## PART 5: ISSUE DETAILS

| Sl No. | Particulars | Details |
|---|---|---|
| 1. | **Security Name** | KIIFB Domestic Bonds – Series II 9.10% KERALA INFRASTRUCTURE INVESTMENT FUND BOARD 2034 |
| 2. | **Issuer** | Kerala Infrastructure Investment Fund Board, a statutory body created by the Government of Kerala under the KIIF Act |
| 3. | **Type of Instrument** | Unsecured, Rated, Listed, Redeemable, Taxable, Non-Convertible Bonds in the form of non-convertible debentures supported by unconditional and irrevocable guarantee by the Government of Kerala as a principal debtor and not merely as a surety. |
| 4. | **Nature of Instrument** | Unsecured |
| 5. | **Seniority** | Senior |
| 6. | **Mode of Issue** | Private Placement |
| 7. | **Listing** | Proposed to be listed on the Wholesale Debt Market (WDM) Segment of BSE with the timelines of T+3 trading days as specified by the Securities and Exchange Board of India (SEBI) vide its circular dated November 30, 2022. |
| 8. | **Rating of the Instrument** | The Debentures have been rated: (a) Provisional IND AA (CE) with stable outlook by India Ratings and Research Private Limited for an amount up to INR 850,00,00,000 (Indian Rupees Eight Hundred Fifty Crores) vide its rating letter dated March 6, 2024; and (b) ACUITE Provisional AA (CE) with stable outlook by Acuité Ratings & Research Limited for an amount up to INR 850,00,00,000 (Indian Rupees Eight Hundred Fifty Crores) vide its rating letter dated March 14, 2024. |
| 9. | **Rating Agencies** | India Ratings and Research Private Limited and Acuite Ratings and Research Limited |
| 10. | **Eligible Investors** | (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. |
| 11. | **Base Issue Size** | Up to INR 500,01,00,000 (Indian Rupees Five Hundred Crore and One Lakh Only) |

