

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

UNSTARRED QUESTION NO:5292

ANSWERED ON:14.05.2007

UREA SCAM

Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba;Verma Shri Ravi Prakash

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

e:

- (a) whether the Government has recovered the entire money lost in urea scam in 1996;
- (b) if so, the details thereof;
- (c) if not, the steps taken by the Union Government to recover the same; and
- (d) the stage at which the matter stands presently?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) and (b) :- Pursuant to ICC Tribunal rendering its final Award on 03-12- 1996 in favour of NFL for an amount of around US\$ 40.69 million plus interest @ 5% on US\$ 37.62 million w.e.f. 14-11-1995, NFL has initiated recovery proceedings against M/s Karsan and its executives and associates in various countries/jurisdictions. Consequent thereto, an amount of Rs.102 Lakhs (US\$ 225,940) has been recovered from the account of M/s Karsan in Geneva (Switzerland) and Rs.6.0 Lakhs (US\$ 13,435) from Mr. & Mrs. Vepuris, New York, USA out of the defrauded amount. The balance amount is understood to have been transferred to the various accounts of Karsan's Executives, their relatives and associates in different countries.

(c) and (d):- The matter of recovery is being monitored/reviewed regularly in the Department of Fertilizers in consultation with NFL, Ministry of External Affairs, Ministry of Home Affairs and Central Bureau of Investigation. NFL is pursuing recovery proceedings against these individuals in various countries viz. Switzerland, Monaco, Turkey, USA, Bahrain and Hyderabad (India) for recovery of identified amounts. In USA, the preliminary judgment awarding an amount of US\$ 2 million plus interest favouring NFL against Mr. & Mrs. Vepuris, Associates of M/s Karsan is under execution against their other identified assets including house property.