179)*		*(24,73,13,909)*		*(1,92,002)*	*(4,96,77,323)*		*(4,98,69,325)*	*(19,74,44,584)*	*(11,66,09,416)*
5	Expenses on issue of KSFE Bond	11,90,42,844	-	-	-	11,90,42,844		2,74,56,158	2,38,08,569	-	5,12,64,727	6,77,78,117	9,15,86,686
	(Previous Year)	*(5,12,06,543)*		*(6,78,36,301)*	-	*(11,90,42,844)*		*(36,47,589)*	*(2,38,08,569)*	-	*(2,74,56,158)*	*(9,15,86,686)*	*(4,75,58,954)*
	TOTAL	**55,40,12,170**	**1,81,75,011**	**12,19,935**	**-**	**57,34,07,116**		**12,40,59,080**	**11,31,98,050**	**-**	**23,72,57,130**	**33,61,49,986**	**42,99,53,090**
		(24,76,11,776)	*(16,35,57,466)*	*(14,28,42,928)*	-	*(55,40,12,170)*		*(1,50,41,155)*	*(10,90,17,924)*		*(12,40,59,080)*	*(42,99,53,090)*	*(23,25,70,620)*
	TOTAL	**61,93,67,472**	**2,24,61,548**	**1,64,25,558**	**-**	**65,82,54,577**	-	**14,05,24,215**	**12,58,67,987**	**-**	**26,63,92,201**	**39,18,62,376**	**47,88,43,257**
		(27,91,67,132)	*(17,19,16,956)*	*(16,82,83,383)*	-	*(61,93,67,472)*		*(2,22,99,750)*	*(11,82,24,464)*		*(14,05,24,215)*	*(47,88,43,257)*	*(25,68,67,322)*

Note

9.1 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.

9.2 The property, plant and equipment and the intangible assets are purchased using the corpus fund and loan 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.

9.3 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.

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIFB GOVERNMENT OF KERALA

VARMA & VARMA Trivandrum Chartered Accountants

Varma & Varma
Chartered Accountants

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.

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(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.

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(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
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. 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.	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. 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.
(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.	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.

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(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/-.	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.
(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.	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.
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 lo1an 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.	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.

TC 9/1504, Galaxy, SMRA-14, Sasthamangalam P O, Thiruvananthapuram-695010
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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.

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Tel : 0471-2727345, 2727346, Email : trivandrum@varmaandvarma.com

- 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 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 Trivandrum Chartered Accountants

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(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: 22020512AMUFMW6416

Place : Thiruvananthapuram
Date : 11.07.2022

VARMA & VARMA Trivandrum Chartered Accountants

TC 9/1504, Galaxy, SMRA-14, Sasthamangalam P O, Thiruvananthapuram-695010
Tel : 0471-2727345, 2727346, Email : trivandrum@varmaandvarma.com

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
I.	**EQUITY AND LIABILITIES**			
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	**Non-current liabilities**			
	(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	**Current liabilities**			
	(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
			1,66,82,77,63,843	**1,10,65,34,09,294**
II.	**ASSETS**			
1	**Non-current assets**			
	(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	**Current assets**			
	(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
			1,66,82,77,63,843	**1,10,65,34,09,294**

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
I. Revenue:			
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
Total Revenue (I)		**64,01,30,74,085**	**48,08,52,59,718**
II. Expenses:			
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
Total expenses (II)		**69,63,14,46,236**	**51,43,13,63,067**
III. Profit / (Loss) (I- II)		(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)
IV. Tax expense:			
(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
V. Net Profit / (Loss) for the Year		-	-

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 Varma & Varma
Chartered Accountants
FRN.004532S

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

Thiruvananthapuram
Date : 11.07.2022

For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

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

Thiruvananthapuram
Date : 07.07.2022

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
A. Cash flow from operating activities		
Profit before income tax	(5,62,18,41,335)	(3,36,70,56,568)
Adjustments for:		
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)	-
Operating profit / (loss) before working capital changes	(5,94,15,46,733)	(75,89,42,814)
Changes in working capital:		
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
Net Changes in working capital:	(29,09,56,64,272)	(11,51,70,64,238)
Cash generated from operations	(29,09,56,64,272)	(11,51,70,64,238)
Net income tax (paid) / refunds	(14,94,62,055)	(15,21,80,813)
Net cash from/ (used in) operating activities (A)	**(29,24,51,26,327)**	**(11,66,92,45,051)**
B. Cash flow from investing activities		
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
Net cash from/ (used in) investing activities (B)	**1,28,73,33,338**	**1,41,08,09,649**
C. Cash flow from financing activities		
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)
Net cash from/ (used in) financing activities (C)	**13,10,58,73,154**	**2,40,90,86,253**
Net increase (decrease) in cash and cash equivalents (A+B+C)	(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
Cash and cash equivalents at end of the year	**58,13,42,35,120**	**72,98,61,54,955**

Notes:

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

Balances with banks		
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	-
	58,13,42,35,120	**72,98,61,54,955**

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.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

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
Notes to Financial Statements for the year ended 31.03.2022

All amounts in Rs. 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 (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.

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

VARMA & VARMA Trivandrum Chartered Accountants

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 20.1 to the financial statements.

Note - 1

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	-
	28,20,49,27,844	**24,98,42,27,844**

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).

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

VARMA & VARMA Thiruvananthapuram Chartered Accountants

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
Total -(A)	**75,00,000**	**75,00,000**
B. Corpus fund by way of statutory contribution from GoK		
Opening Balance	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)	-
Closing Balance of funds available for utilisation	**1,03,87,15,74,081**	**82,70,16,50,800**
Utilisation of Corpus Fund		
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)
Subtotal	**(1,99,79,04,90,391)**	**(1,09,26,57,83,997)**
Total-(B)	**(95,91,89,16,309)**	**(26,56,41,33,197)**
C. Reserve for financial assistance to revenue generating projects		
Financial assistance for revenue generating projects adjusted as per contra	48,69,41,56,630	23,69,28,03,795
Total-(C)	**48,69,41,56,630**	**23,69,28,03,795**
Total (A)+(B)+(C)	**(47,21,72,59,679)**	**(2,86,38,29,402)**
Less: Transferred to statutory contribution receivable from GoK (see Note 2.7 below)	**(47,21,72,59,679)**	**(2,86,38,29,402)**
	-	-

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)
Closing Balance	**(10,74,42,40,893)**	**(5,10,89,40,406)**

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.

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB

VARMA & VARMA Chartered Accountants Trivandrum

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
Closing Balance	**1,40,35,20,92,867**	**80,46,40,39,796**

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
Closing Balance	**48,69,41,56,631**	**23,69,28,03,795**

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	-
	47,21,72,59,679	**2,86,38,29,402**

Note - 3

Long Term Borrowings	As at 31.03.2022	As at 31.03.2021
Unsecured Loans		
(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	-
Total A	**1,30,79,90,52,813**	**56,11,35,19,508**
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	-
Total B	**4,34,44,00,000**	**3,06,59,00,000**
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.

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVT. OF KERALA

VARMA & VARMA Trivandrum Chartered Accountants

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.

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVT. OF KERALA

VARMA & VARMA Chartered Accountants Trivandrum

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%	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.

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD GOVT. OF KERALA

VARMA & VARMA Trivandrum Chartered Accountants

Note - 4

Other Long term liabilities	**As at 31.03.2022**	**As at 31.03.2021**
Interest Accrued on Loan From KNRKWB under Pravasi dividend scheme	35,09,28,839	12,32,48,223
	35,09,28,839	**12,32,48,223**

Note - 5

Short Term Borrowings	**As at 31.03.2022**	**As at 31.03.2021**
Secured, Repayable on Demand		
Short Term Loan from Kotak Mahindra Bank	6,00,00,00,000	-
(Secured by pledge over Debt/Gilt Mutual Fund)		
(Maximum tenor of 180 days ,repayable on demand)		
Overdraft from Banks	-	28,39,61,83,969
(on the security by Lien on Fixed Deposits)		
	6,00,00,00,000	**28,39,61,83,969**

Note 5.1 -All overdraft accounts from banks were closed during the year.

Note - 6

Other Current Liabilities	**As at 31.03.2022**	**As at 31.03.2021**
Current maturity of long term borrowing :		
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	-
Sundry Creditors for Expenses (Note 6.1)	10,34,84,665	33,23,78,380
Guarantee Commission Payable	95,91,54,195	40,78,27,721
Statutory Liabilities	11,80,86,862	3,65,55,808
Centage Payable (Note 6.2)	10,06,88,544	5,10,67,436
Interest on Masala Bond Payable	1,71,81,740	1,71,81,740
Interest on KSFE Bond Payable	11,09,82,780	6,30,82,365
Interest on Term Loan Payable	1,98,28,460	9,76,03,182
Interest on OD payable	-	28,91,000
Salary Payable	60,27,527	39,37,716
Audit Fee Payable	10,76,020	8,20,000
Total	**5,78,09,10,793**	**4,07,92,45,348**

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	**As at 31.03.2022**	**As at 31.03.2021**
Tangible assets	4,54,71,773	5,57,12,391
Intangible assets	23,69,11,955	33,61,49,986
	28,23,83,728	**39,18,62,377**

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

Note - 8

Non-current investments	**As at 31.03.2022**	**As at 31.03.2021**
Investment in Kerala Infrastructure Fund Management Limited (unquoted)	1,67,44,940	1,00,50,000
Shares Pending Allotment- Kerala Infrastructure Fund Management Limited	-	66,94,940
Total	**1,67,44,940**	**1,67,44,940**

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

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIFB GOVERNMENT OF KERALA

VARMA & VARMA Trivandrum Chartered Accountants

Note 7

Property, Plant and Equipment and Depreciation Statement For the period 01-04-2021 to 31-03-2022