<table>
<tr><th>Sl No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>12.</td><td>Option to retain over subscription</td><td>Green shoe option to retain over-subscription up to INR 349,93,00,000 (Indian Rupees Three Hundred Forty -Nine Crore and Ninety-Three Lakhs Only)</td></tr>
<tr><td>13.</td><td>Aggregate Issue Size</td><td>Up to INR 849,94,00,000 (Indian Rupees Eight Hundred Forty Nine Crore and Ninety Four Lakh Only)</td></tr>
<tr><td>14.</td><td>Objects of the Issue</td><td>To augment the long term resources of the Issuer.</td></tr>
<tr><td>15.</td><td>Details of the utilization of the Proceeds</td><td>(a) Providing financing to infrastructure projects in the State of Kerala as approved by the Issuer’s board of members including but not limited to for acquisition of immoveable assets for setting up such infrastructure projects;<br>(b) Repayment of any financial indebtedness availed by Issuer; and<br>(c) Any other objectives of Issuer pursuant to the KIIF Act.</td></tr>
<tr><td>16.</td><td>Coupon Rate</td><td>The interest rate of 9.10% per annum (payable quarterly)</td></tr>
<tr><td>17.</td><td>Coupon Payment Frequency</td><td>Quarterly</td></tr>
<tr><td>18.</td><td>Coupon Type</td><td>Fixed</td></tr>
<tr><td>19.</td><td>Coupon Reset</td><td>Not applicable</td></tr>
<tr><td>20.</td><td>Day Count Basis</td><td>Actual/Actual Interest shall be computed on an “actual/actual basis”, wherein the interest period (start date to end date) includes February 29, interest shall be computed on 366 days- a-year basis.</td></tr>
<tr><td>21.</td><td>Tenor</td><td>4 – 10 years under 7 different STRPPs/sub-series as below:
<table>
<tr><th>Sub- Series</th><th>As percentage of Issue</th><th>Amount as per base issue size (INR in crore)</th><th>Redemption Dates</th></tr>
<tr><td rowspan="4">A</td><td rowspan="4">14.286%</td><td rowspan="4">71.43</td><td>June 26, 2027</td></tr>
<tr><td>September 26, 2027</td></tr>
<tr><td>December 26, 2027</td></tr>
<tr><td>March 26, 2028</td></tr>
<tr><td rowspan="2">B</td><td rowspan="2">14.286%</td><td rowspan="2">71.43</td><td>June 26, 2028</td></tr>
<tr><td>September 26, 2028</td></tr>
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<tr><td></td><td></td><td>
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<tr><td></td><td></td><td></td><td>December 26, 2028<br>March 26, 2029</td></tr>
<tr><td>C</td><td>14.286%</td><td>71.43</td><td>June 26, 2029<br>September 26, 2029<br>December 26, 2029<br>March 26, 2030</td></tr>
<tr><td>D</td><td>14.286%</td><td>71.43</td><td>June 26, 2030<br>September 26, 2030<br>December 26, 2030<br>March 26, 2031</td></tr>
<tr><td>E</td><td>14.286%</td><td>71.43</td><td>June 26, 2031<br>September 26, 2031<br>December 26, 2031<br>March 26, 2032</td></tr>
<tr><td>F</td><td>14.286%</td><td>71.43</td><td>June 26, 2032<br>September 26, 2032<br>December 26, 2032<br>March 26, 2033</td></tr>
<tr><td>G</td><td>14.286%</td><td>71.43</td><td>June 26, 2033<br>September 26, 2033<br>December 26, 2033<br>March 26, 2034</td></tr>
<tr><td>Total</td><td>100%</td><td>500.01</td><td></td></tr>
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<tr><td>22.</td><td>Redemption Date and Redemption Amount</td><td>The issue for an amount up to INR 500,01,00,000 (Indian Rupees Five Hundred Crore and One Lakh Only) with a green-shoe option to retain oversubscription of up to INR 349,93,00,000</td></tr>
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<tr><th>Sl No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td></td><td>
(Indian Rupees Three Hundred Forty Nine Crore and Ninety Three Lakh only), such that the aggregate issue size of the Debentures does not exceed an amount of up to INR 849,94,00,000 (Indian Rupees Eight Hundred Forty Nine Crore and Ninety Four Lakh only) would comprise of 7 (seven) STRPPs/Sub-Series (A to G) as mentioned above of sequentially, redeemable bonds in equal quarterly amount.<br><br>
Each of the STRPPs/Sub-Series ‘A’ to STRPPs/Sub-Series ‘G’ would be redeemed in 4 (four) equal quarterly installments of 14.286% of the aggregate issue size, with redemption of STRPPs/Sub-Series ‘A’ commencing from the end of 13th quarter, STRPPs/Sub-Series ‘B’ commencing from the end of 17th quarter and so on.<br><br>
The tenor for the Debentures shall be 4 – 10 years under 7 different STRPPs/sub-series as below:<br><br>
<table>
<tr><th>STRPPs/Sub - Series</th><th>As percentage of Issue</th><th>Amount as per base issue size (INR in crore)</th><th>Redemption Dates</th></tr>
<tr><td>A</td><td>14.286%</td><td>71.43</td><td>June 26, 2027<br>September 26, 2027<br>December 26, 2027<br>March 26, 2028</td></tr>
<tr><td>B</td><td>14.286%</td><td>71.43</td><td>June 26, 2028<br>September 26, 2028<br>December 26, 2028<br>March 26, 2029</td></tr>
<tr><td>C</td><td>14.286%</td><td>71.43</td><td>June 26, 2029<br>September 26, 2029<br>December 26, 2029<br>March 26, 2030</td></tr>
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| Sl No. | Particulars | Details | | | |
|---|---|---|---|---|---|
| | | D | 14.286% | 71.43 | June 26, 2030<br>September 26, 2030<br>December 26, 2030<br>March 26, 2031 |
| | | E | 14.286% | 71.43 | June 26, 2031<br>September 26, 2031<br>December 26, 2031<br>March 26, 2032 |
| | | F | 14.286% | 71.43 | June 26, 2032<br>September 26, 2032<br>December 26, 2032<br>March 26, 2033 |
| | | G | 14.286% | 71.43 | June 26, 2033<br>September 26, 2033<br>December 26, 2033<br>March 26, 2034 |
| | | Total | 100% | 500.01 | |
| 23. | **Redemption Premium/ Discount** | At par of INR 1 Lakh per Debenture under each STRPPs/Sub-Series | | | |
| 24. | **Issuer Price** | Through BSE EBP | | | |
| 25. | **Face Value** | INR 1 Lakh per Debenture under each STRPPs/Sub-Series | | | |
| 26. | **Issue Premium/ Discount** | Not applicable | | | |
| 27. | **Discount at which security is issued and the effective yield as a result of such discount.** | Not applicable | | | |

