

# RGICS



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# RGICS PARLIAMENTARY QUESTIONS

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**Ministry of Company Affairs: Land Allotment to FMCGs**

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### Part-I Background

#### Why ask these questions?

Since Mr. Modi came to power, Mr. Ramdev's company, Patanjali Ayurved has apparently received more than an estimated \$46 million in discounts for acquiring land in a number of states where there are BJP led governments, according to a Reuter's review of state government documents, interviews with officials and real estate estimates. Patanjali has apparently acquired almost 2,000 acres of land for building factories, research facilities and establishing supply chains of herbs for its products since May 2014. In the BJP-controlled states, Patanjali has received a discount on the land purchased to the tune of 77 percent off market prices, according to state government documents. The company has pledged to use the property to create more jobs by setting up new factories. Some the states where they have apparently received land at attractive discounts or for free include:

**Madhya Pradesh:** Patanjali received a discount of more than \$10 million, or 88 percent, on a 40-acre plot in the BJP ruled state of Madhya Pradesh last year, according to interviews with a state official. Neither the prime minister's office nor Patanjali executives, including Mr. Ramdev, responded to written questions about the transactions, which were lawful.

**Nagpur:** Patanjali paid some 590 million rupees (about \$9.1 million at current rates) for a food processing plan on a 234-acre property last September. The land lies within a special economic zone (SEZ) promoted by the state and its market price is expected to be than 2.6 billion rupees (about \$40.5 million), according to comments submitted to the state legislature by Chief Minister of Maharashtra. The reason given by a government spokesman was that the deal included commitments to the community: buying raw materials from local sources, training 2,000 farmers in new skills and employing 5,000 people from nearby villages.

**Assam:** The largest land transaction in favour of Mr. Ramdev's Patanjali is a transfer of some 1,200 acres of undeveloped land in the eastern state of Assam in October and December 2014. The deal was struck by the Bodoland Territorial Council, an agency that oversees an autonomous region and is controlled by the Bodoland Peoples Front (BPF). According to state legislature documents reviewed by Reuters, the land was "allotted without cost" – given free of charge – to Patanjali Yogpeeth, a trust controlled by Patanjali Managing Director Balkrishna and Ramdev, on the condition that it be used for the "preservation and promotion of cow breeds."

**Uttar Pradesh:** In Uttar Pradesh, when Mr. Ramdev's company acquired a tract of land under a non-BJP government the savings were smaller: 300 acres of land at 25 percent below market prices in November 2016. The discount was in keeping with standard practice for deals that size, the chief executive officer of the industrial area said.

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<sup>1</sup> <https://www.reuters.com/investigates/special-report/india-modi-ramdev/>

In the most recent such development Union minister for Road Transport and Highways Mr. Nitin Gadkari has requested Maharashtra CM Mr. Devendra Fadnavis to consider providing 1,000 acres of land to Yoga guru Ramdev for a cow-based project in Vidarbha. Mr. Gadkari announced that the state government would start a Rs 25,000-crore project on 800 acres at Heti (Kundi) village in Vidarbha, to be run with the help of Ramdev's Patanjali group. According to Mr. Gadkari, Patanjali will purchase 10,000 cows to develop a breeding centre and to carry out dairy and allied activities at the site. However on purchasing land, Patanjali's Acharya Balkrishna has clearly stated that, "No. As I said, it's not a commercial project and will basically benefit the country. We will operate on government land with an investment of Rs 500 crore. If it's on PPP basis, then it works well since we will be able to get government funds too to run the project."<sup>2</sup>

A petition challenging allotment of more than 4,000 acres of land to Ramdev's Patanjali Yog Sansthan in Noida, Uttar Pradesh came up for hearing before the Allahabad High Court according to which the petitioner has alleged that the proposed project would involve felling of nearly 6,000 trees which would result in huge damage to the environment.

As per the petition:

- The petition has been filed by Asaf of Gautam Buddha Nagar challenging the allotment of 4500 acres of land to Baba Ramdev's venture for setting up a food park.
- The petitioner has also submitted that the land given to the Sansthan includes 200 "bighas" given to him by the state government on lease for 30 years.
- The petitioner has also alleged that the proposed project would involve felling of nearly 6,000 trees which would result in huge damage to the environment.

A recent case that also came up in the media stated that two information officers, (Bijay Kumar, an IAS officer and MADC's marketing manager Atul Thakare who was PIO of its Nagpur branch) used their Right to Information to make some documents public which contained information about the land allotment to Baba Ramdev's Patanjali Ayurveda. It is alleged that as a result of this action, both the officers received transfer orders and were moved to other locations within a fortnight.

### **Implication of Answer:**

- a. The answers will help draw attention to the total land bank being made available to Patanjali Ayurveda, and the loss to the exchequer and environment in some cases, due to the same.
- b. The answers will demonstrate that decisions taken by certain state governments seem to favour a particular company instead of providing a level playing field to milk co-operatives, and other FMCG companies.

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1. <sup>2</sup> <http://indianexpress.com/article/india/nitin-gadkari-devendra-fadnavis-ramdev-ramdev-patanjali-group-maharashtra-cow-breeding-centre-4936332/>

### Part-II Parliamentary Questions

**Will the Minister of Company Affairs be pleased to state:**

1. How many FMCG companies have been given free or discounted land for commercial use? Please provide details of land sites, size, location and the allottees in the last three years along with the terms and conditions while allotting these sites to them? What are the reasons for giving land free or at a discounted price? Under which policy were these decisions taken?
2. How many FMCG companies have been allotted forest lands over the past three years? Have these projects been given environment clearances? Details thereof. Whether the government has prescribed rules regarding protection of environment on the land that has been so awarded? If so, whether there have been cases reported against the company for violating environmental laws? If so, the steps taken by the government in this regard?
3. What is the present status of the projects initiated on land so awarded (as mentioned in 1 & 2 above)? What have these FMCG companies promised in return for free or discounted land? Is there any timeline set for these companies to fulfil these promises? Details thereof
4. Has the government announced any incentives or a policy for private companies to procure cows in large numbers? (With reference to the cow based project announced in Maharashtra). Did the Ministry invite and receive similar proposals from other private dairy companies, and milk cooperatives, FMCG companies for setting up similar large scale projects? Details thereof

### Part III- References

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- iii. <https://scroll.in/latest/838584/ramdevs-revenues-from-patanjali-have-soared-since-narendra-modi-came-to-power-reuters>
- iv. <http://www.india.com/business/patanjali-in-court-what-the-petition-against-land-allotment-to-ramdev-in-up-says-2434167/>
- v. <http://www.thehindu.com/news/cities/Delhi/430-acres-allotted-to-Patanjali/article16984837.ece>
- vi. <https://untoldstory.in/pabulum/patanjali-given-land-75-less-rate-rti-officer-transferred-made-information-public/>