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Title : Division of subsidized raw materials of fertilizers to manufacture explosives.

SHRI S. SEMMALAI (SALEM): Respected Chairman, let me thank you for permitting me to raise an important issue of fertilizer subsidy scam indulged in by two unscrupulous firms situated in the Union Territory of Puducherry. I give the names of the Companies. One is Karaikkal Chloride and the other is Vaigai Industry. These two Companies got firm and fair quota allotment of potash at the subsidised rate of Rs. 5,300 per tonne, which was purchased and imported by the Central Government from abroad at the cost of Rs. 36,000 per tonne. These firms did not convert the raw materials as the required fertilizer for crops. Actually what they are doing is interesting to listen. These two Firms clandestinely reprocessed potash into potassium chloride for use as explosive materials and sold the products at higher prices. The net result is denial of required fertilizer component to farmers, illegal diversion of raw materials for non-agriculture purposes, huge profits, tax evasion and above all fertilizer subsidy scam of unimaginable level. These illegal activities are going on for the past ten years unchecked and uncontrolled. Now only it has come to light. On the direction of my Party Leader and former Chief Minister of Tamil Nadu, Dr. J. Jayalithaa, our Party has conducted a mass agitation on 24.7.2009 in Karaikkal against the anti-social activities of these two companies. Due to peoples' protest, the two firms have recently been sealed and an FIR filed.

Sir, my apprehension is that neither Puducherry Government nor the local police authority will be fair and impartial in their investigation.

Sir, this issue has inter-State ramification because the two companies have managed to get potash illegally from neighbouring States like Tamil Nadu, Andhra Pradesh and Karnataka. So, in the interest of bringing out the truth, I would request the Government of India to order for the CBI inquiry into what I call, 'the biggest fertilizer subsidy scam of the decade'.