| Sl No. | Particulars | Details |
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| 28. | **Put option Date** | Applicable in case of rating downgrade event as mentioned below under the serial number 59 against the particular "Step Up Coupon Rate". |
| 29. | **Put option Price** | Applicable in case of rating downgrade event as mentioned below under the serial number 59 against the particular "Step Up Coupon Rate". |
| 30. | **Call Option Date** | Not applicable |
| 31. | **Call Option Price** | Not applicable |
| 32. | **Put Notification Time** | Applicable in case of rating downgrade event as mentioned below under the serial number 59 against the particular "Step Up Coupon Rate". |
| 33. | **Call Notification Time** | Not applicable |
| 34. | **Minimum Application** | 1 Debenture and in multiple of 1 Debenture thereafter |
| 35. | **Issue Opening Date** | March 22, 2024 |
| 36. | **Issue Closing Date** | March 22, 2024 |
| 37. | **Pay-in Date** | March 26, 2024 |
| 38. | **Deemed date of allotment** | March 26, 2024 |
| 39. | **Settlement Mode of the instrument** | Dematerialised only |
| 40. | **Trading Mode of the instrument** | Dematerialised only |
| 41. | **Disclosure of Interest/Dividend / redemption dates** | As mentioned in cash flows, please refer paragraph 25(c) of Part 7 (*Statutory and Regulatory Disclosures-SEBI NCS Regulations*). |
| 42. | **Business Day Convention** | "Business Day"/ "Working Day" means all days on which commercial banks in Thiruvananthapuram and Mumbai are open for business.<br><br>If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made on the next working day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the offer document.<br><br>If the maturity date of the debentures, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day along with interest accrued on the Debentures until but excluding the date of such payment.<br><br>If a leap year (i.e. February 29) falls during the tenor of the debentures, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year. |

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| 43. | **Record Date** | 15 days prior to each Coupon Payment Date and Redemption Date.<br><br>In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date. |
| 44. | **Depository** | National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) |
| 45. | **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 bond holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum** | The Debentures are not "secured debt securities" for the purposes of the SEBI NCS Regulations and corresponding provisions of applicable law.<br><br>The Debentures shall be supported by unconditional and irrevocable guarantee by the Government of Kerala as a principal debtor and not merely as a surety. However, the Debentures shall be secured by:<br><br>(a) Hypothecation over DSRA and all the amounts credited / to be credited therein<br><br>(b) Hypothecation over KIIFB Bond Servicing Account and all the amounts credited / to be credited therein<br><br>(c) Security interest over the Permitted Investments<br><br>(d) Hypothecation in the form of lien over the Fixed Deposit.<br><br>Further, the Debentures shall also be credit enhanced by an undertaking with respect to the Corpus Fund. |
| 46. | **Minimum Subscription** | Not applicable. |
| 47. | **Option to retain oversubscription amount (Amount)** | Green shoe option to retain over-subscription up to INR 349,93,00,000 (Indian Rupees Three Hundred Forty -Nine Crore and Ninety-Three Lakhs Only) |
| 48. | **Interest on application money** | Not applicable. |
| 49. | **Debt Service Reserve Account** | The Issuer would be required to open a designated escrow account i.e., "Debt Service Reserve Account" to maintain the Required DSRA Amount exclusively for the benefit and charged in favour of the Debenture Trustee (on behalf of the bond holders) **("DSRA")**.<br><br>The DSRA would be in the form of cash or cash equivalent (investment in Permitted Investments). |
| 50. | **Required DSRA Amount** | An amount equivalent to the interest obligation of one succeeding quarter and principal redemption amount of one quarter ("**Required DSRA Amount**"). The Issuer would need to |