PARTICULARS		GROSS BLOCK					DEPRECIATION/AMORTISATION				NET BLOCK	
SL. No.	ITEM	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									
A	**Tangible Asset**												
1	Air Cooler	5,430			-	5,430	10	5,407	2	-	5,409	21	23
	(Previous Year)	*(5,430)*			-	*(5,430)*		*(5,404)*	*(3)*	-	*(5,407)*	*(23)*	*(26)*
2	Computer	2,05,33,428	-	7,86,368	34,575	2,12,85,221	40	1,20,93,841	35,33,109	-	1,56,26,950	56,58,271	84,39,587
	(Previous Year)	*(1,49,55,571)*	*(7,88,610)*	*(47,89,247)*	-	*(2,05,33,428)*		*(80,63,865)*	*(40,29,976)*	-	*(1,20,93,841)*	*(84,39,587)*	*(68,91,706)*
3	Communication Equipme	3,77,559			-	3,77,559	40	3,35,138	16,968	-	3,52,106	25,453	42,421
	(Previous Year)	*(3,77,559)*			-	*(3,77,559)*		*(3,06,858)*	*(28,280)*	-	*(3,35,138)*	*(42,421)*	*(70,701)*
4	Furniture & Fittings	53,22,017	11,69,224	5,08,292	5,24,678	64,74,855	10	13,52,783	5,39,260	-	18,92,043	45,82,812	39,69,234
	(Previous Year)	*(50,74,689)*	*(1,10,802)*	*(1,36,526)*	-	*(53,22,017)*		*(9,19,342)*	*(4,33,441)*	-	*(13,52,783)*	*(39,69,234)*	*(41,55,347)*
5	Photostat Machine	1,72,409			-	1,72,409	40	1,52,720	7,876	-	1,60,596	11,813	19,690
	(Previous Year)	*(1,72,409)*			-	*(1,72,409)*		*(1,39,593)*	*(13,126)*	-	*(1,52,720)*	*(19,690)*	*(32,816)*
6	Printer	3,33,652	14,250	1,81,412	48,422	4,80,892	40	2,32,576	82,413	-	3,14,989	1,65,903	1,01,076
	(Previous Year)	*(2,96,354)*	-	*(37,298)*	-	*(3,33,652)*		*(1,77,625)*	*(54,951)*	-	*(2,32,576)*	*(1,01,076)*	*(1,18,729)*
7	Plant & Machinery	2,58,76,084	-	-	-	2,58,76,084	15	62,49,143	29,44,041	-	91,93,184	1,66,82,900	1,96,26,941
	(Previous Year)	*(2,24,94,368)*	*(32,41,721)*	*(1,39,995)*	-	*(2,58,76,084)*		*(27,97,918)*	*(34,51,225)*	-	*(62,49,143)*	*(1,96,26,941)*	*(1,96,96,450)*
8	Electrical Equipment	21,93,027	2,23,547	-	5,65,722	18,50,852	10	4,53,629	1,96,295	-	6,49,924	12,00,928	17,39,398
	(Previous Year)	*(21,78,631)*	-	*(14,396)*	-	*(21,93,027)*		*(2,61,162)*	*(1,92,467)*	-	*(4,53,629)*	*(17,39,398)*	*(19,17,469)*
9	Vehicle	69,61,005			-	69,61,005	15	22,07,794	7,12,982	-	29,20,776	40,40,229	47,53,211
	(Previous Year)	*(69,61,005)*			-	*(69,61,005)*		*(13,68,992)*	*(8,38,802)*	-	*(22,07,794)*	*(47,53,211)*	*(55,92,013)*
10	Computer & Accessories	1,28,69,517	24,93,065	-	-	1,53,62,582	40	42,89,465	44,29,247	-	87,18,712	66,43,870	85,80,053
	(Previous Year)	*(38,32,909)*	*(1,45,404)*	*(88,91,204)*	-	*(1,28,69,517)*		*(15,33,164)*	*(27,56,301)*	-	*(42,89,465)*	*(85,80,053)*	*(22,99,745)*
11	Interior Decoration	1,02,03,333	-	-	11,37,109	90,66,224	10	17,62,576	8,44,076	-	26,06,652	64,59,572	84,40,757
	(Previous Year)	*(90,06,376)*	-	*(11,96,957)*	-	*(1,02,03,333)*		*(8,91,212)*	*(8,71,364)*	-	*(17,62,576)*	*(84,40,757)*	*(81,15,164)*
	TOTAL	**8,48,47,461**	**39,00,086**	**14,76,072**	**23,10,506**	**8,79,13,113**		**2,91,35,071**	**1,33,06,268**	-	**4,24,41,340**	**4,54,71,773**	**5,57,12,391**
		(6,53,55,301)	*(42,86,537)*	*(1,52,05,623)*	-	*(8,48,47,461)*		*(1,64,65,135)*	*(1,26,69,936)*	-	*(2,91,35,071)*	*(5,57,12,391)*	*(4,88,90,167)*

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

VARMA & VARMA Thiruvananthapuram Chartered Accountants

PARTICULARS		GROSS BLOCK					DEPRECIATION/AMORTISATION				NET BLOCK	
SL. No.	ITEM	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	**Intangible Asset**												
1	Software for KSFE Pravasi Chit	18,47,51,211	-	-	-	18,47,51,211	25	7,77,75,252	2,67,43,989	-	10,45,19,242	8,02,31,970	10,69,75,958
	(Previous Year)	*(16,97,89,586)*	*(1,37,41,690)*	*(12,19,935)*	-	*(18,47,51,211)*		*(4,23,19,922)*	*(3,54,55,330)*	-	*(7,77,75,252)*	*(10,69,75,958)*	*(12,74,69,663)*
2	Software TRC	1,30,23,191	55,07,781	-	-	1,85,30,972	25	42,54,526	35,69,112	-	78,23,638	1,07,07,334	87,68,665
	(Previous Year)	*(85,89,870)*	*(44,33,321)*	-	-	*(1,30,23,191)*		*(13,31,637)*	*(29,22,888)*	-	*(42,54,526)*	*(87,68,665)*	*(72,58,233)*
3	Other Software	92,75,961		-	-	92,75,961	25	46,30,518	11,61,361	-	57,91,879	34,84,082	46,45,443
	(Previous Year)	*(92,75,961)*		-	-	*(92,75,961)*		*(30,82,037)*	*(15,48,481)*	-	*(46,30,518)*	*(46,45,443)*	*(61,93,924)*
4	Expenses on Issuance of Masala Bond	24,73,13,909		-	-	24,73,13,909		9,93,32,107	4,94,62,782	-	14,87,94,889	9,85,19,020	14,79,81,802
	(Previous Year)	*(24,73,13,909)*		-	-	*(24,73,13,909)*		*(4,98,69,325)*	*(4,94,62,782)*	-	*(9,93,32,107)*	*(14,79,81,802)*	*(19,74,44,584)*
5	Expenses on issue of KSFE Bond	11,90,42,844	-	-	-	11,90,42,844		5,12,64,727	2,38,08,569	-	7,50,73,296	4,39,69,548	6,77,78,117
	(Previous Year)	*(11,90,42,844)*	-	-	-	*(11,90,42,844)*		*(2,74,56,158)*	*(2,38,08,569)*	-	*(5,12,64,727)*	*(6,77,78,117)*	*(9,15,86,686)*
	TOTAL	**57,34,07,116**	**55,07,781**	-	-	**57,89,14,897**		**23,72,57,130**	**10,47,45,813**	-	**34,20,02,943**	**23,69,11,955**	**33,61,49,986**
		(55,40,12,170)	*(1,81,75,011)*	*(12,19,935)*	-	*(57,34,07,116)*		*(12,40,59,080)*	*(11,31,98,050)*	-	*(23,72,57,130)*	*(33,61,49,986)*	*(42,99,53,090)*
	TOTAL	**65,82,54,577**	**94,07,867**	**14,76,072**	**23,10,506**	**66,68,28,010**	-	**26,63,92,201**	**11,80,52,081**	-	**38,44,44,283**	**28,23,83,728**	**39,18,62,377**
		(61,93,67,471)	*(2,24,61,548)*	*(1,64,25,558)*	-	*(65,82,54,577)*	-	*(14,05,24,215)*	*(12,58,67,987)*	-	*(26,63,92,201)*	*(39,18,62,377)*	*(47,88,43,257)*

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 KIIFB and KSFE.Accordingly the value in use as per management is sufficient to cover the net carrying value of asset.

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

VARMA & VARMA Trivandrum Chartered Accountants

Note - 9
Deferred Tax Asset

Particulars	**As at 31.03.2022**	**As at 31.03.2021**
Opening Balance	(2,28,84,402)	-
Add : Deferred Tax Asset \(Liability) for the year	(1,34,59,152)	(2,28,84,402)
Closing Deferred Tax Asset /(liability)	**(3,63,43,554)**	**(2,28,84,402)**

Components of Deferred Tax	**As at 31.03.2022**	**As at 31.03.2021**
Deferred Tax Liability : A		
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
	1,20,28,09,479	**65,04,31,052**
Deferred Tax Asset : B		
On business loss and unabsorbed depreciation	**1,16,64,65,925**	**62,75,46,650**
Net Deferred tax liability (A-B)	**3,63,43,554**	**2,28,84,402**

Note - 10

Long Term Loans & Advances (Unsecured considered good)	**As at 31.03.2022**	**As at 31.03.2021**
Financial assistance made to Revenue Generating Projects (contra by credit to Financial assistance Reserve for revenue)	38,89,29,57,485	23,28,15,98,143
Accrued Interest on Loans for projects	5,23,01,24,960	2,37,88,61,402
Total	**44,12,30,82,445**	**25,66,04,59,545**

Note - 11

Other Non Current Assets	**As at 31.03.2022**	**As at 31.03.2021**
TDS Credit (F.Y. 2021-22) (Refer Note 27.1)	11,39,44,033	-
Income Tax Refund Due (F.Y. 2018-19)	1,18,78,974	1,18,78,974
TDS Credit (F.Y. 2019-20)(Refer Note 27.2)	39,40,57,824	38,08,98,915
TDS Credit (F.Y. 2020-21)	18,07,85,917	14,52,67,895
Total	**70,06,66,748**	**53,80,45,784**

Note - 12

Current Investments at cost	**As at 31.03.2022**	**As at 31.03.2021**
SBI Mutual Funds (Growth Fund)	6,00,00,00,000	6,00,00,00,000
Total	**6,00,00,00,000**	**6,00,00,00,000**

12.1 Net Asset Value as at year end is : Rs 689,80,30,049/-(PY : Rs 663,06,82,439/-)

Note - 13

Cash and Cash Equivalents	**As at 31.03.2022**	**As at 31.03.2021**
Cash on Hand	504	5,654
Balance with Treasury	9,50,841	22,07,62,564
Balance with Banks		
in Term Deposits	16,31,82,99,995	24,18,31,54,878
in Sweep Accounts	20,61,991	23,04,99,36,658
in Savings account and current account	11,45,79,93,945	54,80,67,357
	27,77,93,07,276	**48,00,19,27,111**
Other bank balance		
Balance with Treasury (Refer Note 13.1)	28,20,49,27,844	24,98,42,27,844
In Masala Bond Sinking Fund Account with Axis Bank (Refer Note 13.2)	2,15,00,00,000	-
Total	**58,13,42,35,120**	**72,98,61,54,955**

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.

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

VARMA & VARMA Trivandrum Chartered Accountants

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
Total	**9,89,95,73,193**	**53,35,12,589**

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
Total	**45,38,17,990**	**1,66,27,99,702**

Note - 16	**For the year ended 31.03.2022**	**For the year ended 31.03.2021**
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)
	1,29,70,80,169	**1,45,63,91,695**

Note - 17	**For the year ended 31.03.2022**	**For the year ended 31.03.2021**
Interest Income from Financial Assistance for revenue generating project	2,80,24,93,442	1,41,07,30,946
	2,80,24,93,442	**1,41,07,30,946**

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.

