



ગુજરાત વેપારી મહામંડળ

Gujarat Chamber of Commerce & Industry



1st January, 2022 / 15027

Smt. Nirmala Sitharaman
Hon'ble Minister of Finance
Government of India
New Delhi.

Sub: Request to stop the illegal industrial use of agricultural urea

Respected Madam,

Greetings from Gujarat Chamber of Commerce and Industry (GCCI).

We would like to draw your kind attention to the serious issue about the illegal industrial use of agricultural urea by some manufacturers which is adversely impacting the fair players.

Madam, currently the industrial units who require urea for their production process have to purchase Technical Grade Urea from Gujarat Narmada Valley Fertilizer & Chemical Ltd (GNFC) and Gujarat State Fertilizer Company Ltd (GSFC) at a cost of around Rs. 76 + GST. In comparison to this, agricultural urea is available at a subsidized price of around Rs. 25, due to the which there is a price difference of Rs. 50 per kilogram between agricultural urea and technical grade urea used by industries.

Due to this price difference, a very serious issue of illegal diversion of agricultural urea for industrial use is taking place. Since the last year, the illegal use of agricultural urea has increased drastically due to which the genuine manufacturers still using Technical Grade (industrial) urea have to pay a much higher price and are therefore at a loss as compared to the other manufacturers indulging in such illegal activity. Further, these illegal practices drain the agricultural subsidy provided by the Government of India as well as siphoning of GST, which has led to huge economic loss of minimum Rs. 6000 crores to the Government.

Madam, we therefore request you to kindly intervene in this serious matter and take appropriate measures to stop this activity at the earliest. This will ensure that the genuine manufacturers do not have to suffer huge losses without any fault of theirs. Your efforts and time which you shall spend on this matter shall also save crores of Taxpayer's money given as subsidy to farmers by Government of India as well as GST siphoned which is also a loss to the state of Gujarat.

We look forward to your early positive intervention in the matter.

With Regards,

Sincerely,

Hemant Shah
President.