



*Defining the Future*

# KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

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

Finance and Administration Division

website: [www.kiifb.kerala.gov.in](http://www.kiifb.kerala.gov.in)

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To

The Media

Subject: Press Release- KIIFB successfully issued Masala Bonds worth INR2150 Crore.

Kerala Infrastructure Investment Fund Board is glad to inform you that we have successfully issued the first ever offshore Masala Bonds worth INR 2150 Crore. The press release in this regard is attached herewith.

Yours faithfully

**Anie Jula Thomas**  
**Joint Fund Manager**

## **Press Release**

### **Issuance of Secured INR 21.50 Billion Fixed Rate 9.723% Masala Bonds Due 2024**

**Thiruvananthapuram, March 29, 2019:** Kerala Infrastructure Investment Fund Board (KIIFB) successfully completed its debut international issue today by closing its INR 2150 crore Masala Bond issue. This is a landmark International Debt Capital Markets transaction as this is not just the 1<sup>st</sup> offshore capital market issuance from a State level entity from India ever, but also the largest dual currency issue by a sub-sovereign backed entity from the entire Emerging Markets and Asia.

The transaction was priced on 26<sup>th</sup> Mar 2019 and saw strong participation from a wide spectrum of investors which included Asset Managers, Insurance Companies Pension Funds, Banks as well as Private Wealth Managers. The Masala Bond market till date had seen issuance only from large Indian corporates and public institutions like NHAI and NTPC which are all rated AAA in the domestic market. The successful closing of this deal is significant from this point of view and opens up new avenues for KIIFB. The deal is also significant for the state as the international investors have shown faith in a credit backed by a sub-sovereign from the emerging markets for the first time.

Dr. K.M. Abraham, CEO, KIIFB said: "This landmark deal, the first by a sub-sovereign from the emerging markets, has shown the acceptability among international investors, the controlled leverage model of infrastructure financing championed by this government through KIIFB. This issue has also helped to showcase the unique strengths of Kerala in front of a wider global audience and help garner international investments to the state. This is a milestone transaction for Kerala Infrastructure Investment Fund Board and for the State of Kerala. KIIFB is the first sub-sovereign entity in India to access the international debt capital markets in this manner. This transaction has realised our objective of diversifying our sources of funding by accessing capital from international investors. KIIFB strives to be at the forefront of creating a sustainable development model for infrastructure financing in the emerging markets and an exemplar for best practices in corporate governance and fund management."

Mr. Sanjeev Kaushik, IAS, Deputy Managing Director, KIIFB and Principal Secretary, Finance, Government of Kerala added that "This deal is significant for KIIFB as it would help diversify its sources of funding, and given the large mandate entrusted by the government it was imperative for the Board to identify new avenues. The successful closing of this deal is also a recognition of fundamental robustness of the Kerala economy and the development model adopted by the state by international investors.

This issue could act as a spring board for future international issuances by KIIFB and also help the State in strengthening its connect with the global investment community and the NRKs living in different parts of the world.”

Axis Bank and Standard Chartered Bank were the Joint Lead Managers for the Masala Bond issuance while DLA Piper and Cyril Amarchand Mangaldas acted as the International Legal Counsel and Domestic Legal Counsel respectively.