

DAILY TRUST'S FICTITIOUS N5.6BN WHEAT "SCANDAL":

- **NO GOVERNMENT MONEY FOR SAID WHEAT PROJECT**
- **NO MONEY WAS GIVEN TO NIRSAL PLC**
- **NO MONEY WAS LOST**
- **N3.6BN LOAN TO PRIVATE COMPANIES BY COMMERCIAL BANK UTILISED AND FULLY REPAID**

NIRSAL Plc is aware of a hollow piece of journalism published by Daily Trust on Sunday, January 30, 2022. This publication is a continuation of unceasing trend of attacks by persons bent on derailing the operations of NIRSAL Plc and defaming its personnel. Some media houses, for reasons best known to them, are yielding their platforms to be used for falsehood and outright defamation. In this age of social media where false news reigns, it is unfortunate that Daily Trust would allow its hard-earned reputation to be used for this dubious purpose.

As clarified severally on this and other similar matters, NIRSAL Plc neither takes funds from government nor does it guarantee government-funded projects. It was created to facilitate the flow of private/bank finance and investment into the agricultural value chain. This facilitation comes mainly in the form of credit risk guarantees to financiers/investors in agriculture, technical assistance to projects and project owners and the discretionary interest rebate support given to diligent borrowers under the extant conditions.

Business leaders in the public and private sectors hold their positions in trust for their stakeholders, and so must be accountable to them at all times. NIRSAL Plc's Management is no different. It has welcomed and even supported official inquiries into its dealings, especially with regards to a so-called "Kano/Jigawa Wheat project". Amidst the spurious tales being spun by many agents paid to discredit NIRSAL Plc, only one detail matters to NIRSAL Plc's bottom line as a corporate entity: the lenders got their money back, NIRSAL Plc's credit guarantee was not activated.

WHAT ARE THE FACTS?

It is an established fact that Nigeria imports over five million metric tons of wheat annually whilst local production remains a paltry 60,000 metric tons per annum. This means Nigeria spends over US\$3 billion on wheat importation annually. For a country that is striving to shore up its foreign reserves in order to have a stronger economy, it is pertinent for all patriotic stakeholders to identify and support local production of products, especially agricultural commodities, which the country has the comparative advantage to produce.

NIRSAL, as a focused and value driven company, is ever ready and supportive of players within the country's agricultural sector that are developing solutions that can increase the competitiveness of Nigeria's agricultural value chains. Amongst the tools used in achieving its mandate are the Credit Risk Guarantee (CRG), Technical Assistance and the Interest Drawback mechanism.

In 2018, NIRSAL Plc was approached by one of its partner commercial banks (Keystone Bank PLC) for a CRG in respect of a loan it was going to avail to two companies that had shown interest in privately funding the production of wheat in Nigeria. This, by all standards, was a laudable initiative and one that gave credence to NIRSAL's mandate of facilitating private capital into the Nigerian agricultural sector. A successful demonstration of the cultivation of wheat on a large scale and the adoption of such initiative by other private companies would have easily saved Nigeria US\$3billion yearly sourced from our reserves for the importation of wheat.

The private companies (Forest Hill Development Limited and Mainframe Agricultural Investment Limited) got the loans from Keystone Bank and, through the bank, obtained a CRG from NIRSAL Plc following all necessary steps just like any other application. NIRSAL Plc supported this loan application by issuing its CRG for this project.

We would like to state unequivocally that NIRSAL was not the financing entity, it only provided its traditional CRG tool, which is absolutely in line with its mandate. It should also be noted that NIRSAL's CRG was never called-in, as the private companies completely repaid their loans to the lending bank.

It is therefore unfounded and baseless for anyone or organization to insinuate that N5.6billion belonging to farmers was diverted by NIRSAL Plc or any of its staff.

THE CONTRADICTIONS IN THE DAILY TRUST PUBLICATION

- The Wheat project in question was neither initiated nor funded by any government as claimed by Daily Trust. It was a private sector-led business financed by Keystone Bank and guaranteed by NIRSAL Plc.
- N5.6billion is a made up and fictitious figure because the worth of the combined face value of the loans as presented by the lending bank to NIRSAL Plc was N3.6billion. In accordance with its Credit Risk Guarantee guidelines, NIRSAL Plc provided guarantee cover to only a portion of this loan. And this loan was fully repaid to the lending bank by the obligors as attested to by a written confirmation of full repayment by the lending bank, as is the approved practice by all banks taking NIRSAL Plc guarantee cover when their customers pay back.
- It is important to note that, to date, NIRSAL Plc has guaranteed hundreds of agricultural value chain projects worth over N140billion across the country, with less than 1% loan default, an impressive measure of credit performance by any standard.
- According to Daily Trust, "Findings by our reporter show that there were a series of petitions alleging corrupt practices at the NIRSAL Plc, including the issue of alleged diversion of N5.6billion meant to finance the wheat project in Kano and Jigawa states." The logical questions Daily Trust must answer are: (a) Who gave NIRSAL Plc the sum of N5.6billion to execute a "Wheat project"? (b) Who is complaining that his/her/their N5.6billion has been diverted?
- The Daily Trust's report also claimed that "the participating companies approached the NIRSAL (sic) for its dual role of guaranteeing such loans, as well as for the application of its Interest Drawback principle". This statement is at variance with NIRSAL Plc's operational procedures. The correct procedure is that NIRSAL Plc is approached by banks intending to lend, and not businesses intending to borrow.

CONCLUSION

For NIRSAL Plc, full repayment of loans given under its credit guarantee is the goal of its finance facilitation mandate. Thus, with the completion of the disbursement and full repayment cycle regarding the wheat project, the transaction was duly closed without any losses to the organisation.

The public is invited to note that, weeks before this publication, NIRSAL Plc, out of respect for Daily Trust's position as one of the leading media platforms, had obliged it a detailed account of the transaction, with the expectation that a reputable media house would refrain from peddling false and defamatory information to the public. This disappointing publication is therefore a disservice to Daily Trust's reputation and readership, as well as an infringement on NIRSAL Plc's rights as a corporate entity.

The story in question was designed to do maximum damage to the person and public profile of the Managing Director of NIRSAL Plc. Mr Aliyu Abbati Abdulhameed. The public may note the mischievous manner in which the frontpage story of Daily Trust was crafted: the careful juxtaposition of the NIRSAL MD's photograph, the word "scandal", the figure "N5.6billion" and the word "NIRSAL" to achieve a defamatory objective and completely tarnish the reputation of the Managing Director/CEO of NIRSAL Plc.

From the foregoing, NIRSAL Plc and its Managing Director hereby demand immediate retraction and apology for this libellous publication from Daily Trust within 48 hours.

Daily Trust should, therefore, TAKE NOTICE that any hesitation to retract and apologize, will leave NIRSAL Plc and its Managing Director/CEO with no option than to seek legal redress.

MANAGEMENT