

THE ENDLESS ROW OVER SINGARENI COLLIERIES

Relevant for: Indian Economy | Topic: Infrastructure: Energy incl. Renewable & Non-renewable

Heavy machinery deployed in opencast mines by Singareni Collieries to help achieve the annual coal production target. | Photo Credit: [RAO GN](#)

Differences over the apportionment of the Singareni Collieries Company Limited (SCCL), the public sector miner, continue to affect Telangana and Andhra Pradesh more than seven-and-a-half years after the bifurcation of erstwhile united Andhra Pradesh. The vexatious issue continues to figure in the agenda of high-level meetings convened by the Union Home Ministry. Division of SCCL and its subsidiary APHMEL figured in the agenda of the recent meeting of Chief Secretaries of the two States convened by Union Home Secretary Ajay Kumar Bhalla. There was no discussion on the issue though, as the meeting focused more on financial issues such as power dues between the two States.

The Andhra Pradesh government insists on apportioning SCCL and its subsidiary Andhra Pradesh Heavy Machinery and Engineering Limited (APHMEL) on the basis of the population ratio (58:42), as incorporated in the Andhra Pradesh Reorganisation Act of 2014. But the Twelfth Schedule of the Act categorically states that of the total equity of SCCL, 51% should be with Telangana and 49% with the Government of India. Section 92 of the Act states that the successor States should follow the principles and guidelines issued by the Central government on and from the appointed day (June 2, 2014), on matters relating to coal, oil and natural gas among other things. Moreover, the Act made it mandatory to bifurcate institutions that have operational jurisdiction in both the successor States. Andhra Pradesh cannot claim exclusive rights over the institution which had operational jurisdiction in both the States, officials assert.

Differences between the two States deepened following an order issued by the Andhra Pradesh government in 2018. The order sought demerger of APHMEL based on the recommendations of a committee headed by retired IAS officer Sheela Bhide that the entity should pass to Andhra Pradesh in its entirety since all its assets and liabilities are located in that State. The Telangana government took serious objections to the “unilateral” decision of the neighbouring State government and requested the Centre to issue an interim direction suspending the recommendation. “It is apprehended that Andhra Pradesh may resort to unilateral taking over of the valuable assets of APHMEL based on their location near Vijayawada,” the then Chief Secretary S.K. Joshi said in a letter to the Union Home Ministry.

APHMEL is a subsidiary of the State-owned SCCL which owned 81.54% of the equity. The erstwhile Andhra Pradesh Industrial Infrastructure Corporation held 5.79%, the government of erstwhile united Andhra 0.86%, and public shareholders 11.81%. The Telangana government is firm that the institution is a subsidiary of the SCCL and will continue to be the same. Only 0.86% equity of the then State government, amounting to 14.90 lakh, was apportionable in the population ratio (58 for Andhra and 42 for Telangana) between the two States.

The matter was settled when a circular was issued by the SCCL board approving the change of 51% shareholding of the Andhra Pradesh government in the name of the Telangana government in line with the provisions contained in the Twelfth Schedule of the Act from June 2, 2014. The SCCL board comprises representatives from the Central government. However, the Centre continues to entertain requests from Andhra Pradesh. It allows the issue in the agenda of discussions between the two States despite repeated representations made by Telangana. It is time for the Centre to put an end to the controversy. Doing so would help shift focus to other issues between the two States.

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