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Kerala House takes apart critical CAG report

Report on masala bonds violated natural justice, professionalism and political neutrality, says Pinarayi

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THE assembly on Friday passed a rare resolution against the CAG's financial audit report which contained critical remarks against KIIFB even as the Opposition said the act was unconstitutional and would set a bad precedence.

The resolution said the remarks against KIIFB and its masala bonds were factually incorrect, absent in the draft delivered to the government and defiled the broad development interests of the state. It further said the CAG remarks violated natural justice, professionalism and political neutrality.

Moving the resolution, Chief

Minister Pinarayi Vijayan said the CAG has violated its own procedures while preparing the report as it did not listen to the department concerned. "This is denial of natural justice. As per conventions, the remarks should be included in the draft so that the department concerned can give its reply. The final report is prepared after considering these replies. The tabled report goes to the Public Accounts Committee (PAC)," he read.

"If the CAG's latest act is allowed to be made a precedence, then the checks and balances existing between the legislature and the executive will be sabotaged," the CM said. Fi-

nance Minister Thomas Isaac said, by moving the resolution, the House was sending a message that it will go to any extent to protect the state's rights. He said the CAG report was not the final word.



"KIIFB is a financial institution that is trying to borrow money," said Isaac, adding there was nothing unconstitutional in the board borrowing money as a body corporate. "It is not that the AG does not know it. But it made the report in a haste," he said.

The UDF raised strong objection to the resolution saying such a move would encroach on the constitutionally-derived

powers of the CAG. Congress MLA V D Satheesan said moving a resolution against the report filed by the constitutional body is unheard of. "There are no constitutional provisions, statutes, rules of procedure or convention that back such a resolution against the CAG report," he said.

Opposition Leader Ramesh Chennithala said it was for the first time in the country's history that such a resolution is being moved against the CAG by a chief minister. He said the resolution was a ploy to rescue the finance minister, who committed a blunder.

"It was on the basis of the CAG report that the Lavalin case had come up. Then Pi-

narayi had not had this thought to pass a resolution against the report. This resolution is Isaac's trick to save him from the fix and Pinarayi has fallen for it," he mocked.

IUML's M K Muneer said it was a black day for democracy as the resolution has set a bad precedence. "This will set a precedence of rejecting all adverse CAG reports," he said. BJP MLA O Rajagopal also opposed the resolution.

The Opposition told the speaker that if the abridged version of the CAG report goes to the PAC, then it would create a constitutional haze. The speaker said he would give a ruling on the matter after studying it.