

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**RAJYA SABHA**  
**UNSTARRED QUESTION NO.1672**  
**TO BE ANSWERED ON TUESDAY, THE 3<sup>RD</sup> AUGUST, 2021**  
**[12 SRAVANA, 1943 (SAKA)]**

**"CAG AUDIT OF KIFB AND KIAL IN KERALA"**

**No.1672. SHRI K. SOMAPRASAD:**

Will the MINISTER OF FINANCE be pleased to state:

- (a) whether Comptroller and Auditor General (CAG) has conducted an audit of financial transactions of Kerala Infrastructure Investment Fund Board (KIFB) and Kannur International Airport Ltd. (KIAL) in the past;
- (b) if so, the details thereof and, if not, the reasons therefor;
- (c) whether the Government of Kerala has allowed CAG audit of KIFB and KIAL ever since their commencement;
- (d) if so, the details thereof and, if not, the reasons therefor including the actions taken; and
- (e) whether CAG that is empowered under Section 14(1) CAG's (Duties, Powers and Conditions of Service) Act, 1971 in conducting suo motu audit of KIFB and KIAL?

**ANSWER**

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE**  
**(SHRI PANKAJ CHAUDHARY)**

(a) and (b):

(i) Compliance Audit of Kerala Infrastructure Investment Fund Board (KIIFB) for the period 1999-2007 and for the period 2016-20 was conducted under Section 14(1) of the CAG's (DPC) Act, 1971. Financial Audit of KIIFB for the period 1999-2000 to 2006-07 was conducted as per the provisions of KIIFB Act, 1999.

(ii) For Kannur International Airport Ltd. (KIAL) Compliance Audit for 2009-11, 2011-15 and 2015-16 was conducted under Section 143(7) of the Companies Act, 2013 read with Section 19 of CAG's (Duties, Powers and Conditions of Service) Act, 1971. Financial Audit for 2009-10 to 2015-16 was conducted under Section 143(6) of the Companies Act, 2013.

(c) and (d):

(i) Compliance Audit of KIIFB under Section 14(1) of the CAG's (DPC) Act, 1971 was completed for the periods 1999-2007 and 2016-20.

(ii) Government of Kerala allowed Compliance and Financial audits of KIAL up to 2015-16 under Section 143(6) and 143(7) of the Companies Act, 2013 read with Section 19 of CAG's (DPC) Act, 1971. Compliance and Financial Audits of KIAL from 2016 have not been allowed. Ministry of Corporate Affairs, Government of India directed KIAL to comply with the provisions of Section 139(5) and 139(7) of the Companies Act, 2013 by virtue of the fact that about 64 per cent of the shares of the Company are held by the Government of Kerala (32.86 percent) and PSUs (31.93 percent). However, KIAL obtained an interim stay from the Hon'ble High Court of Kerala. Presently the case is pending in Hon'ble High Court of Kerala.

(e):

(i) CAG is empowered to conduct the Compliance audit of KIIFB under Section 14(1) of CAG's (DPC Act), 1971. The audit is conducted as per the prescribed procedure for conduct of such audits.

(ii) CAG is not empowered under Section 14(1) of CAG's (DPC) Act, 1971 in conducting suo moto audit of KIAL.

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