VARMA & VARMA Trivandrum Chartered Accountants

Note - 18	For the year ended 31.03.2022	For the year ended 31.03.2021
Other Income		
Sundry Balances Written Back*	2,54,03,660	-
Miscellaneous Income	42,609	4,07,863
Right to Information	1,134	778
Total	**2,54,47,403**	**4,08,641**

* 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
	59,88,80,53,071	**45,21,77,28,436**

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
Total	**7,26,95,697**	**5,63,90,190**

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
Total	**9,14,47,01,453**	**5,34,93,68,408**

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
Total	**40,79,43,934**	**68,20,08,046**

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA
VARMA & VARMA Thiruvananthapuram Chartered Accountants

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)	**12,38,31,049**	**44,23,72,112**
Less: Prior period Expense included above	3,30,40,951	1,86,21,940
Net amount charged to P&L during the year	**9,07,90,098**	**42,37,50,172**

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	-
Total	45,27,09,268	3,70,86,961	48,97,96,229	29,15,23,500
Excess expenditure (I)-(II)			**19,82,72,729**	

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
Total	**12,69,000**	**10,26,500**

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	46,89,016	-
Rent Deposit	8,36,000	-
Interest income on TDS credit reconciliation	3,22,43,045	-
Interest income from Project Loans	-	-
Prior Period Expenditure -		
Advertisement & Promotion Expenses	3,30,40,951	1,86,21,940
Software Subscription and Manpower Cost	-	23,31,279
Rental Charges	22,46,892	-
Salaries and Allowances	9,86,392	-
Professional & Consultancy Expenses	41,50,284	-
Other Administrative Expenses	8,12,726	-
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 relatable 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

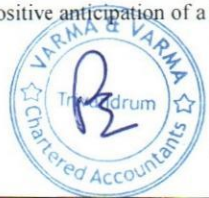
Contingent Liability

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 awarder 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 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

VARMA & VARMA Thiruvananthapuram Chartered Accountants

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

Thiruvananthapuram
Date : 11.07.2022

Varma & Varma
Chartered Accountants

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).

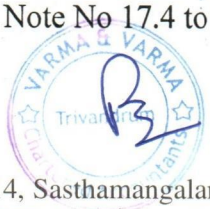
Basis for Opinion

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.



TC 9/1504, Galaxy, SMRA-14, Sasthamangalam P O, Thiruvananthapuram-695010
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(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 occured 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 IIIC 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
(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. 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). Such costs includes amounts outstanding for more than one year Rs.1,18,211.37 Lakhs where 40% disbursement has exceeded.	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. 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. 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.

Key Audit Matters	How addressed in Audit
(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.	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.
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.	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.
As stated in Note No. II.I under significant accounting policies and note10 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.	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. Facts have been duly disclosed in the standalone financial statements.

Key Audit Matters	How addressed in Audit
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.	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. The fact duly disclosed in note 19.5 to the standalone financial statement. 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.
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 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. 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. 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.

Key Audit Matters	How addressed in Audit
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. 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.	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.

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

C.G.Pankajakshan
Partner
Membership No.020512
UDIN: 23020512BGIZTXV7027

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
I.	**EQUITY AND LIABILITIES**			
1	Initial Corpus Fund	1	2,82,049.28	2,82,049.28
2	Corpus Fund - Revolving (shown on the asset side)	2	-	
3	**Non-current liabilities**			
	(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
4	**Current liabilities**			
	(a) Short-term borrowings	5	3,44,923.44	1,03,444.00
	(b) Other current liabilities	6	17,058.86	14,365.10
			20,82,059.50	**16,68,277.63**
II.	**ASSETS**			
1	**Non-current assets**			
	(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
2	**Current assets**			
	(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
			20,82,059.50	**16,68,277.63**
	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
I. Revenue:			
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
Total Revenue (I)		**5,33,365.43**	**6,40,130.75**
II. Expenses:			
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
Total expenses (II)		**6,18,666.77**	**6,96,314.45**
III. Profit / (Loss) (I- II)		(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)
IV. Tax expense:			
(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
V. Net Profit / (Loss) for the Year		-	-

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 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
A. Cash flow from operating activities		
Profit before income tax	(85,327.67)	(56,218.39)
Adjustments for:		
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)
Operating profit / (loss) before working capital changes	38,389.88	(4,828.91)
Changes in working capital:		
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)
Net Changes in working capital:	(10,108.01)	(4,11,814.15)
Cash generated from operations	(10,108.01)	(4,11,814.15)
Net income tax (paid) / refunds	713.56	(1,494.62)
Net cash from/ (used in) operating activities (A)	**(9,394.45)**	**(4,13,308.77)**
B. Cash flow from investing activities		
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)	-
Net cash from/ (used in) investing activities (B)	**(29,149.46)**	**12,873.33**
C. Cash flow from financing activities		
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)
Net cash from/ (used in) financing activities (C)	**49,672.02**	**2,51,916.25**
Net increase (decrease) in cash and cash equivalents (A+B+C)	11,128.11	(1,48,519.19)
Cash and cash equivalents at the beginning of the financial year	5,81,342.36	7,29,861.55
Cash and cash equivalents at end of the year	**5,92,470.47**	**5,81,342.36**

Notes:

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

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
	5,92,470.47	**5,81,342.36**

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.

VARMA & VARMA Chartered Accountants Trivandrum

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

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.

VARMA & VARMA Chartered Accountants Thiruvananthapuram

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

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	**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
	2,82,049.28	**2,82,049.28**

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
Total -(A)	**75.00**	**75.00**
B. Corpus fund by way of statutory contribution from GoK		
Opening Balance	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)
Closing Balance of funds available for utilisation	**12,88,192.11**	**10,38,715.75**
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	**(25,69,096.81)**	**(19,97,904.90)**
Total-(B)	**(12,80,904.70)**	**(9,59,189.15)**
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
Total-(C)	**5,02,823.11**	**4,86,941.57**
Total (A)+(B)+(C)	**(7,78,006.59)**	**(4,72,172.58)**
Less: Transferred to statutory contribution receivable from GoK (see Note 2.7 below)	**(7,78,006.59)**	**(4,72,172.58)**
	-	-

VARMA & VARMA Chartered Accountants Trivandrum

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

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
	7,78,006.59	**4,72,172.58**

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 **Deficit in operations in P & L a/c recouped**

	As at 31.03.2023	**As at 31.03.2022**
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)
Closing Balance	**(1,92,775.41)**	**(1,07,442.39)**

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 **Particulars of Fund Utilised out of Corpus Fund / Statutory contribution for direct project cost**

	As at 31.03.2023	**As at 31.03.2022**
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
Closing Balance	**18,73,498.29**	**14,03,520.94**

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 **Particulars of Fund Utilised out of Corpus Fund / statutory contribution for financial assistance to revenue generating projects**

	As at 31.03.2023	**As at 31.03.2022**
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
Closing Balance	**5,02,823.11**	**4,86,941.57**

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 **Particulars of Fund transferred to statutory contribution receivable from GoK**

	As at 31.03.2023	**As at 31.03.2022**
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
	7,78,006.59	**4,72,172.58**

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.

VARMA & VARMA Trivandrum Chartered Accountants

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

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		**As at 31.03.2023**	**As at 31.03.2022**
Unsecured Loans			
(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
Total A		**17,77,181.32**	**13,07,990.52**
Less: Current Maturity of loan shown under Short Term Borrowings:			
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	-
Total B		**3,44,923.44**	**43,444.00**
Total (A-B)		**14,32,257.88**	**12,64,546.52**

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.

VARMA & VARMA Chartered Accountants Trivandrum

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

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:

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% 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.

VARMA & VARMA Chartered Accountants Trivandrum

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

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%	

VARMA & VARMA Chartered Accountants Trivandrum

KIIFB GOVERNMENT OF KERALA

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.

VARMA & VARMA Chartered Accountants Trivandrum

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

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	-
	5,401.25	**3,509.29**

Note - 5

Short Term Borrowings	**As at 31.03.2023**	**As at 31.03.2022**
Secured, Repayable on Demand		
Short Term Loan from Kotak Mahindra Bank	-	60,000.00
(Secured by pledge over Debt/Gilt Mutual Fund)		
(Maximum tenor of 180 days ,repayable on demand)		
Total-(A)	**-**	**60,000.00**
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	-
	3,44,923.44	**43,444.00**
Total (A)+(B)	**3,44,923.44**	**1,03,444.00**

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KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

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
Total	**17,058.86**	**14,365.10**

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
	1,958.87	**2,823.81**

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	-
Total	**425.52**	**167.45**

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**
Opening Balance	(363.44)	(228.84)
Add : Deferred Tax Asset \(Liability) for the year	(5.35)	(134.60)
Closing Deferred Tax Asset /(liability)	**(368.79)**	**(363.44)**

Components of Deferred Tax	**As at 31.03.2023**	**As at 31.03.2022**
Deferred Tax Liability : A		
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
	13,113.34	**12,028.10**
Deferred Tax Asset : B		
On business loss and unabsorbed depreciation	**12,744.55**	**11,664.66**
Net Deferred tax liability (A-B)	**368.79**	**363.44**

VARMA & VARMA Chartered Accountants Trivandrum

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

Note - 10

Long Term Loans & Advances	**As at 31.03.2023**	**As at 31.03.2022**
(Considered good)		
Financial assistance made to Revenue Generating Projects	3,99,373.48	3,88,929.57
(contra by credit to Financial assistance Reserve for revenue)		
Accrued Interest on Loans for projects	87,572.53	52,301.25
Total-(A)	**4,86,946.01**	**4,41,230.82**
(Considered doubtful)		
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)	-
Total-(B)	-	-
Total(A+B)	**4,86,946.01**	**4,41,230.82**

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	**As at 31.03.2023**	**As at 31.03.2022**
Considered Good		
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
Total-(A)	**5,981.87**	**7,091.99**
Considered Doubtful		
TDS Credit (F.Y. 2019-20)	375.77	-
Less: Provision for TDS Asset (refer Note 22.4)	375.77	-
Total-(B)	-	
Total (A)+(B)	**5,981.87**	**7,091.99**

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	-
Total	**1,05,175.02**	**60,000.00**

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

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KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

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
	3,10,398.13	**2,77,793.08**
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
Total	**5,92,470.47**	**5,81,342.36**

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
Total	**1,05,791.71**	**98,910.41**

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
Total	**5,303.44**	**4,538.21**

Note - 16	**For the year ended 31.03.2023**	**For the year ended 31.03.2022**
Interest income from deposits and investments		
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)
	16,518.73	**12,970.80**

Note - 17	**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
	46,541.05	**28,024.93**

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).

VARMA & VARMA Chartered Accountants Trivandrum

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

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.

Note - 18	**For the year ended 31.03.2023**	**For the year ended 31.03.2022**
Other Income		
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
Total	**328.30**	**254.48**

Note - 19		
Financing of direct cost of projects -Out of Corpus Fund	**For the year ended 31.03.2023**	**For the year ended 31.03.2022**
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
	4,69,977.35	**5,98,880.54**

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/I&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.

