

GOVERNMENT OF INDIA

MINISTRY OF JAL SHAKTI

DEPARTMENT OF WATER RESOURCES, RIVER DEVELOPMENT & GANGA REJUVENATION

LOK SABHA

UNSTARRED QUESTION NO. 3667

ANSWERED ON 10.08.2023

RESTRICTIONS ON POLAVARAM PROJECT

3667. SHRI POCHA BRAHMANANDA REDDY

Will the Minister of **JAL SHAKTI** be pleased to state:

- (a) whether any component wise restrictions are being imposed in the Polavaram Irrigation Project;
- (b) if so, the details thereof and the reasons for the same;
- (c) whether it is true that as a general principle, the expenditure for national projects is considered as a whole without any component wise restrictions;
- (d) if so, the reasons for imposing component wise restrictions in the Polavaram Irrigation Project which is also a national project;
- (e) whether it is also true that Rs. 905.51 crore of expenditure on the said project has been rejected for reimbursement as it has gone beyond componentwise restrictions; and
- (f) if so, the steps taken by the Government to clear this expenditure given that cost escalations are a natural consequence of delay in execution?

ANSWER

THE MINISTER OF STATE FOR JAL SHAKTI

(SHRI BISHWESWAR TUDU)

(a) to (d) Polavaram Irrigation Project (PIP) was declared as a national project under the Andhra Pradesh Re-organisation Act, 2014. As per Ministry of Finance OM dated 30.09.2016, Government of India has been reimbursing the expenditure on balance irrigation component of PIP with effect from 01.04.2014, upon receipt of verified bills and recommendations from the Polavaram Project Authority (PPA) and Central Water Commission (CWC).

To facilitate simultaneous progress on all major components of the project, it was considered prudent to recognize the component-wise ceilings prescribed by the Revised Cost Committee for PIP, as a special case beyond the norms of funding for national project. However, Department of Expenditure, Ministry of Finance, has vide Office Memorandum dated 05.06.2023, communicated no objection to the request of this Ministry to remove component-wise ceiling.

(e) & (f) In view of the expected cost escalation, component-wise ceiling has been relaxed by this Ministry, to the extent required and recommended by PPA and CWC. As a result, an additional amount of Rs. 550.97 crore, for which the bills were found to be otherwise eligible for reimbursement but kept in abeyance due to component-wise restriction, have been now reimbursed by Government of India. Further, as mentioned above, Ministry of Finance has also conveyed its no objection for removal of component-wise ceiling for reimbursements for the project.
