

Urea Scam

786. SHRI KACHARU BHAU RAUT :
 SHRI PRAMOD MAHAJAN :
 DR RAMESH CHAND TOMAR
 SHRI RADHA MOHAN SINGH
 SHRI DEVI BUX SINGH
 SHRI SRIBALLAV PANIGRAHI
 SHRI MAHES KUMAR M KANODIA
 SHRI SANAT KUMAR MANDAL
 SHRI RAMESHWAR PATIDAR
 SHRIMATI JAYAWANTI NAVINCHANDRA
 MEHTA
 SHRIMATI SHEELA GAUTAM
 SHRI E AHAMED
 SHRI KODIKUNNIL SURESH
 DR G L KANAUIJA

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state

(a) the full details about the Urea Scam which occurred recently, and

(b) the details of the action being taken against the guilty persons?

THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SIS RAM OLAI) (a) NFL signed a contract with M/s Karsan Ltd, Ankara for supply of 2 LMTs of bagged urea at a price of US \$ 190 per metric tonne of C & F basis on 9th November, 1995. The total value of the contract was US \$ 38 million of which US\$ 0.38 million was released for insurance premium on 2.11.95 and the balance US \$ 37.62 million to the Bank account of M/s Karsan Ltd on 14.11.95. The funds were finally remitted to their account on 5.12.95. According to the terms of the contract, the seller promised a counter guarantee for 100% cash pre-payment by first class Lloyds Insurance policy which it was stated would cover the risk of seller, non-delivery and non-performance.

The then MD, NFL had reported that NFL had entered the contract on a single party basis and without inviting tenders, because the price offered for urea was highly advantageous, i.e. US \$ 190 per MT CIF basis. For this reason, they agreed to make cent-percent cash payment instead of opening a Letter of Credit (LC), which is the commonly accepted mode for making payment for import of urea.

The then MD, NFL approved the deal at his level exceeding his powers and without bringing it to the Board of Directors for approval.

The supply of urea was to be made within 5 months from the date of receipt of the total funds by the suppliers i.e. the delivery of the entire 2 LMTs of urea was to be completed by 4th May, 1996. However, the party did not

deliver any supplies during this period despite repeatedly assuring that they would fulfil the contract. There have been no supply of urea even after the expiry of 5 months period. The persistent efforts by NFL to secure the deliveries did not yield results. The Lloyds Insurance policy secured was only for marine perils and did not cover NFL against non-delivery and non-performance by the seller.

For recovery of advance payment, NFL is filing Arbitration proceedings, in accordance with the contractual provision of the agreement with the International Chamber of Commerce.

(b) Based on the vigilance inquiry report seven serving officials of NFL were placed under suspension on 4.5.96 following a decision of the Board of Directors on 2.5.96. Subsequently, the then MD, NFL Shri C.K. Ramakrishnan was placed under suspension by the Government on 24.5.96.

CBI was entrusted the investigation of the case on 25.4.96. Based on their inquiry and complaint filed by the Govt. and a criminal complaint filed by NFL against four persons, namely, S Shri Tuncay Alankus, Cihan Kranci, D.S. Kanwar and Sambasiva Rao, on 19.5.96, CBI arrested Shri C.K. Ramakrishnan, MD, NFL (under suspension) and former E.D. (Marketing), NFL Shri D.S. Kanwar. This was followed by the arrest of some other persons involved in the deal. CBI is further investigating the case alongwith the Directorate of Enforcement.

(English)

Atrocities on Women

787. SHRI SANTOSH KUMAR GANGWAR: Will the Minister of HOME AFFAIRS be pleased to state

(a) whether any inquiry has been conducted regarding man-handling of women agitators at Rampur crossing,

(b) if so, the details thereof, and

(c) the number of persons found guilty by the CBI and the number of officers against whom legal action is being taken?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MOHD. MUJIBUDDIN DARRI) (a) Yes, Sir.

(b) and (c) CBI had registered seven cases of rape and fourteen cases of molestation and conducted investigation. In all seventeen cases were chargesheeted. Four cases were closed for want of evidence.

Two chargesheets were filed by the CBI in the first chargesheet, 27 officers have been prosecuted u/s 120-B, 376, 354, 392, 323 & 509 IPC. In the second chargesheet, two officers have been prosecuted u/s 120-B, r/w 354, 323, 376, 392 & 509 IPC.