

NFCorp in default

> Company has not made scheduled repayments due since January

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KUALA LUMPUR: The National Feedlot Corporation (NFCorp) has defaulted on repayments for its RM250 million government soft loan since January.

Public Accounts Committee (PAC) chairman Datuk Seri Azmi Khalid said this was confirmed by Finance Ministry officials during a briefing on the issue yesterday.

It is understood that NFCorp was to have made the first repayment of about RM17 million per month from January, as payment was to start three years from the date of the initial drawdown.

This means that, not counting March, NFCorp is already two repayments – or about RM34 million – behind schedule.

As at July 31, 2011, RM181.9 million had been drawn down by NFCorp, and put into its operations account.

NFCorp officials who are scheduled to appear before the PAC today are expected to explain the delay in repayments of the loan.

Speaking at press conference after a four-hour meeting of the PAC which is looking into the “cowgate scandal,” Azmi said the committee met Agriculture and Agro-based Industry Ministry and Finance Ministry representatives yesterday.

He said they had explained mainly on the whole project, its procedures and implementation, but PAC has sought more information which the ministries had promised to provide today.

Asked if PAC had obtained some documents it had requested during its first meeting on Nov 23 last year, he said all the documents were still with the police and the Malaysian Anti-Corruption Commission (MACC).

“We have not seen the three agreements yet, so we have asked the ministries to provide us with the certified true copies of the documents from the authorities. Also, according to the information we have heard today, the project was being reviewed,” said Azmi.

He said the National Feedlot Centre project was approved by the Finance Ministry at the beginning of Ninth Malaysia Plan in 2006, but the directive to review the project was given in 2009.

“(Although) the directive was given in 2009, there were commitments made

from the time it was approved, and it could not be withdrawn, like the purchase of cattle.

“The decision to review the project was made to relook into liabilities, based on a study by Universiti Putra Malaysia,” said Azmi adding NFCorp did adhere to the directive to review the project.

NFCorp signed the RM250 million soft loan agreement with the government on Dec 6, 2007 to start a feedlot project in Gemas, Negri Sembilan after it was awarded the project in Oct 27, 2007.

“Out of the RM250 million that was disbursed, RM181.9million went into the operation accounts; the balance is still there,” Azmi said.

Referring to the court case of NFCorp executive chairman Datuk Seri Dr Mohd Salleh Ismail, who was charged last week with criminal breach of trust and violating the Companies Act involving RM49 million, Azmi said PAC will stick to matters that are not sub judice.

“We understand that some matters are in court. We are guided by rules on how and where Parliament can query. Wherever we have no limitations, we will query. This is like a check- and-balance practice,” he said.

However, PAC vice-chairman Tan Seng Giaw (DAP-Kepong) rubbished the limitations of PAC’s power to question.

Citing the Port Klang Free Trade Zone scandal, he said: “We still called the relevant people; some of them are being charged now. There is no such thing that we cannot question.”

NFCorp in a statement late yesterday, said that it had written to the government on Oct 27, 2009 for a deferment on loan repayment due to delays in construction of certain infrastructure.

“NFCorp had written to ask for deferment due to the construction of an export quality abattoir being put on hold, as well as the incompleteness of infrastructure by third-parties for the National Feedlot Centre (NFC) in Gemas, Negeri Sembilan,” the statement said.

“The abattoir was to have been built in 2008 and rented to NFCorp to meet its production targets.

NFCorp also claimed that it could not build the abattoir or the infrastructure from the RM250 million soft loan it received, as the government had allocated a separate fund to the Veterinary Services Department for the construction.