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Title: The Minister of Food Processing Industries made a statement on the issue of cancellation of Shaktiman Mega Food Park, Amethi by the Ministry of Food Processing Industries.

THE MINISTER OF FOOD PROCESSING INDUSTRIES (SHRIMATI HARSIMRAT KAUR BADAL): The Ministry is implementing a Mega Food Park Scheme to create modern infrastructure for food processing sector in the country...(*Interruptions*). Under this Scheme, a Mega Food Park was granted and in-principle Approval was given on 24.09.2010 to M/s. Shaktiman Mega Food Park Private Limited for setting up a project at Jagdishpur now in district Amethi, Uttar Pradesh. As per the Scheme guidelines, the promoter of the park was required to submit a Detailed Project Report (DPR) of the project with possession of minimum 50 acres of land in the name of promoter company within six months from the date of issue of in-principle approval...(*Interruptions*). The promoter submitted its DPR of the project on 23<sup>rd</sup> March, 2011 which was appraised by professional Programme Management Agency appointed by the Ministry under the Scheme. The appraisal of the DPR revealed that the promoter company was not in possession of required minimum 50 acre of land along with permission to set up the Mega Food Park Project...(*Interruptions*). The promoter company, therefore, granted extension several times to enable it to complete the pre-conditions for final approval. The last extension was granted up to 30<sup>th</sup> March, 2014 to the promoter to meet the pre-conditions for final approval as per the scheme guidelines...(*Interruptions*)

The promoter company proposed to acquire land for the project from M/s. Indo-Gulf Fertilizers Limited, a fully owned subsidiary of M/s. ditya Birla Nuva Limited. The said land was a portion of 800 acres of land allotted to M/s. Indo-Gulf Fertilizers Limited by Uttar Pradesh State Industrial Development Corporation (UPSIDC) on a long lease exclusively for the purpose of setting up fertilizer production facility...(*Interruptions*). Therefore, UPSIDC's permission was required for M/s. Indo-Gulf Fertilizer Limited for subleasing this land to Mega Food Park Promoter company with conversion of land use for setting up of Mega Food Park on this land. Permission of UPSIDC was also required for further subleasing of plots by the promoter company to prospective food processing units which would come up in the Mega Food Park. UPSIDC informed *vide* letter dated 19.07.2012 that permission to sublet the land by M/s. Indo-Gulf Fertilizers Limited has been approved and they have been asked to complete the necessary formalities...(*Interruptions*). The permission to sublet the land was subject to payment of lease rentals as per the revised rates and completion of the formalities as required according to UPSIDC's bye-laws. However, the promoter company could not complete the formality of acquiring of the requisite land in its name. Therefore, the SPV was issued a show cause notice on 8.10.2012 asking it to explain as to why in-principle approval accorded to the project would not be revoked for failing to meet the prescribed pre-conditions for final approval as per the scheme guidelines...(*Interruptions*)

In response to show cause notice, the promoter company apprised that apart from the land issue which need to be resolved, they have also applied to the Ministry of Petroleum and Natural Gas for allotment of gas at an administered price for setting up a captive power plant in the Mega Food Park which is necessary to supply uninterrupted power and which is a pre-requisite for the success of the Mega Food park...(*Interruptions*)

The Ministry of Petroleum and Natural Gas *vide* their letter dated 18.12.2012 communicated that considering the acute shortage of domestic gas in the country and lowest priority accorded to captive power plant for allocation of any domestic gas, it would not be possible to allocate domestic gas for the proposed mega food park...(*Interruptions*) However, supply of imported LNG through GAIL for meeting the requirement of captive power plant could be feasible. This was communicated by the Ministry of Food Processing Industries to the promoter company on 2.01.2013. However, the promoter company *vide* their letter dated 16.01.2013 informed the Ministry that using imported LNG for captive power generation would be totally uneconomical and would therefore make the project financially unviable. The promoter company also conveyed that they cannot go ahead without domestic natural gas being allotted to them for captive power plant at the administered price....(*Interruptions*)

The progress of the project was reviewed in the Ministry on 9.06.2014. During the review meeting, the representative of the promoter company informed that without supply of the gas to the project at administered price, the promoter company would not consider the project to be viable. In the absence of availability of gas at the administered price, the promoter company expressed its inability to pursue the project. ...(*Interruptions*)

The promoter company *vide* their letter 26.06.2014 informed that it is yet to acquire the required land as changes in UPSIDC guidelines for subleasing was still under consideration. The promoter company requested for further extension of time till 30<sup>th</sup> September, 2014....(*Interruptions*)

The matter of inordinate delay in meeting the necessary pre-conditions for Final Approval by the promoter company was considered by the Inter Ministerial Approval Committee (IMAC) chaired by Secretary, Food Processing Industries on 30.06.2014....(*Interruptions*) In view of inordinate delay by the promoter company in meeting, these pre-conditions for final approval, the in-principle approval accorded to the project by the Ministry was cancelled. The decision of the cancellation was conveyed to the promoter company on 11.07.2014....(*Interruptions*)

HON. SPEAKER: Only the Minister's statement will go on record. Please take your seats.

...(*Interruptions*)â€Œ□

HON. SPEAKER: Nothing will go on record. Please go back to your seats.

...(*Interruptions*)â€Œ□