

## 1. JPC demand on Adani issue

**Prelims Syllabus:** Parliament

**Mains Syllabus:** GS-II Parliament and State Legislatures - structure, functioning, conduct of business, powers & privileges and issues arising out of these.



### Why in News?

- Both Houses of Parliament remained paralysed over the BJP's insistence on an apology from Congress leader Rahul Gandhi for his democracy remarks and the Opposition's demand for a joint parliamentary committee (JPC) probe into the alleged stock manipulation by the Adani Group.

### About the Hindenberg group and its report:

- Hindenburg Research is a company that specializes in forensic financial research.
- It especially looks for accounting irregularities; undisclosed related-party transactions; illegal/ unethical business or financial reporting practices; and undisclosed regulatory, product, or financial issues in companies.
- In late January, Hindenburg Research, which specializes in short selling, published a report critical of the group's finances.
- The research firm, which has short positions in Adani companies through US-traded bonds and non-Indian-traded derivative instruments, said key listed companies in the group had "substantial debt" which has put the entire group on a "precarious financial footing".

### **Outcome of the report:**

- The seven listed firms have still lost about half their market value – or more than USD 100 billion combined – since the US-based short-seller last week questioned the group over its debt levels, Reuters reported. The listed Adani firms now have a combined market value of USD 108 billion, versus USD 218 billion before Hindenburg’s report.
- The report has also caused a political storm in the country with opposition stalling the parliament and demanding a JPC or Supreme court led investigation of the allegations against the Adani Group on the basis of the Hindenburg report.

### **What is a JPC?**

- A Joint Parliamentary Committee (JPC) is set up to examine a particular bill presented before the Parliament, or for the purpose of investigating cases of financial irregularities in any government activity.
- The JPC is an ad-hoc body.
- It is set up for a given period of time and is aimed at addressing a specific issue.
- In order to set up a JPC, a motion is passed in one House and supported by the other House.
- The committee’s members are decided by Parliament.
- The number of members can vary. There are twice as many Lok Sabha members as the Rajya Sabha.

### **Powers and Functions of JPC:**

- A JPC is authorised to collect evidence in oral or written form or demand documents in connection with the matter.
- The proceedings and findings of the committee are confidential, except in matters of public interest.
- The government can take the decision to withhold a document if it is considered prejudicial to the safety or interest of the State.
- The Speaker has the final word in case of a dispute over calling for evidence.
- The committee can invite interested parties for inquiry and summon people to appear before it.
- The committee gets disbanded following the submission of its report to Parliament.