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| | | maintain the Required DSRA Amount on rolling basis and the initial Required DSRA Amount so calculated would need to be deposited at least one day prior to the Pay-in Date.<br><br>Although redemption shall start from the 13th quarter, the DSRA of one quarter principal redemption amount starting from 13th Quarter along with the interest obligation of one succeeding quarter shall be created upfront only. |
| 51. | **Corpus Fund** | Issuer is having a corpus fund of INR 3327.01 Crore as on the date of this Information Memorandum and amounts in the corpus fund has been invested in State Special Treasury Savings Bank Account for which the Issuer has absolute beneficial ownership ("**Corpus Fund**").<br><br>The Issuer would give an undertaking that they would not impair this Corpus Fund in any way during the tenor of the Debentures provided that the Corpus Fund shall be utilized/impaired only to the extent of replenishment of DSRA impairment or other requirements of the Debenture issuance as stipulated below.<br><br>Provided that, if situation arises to replenish the DSRA from the Corpus Fund for the 3rd consecutive quarter, the Debenture Trustee shall issue notice to the Issuer on the immediately next day after the payout date (i.e. T+1) to repay the entire outstanding amount of the Debentures including principal and/or interest from the Corpus Fund within 7 days from the date of such notice, failing which it shall be construed as an Event of Default.<br><br>Further, the Issuer would need to give an unconditional and irrevocable undertaking that in the event of DSRA getting impaired for meeting any Debenture servicing requirement on any payout date (T), the Issuer would arrange to release requisite funds from the Corpus Fund to fully reinstate the DSRA within 5 days from the date of notice served by Debenture Trustee to the Issuer on T+1 to fully replenish the DSRA from the Corpus Fund i.e. T+6.<br><br>Further, in case any Investor exercises the put option as mentioned below as mentioned below under the serial number 60 against the particular "Step Up Coupon Rate", the Issuer shall repay the full outstanding amount to the Investor(s) exercising their put option in relation to the Debentures including principal and interest from the said Corpus Fund within 7 days from the date of closure of the timelines of 30 days given to the Investors for exercising the put option, failing which the same will be construed as an Event of Default.<br><br>Further, in case of cross default/acceleration under agreements for any financial indebtedness of the Issuer or its subsidiaries, |

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| | | issuer shall repay to the Investors the entire amount of the outstanding Debentures from the Corpus Fund within 7 days from the date of occurrence of such cross default/acceleration under agreements, failing which it shall constitute an Event of Default for the Debentures.<br><br>Further, the said Corpus Fund shall be utilized proportionately towards requirements of the present Debenture issue of 849,94,00,000 (Indian Rupees Eight Hundred Forty Nine Crore Ninety Four Lakh only), Original Issuance Bonds, Re-issuance Bonds, Green Bond Issuance and any further bond issuances and the aggregate amount of such total bond issuances including the present Debentures issuance shall be up to the maximum of 80% of the outstanding Corpus Fund.<br><br>In case of any further enhancement of Corpus Fund (i.e., in excess of INR 3327.01Crore), the Issuer shall be free to borrow through bonds up to 80% of the enhanced value of Corpus Fund over and above present stipulated limit. |
| 52. | **KIIFB Bond Servicing Account** | The Issuer would be required to open a designated escrow account "KIIFB Bond Servicing Account" exclusively for the benefit and charged in favour of the Debenture Trustee (on behalf of the Investors) for remitting the payments to be made by the Issuer to the Investors in respect of the Debentures. ("**KIIFB Bond Servicing Account**") |
| 53. | **Daily Transfer of Funds to KIIFB Bond Servicing account** | Daily allocation of Motor Vehicle Tax and Cess pursuant to section 7 of KIIF Act is being received by the Issuer into its "Collection Account" bearing account name Kerala Infrastructure Investment Fund Board and account number 39351427592 (IFSC Code: SBIN0070028) maintained with the collection bank i.e., State Bank of India, Trivandrum City branch (as on the date of this Information Memorandum) during the 9 Months period commencing from 1st April till 31st December every year on a regular basis.<br><br>The Issuer would, starting from the 1st day of each quarterly servicing cycle remit, by way of irrevocable standing instruction to the collection bank, on every working day, an amount equivalent to 2% of the aggregate servicing requirement for such quarterly servicing cycle of the outstanding Debentures to the KIIFB Bond Servicing Account until the Required DSRA amount for the said quarter is fully built in the KIIFB Bond Servicing Account.<br><br>For the period of 1st January to 31st March the Issuer, by way of standing instruction, shall transfer an upfront amount on 1st January each year to the KIIFB Bond Servicing Account |

