'NFCorp hearing a lesson in financial prudence'

KUALA LUMPUR: The Public Accounts Committee said the hearing into the National Feedlot Corporation (NFCorp) will serve as a lesson to the Government on financial management.

PAC chairman Datuk Seri Azmi Khalid said the hearing would focus on the loan disbursement on the part of the government agencies.

"Today, we spoke to the Agriculture and Agro-based Industries Ministry and the Finance Ministry, mainly on how the project started, why things have not proceeded in the way they were supposed to, and why they did what they shouldn't be doing and vice versa," he said in Parliament lobby yesterday.

He said the PAC would not touch on the charges faced by NFCorp executive chairman Datuk Seri Dr Mohamad Salleh Ismail.

Salleh was charged last week with two counts of committing breach of trust and two counts of violating the Companies Act 1965 involving RM49.7mil.

Azmi revealed that NFCorp had defaulted on its scheduled loan repayments by three months.

In the RM181mil loan that was disbursed by the Government to the NFCorp's operations account, the first scheduled repayment deadline was in January.

However, the accounts and assets of the NFCorp were frozen in December last year to facilitate investigations into the matter.

Meanwhile, NFCorp said it wrote to the Government in 2009 asking to defer repayment of its soft loan pending completion of an export quality abattoir to service the National Feedlot Centre (NFC).

It said the abattoir was to have been completed and rented out to them in 2008 to meet their production targets as per the implementation agreement between NFCorp and the Government, but the facility has yet to be completed until today.

This deal also included the construction of a 7.5km concrete road leading to the NFC and the provision of a water system comprising pools, piping and tube wells, the company said in a statement.

It said that the lack of the necessary infrastructure had "severely disrupted" its beef production and projected business turnover.