



Kerala HC asks CBI to probe Lavalin case

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KOCHI, JANUARY 16 : In yet another blow to the Left government and the CPI(M), the Kerala High Court today brushed aside the state government's bid to avert a CBI probe into the Rs 89-crore Lavalin scam, Kerala's biggest corruption scandal figuring party state secretary Pinarayi Vijayan.

The issue involves a contract that the state electricity board under Pinarayi, who was then power minister, awarded to SNC Lavalin Inc, a Canadian company, for renovation work on three of the state's hydel projects. This was overturning the recommendations of the then Left government's power reforms committee headed by CPI(M) leader E Balanandan, and even disregarding a much lower bid by the public sector BHEL.

The MoU that Pinarayi led his officials to ink with Lavalin in Canada in 1996 had said the company would provide a grant worth over Rs 98 crore to set up a cancer hospital in north Kerala, in return. Ten years later, only about Rs 9 crore of that money remains accounted for, no one knows where the rest went. The CAG too reported that the money spent on Lavalin had gone down the drain as it failed to increase power generation by any extent.

A Division Bench of the HC, comprising chief justice V K Bali and Justice K B Koshy, today asked the CBI to begin investigations into this case while disposing of two PILs pleading for a CBI probe. The court did not go into the merits of the case, but underlined that the CBI probe should not be prejudiced by the findings of the probe by the State Vigilance Department. Incidentally, at one point during the hearing, the court asked the state government to spell out why it was "shirking" from a CBI inquiry into this case.

The Left Government argued that the investigation by its Vigilance Department was sufficient in this case, though the earlier Congress-led government had asked for a CBI inquiry. The government, which had two senior Supreme Court lawyers R K Anand and C S Vaidyanathan appearing for it, claimed that the last government's move was politically motivated. The court, however, found merit in the petitioner's claim.

But soon after the verdict, Pinarayi Vijayan announced that his party accepted the court decision, and would not move the Supreme Court in appeal, claiming it really was not scared of investigation by any agency. CPI(M) sources, however, disclosed to The Indian Express that the party's central leadership had earlier decided against allowing the state unit to go on appeal. The sources said CPI(M) general secretary Prakash Karat had personally conveyed this to the party state secretariat.

Reacting to the verdict, Pinarayi's arch rival and Chief Minister V S Achuthanandan, who had asked for blacklisting the Canadian firm in the Assembly soon after the scam broke, said he still stood by what he had said, while conceding that his government had indeed "lost" this case.

The Lavalin scam had occupied centrestage in the Pinarayi Vijayan-VS Achuthanandan factional feud in the CPI(M), long before the current Left government assumed power. With the party's local conferences, with their bitter factional power struggles, underway in the run up to the state conference this year-end, the VS faction is now expected to put the HC

order to good use to run down their opponents.