| Sl No. | Particulars | Details |
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| | | equivalent to the amount required towards the aggregate daily transfer amounts for the said period.<br><br>The said irrevocable standing instruction shall be given upfront by the Issuer to the bank for the entire tenure of the Debentures i.e. 10 years.<br><br>On the first day of every quarterly payment cycle, Issuer shall also maintain a fixed deposit in a scheduled public commercial bank, at least to the extent of the interest obligation on immediately succeeding quarterly payout date and principal redemption amount of one quarter and create/maintain charge/lien on the same in favour of the Debenture Trustee at all the times ("**Fixed Deposit**").<br><br>Although redemption shall start from the 13th quarter, the Fixed Deposit of one quarter principal redemption amount starting from 13th Quarter along with the interest obligation of one succeeding quarter shall be created upfront only.<br><br>The initial Fixed Deposit shall be created one day before the pay-in date. The Debenture Trustee would have an irrevocable authorization from the Issuer to liquidate an amount out of the said Fixed Deposit to the extent of any shortfall in the KIIFB Bond Servicing Account, 7 days prior to any quarterly servicing date i.e. T-7 day. The said Fixed Deposit shall be created by the Issuer from the receivables of the Issuer from allocation of Motor Vehicles Tax and Cess. |
| 54. | **Permitted Investments** | The funds in the KIIFB Bond Servicing Account and DSRA till such time being utilized would be allowed to be invested in permitted investments in fixed deposits with Scheduled Commercial Banks and units of Debt Mutual Fund Schemes of highest possible investment grade rating as defined below ("**Permitted Investments**"):<br><br>(a) Fixed deposits with nationalized/ public sector banks featuring in the top 10 public sector undertaking banks in terms of total asset size and having either short term rating of A1+ or a long-term rating of AAA;<br><br>(b) Fixed Deposits with private sector banks featuring in the top 10 private sector banks in terms of total asset size and having short term rating of A1+ and a long-term rating of AAA; and<br><br>(c) Investments in units of debt mutual funds schemes of highest possible investment grade rating. |

| Sl No. | Particulars | Details |
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| | | These investments would be made and liquidated by the Debenture Trustee as per the instruction of the Issuer from time to time. |
| 55. | **Collateral Support Structure** | The Debentures would have further collateral support by way of unconditional and irrevocable guarantee as a continuing obligation by the Government of Kerala. |
| 56. | **Structured Payment Mechanism** | The Issuer would be required to adequately fund the KIIFB Bond Servicing Account through periodic transfer of funds received by it from Motor Vehicles Tax and Cess allocation. The Issuer would, starting from the 1st day of each quarterly servicing cycle remit, by way of irrevocable standing instruction to the collection bank, on every working day an amount equivalent to 2% of the aggregate servicing requirement for such quarterly servicing cycle of the outstanding Debentures to the KIIFB Bond Servicing Account until the Required DSRA Amount for the said quarter is fully built in the KIIFB Bond Servicing Account. The Debenture Trustee shall independently monitor the amounts required for servicing of the Debentures (principal and/or interest as the case may be) in the KIIFB Bond Servicing Account, 7 days prior to the relevant servicing date (T-7).<br><br>The Debenture Trustee should independently monitor the adequacy of availability of such fund in the KIIFB Bond Servicing Account, 7 days prior to the relevant servicing date (T-7), and in case of any inadequacy, fund the same through liquidation of the Fixed Deposit to the extent of such shortfall.<br><br>However, if due to any reason, it is not possible to fully fund the KIIFB Bond Servicing Account by T-5th day, the Debenture Trustee should advise the Issuer to immediately bridge the shortfall, under intimation to the GoK.<br><br>In the event of shortfall still persisting on T-3rd day, the Debenture Trustee would transfer the requisite funds from the DSRA to bridge the gap.<br><br>This event of DSRA impairment should be immediately notified to the GoK by the Debenture Trustee on the next day. |
| 57. | **Remedial Action Consequential to Impairment of DSRA** | In case of any event, on any payout date (T) leading to the funds available in DSRA being lower than the Required DSRA Amount, a notice would be served to the Issuer by the Debenture Trustee on the next day (T + 1) to fully replenish the DSRA impairment through transfer of requisite amount from the Corpus Fund within 5 days (T + 6).<br><br>In the event of DSRA not getting fully reinstated, the Debenture Trustee would notify the Kerala State Government about its |

