

DAP's questions on Tajudin rejected by Parliament
The Malaysian Insider
March 13 , 2012
By Shannon Teoh

KUALA LUMPUR, March 13 — Parliament has rejected questions on the out-of-court settlement between state-owned Danaharta and former Malaysia Airlines (MAS) boss Tan Sri Tajudin Ramli from four DAP lawmakers, saying it cannot discuss issues being deliberated by the judiciary.

The four MPs had asked Putrajaya to reveal details of the settlement and how it benefits the public as Tajudin (picture) had already been ordered by the High Court to pay the RM589 million he owed Danaharta, which was set up to take over bad debts during the 1997 Asian financial crisis.

"A question cannot be composed if it involves matters that are being deliberated by the courts," Dewan Rakyat Secretary Datuk Roosme Hamzah wrote to Lim Guan Eng, Jeff Ooi, Lim Lip Eng and Tony Pua on Saturday.

DAP secretary general Lim told a press conference today this was not a valid excuse as it has been settled out of court.

"It's not subjudice as it doesn't relate to court. It relates to a government decision. We don't know about the court but what we know is the federal government decided not to ask for the payment despite winning the case," the Penang chief minister said.

Danaharta and Tajudin ended their drawn-out legal battle when they settled out of court on February 14 after Putrajaya had directed in August all GLCs to drop civil suits against the former protégé of Tun Daim Zainuddin.

But the terms of the settlement remain confidential between the two parties despite a High Court decision in December 2009 for Tajudin to pay Danaharta RM589.14 million with two per cent interest per annum backdated to January 1, 2006.

Politicians from across the divide immediately demanded details of the "out-of-court settlement" between the tycoon and Danaharta made public.

The Public Accounts Committee (PAC) has since demanded Putrajaya reveal details of the out-of-court settlement reached between the one-time national asset management firm and Tajudin.

The Malaysian Insider has learnt that the 13-man panel made a "nearly unanimous" decision to ask the Finance Ministry and Prokhas, its unit which manages Danaharta's residual assets, to explain the confidential settlement reached last month.

Tajudin was a 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 former prime minister's policies have been the subject of scrutiny over the past month

after the Najib administration decided to settle out of court the outstanding RM589 million debt owed by Tajudin from the loan he took to buy MAS in 1994.

"The question is important. Danaharta obtained a court ruling for Tajudin to pay RM589 million. Why no follow through?"

"What is the rationale and the benefit to the public for the federal government not wanting to demand the RM589 million that was awarded but wanting to settle out-of-court?" the Bagan MP Lim added today.

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 the purchase by him 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 Tajudin also failed to settle his debts with Danaharta until they were in default of RM1.41 billion as of October 8, 2001.

As of 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 alleged in his affidavit that he was directed by Dr Mahathir and Daim in 1994 to buy a controlling stake in MAS to bail out the government.

The businessman 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 the tycoon was "elated" over his purchase.

The Malaysian Insider

Copyright © 2012 The Malaysian Insider

Source: <http://www.themalaysianinsider.com/malaysia/article/daps-questions-on-tajudin-rejected-by-parliament/>