VARMA & VARMA Chartered Accountants Trivandrum

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

The above agencies (including IIIC 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
Total	**755.79**	**726.95**

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
Total	**1,41,696.48**	**91,447.01**

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

VARMA & VARMA Chartered Accountants Trivandrum
KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

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
Total	**5,137.11**	**4,079.44**

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	-
Total	**18.17**	**12.69**

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
Total	**11,082.49**	**4,040.79**	**7,041.70**

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	**For the year ended 31.03.2023**	**For the year ended 31.03.2022**
Prior Period Income -		
Reimbursement of Expenses incurred on behalf of KIFML	-	46.89
Rent Deposit	-	8.36
Interest income on TDS credit reconciliation	-	322.43
Prior Period Expenditure -		
Advertisement & Promotion Expenses	-	330.41
Software Subscription and Manpower Cost	25.78	-
Rental Charges	0.55	22.47
Salaries and Allowances	-	9.86
Professional & Consultancy Expenses	-	41.50
Other Administrative Expenses	-	8.13
Total	**(26.33)**	**(34.69)**

VARMA & VARMA Trivandrum Chartered Accountants

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

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 primafacie 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 awarder 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/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 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									
A	**Tangible Asset**												
1	Air Cooler	0.05	-	-	-	0.05	10.00	0.05	-	-	0.05	-	-
	(Previous Year)	*(00.05)*	-	-	-	*(00.05)*		*(00.05)*	-	-	*(00.05)*	-	-
2	Computer	212.84	25.10	12.74	-	250.68	10.00	156.27	35.22	-	191.49	59.19	56.57
	(Previous Year)	*(205.33)*	-	*(07.86)*	*(00.35)*	*(212.84)*		*(120.94)*	*(35.33)*	-	*(156.27)*	*(56.57)*	*(84.39)*
3	Communication Equipme	3.78	-	0.28	-	4.06	10.00	3.52	0.16	-	3.68	0.38	0.26
	(Previous Year)	*(03.78)*	-	-	-	*(03.78)*		*(03.35)*	*(00.17)*	-	*(03.52)*	*(00.26)*	*(00.43)*
4	Furniture & Fittings	64.74	9.28	3.21	-	77.23	10.00	18.92	5.67	-	24.59	52.64	45.82
	(Previous Year)	*(53.22)*	*(11.69)*	*(05.08)*	*(05.25)*	*(64.74)*		*(13.53)*	*(05.39)*	-	*(18.92)*	*(45.82)*	*(39.69)*
5	Photostat Machine	1.72	-	-	-	1.72	10.00	1.61	0.05	-	1.66	0.06	0.11
	(Previous Year)	*(01.72)*	-	-	-	*(01.72)*		*(01.53)*	*(00.08)*	-	*(01.61)*	*(00.11)*	*(00.19)*
6	Printer	4.81	0.64	1.31	-	6.76	10.00	3.15	1.18	-	4.33	2.43	1.66
	(Previous Year)	*(03.34)*	*(00.14)*	*(01.81)*	*(00.48)*	*(04.81)*		*(02.33)*	*(00.82)*	-	*(03.15)*	*(01.66)*	*(01.01)*
7	Plant & Machinery	258.76	20.28	0.68	-	279.72	10.00	91.93	28.12	-	120.05	159.67	166.83
	(Previous Year)	*(258.76)*	-	-	-	*(258.76)*		*(62.49)*	*(29.44)*	-	*(91.93)*	*(166.83)*	*(196.27)*
8	Electrical Equipment	18.51	-	1.52	-	20.03	10.00	6.50	1.28	-	7.78	12.25	12.01
	(Previous Year)	*(21.93)*	*(02.24)*	-	*(05.66)*	*(18.51)*		*(04.54)*	*(01.96)*	-	*(06.50)*	*(12.01)*	*(17.39)*
9	Vehicle	69.61	-	-	-	69.61	10.00	29.21	6.06	-	35.27	34.34	40.40
	(Previous Year)	*(69.61)*	-	-	-	*(69.61)*		*(22.08)*	*(07.13)*	-	*(29.21)*	*(40.40)*	*(47.53)*
10	Computer & Accessories	153.63	2.55	15.75	-	171.93	10.00	87.18	30.74	-	117.92	54.01	66.45
	(Previous Year)	*(128.70)*	*(24.93)*	-	-	*(153.63)*		*(42.89)*	*(44.29)*	-	*(87.18)*	*(66.45)*	*(85.81)*
11	Interior Decoration	90.66	26.98	29.29	-	146.93	10.00	26.07	10.62	-	36.69	110.24	64.59
	(Previous Year)	*(102.03)*	-	-	*(11.37)*	*(90.66)*		*(17.63)*	*(08.44)*	-	*(26.07)*	*(64.59)*	*(84.40)*
	TOTAL	**879.11**	**84.83**	**64.78**	**-**	**1,028.72**		**424.41**	**119.10**	**-**	**543.51**	**485.21**	**454.70**
		(848.47)	*(39.00)*	*(14.75)*	*(23.11)*	*(879.11)*		*(291.36)*	*(133.05)*	-	*(424.41)*	*(454.70)*	*(557.11)*
B	**Intangible Asset**												
1	Software for KSFE Pravasi Chit	1,847.51	-	-	-	1,847.51	10.00	1,045.19	200.58	-	1,245.77	601.74	802.32
	(Previous Year)	*(1847.51)*	-	-	-	*(1847.51)*		*(777.75)*	*(267.44)*	-	*(1045.19)*	*(802.32)*	*(1069.76)*

VARMA & VARMA Chartered Accountants Trivandrum

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIFB GOVERNMENT OF KERALA

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

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.





Varma & Varma
Chartered Accountants

LIMITED REVIEW REPORT

To the General Body of Kerala Infrastructure Investment Fund Board

1. We have reviewed the accompanying unaudited balance sheet of Kerala Infrastructure Investment Fund Board (hereinafter referred to as 'KIIFB') as at September 30, 2023 and the related unaudited Statement of Profit & Loss for the three month period then ended, year to date cash flow statement and notes to accounts (hereinafter referred to as 'interim financial information') being submitted by KIIFB pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with AS 25 – Interim Financial Reporting issued by the Institute of Chartered Accountants of India. Our responsibility is to issue a report on this interim financial information based on our review.

Scope of 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 of material misstatement. A review is limited primarily to inquiries of company personnel 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.

Basis for Qualified Conclusion

4.

(i) As stated in Note No.11 to the accounts, the 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.6,738.56 lakhs (including estimated provision of Rs.338.17 lakhs) was incurred in quarter ended 30.06.2023 through external agencies (Kerala State Industrial Enterprises Limited, Global Kerala Initiative - GKI, Indian Institute of Infrastructure & Construction referred to as IIIC all of which are government owned or controlled entities, as explained to us) to whom the activities/functions were outsourced by KIIFB. The invoices of end service providers were available only to the extent of Rs.4538.86 lakhs out of Rs. 6400.39 lakhs (excluding provision) w.r.t IIIC and KSIE and the management has explained that steps are taken to obtain invoices of other end service providers. On verification of records, administration and facilitation charges paid to the external agency -IIIC is noted to be 20% which amounts to Rs. 506.81 lakhs and KSIE has raised invoice at 4% higher on procurement cost which amounts to Rs.55.96 lakhs and with respect to other agency such charges is not correctly ascertainable from the invoices furnished. Moreover, such outsourced agencies have been engaged by the CEO on nomination basis (single quote) which is pending to be ratified by the General Body. The above expenses have been treated as a part of project cost debited to P&L account of quarter ended

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30.06.2023 and year to date figures of quarter ended 30.09.2023 on account of which in the opinion of management, no specific budget provision is required.

(ii) As stated in Note No.12 to the accounts, the invoices of end service providers in respect of expenditure for Rs.205.31 lakhs (year to date of Rs.435.17 lakhs) incurred through external agencies (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) were not available for verification. KSIE is seen raised invoice on KIIFB at amounts higher by 10% on procurement cost invoiced by first level service provider. The aggregate expenditure on operating cost incurred as above through KSIE Ltd from the year 2020-2021 to 30.09.2023 amounts to Rs.3,561.24 lakhs against the gross cost of acquisition/development of software of Rs.3,037.94 lakhs. 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 recoupment/reimbursement of the total cost on the software by KSFE to KIIFB which is pending to be executed and this matter needs urgent attention.

In view of the facts and circumstances mentioned above, we are not able to express our opinion on the veracity of expenses incurred during the period dealt with in Para (i) and (ii) above.

Qualified Conclusion

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, with the exception of the matter described in the preceding paragraph 4, 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, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

6. We draw attention to the following matters stated in notes to accounts :

(i) Note No 3 to the accounts that the figures for financial results of Statement of profit & loss, Balance sheet and Cash Flow Statement for the quarter ended and year to date September 30, 2022 were prepared by the management and have not been subjected to limited review since the requirement of submission of quarterly financial results is applicable only from quarter ended June 30, 2023.

(ii) Note No 5 to the accounts that Interest income recognised during the quarter includes an amount of Rs.1,100.01 Lakhs (year to date of Rs 2103.37 Lakhs) on which 40% stage of disbursement has not been exceeded as per the terms of tripartite agreement for the project. In the absence of separate loan agreement interest on such borrowing has been recognised 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 which is lower than average cost of domestic borrowings.

(iii) Note No 6 to the accounts that 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 to SPVs and according to the management payment of interest is not contingent on the project earning any revenue. And also that certain inherent delays which have occurred during implementation stage of infrastructure projects does not have adverse effect on the recovery of loans granted considering the operational model of KIIFB and these loans are expected to be recovered from SPVs which are all government owned or controlled agencies and hence considered by the management as good and recoverable.

(iv) Note No. 9.1 to the accounts, wherein based on the projects having lower commercial viability, certain project costs of Rs. 17,737.45 Lakhs and interest accrued amounting to Rs. 2,540.36 Lakhs has been provided for and debited to P&L account in the books of account in half year period as Provision for conversion of Loan to non income generating project. The above decision is approved/ratified by the General Body meeting held on 02-09-2023, however signed copy of the minutes is pending to be received and formal approval of Government of Kerala is also pending to be obtained on the above matter.

(v) Note No 10 to the accounts stating that the balances shown under statutory contribution receivable from GoK of Rs.9,43,625.48 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) as such amounts are expected to be recouped from the statutory contribution receivable in future.

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

Report on Other Legal and Regulatory Requirements

Note No 17 to the accounts on the rupee denominated borrowings shown under Liabilities in the said Balance sheet which represent external borrowings under Masala Bonds availed by KIIFB, in the year 2018-2019 and outstanding on 30th September 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 conclusion is expressed thereon.

