

Bill No. 106 of 2024

THE ANDHRA PRADESH REORGANISATION (AMENDMENT)
BILL, 2024

By

SHRI MADDILA GURUMOORTHY, M.P.

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BILL

further to amend the Andhra Pradesh Reorganisation Act, 2014.

BE it enacted by Parliament in the Seventy-fifth Year of the Republic of India as follows:—

1. (1) This Act may be called the Andhra Pradesh Reorganisation (Amendment) Act, 2024.

Short title and commencement.

5 (2) It shall come into force on such date, as the Central Government may, by notification in the official Gazette, appoint.

Insertion of new section 90A.

2. In the Andhra Pradesh Reorganisation Act, 2014, in Part IX, in section 90, the following section shall be inserted:—

6 of 2014.

Central Government to provide financial assistance to State of Andhra Pradesh for Polavaram Irrigation Project.

“90A. The Central Government shall, for the purposes of the section 90,—

(a) provide financial assistance of rupees 55,548.87 crore as per the Revised Cost Estimates (RCE) of the 2017-18 price level approved by the Technical Advisory Committee (TAC) of the Central Water Commission (CWC);

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(b) consider the water supply component as an integral part of the irrigation component of the Polavaram Irrigation Project (PIP);

(c) reimburse the expenditure incurred by the State of without restricting to component-wise eligibility including expenses incurred towards the construction of the PIP and towards the Rehabilitation and Resettlement of the people displaced by the project;

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Provided that the reimbursement shall not be delayed for a period more than one month from the date that the State Government of Andhra Pradesh raised a demand through proper channels:

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Provided further that the reimbursement shall be made from an Escrow Account maintained by the Reserve Bank of India in which the Central Government shall deposit an amount which is not less than the Revised Cost Estimates (RCE) of the Technical Advisory Committee (TAC) of the Central Water Commission (CWC) as per clause (a).”.

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STATEMENT OF OBJECTS AND REASONS

The Polavaram Project is a National Project and is considered the lifeline of the people of Andhra Pradesh, having grave importance to the State's people. As per the Andhra Pradesh Reorganisation Act, 2014, it is upon the Central Government to execute the project and obtain all requisite clearances including environmental, forests and rehabilitation and resettlement norms.

The estimated cost was Rs. 16,010.45 crore at the 2010-11 Price Level and has increased multi folds considering time and cost overruns, the inclusion of command area development works and increased compensation under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Owing to the inflation and severe cost overruns, it is difficult to execute the project in 2022 at the 2011-12 Price Level.

The Andhra Pradesh Government submitted the 2nd Revised Cost Estimate (REC-II) for Rs. 57,297.42 crore at 2017-18 Price Level in 2018 with the provisions required for completion of the Polavaram Irrigation Project as recommended by the Polavaram Project Authority. The Technical Advisory Committee (TAC) of the Central Water Commission approved RCE-II for Rs. 55,548.87 crore at the 2017-18 Price Level in 2019. Further, the same dispensation is sought for funding the water supply component from the centre, as it is an integral part of the irrigation component. But regardless of the submission, these issues are yet to be placed before the cabinet for their approval. The Bill, therefore seeks to amend the Andhra Pradesh Reorganisation Act, 2014 to achieve the stated objectives.

Hence this Bill.

NEW DELHI;
July 9, 2024.

MADDILA GURUMOORTHY

FINANCIAL MEMORANDUM

Clause 2 of the Bill *vide* proposed section 90A provides for the provision of financial assistance of Rupees fifty-five thousand five hundred forty-eight crore as per the Revised Cost Estimates of 2017-18 price level, approved by the Technical Advisory Committee of the Central Water Commission (CWC). It also provides that Central Government shall reimburse the expenditure incurred by the State for the Polavaram Irrigation Project. Further, it also provides that the Central Government shall provide adequate funds for the Rehabilitation and Resettlement of the people displaced by the project. The Bill, if enacted, will involve expenditure from the Consolidated Fund of India. It is estimated that a non-recurring expenditure of about rupees 55548.87 crore is likely to be involved from the Consolidated Fund of India.

No recurring expenditure is likely to be involved from the Consolidated Fund of India.

ANNEXURE

[EXTRACT FROM THE ANDHRA PRADESH REORGANISATION ACT, 2014]

(ACT NO. 6 OF 2014)

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90. (1) The Polavaram Irrigation Project is hereby declared to be a national project.

(2) It is hereby declared that it is expedient in the public interest that the Union should take under its control the regulation and development of the Polavaram Irrigation Project for the purposes of irrigation.

(3) The consent for Polavaram Irrigation Project shall be deemed to have been given by the successor State of Telangana.

(4) The Central Government shall execute the project and obtain all requisite clearances including environmental, forests, and rehabilitation and resettlement norms.

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further to amend the Andhra Pradesh Reorganisation Act, 2014.

(Shri Maddila Gurumoorthy, M.P.)