

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

UNSTARRED QUESTION NO:4581
ANSWERED ON:20.12.2012
LICENCE FOR DIRECT IMPORT OF UREA
Khair Shri Chandrakant Bhaurao

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

- (a) whether Coromandal company of South India has been given licence for direct import of urea by violating the rule that it will be imported through Government undertakings like MMTC,STC, etc. so as to benefit the company;
- (c) If so, the rule for giving licence for direct purchase of urea and the number of companies invited in the instant case;
- (d) Whether this company got yearly profit of about four thousand crore rupees; and
- (e) If so, the action being taken by the government on such a big scam?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (b): Import of urea in the country is restricted and permitted through States Trading Enterprises (STEs) i.e. MMTC Limited, State Trading Corporation Limited (STC) and Indian Potash Limited. The Foreign Trade Policy (FTP) provides that Director General of Foreign Trade (DGFT) may grant an authorization to any other person/company to import the goods covered under STE provisions. Import of urea for direct agriculture use is made on Government account through these STEs. The urea imported on Government account for direct agriculture use is sold to the farmers at statutory notified Maximum Retail Price (MRP) and the difference between cost incurred and MRP is borne by Government as subsidy on imported urea.

Besides import of urea on Government account, the urea is also imported for manufacturing of complex fertilizers and for non-agriculture uses. The complex fertilizer manufacturers in the country are importing urea for manufacturing of various grades of complex fertilizers in their plants either through STEs or direct from the global sources by obtaining licence from DGFT. On the request of Coromandel International Limited (CIL), the Government has allowed them to import urea directly for manufacturing of complex fertilizers in their plant at Vishakhapatnam/Kakinada as per the provisions of FTP. M/s CIL is importing about 2.50 lakh to 3.00 lakh MTs urea per annum for manufacturing of complex fertilizers in their plants at Vishakhapatnam/Kakinada directly after obtaining licence from DGFT.

Para 2.11 of the Foreign Trade Policy provides that "Any goods, import or export of which is governed through exclusive or special privileges granted to STE(s), may be imported or exported by STE(s) as per conditions specified in ITC(HS). DGFT may, however, grant an Authorization to any other person to import or export any of these goods." The companies other than STEs to whom direct urea import is allowed during the year 2011-12 & 2012-13 are as under:-

(Quantity in lakh MT)

Company	2011-12	2012-13 (Upto July 2012)
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	Permission	Actual Imports	Permission	Actual Imports
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CIL	2.70	1.83	3.40	Nil
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Zuari Holdings Ltd. - - 1.00 NIL

Avestra Chemical India 2.50 NIL - -

(c): No, Madam. The profit of Coromandel International Ltd. (CIL) is Rs.96977/- lakh in the year 2011-12 as per the information obtained from the website of CIL. No subsidy is paid by the Government on the quantity of urea imported for their captive use.

(d): Question does not arise.