

Anwar: Possible cover-up in Tajuddin settlement to shield ministers
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KUALA LUMPUR, Feb 16 — The government's out-of-court settlement with Tan Sri Tajudin Ramli may be a cover-up to hide alleged corruption involving Cabinet ministers, Datuk Seri Anwar Ibrahim has alluded.

"My concern is that they are afraid that, with Tajudin proceeding with the case, he will expose corruption... deals which may involve the prime minister and finance minister at the time," Anwar told reporters during an event in Subang Jaya today.

The PKR de facto leader was responding to Tajudin's out-of-court settlement with Pengurusan Danaharta Bhd (Danaharta), which marked an end to the six-year dispute over millions of ringgit that the former Malaysia Airlines (MAS) chairman owed to the national asset management firm.

The settlement resulted from a directive issued by Putrajaya in August last year, telling all government-linked companies, including MAS, to drop their suits against Tajudin.

The settlement comes after a lengthy legal dispute following a High Court decision in December 2009 ordering the ex-MAS chief to pay the state asset management manager RM589.14 million plus two per cent interest per annum, backdated to January 1, 2006.

Today, Anwar said the case was a matter of public interest as it involved taxpayer funds and should not be settled privately.

Tajudin was said to be the poster boy of Tun Dr Mahathir Mohamad's now-discredited policy of nurturing a class of Malay corporate captains on government largesse. He flew high in the 1990s but fared poorly during the Asian financial crisis.

The case between Danaharta and the tycoon arose after he executed a facility agreement on July 13, 1994 to borrow RM1.79 billion from a group of syndicated lenders to finance his purchase of a 32 per cent stake in MAS.

However, from 1994 to 1998 he failed to service the original loan, causing it to become a non-performing loan (NPL).

In 1998, Danaharta acquired the NPL from the lenders but Tajuddin also failed to settle his debt to Danaharta until it was in default of RM1.41 billion as at October 8, 2001.

As part of a settlement agreement, Tajudin was to pay RM942 million in four instalments over three years and that he was permitted to redeem his charged shares at a minimum price per share.

Tajudin, however, defaulted in the payment of the quarterly interest payable under the settlement agreement and on April 27, 2002, the plaintiffs terminated the settlement

agreement and demanded RM1.61 billion from him.

On April 29, 2002, Danaharta, together with its units Danaharta Urus Sdn Bhd and Danaharta Managers Sdn Bhd sold part of the charged shares consisting entirely of Technology Resources Industries (TRI) shares at RM2.75 per share, resulting in total proceeds of RM717.39 million.

As at December 31, 2005, the amount outstanding was RM589.14 million and on May 11, 2006, Danaharta and the subsidiaries commenced action to recover the money.

Tajudin has alleged in his affidavit that it was Dr Mahathir and Tun Daim Zainuddin who directed him in 1994 to buy a controlling stake in MAS to bail out the government.

Tajudin claimed that his purchase was a forced "national service", disguised as an arm's length commercial deal, because the government wanted to appease the investment community and the public.

Dr Mahathir, however, denied in his autobiography published last March that he and Daim had forced Tajudin to bail out MAS in 1994 for RM1.8 billion, claiming instead that Tajudin was "elated" over his purchase.

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