

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:339

ANSWERED ON:06.08.2013

COMPLAINTS OF CORRUPTION AGAINST IFFCO OFFICERS

Patil Shri C. R.

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) Whether Government is aware/ has received complaints of corruption against top officers of Indian Farmers Fertilizer Cooperative Limited (IFFCO) including gifting of IFFCO properties;
- (b) If so, the details thereof with names of such officers with corruption charges;
- (c) Whether Government would investigate all charges against officers of IFFCO through investigating agencies; and
- (d) If not, reasons there for.

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND MINISTER OF STATE (I/C) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SRIKANT KUMAR JENA)

(a) & (b) : Department of Fertilizers has received the following complaints against Shri U.S. Awasthi, MD, IFFCO and IFFCO Management including gifting of IFFCO properties:

1. A complaint dated 25.05.2010 of Shri Nishikant Dubey, MP, Lok Sabha against Shri U.S. Awasthi, MD, IFFCO was forwarded by CVC. A copy of the same complaint was also received directly. The allegations were regarding subsidy frauds by opening Kisan International Trading, a 100% subsidiary in Dubai, illegal contract for cornering a posh bungalow for himself from society's fund, buying political favours in violation of MSCS Act and earning huge illegal commission in imports of raw material and finished fertilizers, investment in Legend International Holdings, repatriation of Government Equity through illegal means, defrauding the Government by manipulating sales & claiming higher subsidy and manipulation of election of Board of IFFCO and prevailing lawlessness.

2. Another complaint of Nishikant Dubey, MP was forwarded by PMO vide its letter dated 09.06.2010. The same complaint was also received through the then PS to Hon'ble Minister of Finance vide his letter dated 30.08.2010. The allegations were with regard to wrong disclosure in violation of established accounting practices by IFFCO and siphoning of money and money laundering activities of Shri U.S Awasthi, MD.

3. A complaint dated 20.06.2011 was received from Shri V. Aruna Kumar, MP, Lok Sabha forwarded by PMO vide its letter dated 06.07.2011. The allegations are regarding decision taken by IFFCO Management to benefit themselves rather than member farmers, decision of IFFCO Management to gift its MD a bungalow at Hauz Khas, New Delhi worth Rs 50 crore, purchase of luxurious flats for all the Board of Directors in the New Commonwealth Village which is a sheer wastage of poor farmers money, making fertilizer and fertilizer raw materials worth Rs 600 crore per annum to Kisan International Trading to bypass Govt. of India guidelines, appointment at senior level are not as per rules and regulations and are manipulated to give advantages to persons, companies are opened and closed to gain personal commissions and loss to organization, purchase of Paradeep Plant from Oswal private company without due diligence at inflated price of Rs 2200 crore Investment of IFFCO in Legend International Holding in Australia.

4. A complaint was received in this department from CVC vide its letter no. 013/C&F/002 dated 07.03.2013 forwarding therewith a copy of complaint dated 22.02.2013 from Shri Nikhil Kumar, District Magistrate, District South West, Government of Delhi. The complaint is about dubious, imprudent, financially improper transaction by IFFCO transferring the title, ownership, possession of its prime property located at L-4, Hauz Khas Enclave, New Delhi to its Managing Director Shri U.S Awasthi vide conveyance deed dated 30.01.2013.

5. A complaint was received from Shri Nishikant Dubey, MP, Lok Sabha vide letter dated 01.04.2013 which has been forwarded by PMO vide its letter dated 09.04.2013. The same letter has also been forwarded by the Cabinet Secretariat vide its I.D dated 12.04.2013. The allegations leveled in the complaint are regarding IFFCO is making huge operational losses year after year, IFFCO making wrong disclosures in violation of established accounting practices, the current cash flow position of IFFCO smacks some serious problem, there is no oversight over the affairs of IFFCO,

(v) siphoning money and money laundering activities of Shri U.S. Awasthi, MD, IFFCO and IFFCO makes more than Rs 6000 crore worth of purchase of raw materials but there is no tender and no transparent system.

(c) & (d) : The complaints are at various stages of examination/investigation.