For Varma and Varma
Chartered Accountants
FRN.004532S

VARMA & VARMA Trivandrum Chartered Accountants

Rajeev.R.
Partner
Membership No.211277
UDIN: 23211277BGSAFL2520

Place : Thiruvananthapuram
Date : 13.11.2023

Kerala Infrastructure Investment Fund Board
2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001
Unaudited Balance Sheet as at 30.09.2023

Rs. In Lakhs

	Particulars	As at 30.09.2023 Unaudited	As at 30.09.2022 Unaudited	As at 31.03.2023 Audited
I.	**EQUITY AND LIABILITIES**			
1	Initial Corpus Fund	2,82,049.28	2,82,049.28	2,82,049.28
2	Corpus Fund - Revolving (shown on the asset side)	-	-	-
3	**Non-current liabilities**			
	(a) Long-term borrowings	15,06,460.57	15,76,913.25	14,32,257.88
	(b) Deferred tax liabilities (Net)	682.79	366.12	368.79
	(c) Other Long term liabilities	4,273.11	3,894.68	5,401.25
4	**Current liabilities**			
	(a) Short-term borrowings	3,76,159.07	-	3,44,923.44
	(b) Other current liabilities	20,203.49	29,734.51	17,058.86
	Total	**21,89,828.31**	**18,92,957.84**	**20,82,059.50**
II.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment and Intangible Asset			
	(i)Tangible assets	453.11	484.66	485.21
	(ii)Intangible assets	1,009.63	1,908.33	1,473.66
	(b) Non-current investments	425.52	167.45	425.52
	(c) Long-term loans and advances	5,47,874.08	5,15,367.08	4,86,946.01
	(d) Statutory contribution receivable from GoK -Non current	6,62,850.48	5,14,746.24	4,97,106.59
	(e) Other Non Current Assets	6,251.03	21,920.28	5,981.87
2	**Current assets**			
	(a) Current investments	1,16,473.74	60,000.00	1,05,175.02
	(b) Cash and cash equivalents	5,01,246.40	6,58,528.62	5,92,470.47
	(c) Short term loans and advances	64,494.80	7,423.97	1,05,791.71
	(d) Statutory contribution receivable from GoK -Current	2,80,775.00	53,547.72	2,80,900.00
	(e) Other current assets	7,974.52	58,863.49	5,303.44
	Total	**21,89,828.31**	**18,92,957.84**	**20,82,059.50**
	Notes forming part of unaudited financial statements	**1-17**		

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

For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

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

Thiruvananthapuram
Date : 13.11.2023

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

for Varma & Varma
Chartered Accountants
FRN.004532S

Rajeev.R.
(Partner)
M.No. 211277

Kerala Infrastructure Investment Fund Board
2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001
Unaudited Statement of Profit and Loss for the Quarter and year to date ended 30.09.2023

Rs In Lakhs

Particulars	Three months ended			Year to date for current period	Year to date for previous period	Year ended
	30-09-2023	30-09-2022	31-03-2023	30-09-2023	30-09-2022	31-03-2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I. Revenue:						
i) Recoupment of statutory contribution from Government of Kerala from Corpus Fund for financing of direct project cost as per Contra	1,18,328.12	1,06,635.89	1,40,940.91	2,95,809.63	2,36,726.24	4,69,977.35
ii) Interest income from financial assistance for revenue generating projects	13,757.99	11,426.52	12,838.59	26,665.28	22,350.82	46,541.05
iii) Interest income from deposits and investments	3,362.24	3,147.26	5,029.24	7,186.19	5,274.53	16,518.73
iv) Other income	0.95	255.16	1.52	18.59	375.03	328.30
Total Revenue (I)	**1,35,449.30**	**1,21,464.83**	**1,58,810.26**	**3,29,679.69**	**2,64,726.62**	**5,33,365.43**
II. Expenses:						
i) Financing of direct cost of projects -Out of Corpus Fund	1,18,328.12	1,06,635.89	1,40,940.91	2,95,809.63	2,36,726.24	4,69,977.35
ii) Employee benefits expense	187.95	174.58	215.27	374.47	324.72	755.79
iii) Finance costs	44,118.67	34,513.97	39,662.03	85,679.53	63,835.83	1,41,696.48
iv) Depreciation and amortisation expense	255.89	286.13	279.55	511.48	554.00	1,100.04
v) Other expenses	2,082.83	942.07	1,133.74	5,919.03	1,533.25	5,137.11
Total expenses (II)	**1,64,973.46**	**1,42,552.64**	**1,82,231.50**	**3,88,294.14**	**3,02,974.04**	**6,18,666.77**
III. Profit / (Loss) (I- II)	(29,524.16)	(21,087.81)	(23,421.24)	(58,614.45)	(38,247.42)	(85,301.34)
Prior Period Item			349.99	-		(26.33)
Profit / (Loss) after prior period item	(29,524.16)	(21,087.81)	(23,071.25)	(58,614.45)	(38,247.42)	(85,327.67)
IV. Tax expense:						
(1) Current tax						
(2) Tax for Earlier years						
(3) Deferred tax(Expense)/Income	(157.86)	(1.34)	(188.68)	(314.01)	(2.68)	(5.35)
Less : Statutory contribution from GoK under Corpus fund utilised to meet the net loss (deficit from operations)for the period in P& L account transferred	29,682.02	21,089.15	23,259.93	58,928.46	38,250.10	85,333.02
V. Net Profit / (Loss) for the period	-	-	-	-	-	-

Notes forming part of unaudited financial statements **1-17**

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

For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

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

Thiruvananthapuram
Date : 13.11.2023

Report on Limited Review

As per our report of even date attached

for Varma & Varma
Chartered Accountants
FRN.004532S

Rajeev.R.
(Partner)
M.No. 211277

Kerala Infrastructure Investment Fund Board
2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001
Unaudited Cash Flow Statement for the half year ended 30.09.2023

(Rs in Lakhs)

Particulars	Year to date for the period ended 30.09.2023 Unaudited	Year to date for the period ended 30.09.2022 Unaudited	Year to date for the period ended 31.03.2023 Audited
A. Cash flow from operating activities			
Profit before income tax	(58,614.45)	(38,247.42)	(85,327.67)
Adjustments for:			
Depreciation and amortisation expense	511.48	554.00	1,100.04
Interest income	(33,851.47)	(27,625.34)	(63,059.78)
Finance Cost	85,679.52	63,835.83	1,41,696.48
Fixed Assets Written off	-	-	-
Provision for conversion of loan into Non income generating project(incl accured interest)	20,277.81	-	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	-	-	-
Provision for Standard Asset	2,450.32	-	-
Operating profit / (loss) before working capital changes	**16,453.21**	**(1,482.93)**	**38,389.88**
Changes in working capital:			
Adjustments for (increase) / Decrease in operating assets:			
Loans and Advances	102.65	68,211.84	17.98
Financial assistance made to Revenue Generating Projects	(15,796.65)	(28,425.52)	(45,998.59)
Other Non Current and Current Assets	(2,681.77)	(69,238.93)	(368.67)
Adjustments for increase / (Decrease) in operating liabilities:	-	-	
Other Current/Non current Liabilities	(1,67,973.93)	(1,27,176.28)	(2,148.61)
Net Changes in working capital:	(1,69,896.49)	(1,58,111.82)	(10,108.01)
Cash generated from operations	(1,69,896.49)	(1,58,111.82)	(10,108.01)
Net income tax (paid) / refunds	(258.46)	-	713.56
Net cash from/ (used in) operating activities (A)	**(1,70,154.95)**	**(1,58,111.82)**	**(9,394.45)**
B. Cash flow from investing activities			
Purchase of PPE (including changes in CWIP)	(15.33)	(123.16)	(235.10)
(Purchase)/ disposal proceeds of Investments	-	-	(258.07)
Sale proceeds of PPE	-	-	-
Interest income received out of fixed deposit	7,186.19	5,274.53	16,518.73
Investment in Govt Securities	(11,298.71)	-	(45,175.02)
Net cash from/ (used in) investing activities (B)	**(4,127.85)**	**5,151.37**	**(29,149.46)**
C. Cash flow from financing activities			
Loans from :-			
(i) Banks and Financial Institutions	92,000.22	2,87,961.36	4,73,204.78
(ii) Bonds	15,387.00	13,577.00	26,433.00
(iii) Pravasi Dividend Scheme	2,680.86	1,482.56	3,520.62
(iv)Green Domestic Bond	30,002.00	-	-
Loans repaid during the period	(34,631.76)	(77,081.20)	(93,967.60)
Statutory contribution from GoK	1,86,946.15	1,78,228.37	2,47,876.35
CSR and PTA fund	(94.39)	334.49	436.30
Recoupment by way of Statutory contribution from Govt of Kerala from Corpus Fund for direct project cost (other than NABARD)	(2,92,319.52)	(2,35,266.13)	(4,61,291.31)
Interest received during the period from Deposits made out of corpus fund	2,267.36	292.12	1,163.71
Finance cost paid	84,310.91	62,078.25	(1,34,962.15)
Fund utilised for NABARD Projects	(3,490.10)	(1,460.11)	(12,741.68)
Net cash from/ (used in) financing activities (C)	**83,058.73**	**2,30,146.71**	**49,672.02**
Net increase (decrease) in cash and cash equivalents (A+B+C)	(91,224.07)	77,186.26	11,128.11
Cash and cash equivalents at the beginning of the quarter	5,92,470.47	5,81,342.36	5,81,342.36
Cash and cash equivalents at end of the period	**5,01,246.40**	**6,58,528.62**	**5,92,470.47**
Notes:			
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			
Balances with banks and cash on hand	0.10	0.10	
Cash on Hand	74.58	124.84	0.02
Balance with Treasury	2,02,709.16	2,92,063.55	0.01
Term Deposits/Sweep	16,412.48	52,040.85	2,86,156.72
Other deposit, savings and current accounts	2,82,049.28	2,82,049.28	24,241.38
Other Bank balance in Treasury Accounts	0.80	32,250.00	2,82,049.28
In Masala Bond Sinking Fund Account	**5,01,246.40**	**6,58,528.62**	23.06
	1-17		**5,92,470.47**

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

For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

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

Thiruvananthapuram
Date : 13.11.2023

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD
KIIFB
GOVERNMENT OF KERALA

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

for Varma & Varma
Chartered Accountants
FRN.004532S

VARMA & VARMA
Trivandrum
Chartered Accountants

Rajeev.R.
(Partner)
M.No. 211277

Notes forming Part of Financial results for the period ended 30.09.2023

1 The above unaudited financial results of Statement of profit & loss, Balance sheet and Cash Flow Statement have been approved and taken on record by the members of the General Body of KIIFB vide circular resolution dated November 13, 2023.

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 figures for financial results of Statement of profit & loss,Balance sheet and Cash Flow Statement for the quarter ended and year to date for September 30, 2022 were prepared by the management and have not been subjected to limited review since the requirement of submission of quarterly financial results is applicable only from quarter ended June 30, 2023.Management has reclassified the figure for the quarter ended/ year to date of September 30 2022 to make it consistent with quarter ended / year to date of September 30, 2023.

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.

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

5 Interest income recognised during the quarter includes an amount of Rs.1,100.01 Lakhs (year to date of Rs.2,103.37 lakhs) on which 40% stage of disbursement has not been exceeded as per the terms of tripartite agreement for the project. In the absence of separate loan agreement interest on such borrowing are recognised 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 which is lower than average cost of domestic borrowings.

6 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 to SPVs and according to the management payment of interest is not contingent on the project earning any revenue. And also that certain inherent delays which have occurred during implementation stage of infrastructure projects does not have adverse effect on the recovery of loans granted considering the operational model of KIIFB and these loans are expected to be recovered from SPVs which are all government owned or controlled agencies and hence considered by the management as good and recoverable.

7 KIIFB has introduced revised prudential norms on Income recognition, asset classification and provisioning relevant and applicable for long term infrastructure projects w.e.f 01-04-2023 as per the decision of general body through circular resolution dated on 13.04.2023.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.2,450.32 Lakhs has been provided in the books of accounts. 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 when 40% payment milestone has been reached or from the date of identification of the project as RGP in books of accounts, whichever is later.

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

VARMA & VARMA Trivandrum Chartered Accountants

(b) Provisioning Norms

	Type of Asset	*Provision Required (%)- Expected Credit loss*
(ii)	Standard Asset	0.40%
(iii)	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	25%
(iii)	Doubtful Assets	
	Up to One year	50%
	One to three years	75%
	More than three years	100%
(iv)	Loss Assets	100%

8 As per the terms of repayment agreement, there are overdues in two projects (less than 12 months overdue). Amount of principal and interest overdue on the said loan amounts to Rs. 12,855.78 lakhs and 2,789.21 lakhs respectively for the quarter ended 30-09-2023 and year to date amounting to Rs.13,722.06 lakhs (principal amount) and Rs.3181.09 lakhs (interest amount).

