

## KERALA ASSEMBLY REJECTS CAG'S FINDINGS

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United front: The Congress-led United Democratic Front and the lone BJP MLA voted against the resolution.  
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The Assembly on Friday rejected the Comptroller and Auditor General (CAG)'s finding that Kerala Infrastructure Investment Fund Board (KIIFB) had acted unconstitutionally by floating masala bonds to raise funds for the State's development from foreign financial markets.

The House voted predictably along party lines to pass a resolution moved by Chief Minister Pinarayi Vijayan seeking the rejection of the adverse remarks related to KIIFB in the CAG's State Finance Audit report ended 2019 fiscal.

The Congress-led United Democratic Front (UDF) voted against the resolution. Bharatiya Janata Party's sole legislator O. Rajagopal also threw in his lot with the Opposition. The CAG had tabled the contentious report in the House on January 19.

### CM flays CAG

Mr. Vijayan damned the CAG for imperilling Kerala's developmental aspirations. The CAG had attempted to chip away at the hard-won trustworthiness of KIIFB, a body corporate created by legislation, in the financial world. The CAG's remarks were unfounded, unprofessional, politically prejudiced and patently inimical to the State's development.

The resolution sparked off a nearly three-hour heated debate characterised by across-the-aisle verbal duels and caustic comments.

Finance Minister T.M. Thomas Isaac said the CAG had "erroneously concluded" that KIIFB's off-budget and non-governmental borrowings violated the constitution's seventh schedule and infringed on the Centre's financial prerogatives.

Dr. Isaac implored the Opposition to realise that the State's development pegged at Rs. 60,000 crore was at stake. The CAG's remarks hung like a sword of Damocles over KIIFB's financial credibility and borrowing power.

Leader of the Opposition Ramesh Chennithala said the Assembly should not pass any resolution that undermined the CAG's constitutional role. The KIIFB relied on the State's revenue stream, including motor vehicle tax and other levies, to settle its "rapidly mounting and outsize" debts. Hence, the CAG was well within its right to audit the institution.

Finally, voters have to pick up the tab for KIIFB's "un-audited" borrowings. The government had repeatedly stonewalled the CAG from examining KIIFB accounts in entirety. It had something to hide, he said.

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