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| | | intention for invocation of the guarantee if the shortfall is not fully bridged within the next 21 days (T + 27).<br><br>If the irregularity continues beyond the above timeline, the Debenture Trustee shall invoke the GoK's Guarantee on the next day (T + 28) to the extent of such shortfall in DSRA from the stipulated level.<br><br>The Deed of Guarantee would specifically provide obligation on the part of the GoK to fund the shortfall in DSRA when called upon by the Debenture Trustee, as per the above stipulated timeline. If the guarantee obligations are not met by GoK within 30 days of Guarantee invocation, it would be construed as an 'Event of Default'. |
| 58. | **Guarantor** | Government of Kerala/GoK |
| 59. | **Step Up Coupon Rate** | In case of any rating downgrade, the Issuer shall inform the Debenture Trustee of the rating downgrade on the immediately next calendar day.<br><br>25 basis points as step up coupon for rating downgrade (by any one of the rating agencies), from rating at the time of issuance, of every notch. For avoidance of doubt it is clarified that in case, credit rating available from each of the rating agencies are different, the lowest credit rating available shall be considered for the purpose of levying the step up coupon.<br><br>Any rating downgrade below AA- (i.e. A+ or below) (i.e., a two-notch credit rating downgrade (or any subsequent credit rating downgrade therefrom) from the credit rating allotted at the time of issuance of the Debentures by a rating agency) will give each Investor, the right to either exercise additional 25 bps step up coupon rate or exercise the put option for premature redemption subject to applicable laws and regulations.<br><br>In case rating is downgraded below AA- (i.e. A+ or below) (i.e., a two-notch credit rating downgrade (or any subsequent downgrade therefrom) from the credit rating allotted at the time of issuance of the Debentures by a rating agency), each Investor can exercise the put option within 30 days from the date the Issuer informs Debenture Trustee of the rating downgrade.<br><br>The Issuer shall repay the full outstanding amount of the Debentures to such Investors exercising the put option, including principal and interest from the said Corpus Fund within 7 days from the date of closure of said timelines of 30 days, failing which the same will be construed as an event of default. Further, in respect of the Investors that do not exercise the put option as set out above, existing step-up coupon shall be enhanced by |

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| | | additional 25 basis points on the Debentures held by such Investors.<br><br>It is clarified that such higher coupon rates would be effective only from the date of downgrade.<br><br>In case post downgrade of rating, any upgrade in future will have rates reversed effective from the date of such upgrade, subject to minimum initial coupon rate.<br><br>For avoidance of doubt it is clarified that in the event that a Critical Rating Downgrade Event occurs before the expiry of 1 (one) year from the Deemed Date of Allotment and continues to exist/subsist on the day immediately following the expiry of 1 (one) year from the Deemed Date of Allotment, the Debenture Holders shall have the right to exercise their Put Option within 30 (thirty) calendar days from the expiry of 1 (one) year from the Deemed Date of Allotment in the manner set out in the Debenture Documents as if such Critical Rating Downgrade Event occurred after expiry of one year from the Deemed Date of Allotment i.e., on the day immediately following the expiry of 1 (one) year from the Deemed Date of Allotment. |
| 60. | **Cross Default / Acceleration** | In case of cross default/acceleration under agreements for any financial indebtedness of the Issuer or its subsidiaries, Issuer shall repay to the Investors, the entire amount of the outstanding Debentures from the Corpus Fund within 7 days from the date of occurrence of such cross default/acceleration under agreements, failing which it shall constitute an Event of Default for the Debentures. |
| 61. | **Events of Default** | As is set out in the Debenture Trust Deed and shall include, without limitation, the following events (each an "**Event of Default**"):<br><br>(a) Non-payment of any Debenture servicing obligation on due date.<br><br>(b) Failure to adequately restore the DSRA within stipulated timelines.<br><br>(c) Failure to list or cessation of listing of the Debentures on the BSE.<br><br>(d) Insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer.<br><br>(e) Any insolvency, liquidation or dissolution petition filed against the Issuer which is not discharged or stayed or withdrawn within 5 calendar days. |