9 Prudential norms on Income recognition, asset classification and provisioning for long term infrastructure projects 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. 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**	**Loan (Rs. in lakhs)**	**Interest Accrued(Rs. in Lakhs)**	**Total(Rs. in Lakhs)**
I	Projects which have high commercial viability	7	4,93,874.66	1,11,377.64	6,05,252.30
II	Projects which have medium commercial viability	6	7,007.65	319.74	7,327.39
III	Projects which have low commercial viability	3	47,854.49	11,808.15	59,662.64
IV	Projects which have no commercial viability	0	-	-	-
	Total		**5,48,736.80**	**1,23,505.53**	**6,72,242.33**

9.1 Based on the agenda matters for 46th General body meeting held on 02th September 2023 and based on observations of FTAC Committee, three projects were classified as projects with lower commercial viability and are not able to commence commercial operations immediately post implementation on account of the inherent nature of such projects. As per guidelines on the revised IRAC Norms approved at the meeting of general body and Fund Trustee Advisory Commission (FTAC), a total project cost of Rs. 17,737.45 Lakhs and interest accrued amounting to Rs. 2,540.36 Lakhs has been provided for and debited to P&L account in the books of account in half year period as Provision for conversion of Loan to non income generating project.This is in addition to the project referred to in note no.9.2 below.The above decision is approved/ratified by the General Body meeting held on 02-09-2023, however signed copy of the minutes is pending to be received. On the basis of the above decision, accounting adjustment has been carried out for writing off the cost to P& L account and formal approval of Government of Kerala is also pending to be obtained on the above matter.

9.2 During the FY 2022-23 cost incurred on the 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 up to 31.03.2021 has been fully provided for conversion to Non- revenue generating project. Approval from Govt of Kerala is pending to be received in this regard.

10 The balances under statutory contribution receivable from GoK of Rs.9,43,625.48 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) as such amounts are expected to be recouped from the statutory contribution receivable in future. 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.

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD KIIFB GOVERNMENT OF KERALA

VARMA & VARMA Trivandrum Chartered Accountants

11 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.6,738.56 lakhs (including estimated provision of Rs.338.17 lakhs) was incurred in quarter ended 30.06.2023 through external agencies (Kerala State Industrial Enterprises Limited, Global Kerala Initiative - GKI, Indian Institute of Infrastructure & Construction referred to as IIIC), all of which are government owned or controlled entities to whom the activities/functions were outsourced by KIIFB.The invoices of end service providers were available only to the extent of Rs.4,538.86 lakhs w.r.t IIIC and KSIE Ltd out of Rs. 6,400.39 lakhs (excluding provision) . M/s IIIC has provided with an administrative and facilitation charges 20% which amounts to Rs.506.81 Lakhs and KSIE has raised invoice at 4% higher on procurement cost which amounts to Rs.55.96 lakhs and with respect to other agencies such charges is not correctly ascertainable.Management has taken necessary steps to obtain invoices of other end service providers.The above expenses have been treated as a part of project cost debited to P&L account of quarter ended 30.06.2023 and year to date figures of quarter ended 30.09.2023, on account of which no specific budget provision is required. The above agencies have been appointed on nomination basis (single quote) by the CEO which is subject to ratification by the General body.

12 During the quarter KIIFB had incurred an expenditure of Rs.218.45 Lakhs (year to date of Rs.457.65 lakhs) towards KSFE Software expenses which includes an amount of Rs.205.31 lakhs(year to date of Rs.435.17 lakhs) 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) which are supported by invoices of two level intermediary agencies and invoice of end service provider is not available.KSIE Limited has raised invoice on KIIFB at amounts higher by 10% on procurement cost. The aggregate operating expenditure for the period beginning from 2020-21 to 30-09-2023 amounts to Rs.3,561.24 Lakhs against the original cost of Rs.3,037.94 Lakhs (Gross carrying value). As per the MoA between KIIFB and KSFE dt.01.06.2019 the parties shall enter into a separate agreement for recoupment/reimbursement of total cost of the software incurred by KIIFB which is pending to be done at this stage.

13 Claims pending for acknowledgement: M/s RITES, the consultant engaged for independent quality review, design review, consultancy and providing assistance in empanelment of supervision consultants has issued invoices amounting to Rs.916.48 Lakhs up to 30-09-2023 as per GSTR-2B. However, such invoices has not been received by KIIFB as on date of reporting and represent claims not acknowledged as debt and hence not provided for. These amount would be accounted for as and when the invoices are received by KIIFB and approved. In addition to the above, provision has been made on estimated basis based on assessment of the management of the actual liability as at the half year ended 30-09-2023 amounting to Rs.1,056.28 lakhs against invoices received pending to be processed fully shown under Other current liabilities and claims through invoice received amounting to Rs.264.07 Lakhs has not been provided for in books of accounts in anticipation that the final claim processed shall be less than invoiced value to that extent. Hence, the aggregate of claims not acknowledged by KIIFB at this stage amounts to Rs 1,180.55 lakhs as at 30-09-2023.

14 Reconciliation of Form 26 AS (as per Income Tax Act,1961) and Book of accounts - Reconciliation of Income for the current reporting period and TDS credit as per Form 26AS with books of accounts could not be done since Form 26AS in income tax web portal is yet to be updated with the entries up to the end of the quarter. 26 AS for the financial year 2022-23 is also pending for reconciliation. Any adjustment found required shall be made in succeeding period/year upon such reconciliation.

15 KIIFB has put in place a system/process of computation of Asset Liability Management. A detailed external review of the ALM system was conducted by independent IT consultants to assess the functionality and management of financial risk of KIIFB and to conduct a comprehensive scenario-based testing of the ALM System to ensure its robustness on 15.02.2022. The observations of the reviewers was duly considered by the management of KIIFB at the meeting held on 15th February 2022 and the status of ALM was taken note of by the General Body. 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.

16 The total income tax demands raised against KIIFB of Rs.1,594.88 Lakhs which is unpaid pertains to AY 2018-19 of Rs.112.57 Lakhs, AY 2020-21 of Rs.79.59 lakhs and AY 2021-22 of Rs.1,212.42 Lakhs for which appeal is pending disposal with Commissioner of Income Tax (Appeals). Income Tax demands of Rs.190.30 Lakhs towards TDS for FY 2017-18 to 2020-21 is pending disposal of writ petition with Hon'ble High Court of Kerala. The above amounts are not provided for pending disposal of appeals.

17 KIIFB had raised an amount of Rs. 2,150 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 KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

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

Thiruvananthapuram
Date : 13.11.2023

Report on Limited Review

As per our report of even date attached

for Varma & Varma
Chartered Accountants
FRN.004532S

Rajeev.R.
(Partner)
M.No. 211277

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

	Particulars	Year ended		
		30-09-2023	30-09-2022	31-03-2023
		Unaudited	Unaudited	Audited
a.	Debt- Equity Ratio	6.67	5.59	6.3
b.	Debt Service Coverage Ratio	0.23	0.19	0.24
c.	Interest Service Coverage Ratio	0.32	0.41	0.41
d.	Outstanding Redeemable Preference Shares (Quantity And Value)	NA	NA	NA
e.	Capital Redemption Reserve/Debenture Redemption Reserve	NA	NA	NA
f.	Net Worth	2,82,049.28	2,82,049.28	2,82,049.28
g.	Net Profit After Tax	(58,928.46)	(38,250.10)	(85,333.02)
h.	Earnings Per Share	NA	NA	NA
i.	Current Ratio	2.45	28.19	3.01
j.	Long Term Debt To Working Capital	1.98	1.95	1.66
k.	Bad Debts To Account Receivable Ratio	NA	NA	NA
l.	Current Liability Ratio	0.01	0.02	0.01
m.	Total Debts To Total Assets	0.86	0.83	0.85
n.	Debtors Turnover	NA	NA	NA
o.	Inventory Turnover	NA	NA	NA
p.	Operating Margin (%)	NA	NA	NA
q.	Net Profit Margin (%)	NA	NA	NA

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

a) Debt-Equity Ratio

Debt-Equity ratio compares a Company's total debt to shareholders equity
Debt-Equity Ratio = Total Debt / Shareholder's Equity
Shareholder's Equity = Equity Share Capital + Reserves and Surplus

b) Debt Service Coverage Ratio (DSCR)

Debt Service coverage ratio is used to analyse the firm's ability to pay off current interest and instalments
Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest +
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 Liabilities

f) Current Ratio

Current Ratio = Current Assets/ Current Liabilities
Current Assets include - Current investments, Trade receivables, cash and bank balances (including interest accrued thereon) and short term loans and advances

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

g) 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

KERALA INFRASTRUCTURE INVESTMENT FUND BOARD
KIIFB
GOVERNMENT OF KERALA

h) Current Liability Ratio

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

	Analytic Ratio Computation factors	Year ended		
		30-09-2023	30-09-2022	31-03-2023
		Unaudited	Unaudited	Audited
1	Total Debt	18,82,619.64	15,76,913.25	17,77,181.32
2	Shareholder's Equity	2,82,049.28	2,82,049.28	2,82,049.28
3	Earnings available for debt service/ Interest Service	27,576.56	26,142.41	57,468.85
4	Debt Service	1,20,311.29	1,40,917.03	2,35,664.08
	Net Profit before taxes	(58,614.45)	(38,247.42)	(85,327.67)
	Interest	85,679.53	63,835.83	1,41,696.48
	Non Cash Expenditure (Dep + Amortisation)	511.48	554.00	1,100.04
	Principal Repayment	34,631.76	77,081.20	93,967.60
5	Total Asset	21,89,828.31	18,92,957.84	20,82,059.50
6	Total Liabilities	19,07,779.03	16,10,908.56	18,00,010.22
7	Net Profit after taxes	(58,928.46)	(38,250.10)	(85,333.02)
8	Current Asset	9,70,964.46	8,38,363.80	10,89,640.64
9	Current Liabilities	3,96,362.56	29,734.51	3,61,982.30
10	Current Borrowings	3,76,159.07	-	3,44,923.44
11	Current liability excluding current borrowing	20,203.49	29,734.51	17,058.86
12	Net Working Capital	9,50,760.97	8,08,629.29	10,72,581.78



Kerala Infrastructure Investment Fund Board
2nd Floor, Felicity Square, MG Road, Statue, Trivandrum 695 001
Unaudited Statement of Profit and Loss for the Quarter and year to date ended 31.12.2023

