

Appeal on RM480mil suit against defence ministry
MalaysiaKini.com
February 1, 2012
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After two years, the appeal by defence contractor Langkawi R&D Academy Sdn Bhd (Lardac) in a RM480 million lawsuit over the wrongful termination of upgrading and refurbishment works for the air force's F5E and 5F aircraft is scheduled to be heard at the Court of Appeal tomorrow.

Lardac had lost its case at the Kuala Lumpur High Court on July 9, 2010, after then judge Justice Abdul Wahab Patail (now Court of Appeal) dismissed the suit without hearing the testimony of witnesses who had been called earlier when the case was fixed for three days of hearing.

Justice Abdul Wahab did not provide any grounds to his decision but ordered Lardac to pay RM20,000 costs.

NONEThe company had named the Defence Minister (Najib Abdul Razak) (right), the ministry's secretary-general and the government as defendants in its suit.

Initially five witnesses, including former Defence Ministry Secretary-General Hashim Meon, were scheduled to testify for the plaintiff when the trial was fixed on April 6-8, 2010. There were also four defence witnesses present to testify.

However, Justice Abdul Wahab took an unprecedented step in not listening to the witnesses despite their presence in court and their statements filed earlier. The judge then ordered case management and analysis of the pleadings made in court based on the plaintiff's statement of claim.

Background of lawsuit

It was clear then that Lardac had not agreed with the court's decision that there was no need for witnesses to be heard before Justice Abdul Wahab had derived his decision. That would be the basis of Lardac's appeal tomorrow.

Lardac filed the suit in 2005 claiming damages as a result of the wrongful termination and breach of the contract to undertake avionics upgrading and refurbishment works involving the first of 10 Royal Malaysian Air Force Northrop F5-E&F fighters.

This followed Lardac's assertion that the ministry had gone through the backdoor to allow its former partner, British-based Caledonian Airborne Systems Ltd (CAS Ltd), to take over the upgrading work, despite awarding Lardac the contract on Oct 11, 2001.

It also claims that CAS Ltd does not have a specific contract to operate with the Malaysian government, and that no show-cause letter was given to Lardac as required before the government decided to terminate its contract.

This case is said to provide an insight into the inner workings of the defence ministry, especially as to how it was managed under Najib, the present prime minister.