

Bill No. 20 of 2023

THE ANDHRA PRADESH REORGANISATION (AMENDMENT)
BILL, 2023

By

SHRI MARGANI BHARAT, M.P.

A

BILL

further to amend the Andhra Pradesh Reorganisation Act, 2014.

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

1. (1) This Act may be called the Andhra Pradesh Reorganisation (Amendment) Act, 2023.

Short title and
commencement.

Insertion of
new Part XA.

2. In the Andhra Pradesh Reorganisation Act, 2014, after Part X, the following new Part and sections thereunder shall be inserted, namely:—

6 of 2014.

“PART XA

**SPECIAL CATEGORY STATUS TO THE SUCCESSOR STATE OF
ANDHRA PRADESH**

5

Special
Category Status
to the State of
Andhra Pradesh.

94A. (1) Notwithstanding anything contained in any other law for the time being in force, the successor State of Andhra Pradesh shall be deemed to have been conferred the status of special category State for a period of ten years from the date of commencement of this Act.

(2) The successor State of Andhra Pradesh shall by virtue of being conferred a special category State under sub-section(1), be provided the following incentives and benefits:—

10

(i) ninety per cent. of the State expenditure on all centrally-sponsored schemes and external aid to be borne by the Central Government and the remaining ten per cent. to be given to the successor State of Andhra Pradesh as interest free loan;

15

(ii) preferential treatment in the distribution of funds by the Central Government;

(iii) benefits of debt-swapping and debt-relief schemes;

(iv) concession in the customs duty, corporate tax, income tax, Central Goods and Services Tax (CGST) and Integrated Goods and Services Tax (IGST) to attract industries and investment in the State; and

20

(v) provision that the unutilised money of the State in any financial year shall not lapse and be carried forward to the next financial year.”.

STATEMENT OF OBJECTS AND REASONS

The bifurcation of the erstwhile State of Andhra Pradesh resulted in an uneven distribution of metropolitan cities and resource rich regions. Hyderabad being forfeited from the residuary State of Andhra Pradesh put the State in a disadvantaged position in terms of distribution of assets and liabilities of common institutions which are mostly located in the city. There are 107 institutions listed under Schedule X of the Andhra Pradesh Reorganisation Act, 2014, of which 97 are located in Telangana proving the impediment in progress of the Andhra Pradesh.

Secondly, repeated assurances have been given on the part of the Central Government that a special development package for the residuary state of Andhra Pradesh would be provided with adequate incentives, particularly for Rayalaseema and north coastal regions. The region has been identified for grant of special development package, similar to Bundelkhand region and KBK districts of Odisha. Statistics have indicated the plight of these regions and an incessant delay in conducting the decadal Census is proving to be tough with Andhra Pradesh. The state is losing out on a number of benefits, as population remains an important criteria for grants by the Centre.

While the buffer time of ten years for completion of bifurcation is just two years away from now, there are several benefits pending to be granted for the state. Despite being a welcome move, a development package often results in delay in release funds, lack of finances to clear the pending bills and delays in payments for the ongoing works. The presence of such constraints, resulting from an unjust and inequitable bifurcation of the erstwhile State of Andhra Pradesh, Special Category Status being granted to the state proves to be a viable solution.

Hence this Bill.

NEW DELHI;
March 4, 2022.

MARGANI BHARAT

PRESIDENT'S RECOMMENDATION UNDER ARTICLES 117(1), 117(3) AND 274(1) OF THE CONSTITUTION.

[Copy of Letter No. 16017/01/2022-S.R dated 11 January, 2023 from Shri Nityanand Rai, Minister of State in the Ministry of Home Affairs to the Secretary General, Lok Sabha].

The President, having been informed of the subject matter of the Andhra Pradesh Reorganisation (Amendment) Bill, 2022* (*Insertion of new Part XA*) by Shri Margani Bharat, M.P., recommended the introduction under articles 117(1) and 274(1) and the consideration under article 117(3) of the Constitution of the Bill in Lok Sabha.

[*The Bill being printed in 2023, the year in the title of Bill has been changed from 2022 to 2023.]

FINANCIAL MEMORANDUM

Clause 2 of the Bill *vide* proposed section 94A seeks to provide Special Category Status to the successor State of Andhra Pradesh by providing certain concessions, subsidies and other assistance to the successor State of Andhra Pradesh. The Bill, therefore, if enacted, will involve expenditure from the Consolidated Fund of India for conferring special status to the successor State of Andhra Pradesh. As the sums of money which will be given to the successor State of Andhra Pradesh as concessions and subsidy by appropriation, by law, made by Parliament, cannot be stated now it is not possible to give the estimate of recurring expenditure which would be involved out of the Consolidated Fund of India.

No non-recurring expenditure is likely to be involved out of the Consolidated Fund of India.

LOK SABHA

A

BILL

further to amend the Andhra Pradesh Reorganisation Act, 2014.

(Shri Margani Bharat, M.P.)