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| | | (f) Breach of covenants and such breach is not cured within 7 working days.<br>(g) Breach of any of the terms of the Debenture Documents by the Issuer and such breach is not cured within 7 working days.<br>(h) Repudiation of any Debenture Document.<br>(i) Illegality for the Issuer to perform any of its obligations under the Debenture Document.<br>(j) Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of Issuer funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer.<br>(k) Representations or warranties are found to be untrue or misleading when made or at the time of repetition during the term of the Debentures, which representations or warranties are by nature required to be repeated at any time during the term and is not cured within 15 working days.<br>(l) Inability of the Issuer to pay entire outstanding amount of Debentures, in case of cross default/ acceleration under agreements for indebtedness of the Issuer or any of their subsidiaries, from the Corpus Fund within 7 days from the date of occurrence of such cross default/acceleration.<br>(m) Winding up of the Issuer, including initiation of any proceedings.<br>(n) In case the rating is withdrawn or suspended, except where the step-up happens or step-up rights are exercised by the Investors.<br>(o) Any material adverse event, as defined in the Debenture Documents and such default is not cured within 15 working days.<br>(p) If the guarantee obligations are not met by the GoK within 30 days of guarantee invocation, it would be construed as an Event of Default.<br>(q) Failure to repay the entire outstanding amount of the Debentures from the Corpus Fund within 7 days from the stipulated timelines, in the situation of replenishment of DSRA from the Corpus Fund arises for the 3rd consecutive quarter. |

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| | | (r) Failure to repay the full outstanding amount of the Debenture Holders, exercising the put option, from the Corpus Fund within 7 days from the stipulated timelines. |
| 62. | **Covenants of the issue** | Covenants customary to transactions of this nature including, but not limited to:<br>(a) Information covenants;<br>(b) Authorisations;<br>(c) Repayment;<br>(d) Status and Business;<br>(e) Compliances;<br>(f) Accounts;<br>(g) Arm's length transactions;<br>(h) Taxes;<br>(i) Financial Covenants;<br>(j) Use of proceeds;<br>(k) Listing;<br>(l) Further assurances;<br>(m) Compliance with laws;<br>(n) Filings with the stock exchange;<br>(o) Issuance of Debentures.<br>as more particularly detailed in the Debenture Trust Deed.<br><br>Further, the following key covenants are also *inter alia* provided in the Debenture Documents:<br><br>(a) Unconditional and irrevocable guarantee from the Government of Kerala, for timely servicing of the Debentures.<br><br>(b) DSRA and a fixed deposit to the extent of fully covering the servicing requirement of one quarter as liquidity support.<br><br>(c) Corpus Fund covenant for replenishing any impairment of the DSRA, and repayment/redemption on downgrade in credit rating of the Debentures below AA- (i.e. A+ or below) and/or on occurrence of a cross default/acceleration in respect of the Issuer (as enumerated above under the serial number 51 against the particular "Corpus Fund").<br><br>(d) Stipulation for invocation of the Deed of Guarantee for |

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| | | impairment in the DSRA to a level below the servicing requirement for the immediate servicing quarter. |
| 63. | **Financial Covenants** | The Issuer shall ensure that, in respect of any Relevant Period, the Liability Service Coverage Ratio for such Relevant Period shall not be less than 1.1 times. For the purposes of this serial number 63 (*Financial Covenants*):<br><br>"**Liability Service Coverage Ratio**" means the ratio of FC Cash flow to Liability Service;<br><br>"**Relevant Period**" means the period ending 12 months from the end of each financial quarter;<br><br>"**FC Cash flow**" means, with respect to any Relevant Period, the aggregate of (a) share of motor vehicle Taxes and cess levied on petroleum products received by the Issuer pursuant to KIIF Act; (b) any other amount appropriated by the GoK for the Issuer's sole usage; (c) any other payments to the Issuer other than proceeds from any Financial Indebtedness; and (d) the total amount of cash and cash equivalent investments controlled by the Issuer at the beginning of the Relevant Period, excluding any DSRA and sinking fund or any other debt servicing account of similar intent (except those created towards the Financial Indebtedness of the Issuer payable during the Relevant Period); and<br><br>"**Liability Service**" means, with respect to the Relevant Period, the aggregate of (a) all scheduled payments (including balloon payments) on account of principal and interest and other charges on all Financial Indebtedness, as applicable; and (b) any payment made or required to be made to any debt service account under the terms of any agreement providing for any Financial Indebtedness. |
| 64. | **Remedies** | In the event of occurrence of the event of default mentioned above, the Debenture Trustee shall give a final notice to the Issuer and the GoK clearly stating its intention to invoke the security interest and enforce its rights under the Deed of Guarantee: (a) for events of default where cure period is provided as above and is not cured within the stipulated cure period; and (b) for all other events of default, a period of not more than 3 working days from the date of such notice.<br><br>Upon continuation of such event, beyond the time stipulated above, the Debenture Trustee shall invoke the security interest and the guarantee of the GoK on the next day. |