Rs In Lakhs

Particulars	Three months ended			Year to date for current period	Year to date for previous period	Previous Year ended
	31-12-2023	30-09-2023	31-12-2022	31-12-2023	31-12-2022	31-03-2023
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
I. Revenue:						
i) Recoupment of statutory contribution from Government of Kerala from Corpus Fund for financing of direct project cost as per Contra	75,977.37	1,18,328.12	92,310.19	3,71,787.00	3,29,036.43	4,69,977.35
ii) Interest income from financial assistance for revenue generating	14,250.58	13,757.99	11,351.64	40,915.86	33,702.46	46,541.05
iii) Interest income from deposits and investments	2,764.34	3,362.24	6,214.98	9,950.53	11,489.51	16,518.73
iv) Profit on Sale of Mutual Fund Investment	12,567.45	-	-	12,567.45	-	-
v) Other income	87.28	0.95	-	105.87	326.78	328.30
Total Revenue (I)	**1,05,647.02**	**1,35,449.30**	**1,09,876.81**	**4,35,326.71**	**3,74,555.18**	**5,33,365.43**
II. Expenses:						
i) Financing of direct cost of projects - Out of Corpus Fund	75,977.37	1,18,328.12	92,310.19	3,71,787.00	3,29,036.43	4,69,977.35
ii) Employee benefits expense	200.56	187.95	215.79	575.03	540.51	755.79
iii) Finance costs	46,084.57	44,118.67	38,198.63	1,31,764.10	1,02,034.46	1,41,696.48
iv) Depreciation and amortisation expense	258.33	255.89	266.48	769.81	820.48	1,100.04
v) Other expenses	1,112.00	2,082.83	2,421.82	7,031.03	4,003.32	5,137.11
Total expenses (II)	**1,23,632.83**	**1,64,973.46**	**1,33,412.91**	**5,11,926.97**	**4,36,435.20**	**6,18,666.77**
III. Profit / (Loss) (I- II)	(17,985.81)	(29,524.16)	(23,536.10)	(76,600.26)	(61,880.02)	(85,301.34)
Prior Period Item			(376.32)		(376.32)	(26.33)
Profit / (Loss) after prior period item	(17,985.81)	(29,524.16)	(23,912.42)	(76,600.26)	(62,256.34)	(85,327.67)
IV. Tax expense:						
(1) Current tax	303.96	-	-	303.96	-	-
(2) Tax for Earlier years						
(3) Deferred tax	(4,313.63)	(157.86)	186.01	(3,999.62)	183.33	(5.35)
Less : Statutory contribution from GoK under Corpus fund utilised to meet the net loss (deficit from operations)for the period in P&L account transferred	13,976.14	29,682.02	23,726.41	72,904.60	62,073.01	85,333.02
V. Net Profit / (Loss) for the period	-	-	-	-	-	-

For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

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

Thiruvananthapuram
Date : 07-02-2024

for Varma & Varma
Chartered Accountants
FRN.004532S

C.G Pankajakshan
(Partner)
M.No. 020512
Thiruvananthapuram
Date :07-02-2024

Notes forming Part of unaudited Financial results for the period ended 31.12.2023

1 The above unaudited financial results of Statement of profit & loss have been approved and taken on record by the members of the General Body of KIIFB vide circular resolution dated February 07, 2024. The financial results for the quarter ended 30.06.2023 and quarter ended 30.09.2023 authenticated by the General Body by way of circular resolution dated November 13 ,2023, which has to be approved by General Body by placing the matter before the ensuing meeting of the general body to be held subsequently.

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 figures relating to the quarter ended 31 December 2022 (comparable figures for corresponding period) as reported in the statement of Profit & Loss A/c were prepared by the management and have not been subjected to limited review since the requirement of submission of quarterly financial results became applicable only from quarter ended September 30, 2023. The year to date figures of 31 December 2022 was subjected to special purpose audit. Management has reclassified the figure for the quarter ended/ year to date of December 31, 2022(comparable figures for corresponding period) to make it consistent with quarter ended / year to date of December 31, 2023.

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 is allocated to project cost based on Government Order and General body approval.

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

5 Interest income recognised during the quarter includes an amount of Rs.84.95 Lakhs (year to date of Rs.404.69 lakhs) on which 40% stage of disbursement has not been reached. The rate of interest chargeable is fixed only on reaching of 40% stage is reached as per the terms of tripartite agreement for the project. During the current quarter one project has reached 40% disbursement and repayment agreement has been executed. Due to non-execution of loan agreement for reasons as above, interest on such borrowing has been recognised based on rates agreed upon at the time of sanction of the loan.

6 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.

7 KIIFB has introduced revised prudential norms on Income recognition, asset classification and provisioning relevant and applicable for long term infrastructure projects w.e.f 01-04-2023 as per the decision of general body through circular resolution dated on 13.04.2023.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.2,550.05 Lakhs has been provided in the books of accounts as at 31.12.2023. 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	25%
(iii)	Doubtful Assets	
	Up to One year	50%
	One to three years	75%
	More than three years	100%
(iv)	Loss Assets	100%

8 As per the terms of repayment agreement, there are overdues in two projects (less than 12 months overdue) as at 31-12-2023 amounting to Rs.14,795.20 lakhs (principal amount) and Rs.6,095.80 lakhs (interest amount).

9 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 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**	**Loan (Rs. in lakhs)**	**Interest Accrued(Rs. in Lakhs)**	**Total(Rs. in Lakhs)**
I	Projects which have high commercial viability	7	5,04,467.46	1,24,838.03	6,29,305.49
II	Projects which have medium commercial viability	6	7,803.15	404.69	8,207.84
III	Projects which have low commercial viability	3	47,945.96	11,808.15	59,754.11
IV	Projects which have no commercial viability	-	-	-	-
	Total		5,60,216.57	1,37,050.87	6,97,267.44

* In respect of Category III Projects, Interest has been accrued only upto 31-03-2023 as per IRACP Norms.

9.1 Based on the agenda matters for 46th General body meeting held on 02th September 2023 and based on observations of Fund Trustee Advisory Commission (FTAC) Committee, three projects were classified as projects with lower commercial viability and are not able to commence commercial operations immediately post implementation on account of the inherent nature of such projects. As per guidelines on the revised IRAC Norms approved at the meeting of general body and FTAC, amount disbursed to the project amounting to Rs. 17,828.92 Lakhs and interest accrued amounting to Rs. 2,540.36 Lakhs has been provided for and debited to statement of Profit and Loss account, of which a sum of Rs 20,277.80 lakhs (incl interest accrued) was provided for upto the period ended 30.09.2023 and Rs. 91.47 lakhs during the current quarter under the head provision for conversion of loan to non income generating project.This is in addition to the project referred to in note no.9.2 below.The above decision is approved/ratified by the General Body meeting held on 02-09-2023. However, the approval of Government of Kerala is pending to be obtained on the above matter, as required. Hence, the expenses provided for have not written off by setting off the same against provisions created as above.

9.2 During the FY 2022-23, cost incurred on the 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 up to 31.03.2021 has been fully provided for by converting the same into Non- revenue generating project. Approval from Government of Kerala is pending to be received in this regard, as required and pending that the expenses have not been written off by setting off the same against provisions created as above.

10 The balances under statutory contribution receivable from GoK of 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 2023 of GoK and balance amount has been shown under Non Current Asset.

11 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 upto the period ended 31.12.2023 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), all of which are government owned or controlled entities) to whom the activities/functions were outsourced by KIIFB. Such outsourced agencies have been engaged by the CEO on nomination basis (single quote) which is pending to be ratified by the General body. The invoices of end service providers (intermediary agencies in some cases) were available 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 charges is at a amrgin of 5% higher on cost incurred by them.The above expenses incurred during the period upto 30.06.2023 during the period the programme was undertaken have been treated as a shown as contra in the statement of P&L account as no specific budget provision was made for such expenses.

11.1 The expenditure accounted under ‘Other Expenses’ includes media, promotional and advertisement expenses of Rs 641.71 lakhs incurred through agency mainly Global Kerala Initiative (also known as Keraleeyam) on the basis of MoU signed on 18.12.2019. 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.

12 KIIFB had incurred an expenditure of Rs.222.98 Lakhs during the quarter (year to date of Rs.680.63 lakhs) towards KSFE Software expenses which includes an amount of Rs.212.86 lakhs(year to date of Rs.650.03 lakhs) incurred through external agency (a Government PSU - KSIE Limited) to which the activities for server hosting and licence renewal charges of KSFE Pravasi software have been outsourced by KIIFB on nomination basis (single quote) which are supported by invoices of two level intermediary agencies and invoice of end service provider is not available.KSIE Limited has raised invoice on KIIFB with a mark up of 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 31-12-2023 amounts to Rs.3,784.22 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.

13 Claims pending for acknowledgement:
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 of the date of reporting amount to Rs.853.51 Lakhs. Additionally, in respect of invoices received, claim to extent of Rs 340.42 lakhs is not provided for and are considered a contingent liability in anticipation that the final claim processed shall be less than the invoice value.

14 Reconciliation of Form 26 AS (as per Income Tax Act,1961) and Book of accounts - Reconciliation of Income for the current reporting period and credit as per Form 26AS with books of accounts could not be done since Form 26AS in income tax web portal is yet to be updated with the entries up to the end of the quarter. 26 AS for the financial year 2022-23 is also pending for reconciliation. Any adjustment found required shall be made in succeeding period/year upon such reconciliation.

15 KIIFB has put in place a system/process of computation of Asset Liability Management. A detailed external review of the ALM system was conducted by independent IT consultants to assess the functionality and management of financial risk of KIIFB and to conduct a comprehensive scenario-based testing of the ALM System to ensure its robustness on 15.02.2022. The observations of the reviewers was duly considered by the management of KIIFB at the meeting held on 15th February 2022 and the status of ALM was taken note of by the General Body. The ALM model is placed for overseeing and monitoring at 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 been found to be properly in place to safeguard the best interest of KIIFB.

16 The total income tax demands raised against KIIFB of Rs.1,594.88 Lakhs which are unpaid pertains to AY 2018-19 of Rs.112.57 Lakhs, AY 2020-21 of Rs.79.59 lakhs and AY 2021-22 of Rs.1,212.42 Lakhs for which appeal is pending disposal with Commissioner of Income Tax (Appeals). Writ petition against the income Tax demands of Rs.190.30 Lakhs towards TDS for FY 2017-18 to 2020-21 is pending disposal before the Hon'ble High Court of Kerala. The above amounts are not provided for pending disposal of appeals/writ petition. The Income Tax Department has adjusted refund of succeeding years to the extent of Rs.1297.39 lakhs against the above demands.

17 KIIFB had raised an amount of Rs. 2,150 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.

18 Finance for Revenue Generating Projects treated as Loan receivable from SPV in the books are appraised by the Project Appraisal Division and implementation is closely monitored. The division comprise of high level technical expert team under the Executive Director, who is a senior chartered engineer having vast experience in the field of construction and infrastructure. Each Project is reviewed by Project Manager as a Nodal Officer and supervised by Senior General Manager of the Division. The detailed project report is appraised by the division which places its detailed appraisal report before the EC/ 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.

Report on Limited Review

As per our report of even date attached

For KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

for Varma & Varma
Chartered Accountants
FRN.004532S

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

Pankajakshan C G
(Partner)
M.No. 020512

Thiruvananthapuram
Date : 07-02-2024

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)

Particulars		Year ended		
		31-12-2023	31-12-2022	31-03-2023
		Unaudited	Audited	Audited
a.	Debt- Equity Ratio	6.94	5.99	6.3
b.	Debt Service Coverage Ratio	0.29	0.32	0.24
c.	Interest Service Coverage Ratio	0.42	0.4	0.41
d.	Outstanding Redeemable Preference Shares (Quantity And Value)	NA	NA	NA
e.	Capital Redemption Reserve/Debenture Redemption Reserve	NA	NA	NA
f.	Net Worth	2,82,049.28	2,82,049.28	2,82,049.28
g.	Net Profit After Tax	(72,904.60)	(62,073.01)	(85,333.02)
h.	Earnings Per Share	NA	NA	NA
i.	Current Ratio	2.59	8.61	3.01
j.	Long Term Debt To Working Capital	1.95	1.58	1.66
k.	Bad Debts To Account Receivable Ratio	NA	NA	NA
l.	Current Liability Ratio	0.01	0.01	0.01
m.	Total Debts To Total Assets	0.86	0.85	0.85
n.	Debtors Turnover	NA	NA	NA
o.	Inventory Turnover	NA	NA	NA
p.	Operating Margin (%)	NA	NA	NA
q.	Net Profit Margin (%)	NA	NA	NA

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

a) Debt-Equity Ratio

Debt-Equity ratio compares a Company’s total debt to shareholders equity
Debt-Equity Ratio = Total Debt / Shareholder's Equity
Shareholder's Equity = Equity Share Capital + Reserves and Surplus

b) Debt Service Coverage Ratio (DSCR)

Debt Service coverage ratio is used to analyse the firm’s ability to pay off current interest and instalments
Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other
Debt service = Interest + Principal Repayments+ Lease payments

c) Interest Service Coverage Ratio (DSCR)

Interest Service Coverage Ratio (DSCR)= Earnings available for Interest Service/ Gross Interest
Earning for Interest Service= Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other

d) Networth

Networth is used to measure the value of an entity
Networth = Total Asset - Total Liabilities

f) Current Ratio

Current Ratio = Current Assets/ Current Liabilities
Current Assets include - Current investments, Trade receivables, cash and bank balances (including interest accrued thereon) and short term
Current Liabilities include - Trade Payables, Accrued liabilities, statutory liabilities, income tax liabilities and other short term provisions

g) 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

h) Current Liability Ratio

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

	Analytic Ratio Computation factors	Year ended		
		31-12-2023	31-12-2022	31-03-2023
		Unaudited	Audited	Audited
1	Total Debt	19,57,085.34	16,88,690.28	17,77,181.32
2	Shareholder’s Equity	2,82,049.28	2,82,049.28	2,82,049.28
3	Earnings available for debt service/ Interest Service	55,933.65	40,598.60	57,468.85
4	Debt Service	1,90,543.81	1,28,862.19	2,35,664.08
	Net Profit before taxes	(76,600.26)	(62,256.34)	(85,327.67)
	Interest	1,31,764.10	1,02,034.46	1,41,696.48
	Non Cash Expenditure (Dep + Amortisation)	769.81	820.48	1,100.04
	Principal Repayment	58,779.71	26,827.73	93,967.60
5	Total Asset	22,63,186.50	19,97,270.63	20,82,059.50
6	Total Liabilities	19,81,137.22	17,15,221.35	18,00,010.22
7	Net Profit after taxes	(72,904.60)	(62,073.01)	(85,333.02)
8	Current Asset	10,22,133.29	10,89,599.29	10,89,640.64
9	Current Liabilities	3,94,904.43	1,26,623.41	3,61,982.30
10	Current Borrowings	3,74,119.52	1,06,450.21	3,44,923.44
11	Current liability excluding current borrowing	20,784.91	20,173.20	17,058.86
12	Net Working Capital	10,01,348.38	10,69,426.09	10,72,581.78

Varma & Varma
Chartered Accountants

LIMITED REVIEW REPORT

To the General Body of Kerala Infrastructure Investment Fund Board

1. We have reviewed the accompanying unaudited financial results of Kerala Infrastructure Investment Fund Board (hereinafter referred to as 'KIIFB') for the three months and year to date ended 31st December 2023 and notes to accounts (hereinafter referred to as 'interim financial information') being submitted by KIIFB pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with AS 25 – Interim Financial Reporting issued by the Institute of Chartered Accountants of India. Our responsibility is to issue a report on this interim financial information based on our review.

Scope of 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 of material misstatement. A review is limited primarily to inquiries of company personnel 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.

Basis for Qualified Conclusion

4.

(i) As stated in Note No.11 to the accounts, the 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 upto the period ended 31.12.2023 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) all of which are government owned or controlled entities, as explained to us to whom the activities/functions were outsourced by KIIFB. Such outsourced agencies have been engaged by the CEO on nomination basis (single quote) which is pending to be ratified by the General Body. The services have been sub-contracted by IIIC and KSIE Limited to other parties, and provision for sub contracting is there only in Memorandum of Understanding with IIIC.

The invoices of end service providers (intermediary agency in some cases) of the agencies IIIC, KSIE Ltd and GKI were furnished to us.

On verification of invoices received, administration and facilitation charges have been levied in the invoice and paid to the external agency -IIIC at 20% as provided in the MOU. KSIE has raised invoice with a mark up of 4% on the cost incurred by them and GKI has raised invoice with a mark up of 5% on the 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 as no specific budget provision was made for such expenses. The reason for not having a budget provision was explained by the management to be on account of the fact that such expenses form a part of direct project cost.

Further, the media, promotional and advertisement expenses includes an amount of Rs.641.71 lakhs incurred through certain agencies, mainly through Global Kerala Initiative (also known as Keraleeyam) on single quote basis. The SOP manual in force for procurement of media services requires open tendering process. The selection of the vendor in deviation of the procedure stipulated in SOP as above was on account of reasons stated by the management in Note No 11.1 to the accounts. According to the management rates paid are competitive which fact could not be verified by us for want of appropriate audit evidence.

(ii) As stated in Note No.12 to the accounts, the invoices of end service providers in respect of expenditure for Rs.212.86 lakhs during the quarter (year to date of Rs.650.03 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) were not available for verification. KSIE Ltd. has raised invoice on KIIFB with a mark-up of 3% and 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 2020-2021 to 31.12.2023 amounts to Rs.3,784.22 lakhs against the capital cost of acquisition/development of software of Rs.3,037.94 lakhs. 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 executive committee had at its meeting held on 01st September 2023 directed to enter into an agreement with KSFE Limited as provided in the MoA for recovery of such cost incurred. It is informed to us by the management that discussion with KSFE are underway for finalisation of agreement for recovery of expenses.

In view of the facts and circumstances dealt with in para (i) and (ii) above, we are not able to express our opinion on the veracity of expenses incurred during the period dealt with in the above paragraphs.

Qualified Conclusion

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, with the exception of the matter described in the preceding paragraph 4, 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, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

6. We draw attention to the following matters stated in notes to accounts :

   (i) Note No 1 to the accounts stating that the financial results for the quarter ended 30.06.2023 and quarter ended 30.09.2023 authenticated by the General Body by way of circular resolution dated November 13, 2023, which has to be approved by General Body by placing the matter before the ensuing meeting of the general body to be held subsequently.

   (ii) Note No 3 to the accounts stating that the figures for financial results of Statement of profit & loss for the quarter ended December 31, 2022 (comparable figures for corresponding period) were prepared by the management and have not been subjected to limited review since the requirement of submission of quarterly financial results become applicable only from quarter ended September 30, 2023.

   (iii) Note No 5 to the accounts stating that the interest income recognised during the quarter includes an amount of Rs.84.95 Lakhs (year to date of Rs 404.69 Lakhs) on which 40% stage of disbursement has not been reached. The rate of interest chargeable is fixed only on reaching of 40% stage as per the terms of tripartite agreement for the project. Due to non-execution of loan agreement for reasons as above, interest on such borrowing has been recognised based on rates agreed upon at the time of sanction of the loan.

   (iv) Note No 6 to the accounts stating that Interest income has been recognised on loans given to SPVs revenue generating projects in cases where there have been certain delays on implementation of the projects financed by such loans. According to the management, the 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.

(v) Note No. 9.1 to the accounts, wherein it has been stated that based on classification of the projects by the management as projects with lower commercial viability (third category as detailed in the Note No. 9), certain projects having an aggregate cost of Rs.17,828.92 Lakhs and interest accrued thereon amounting to Rs.2,540.36 Lakhs has been provided for and debited to statement of P&L account, of which a sum of Rs.20,277.80 lakhs (incl interest accrued) was provided for upto the period ended 30.09.2023 and Rs 91.47 Lakhs during the current quarter under the head provision for conversion of Loan to non-income generating project. This is in addition to the project referred to in note no.9.2. The above decision is approved/ratified by the General Body at its meeting held on 02-09-2023. However, the approval of Government of Kerala is pending to be obtained on the above matter, as required. Hence, the expenses provided for have not been written off by setting off the same against provisions created as above.

(vi) Note No. 9.2 to the accounts stating that during theFY 2022-23 cost incurred on the 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 up to 31.03.2021 has been fully provided for by converting the same into Non-revenue generating project. Approval from Govt of Kerala is pending to be received in this regard, as required and pending that the expenses have not been written off by setting off the same against provisions created as above.

(vii) Note No 10 to the accounts as per which the balances shown under statutory contribution receivable from GoK of 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.

(viii) Note No. 18 to the accounts regarding the procedures followed for appraisal of projects by the project appraisal division which offers scope for improvement by documentation of the assumptions followed in making financial projections relating to estimated costs and revenues.

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

Report on Other Legal and Regulatory Requirements

Note No 17 to the accounts on the rupee denominated borrowings shown under Liabilities in the said Balance sheet which represent external borrowings under Masala Bonds availed by KIIFB, in the year 2018-2019 and outstanding on 31st December 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 conclusion is expressed thereon.

For Varma and Varma
Chartered Accountants
FRN.004532S

Pankajakshan C G
Partner
Membership No.020512
UDIN: 24020512BKGUXK6573

Place : Thiruvananthapuram
Date : 07.02.2024

Annexure X



Kerala Infrastructure Investment Fund Board (KIIFB)

BORROWING STRATEGY & POLICY

CONTENTS

INTRODUCTION 2
OBJECTIVE 3
TYPES OF BORROWINGS 4
SHORT TERM DEBT 4
LONG TERM DEBT 4
APPROVALS & REPORTING OF BORROWINGS 5
APPROVALS 5
REPORTING 5
GUIDING PRINCIPLES/ STRATEGY FOR BORROWINGS 5
COST OF BORROWINGS & OTHER TERMS 5
FIXED VS FLOATING RATE BORROWINGS 5
SANCTIONS AND DRAWDOWNS 5
PROJECT LINKED VS NON-PROJECT LINKED LOANS: 6
MORATORIUM & TENOR 6
TERM LOANS - PRIVATE SECTOR LENDERS 6
TRANSACTION STRUCTURE 6
ANCHOR LENDERS 7
LEGAL VETTING OF BORROWING DOCUMENTS 7
APPROVAL AND REVIEW OF THE POLICY 7
ANNEXURE A – TRANSACTION STRUCTURE OF KIIFB'S TERM LOANS FROM BANKS 8

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 form 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.

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.

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.

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.

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.

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.

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'

Date	Particulars
T - 6	KIIFB to maintain sufficient balance in the escrow account.
T - 5	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.
T	Due date for the payment.
T + 1	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).
T + 29	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.
T + 30	Deemed date of default.