Telangana-Andhra Pradesh Stalemate

Why in news?

There is a conflict between the two States in dividing assets and liabilities. The governments of both States claims are different.

Why are the claims differing?

- The erstwhile united Andhra Pradesh was bifurcated more than eight years ago.
- The division of assets and liabilities between the two States remain elusive as the States make their own interpretation of the provisions under the Andhra Pradesh Reorganisation Act 2014.
- Several bilateral meetings between the two States as well as those convened by the Union Home Ministry failed.

Andhra Pradesh Government has approached the Supreme Court seeking "just, reasonable and equitable apportionment" of assets and liabilities.

What assets are to be divided?

- The issue involves 245 institutions with a total fixed asset value of ₹1.42 lakh crore.
- There are 91 headquarter assets (institutions) under Schedule IX and 142 institutions under Schedule X of the Act.
- The division of another 12 institutions not mentioned in the Act has also become contentious between the States.

What are AP government's claims?

- The AP Government is firm on implementing the recommendations given by the expert committee headed by retired bureaucrat Sheela Bhide for bifurcation of 89 out of the 91 Schedule IX institutions.
- But it lamented that the Telangana government had selectively accepted the recommendations leaving others which was resulting in delays in division of assets and liabilities.

What did the expert committee say?

- The committee has made recommendations with respect to the division of 89 out of the 91 Schedule IX institutions.
- Its recommendations on the division of assets that are not a part of the headquarter assets attracted criticism from the Telangana government which said it is against the spirit of the Reorganisation Act.

- The division which have huge land parcels in its possession have become the key bone of contention between the two States.
- Telangana opposes the division of institutions like the RTC headquarters and the Deccan Infrastructure and Landholdings Limited (DIL).
    - Telangana said that the committee's recommendation that the division of RTC workshops and other assets is not acceptable as they do not come under the definition of 'headquarter assets'.
    - Also, Telangana contended that the land parcels held by the DIL do not come under the provisions of the Act either.

What has the Home Ministry said?

- The Union Home Ministry has given clarity about the headquarter assets in 2017.
- Single comprehensive State undertaking, which is exclusively located in, or its operations are confined in one local area, shall be apportioned on the basis of location as per Section 53 of the Reorganisation Act.

> *Single comprehensive State undertaking is the one that includes the headquarters and the operational units in one facility.*

What is the stand of Telangana?

- The Telangana government has contended that the expert committee's recommendations were against the interests of Telangana.
- There is a clear definition of division of headquarter assets in Section 53 of the Reorganisation Act.

> *The Act says, "The assets and liabilities relating to any commercial or industrial undertaking of the existing State of AP, where such undertaking or part thereof is exclusively located in, or its operations are confined to, a local area, shall pass to the State in which that area is included on the appointed day, irrespective of the location of its headquarters".*

- The government is firm that the assets located outside the erstwhile united State like Andhra Pradesh Bhavan in New Delhi could be divided between the States on the basis of population as per the Act.

What is the role of the Centre?

- The Act empowers the Union Government to intervene as and when needed.
- Hopefully, the Home Ministry takes steps to expeditiously and amicably settle the issues between the two States.

Reference

1. The Hindu Explained | The stalemate between Telangana and AP



SHANKAR
IAS PARLIAMENT
Information is Empowering