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| | | The invocation of security interest and the guarantee for any default would cover the entire liabilities remaining outstanding in these Debentures.<br><br>Further, the Debenture Trustee shall be able to exercise such other rights and remedies as set out in the Debenture Trust Deed. |
| 65. | **Conditions for breach of covenants (as specified in Debenture Trust Deed)** | Breach of any covenants other than those in respect of a payment default would have a cure period of 7 working days beyond which it would be construed as an event of default (EOD). |
| 66. | **Creation of Recovery Expense Fund** | As per the regulation 11 of the SEBI NCS Regulations, the Issuer has created the recovery expense fund ("**REF**") for an amount equivalent to 0.01% of the final issue size subject to a maximum amount of INR 25 lakhs in the manner specified by SEBI and have informed the Debenture Trustee about the same.<br><br>An amount equal to 0.01% of the relevant issue size subject to a maximum amount of INR 25 lakhs shall be utilized towards the REF with the BSE as per the time lime prescribed by the SEBI. |
| 67. | **Roles and responsibilities of Debenture Trustee** | In accordance with applicable law and the Debenture Documents |
| 68. | **Governing Law and Jurisdiction** | The Debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of the Courts at the city of Thiruvananthapuram only. |
| 69. | **Default Interest Rate** | In the event of delay in the payment of interest amount and/ or principal amount on the due date(s), the Issuer shall pay additional interest of 2.00% per annum in addition to the respective Coupon Rate payable on the Debentures, on such amounts due, for the defaulting period. |
| 70. | **Delay in Listing** | ln case of delay in listing of the debt securities with the timelines of T+3 trading days as specified by SEBI vide its circular dated 30 November, 2022, the Issuer shall pay penal interest of 1% per annum over the coupon rate for the period of delay to the debenture holder (i.e. from date of allotment to the date of listing). |
| 71. | **Delay in Execution of Trust Deed/ Security Creation (where applicable)** | In case of delay in execution of Debenture Trust Deed and security documents, the Issuer will refund the subscription with agreed rate of interest or will pay penal interest of at least 2% per annum to the debenture holders, over and above the agreed coupon rate till these conditions are complied with at the option of the bond holder. |

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| 72. | **Debenture Documents/Transaction Documents** | Debenture Trust Deed, guarantee issued by Government of Kerala ("**Deed of Guarantee**"), deed of hypothecation, debenture trustee agreement, this Information Memorandum and such other document designated as 'Debenture Document' under the Debenture Trust Deed. |
| 73. | **Conditions Precedent** | As per the Third Schedule of the Debenture Trust Deed |
| 74. | **Conditions Subsequent** | As per the Fourth Schedule of the Debenture Trust Deed |
| 75. | **Risk Factors** | As specified in part 4 (Risk Factors) of this Information Memorandum |
| 76. | **Trustees** | Catalyst Trusteeship Limited |
| 77. | **Registrar** | Cameo Corporate Services Limited |

*Notes:*

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

*(b) The list of documents which has been executed in connection with the issue and subscription of the Debentures shall be annexed.*

*(c) While the Debentures are not "secured debt securities" for the purposes of the SEBI NCS Regulations, they are to be secured and guaranteed as per the terms set out above.*

*(d) The Issuer shall provide granular disclosures in their placement memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue*