

THE ANDHRA PRADESH WATER RESOURCES DEVELOPMENT  
CORPORATION ACT, 1997

ACT No. 12 OF 1997



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THE ANDHRA PRADESH WATER RESOURCES DEVELOPMENT  
CORPORATION ACT, 1997

ACT No. 12 OF 1997

[9th April, 1997]



AN ACT TO CREATE THE ANDHRA PRADESH WATER RESOURCES DEVELOPMENT CORPORATION FOR PROMOTION AND OPERATION OF IRRIGATION PROJECTS, COMMAND AREA DEVELOPMENT AND SCHEMES FOR DRINKING WATER AND INDUSTRIAL WATER SUPPLY TO HARNESS THE WATER OF RIVERS OF THE STATE OF ANDHRA PRADESH AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO INCLUDING FLOOD CONTROL:

Whereas it is expedient to create a Corporation for promotion and operation of irrigation projects, command area development and schemes for drinking water and industrial water supply to harness the water of rivers of the State of Andhra Pradesh and other allied and incidental activities including flood control.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Forty-eighth Year of the Republic of India as follows:-

1. Short title, extent and commencement - (1) This Act may be called the Andhra Pradesh Water Resources Development Corporation Act, 1997.

(2) It shall extend to all the River Valleys in the State of Andhra Pradesh and other area or areas, as the State Government may, by notification in the Official Gazette, specify.

(3) It shall be deemed to have come into force with effect from 18th January, 1997.

2. Definitions - In this Act, unless the context otherwise requires,-

(a) "Area of operation of the Corporation" means the area of the river Valleys and any other area or areas to which the provisions of this Act are extended by the State Government, by notification in the Official Gazette under sub-section (2) of section 1;

(b) "Corporation" means the Andhra Pradesh Water Resources Development Corporation established under section 3;

(c) "Irrigation & CAD Department" means the Irrigation and Command Area Development Department of the Government;

(d) "Irrigation Project" means investigation, design, planning, construction, maintenance and management of,-

(i) Major Irrigation Project having irrigable command area of more than 10,000 hectares;

(ii) Medium Irrigation Project having irrigable command area of more than 2,000 hectares and upto 10,000 hectares;

(iii) Minor Irrigation Project having irrigable command area of more than 40 hectares and upto 2,000 hectares, and shall include command area development, flood control, drinking water and industrial water supply and other allied activities;

(e) "River Valleys" means the catchment area of all rivers comprising of all their tributaries and distributaries within the State of Andhra Pradesh;

(f) "member" means a member of the Corporation designated as Director;

(g) "prescribed" means prescribed by rules made under this Act;

(h) "regulations" means the regulations made under this Act;

(i) "State Government" or "Government" means the Government of Andhra Pradesh.



## CHAPTER - II ESTABLISHMENT, CONDUCT OF BUSINESS AND EMPLOYEES OF THE CORPORATION

3. Establishment of Andhra Pradesh Water Resources Development Corporation – (1) The State Government shall, by notification in the Official Gazette, establish for the purposes of this Act, a Corporation to be called the Andhra Pradesh Water Resources Development Corporation.

(2) The Corporation established under sub-section (1) shall be a body corporate having perpetual succession and a common seal, with power to contract, acquire, hold and dispose of property, both movable and immovable, and to do all things necessary for the purposes of this Act, and may sue and be sued by its corporate name.

(3) The Head Office of the Corporation shall be at Hyderabad.

4. Constitution of Corporation - (1) The Corporation shall consist of the following members, namely:-

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|--|-----------|
| (a) Minister, Major and Medium Irrigation;                           | Chairman; |
| (b) Minister, Minor irrigation;                                      | Member;   |
| (c) Prl.Secretary/Secretary to Government,<br>Irrigation Department; | Member;   |
| (d) Prl. Secretary / Secretary to Government,<br>Finance Department; | Member;   |

(e) One non-official member representing reputed and recognised financial institutions to be nominated by the State Government;

(f) One officer to be appointed by the State Government as the member secretary of the Corporation, who shall be designated as the Managing Director of the Corporation;

(g) Three other members to be nominated by Government from officials or non-officials.

(2) The term of office of nominated members shall be for a period of one year unless terminated earlier by the State Government.

(3) The non-official members of the Corporation nominated under clauses (e) & (g) of sub-section (1) shall receive such remuneration and allowances as may be laid down by regulations.

(4) The official members of the Corporation shall receive such compensatory allowances, for the purpose of meeting the personal expenditure in attending the meetings of the Corporation, as may be laid down by the regulations.

5. Constitution executive committee - (1) There shall be an Executive Committee consisting of the following members, namely:-

- |  |           |
|--|-----------|
| (a) Managing Director of the Corporation;  | Chairman; |
| (b) Engineer-in-Chief, Irrigation Department,<br>Hyderabad;                        | Member;   |
| (c) Chief Accounts and Finance Officer of the<br>Corporation ;                     | Member;   |
| (d) Representative of the Andhra Pradesh<br>Industrial Infrastructure Corporation; | Member;   |

- (e) Chief Engineer, Public Health Department; Member;
- (f) Representatives of the Departments of Municipal Administration and Urban Development, Panchayat Raj and Rural Development and Industries Members;



(2) The powers, functions and duties of the Executive Committee shall be such as may be laid down by regulations.

#### 6. Disqualifications for membership and removal of members –

(1) A person shall be disqualified for being nominated as a non-official member or continue to be such member, if he,-

- (a) is an employee of the Corporation, except the Managing Director;
- (b) is of unsound mind, and stands so declared by a competent Court;
- (c) is an undischarged insolvent;
- (d) is convicted for an offence involving moral turpitude;
- (e) has, directly or indirectly by himself or by any partner, employer or employee, any share or interest, whether, pecuniary or of any other nature, in any contract or employment with, by or on behalf of the Corporation; or
- (f) is a Director, Secretary, Manager or other Officer of any company, which has any share or interest in any contract or employment with, by or on behalf of, the Corporation:

Provided that, a person shall not be disqualified under clause (e) or clause (f) by reason only of his or the company of which he is a Director, Secretary, Manager or other Officer, having a share or interest in,-

- (i) any sale, purchase, lease or exchange of immovable property or any agreement for the same;
- (ii) any agreement for loan of money or any security for payment of money only;
- (iii) any newspaper in which any advertisement relating to the affairs of the Corporation is published.

(2) The Government may remove from the Corporation any non-official member nominated by the Government, who in its opinion,-

- (a) has been disqualified under sub-section (1);
- (b) refuses to act;
- (c) has so abused his position as a member as to render his continuance on the Corporation detrimental to the interest of the public; or
- (d) is otherwise unsuitable to continue as member.

(3) No order of removal under sub-section (2) shall be made unless, the non-official, member has been given an opportunity to submit his explanation to the Government and when such order is passed, the office of the member so removed shall be deemed to be vacant.

(4) A member who has been so removed under sub-section (3) shall not be eligible for reappointment as member or in any other capacity in the Corporation.

7. Meetings of Corporation - (1) The Corporation shall meet at such times and places as the Chairman may decide and shall, subject to the provisions of sub-section (3), observe such rules of procedure in regard to the transaction of

business at its meetings (including the quorum thereof) as may be laid down by regulations:



Provided that, at least one meeting shall be held in every three months period.

(2) The Chairman or, in his absence such other Member as may be notified by the Government shall preside at every meeting of the Corporation. If for any reason the Chairman and such other member are unable to attend any meeting, the meeting shall stand adjourned.

(3) A member, who is directly or indirectly concerned or interested in any contract, loan, arrangement or proposal entered into or proposed to be entered into, by or on behalf of the Corporation, shall, at the earliest possible opportunity, disclose the nature of his interest to the Corporation, and shall not be present at any meeting of the Corporation when any such contract, loan, arrangement or proposal is discussed, unless his presence is required by the other members for the purpose of eliciting information, but no member so required to be present shall vote on any such contract, loan, arrangement or proposal:

Provided that a member shall not be deemed to be concerned or interested as aforesaid by reason only of his being a share holder of a company concerned in any such contract, loan, arrangement, or proposal.

8. Constitution of Committees - The Corporation may, from time to time, constitute Committee, or Committees out of its members consisting of such number of them as it may think proper and may delegate to such Committee such powers of the Corporation as it may deem fit for carrying out the purposes of this Act.

9. Provision for inviting officers of Government and local authority – (1) The Corporation or any of its Committees may invite any officer of the Central Government, State Government, local authority or any organisation or any person to attend its meeting or meetings as a special invitee for the purpose of assisting or advising, on any matter or matters. The person so invited may take part in the proceedings, but shall have no right to vote.

(2) The person so invited shall be entitled to draw such honorarium or compensatory allowance for the purpose of meeting the personal expenditure in attending the meetings of the Corporation or any of its Committees as the Corporation may determine, from time to time.

10. Filling up of casual vacancies of members - Any vacancy of a member of the Corporation shall be filled as early as practicable, in like manner as if the appointment were being made for the first time.

11. Acts or proceedings not to be invalidated by vacancy or informality etc., - No act done or proceedings taken under this Act by the Corporation or Committee appointed by the Corporation shall be invalidated merely on the grounds of,-

- (a) any vacancy of a member or any defect in the constitution or reconstitution of the Corporation or a Committee thereof; or
- (b) any defect or irregularity in the appointment of a person as a member of the Corporation or of a Committee thereof; or
- (c) any defect or irregularity in such act or proceedings, not affecting the substance.

12. Officers and servants of Corporation - (1) The State Government shall appoint Managing Director as provided in section 4(1), Chief Engineer, Superintending Engineer, and Chief Accounts and Finance Officer and such other officers as may be required.

(2) The Corporation may, with the prior approval of the State Government appoint such other officers and servants sub-ordinate to the officers mentioned

in sub-section (1) as it considers necessary for the efficient performance of its duties and functions.

(3) The conditions of appointment and service of the officers and servants and their scales of pay shall,-

(a) as regards the officers mentioned in sub-section (1) be such as may be prescribed; and

(b) as regard the officers and servants mentioned in sub-section (2) be such as may be laid down from time to time by regulations.

(4) subject to the superintendence of the Corporation, the Managing Director shall supervise and control all its officers and employees including any officers of the Government appointed on deputation to the Corporation.

13. Disqualification of all officers and staff - No person who has, directly or indirectly, by himself or by his partner or agent, any share or interest in any contract, by or on behalf of the corporation or in any employment under, by or on behalf of the Corporation otherwise than as an officer or staff thereof, shall be qualified to be an officer or staff of the Corporation.

14. Authentication of orders etc., of the Corporation - All proceedings of the Corporation shall be authenticated by the Chairman and all orders and instruments of the Corporation shall be authenticated by the Managing Director or any other officer of the Corporation as may be authorised in this behalf by regulations.

### CHAPTER - III VESTING OF PROPERTY, ASSETS, LIABILITIES AND OBLIGATIONS AND TRANSFER OF EMPLOYEES

15. Vesting and transfer of the property to the Corporation - (1) From such date as may be specified, from time to time, by the State Government (hereinafter in this section referred to as "the appointed date"),-

(a) the properties and assets comprising movables and immovables including Irrigation Projects, works under construction and management of completed schemes; specified in that behalf, situated in the area of operation of the Corporation, which immediately before the appointed date vested in the State Government and were under the control of the Irrigation and Command Area Development Department, shall vest in and stand transferred to the Corporation, and all income derived and expenses incurred in that behalf be brought on books of the Corporation; and

(b) the rights, liabilities and obligations of the State Government, whether arising out of any contract or otherwise pertaining to the said project of the State Government shall be deemed to be the rights, liabilities and obligations of the Corporation.

(2) Such properties, assets, rights, liabilities and obligations shall be valued in such manner as the State Government may determine.

(3) All suits and other legal proceedings with respect to any scheme for the development of Irrigation Projects and other Projects entrusted to the Corporation, instituted or defended by or against the State Government before the appointed date may be continued or instituted or defended by or against the Corporation.

16. Decision of the State Government on the vesting of property to be final - Where any doubt or dispute arises as to whether any property or asset has vested in the Corporation under section 15 or any rights, liabilities or obligations have become the rights, liabilities or obligation of the Corporation under that, section, such doubt or dispute shall be referred to the State Government whose decision shall be final.

17. Power of State Government to depute certain Government employees to Corporation - (1) Where on account of conferment of any powers, duties and functions on the Corporation by or under this Act in the opinion of the



State Government, the employee or employees belonging to technical staff as well as ministerial and non-ministerial staff, required by the Corporation for efficient exercise of its powers, performance of its duties or discharge of its functions, the State Government, the Head of the Department of the State Government or any Officer authorised by the State Government in this behalf may, from time to time having regard to the necessity therefor, by order depute such officers or employees to the Corporation, and the Corporation shall take them and employ them on deputation, subject to the provisions of this section.

(2) The period of deputation of any such employee to the Corporation shall be five years except when any such person is required to be repatriated on the grounds, such as promotion, reversion, termination or superannuation or any other reasons as may be directed by the State Government. After the expiry of the period of deputation, he shall stand repatriated to service under the State Government:

Provided that, during the period of such deputation all matters relating to the pay, leave, allowances, retirement, pension, provident fund and other conditions of service of the employees, on deputation shall be regulated by such rules governing such matters at the time of the deputation or such other rules as may, from time to time, be made by the State Government.

(3) All employees of the said establishment transferred on deputation to the Corporation under sub-section (2) shall have a lien on their posts in the service under the State Government and the period of their service under the Corporation shall, on their repatriation to the service under the State Government, pensions and other matters relating to their service.

(4) The Corporation shall have the authority to transfer the Officers and staff members within the area of operation of the Corporation.

(5) No employee on deputation to the Corporation shall be entitled to any deputation allowance.

(6) The salaries and allowances of employees on deputation to the Corporation shall be paid from the Corporation fund.

(7) Save as otherwise provided in this section, the terms and conditions of service of employees on deputation to the Corporation shall not be less advantageous than those applicable to them immediately before deputation and shall not varied to their disadvantage except with the previous sanction of the State Government.

#### CHAPTER - IV FUNCTIONS AND POWERS OF CORPORATION

18. Functions of the Corporation - The functions of the Corporation shall be,-

- (a) to promote and operate irrigation projects and command area development including flood control;
- (b) to plan, investigate, design, construct and manage the irrigation projects and command area development;
- (c) to plan, investigate, design, construct and manage drinking water supply schemes;
- (d) to plan, investigate, design, construct and manage industrial water supply schemes;
- (e) to enter into contracts in respect of the works and any other matters transferred to the Corporation along with assets and liabilities under this Act;
- (f) to invite tenders, bids, offers and enter into contracts for the purposes of all the activities of the Corporation;
- (g) to promote participation of any person or body or association of individuals, whether incorporated or not in planning, investigation, designing, construction and management of irrigation projects and command area development including flood control;



(h) to undertake schemes or works, either jointly with other corporate bodies, or institutions, or with Government or local authorities or on agency basis in furtherance of the purposes for which the Corporation is established and all matters, connected therewith;

(i) to promote irrigation related activities such as fisheries, pisciculture, floriculture, horticulture, sericulture, tissueculture etc.;

(j) to promote tourism, water sports and other related activities on and around the Irrigation projects;

(k) to develop the land around or nearby lakes and in other suitable locations with irrigation facilities and other infrastructure facilities and lease part or whole of such developed properties to the interested parties;

(l) to prepare annual plan and five year working development plan;

(m) to prepare annual Budget;

(n) to undertake any other activities entrusted by the State Government in furtherance of the objectives for which the Corporation is established.

19. General powers of the Corporation - (1) The Corporation shall have the power to accord administrative approval, revised administrative approval, technical sanction, acceptance of all tenders, sanctioning budget and making financial provisions, settling disputes arising out of contracts and any other things which may be necessary or expedient for the purpose of carrying out its functions under this Act.

(2) Without prejudice to the generality of the foregoing provision, such power shall include the power, -

(a) to acquire and hold property, both movable and immovable as the Corporation may deem necessary for the performance of any of its functions, duties, activities and to lease, sell, exchange or otherwise transfer any property held by it on such conditions as may be deemed proper by the Corporation;

(b) to construct or cause to be constructed such dams, barrages, reservoirs, irrigation, flood control and drainage canals and such other works and structures as may be required;

(c) to take measures to prevent pollution of any water under its control and to take all measures deemed necessary to prevent discharges into such water of effluents which are harmful to water supply, irrigation, public health or aquatic life;

(d) to stock its reservoirs or water sources with fish and to sell fish or fishing rights and prohibit taking out fish from the water under its control;

(e) to assist in the establishment of water users associations and other organisations formed under the Andhra Pradesh Co-operative Societies Act, 1964 (Andhra Pradesh Act 7 of 1964), or any other Act for the better use of facilities made available by the Corporation;

(f) to lease rights for water sports, other recreational activities related to the use of reservoir and its surroundings and reservoir water;

(g) to establish, maintain and operate laboratories, experimental and research stations and farms for conducting experiments and research for, -

(i) utilising the water, and other resources in the most economical manner for the development of the River Valleys;

(ii) determining the effect of its operations on the flow conditions in the river valleys;

(iii) providing navigation condition in the River Valleys,

(h) to engage suitable consultants or persons having special knowledge or skill to assist the Corporation in the performance of its functions;

(i) to do all such other things and perform such acts as may be necessary for, or incidental or conducive to any matters which are necessary for furtherance of the objectives for which the Corporation is established.

20. Responsibility of Water Users' Association for maintenance of canals and management of water - Water Users' Associations shall be responsible for maintenance of the canals and management of the water.

21. Water charges for supply of water for irrigation, industrial and domestic purposes - The Corporation shall, from time to time, determine and levy water charges according to volume, for supply of water for irrigation, industrial and domestic purposes to the State Government, local authorities, Government agencies, cultivators and water user associations:

Provided that, the levy of water charges shall be such that water charges so recovered shall be sufficient at least to cover the interest charges of the loan raised by the Corporation from the open market.

22. Responsibility of Corporation for payment of interest on borrowed money - The Corporation shall pay the interest on the borrowed money through the recovery of water charges.

23. Prohibition of construction of dam, weir etc., except with approval of Corporation - No person shall construct, operate or maintain within the area of operation of the Corporation any dam or weir or other work or any installation for the extraction of surface water without the prior approval of the Corporation;

Provided that the State Government or a local authority may, construct and operate such dams, weirs etc., anywhere or across any river or basin within such area of operation or assign or handover such dam, weir etc., to the Corporation.

24. Co-ordination with other authorities to minimise inconvenience caused by submergence - The Corporation shall keep co-ordination with the State Government, Railway Authorities, local authorities and statutory bodies with a view to minimising the inconvenience likely to be caused by the submergence of railway's lands and roads and communications and shall bear the cost of any realignment thereof or resettlement of any population rendered necessary by such submergence.

25. Powers to be exercised by the Andhra Pradesh Corporation under irrigation Act - Notwithstanding anything contained in the Andhra Pradesh Irrigation Act, 1965 ( Act No.12 of 1965),-

(a) the Corporation may carry out all or any of the functions and exercise all or any of the powers of the state Government or the appropriate authority;

(b) any officer of the Corporation authorised in this behalf by the Corporation may carry out all or any of the functions and exercise all or any of the powers of the concerned officer under the provisions of the said Act and the rules, within the area of operation of the Corporation.

26. Powers of State Government to issue directions - The State Government may issue to the Corporation such general or special directions as to policy or exercise of the powers or performance of the functions by the Corporation, as it may think necessary or expedient for carrying out the purposes of this Act and the Corporation shall be bound to follow and act upon such directions.

## CHAPTER - V ACQUISITION OF LAND



27. Power to acquire land for purposes of this Act - The State Government may, for carrying out the purposes of this Act, compulsorily acquire land under the <sup>1</sup>[Land Acquisition Act, 1894 (Act 1 of 1894)] and the acquisition of any land for any of the said purposes shall be deemed to be a public purpose within the meaning of that Act.

28. Transfer of Government lands to Corporation - (1) For the furtherance of the objects of this Act, the State Government may, by notification in the Official Gazette, upon such conditions as may be agreed upon between the Government and the Corporation, place at the disposal of the Corporation any lands vested in the State Government:

Provided that, the State Government shall not place at the disposal of the Corporation any lands which are notified and included in a reserved forest.

(2) After any such land has been so placed at the disposal of the Corporation it shall be dealt with by the Corporation in accordance with the provisions of this Act, or the rules or regulations made there under and directions, if any, given by the State Government in this behalf.

(3) If any land placed at the disposal of the Corporation under sub-section (1) is not required by the Corporation, the State Government may ask the Corporation to surrender it to the State Government upon such terms and conditions as may be mutually agreed upon.

29. Power of Corporation to dispose of land etc., - Subject to any rules made by the State Government under this Act, the Corporation may retain, lease, sell, exchange or otherwise dispose of any land, any building, or other property vested in it, in such manner as it thinks fit for carrying out, the purposes of this Act.

## CHAPTER - VI FINANCE, ACCOUNTS AND AUDIT

30. Application of Corporation Assets etc. - All property, fund and other assets vesting in the Corporation shall be held and applied by it, for the purpose of this Act.

31. Fund of Corporation - (1) The Corporation shall have and maintain its own fund, to which it shall be credited,-

(a) all moneys received by the Corporation from the State Government by way of grants, subventions, loans, advances and the loans raised under this Act;

(b) all fees, costs and charges received by the Corporation under this Act;

(c) all moneys received by the Corporation from the disposal of lands, buildings and other properties, movable and immovable and other transactions;

(d) all moneys received by the Corporation by way of water charges, rents and profit or from any other sources.

(2) The Corporation may keep current and deposit account with such Bank or Banks specified by the State Government in this behalf.

(3) Such accounts shall be operated by such officers of the Corporation as may be authorised by it in this behalf.

(4) Notwithstanding anything contained in sub-sections (2) and (3) the Corporation may keep on hand such sums as it thinks fit for its day to day transactions, subject to such limits and conditions as may be prescribed.

32. Constitution of Government to Corporation funds - (1) The State

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<sup>1</sup>. See now the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (Central Act No.30 of 2013).

Government shall, by appropriation duly made in this behalf, from time to time, provide funds to the Corporation for the performance of the functions of the Corporation under this Act.



(2) The capital provided by the State Government shall not carry any interest.

33. Grants, Subventions, loans and advances to Corporation - The State Government may, after, due appropriation made by the State Legislature by law in this behalf, make such grants, subventions, loans and advances to the Corporation as it may deem necessary for the performance of the functions of the Corporation under this Act and all grants, subventions, loans and advances made shall be on such terms and conditions as the State Government may determine.

34. Power of Corporation to borrow - [1X] The Corporation may, subject to such conditions as may be prescribed in this behalf, borrow money from the financial institutions or Non-resident Indians or from the open market by issue of guaranteed or unguaranteed bonds, debentures, stocks and otherwise for the purpose of providing itself with adequate resources.

<sup>2</sup>[XXXX]

35. Acceptance of deposits by Corporation - The Corporation may accept deposits on such conditions as it deems fit from persons, authorities or institutions, to whom allotment or sale of land or buildings or fishing rights is made or is likely to be made in furtherance of the objects of this Act.

36. Power to spend - The Corporation shall have the authority to spend such sums as it thinks fit for the purposes authorised under this Act from and out of the fund of Corporation referred to in section 30 or from the reserve and other funds referred to in section 37, as the case may be.

37. Expenditure on objects other than irrigation Projects - It shall be competent for the Corporation to spend such sums as it thinks fit also on objects authorised under this Act other than Irrigation Projects, Drinking Water Projects, Industrial Water Supply projects and Roads and such sums shall be treated as common expenditure payable out of the fund of the Corporation.

38. Reserve and other funds - (1) The Corporation shall make provisions for such reserve and other specially denominated funds as the State Government may, from time to time, direct.

(2) The management of the funds referred to in sub-section (1), the sums to be transferred, from time to time, to the credit thereof and the application of money comprised therein, shall, subject to the directions, if any, issued by the State Government in this behalf, be determined by the Corporation.

(3) None of the funds referred to in sub-section (1) shall, except with the previous approval of the State Government be utilised for any purposes other than that for which it is constituted.

39. Submission of budget to Corporation - (1) The Managing Director of the Corporation shall, at a special meeting to be held in the month of October in each year, lay before the Corporation, the budget estimates of the Corporation for the next year.

(2) Every such budget estimate shall be prepared in such form as the State Government may, from time to time, by order, determine and shall provide for,-

(i) the proposals, plans and projects which the Corporation proposes to execute either in part or in whole during the next year;

(ii) the due fulfillment of all the liabilities of the Corporation; and

(iii) the implementation of the provisions of this Act; and such

1. The expression "(1)" omitted by the Act No. 2 of 2018, S.2.

2. Sub-section (2) omitted by the Act No. 2 of 2018, S.2.

estimates shall contain a Statement showing the estimated income and expenditure on capital and revenue accounts for the next year and such other particulars indicating the financial performance of the Corporation, as the State Government may direct. The budget shall clearly reveal the financial outlay and performance.



40. Sanction of budget estimates - The Corporation shall consider the budget estimate submitted to it under section 38 and approve the same with or without modifications on or before such dates as the State Government may, from time to time, determine.

41. Government as Guarantor - The State Government may guarantee the repayment of any loans and payment of interest on all or any of the loans given/transferred to the Corporation.

42. Disposal of profits and deficits - (1) Subject to the provisions of sub-section (2) of section 43 of this Act, the net profit, if any, attributable to each of the main objects, namely, irrigation, shall be fully credited to the Corporation.

(2) The net deficit, if any, in respect of any of the objects shall be solely borne by the State Government.

43. Interest charges and other expenses to be added to and receipts taken for reduction of capital cost - The interest, charges and all other expenditure shall be added to the capital cost and all receipts shall be taken in reduction of such cost, if the Corporation is in deficit.

44. Depreciation Fund - (1) The Corporation may make provision for depreciation fund at such rates and on such terms as may be specified by the Comptroller and Auditor General of India, and in consultation with the State Government.

(2) The net profit for the purpose of section 41 shall be determined after such provision has been made.

45. Apportionment of betterment charges levied by State Government - In the event of any betterment levy being imposed by the State Government, the proceeds thereof in so far as they are attributable to the operations of the Corporation, shall be credited to the Corporation.

46. Financial Statement and Programme of work - (1) The Corporation shall, by such date in each financial year as may be prescribed, prepare and submit to the State Government for approval an annual financial statement and the programme of work for the succeeding financial year and the State Government may, approve such financial statement and the programme of work of the Corporation as submitted by the Corporation or with such variations as the State Government thinks fit.

(2) The annual financial statement shall show the estimated receipts and expenditure during the succeeding financial year in such form and, detail as may be prescribed.

(3) The Corporation shall be competent to make variations in the approved programme of work in the course of the financial year provided that all such variations and reappropriations out of the sanctioned budget are brought to the notice of the State Government by a supplementary financial statement.

(4) A copy of the annual financial statement and the supplementary financial statement, if any, shall be placed before the State Legislature as soon as may be after their receipt by the State Government.

47. Accounts and Audit - (1) The Corporation shall maintain books of account and other books in relation to the business and transaction in such form, and in such manner, as may be prescribed.

(2) The accounts of the Corporation shall be audited by an Auditor appointed by the State Government, in consultation with the Comptroller and Auditor General of India.

(3) Within nine months from the end of the financial year the Corporation shall send a copy of the accounts audited together with a copy of the report of the Auditor thereon, to the State Government.



(4) The State Government shall cause the accounts of the Corporation together with the audit report thereon forwarded to it under sub-section (3) to be laid before the State Legislature, as far as possible before the expiry of the year next succeeding the year to which the accounts and the report relate.

48. Concurrent and Special audit of accounts - (1) Notwithstanding anything contained in the last preceding section, the State Government may order that there shall be concurrent audit of the accounts of the Corporation by such person as it thinks fit. The State Government may also direct a special audit to be made by such person as it thinks fit of the accounts of the Corporation relating to any particular transaction or class or series of transactions or to a particular period.

(2) When an order is made under sub-section (1), the Corporation shall present or cause to be presented for audit all such accounts and shall furnish to the person appointed under sub-section (1) such information as the said person may require for the purpose of audit.

#### CHAPTER - VII MISCELLANEOUS AND SUPPLEMENTARY PROVISIONS

49. Furnishing of annual reports and returns etc. - (1) The Corporation shall prepare and submit to the State Government, in such form as may be prescribed, an annual report within six months after the end of every financial year of its activities during the previous financial year, with particular reference to,-

- (a) irrigation, command area development and flood control;
- (b) industrial water supply;
- (c) drinking water supply schemes;
- (f) recreation facilities;
- (e) use of lands;
- (f) re-settlement of displaced persons; and
- (g) other activities of the Corporation.

(2) The corporation shall also furnish to the State Government such returns, statistics, reports, accounts and other information with respect to its conduct of affairs, properties or activities or in regard to any proposed work or scheme as the State Government may, from time to time, require.

50. Rehabilitation of the affected persons - The rehabilitation and resettlement of the persons affected due to the irrigation projects shall be carried out by the State Government in accordance with the provisions of this Act:

Provided that all the expenditure required to be incurred by the State Government for the rehabilitation and the resettlement of persons affected by the irrigation projects shall be borne by the Corporation.

51. Execution of Contracts etc. - Every contract or assurance of property on behalf of the Corporation shall be in writing and executed by such authority or officer in such manner as may be provided by regulations.

52. General Penalty - Whoever contravenes the provisions of this Act or any rule or regulations made thereunder or fails to comply with any notice, order or requisition issued under this Act shall, on conviction, be punished with imprisonment which may extend to six months or with fine which may extend to one thousand rupees or with both.

53. Power of entry - Any Officer or servant of the Corporation generally or specially authorised by the Corporation may at all reasonable times enter upon



any land or premises and do such things as may be necessary for the purpose of lawfully carrying out any of its work or of making any survey, examination or investigation preliminary or incidental to the exercise of powers or the performance of functions by the Corporation under this Act.



54. Dues to be recovered as an arrear of land revenue - All sums due or payable by any person to the Corporation are recoverable by it on account of any charge, costs, expenses, fees, rent, compensation, or on any other account under this Act or any rule or regulation made thereunder or any agreement made with the Corporation and all charges or expenses incurred in connection therewith shall, without prejudice to any other mode of recovery, be recoverable as an arrear of land revenue.

55. Service of notice etc., - (1) All notices, orders and other documents, required by the Act or any rule or regulation made there under to be served upon any person shall, save as otherwise provided in this Act or such rule or regulation, be deemed to be duly served;-

(a) where a person to be served is a company, the service is effected in accordance with the provisions of '[section 51 of the Companies Act, 1956 (Act 1 of 1956)];

(b) where the person to be served is a firm, if the document is addressed to the firm at its principal place of business, identifying it by the name and style under which its business is carried on, and is either,-

- (i) sent under a certificate of posting or by registered post; or
- (ii) left at the said place of business.

(c) where the person to be served is a statutory public body or a Corporation or a society or other body, if the document is addressed to the Secretary, treasurer or other principal officer of that body, Corporation or society at its principal office, and is either,-

- (i) sent under certificate of posting or by registered post; or
- (ii) left at that office;

(d) in any other case, if the document is addressed to the person to be served and,-

- (i) is given or tendered to him; or
- (ii) if such person cannot be found, is affixed on some conspicuous part of his last known place of residence or business or is given or tendered to some adult member of his family or is affixed on some conspicuous part of the land or building to which it relates; or

(iii) is sent under a certificate of posting or by registered post to that person.

(2) Any document which is required or authorised to be served on the owner or occupier of any land or building may be addressed 'the owner' or 'the occupier' as the case may be of that land or building (naming that land or building), name or description, and shall be deemed to be duly served,-

(a) if the document so addressed is sent or delivered in accordance with clause (d) of sub-section (1); or

(b) if the document so addressed or a copy thereof so addressed is given or tendered to some person on the land or building or, where there is no person on the land or building to whom it can be delivered, is affixed on some conspicuous part of the land or building;

(3) Where a document is served on the firm in accordance with this section, the document shall be deemed to be served on each partner;

(4) For the purpose of enabling any document to be served on the owner

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1. See now the relevant provisions of the Companies Act, 2013 (Central Act 18 of 2013).



of any property, the occupier (if any) of the property may be required by notice in writing by the State Government or the Corporation, as the case may be, to State the name and address of the owner thereof.



56. Public notice how to be made known - Every public notice given under this Act or any rule or regulation made thereunder shall be in writing and under the signature of the officer concerned and shall be widely made known in the locality or in the farms or estates to be affected thereby affixing, copies thereof in conspicuous public places, within the said locality or the said farms or estates, or by publishing the same by beat of drum or by any other means that the officer may think fit.

57. Notice period for performance - Where any notice, order or other document issued or made under this Act or any rule or regulation made thereunder requires anything to be done for the doing of which no time is fixed in this Act or the rule or regulation, the notice, order or other document shall specify a reasonable period of time for doing the same or complying therewith.

58. Default in performance of duty - (1) If the state Government is of the opinion that the Corporation has, made a default in the performance of any duty or obligation imposed or cast on it by or under this Act the State Government may fix a period for the performance of that duty or obligation and give notice to the Corporation accordingly.

(2) If, the Corporation fails or neglects to perform such duty or obligation within the period so fixed for its performance, it shall be lawful for the State Government to supersede and reconstitute the Corporation as it deems fit.

(3) After the supersession of the Corporation and until it is reconstituted, in the manner laid down in Chapter-II, the powers, duties and functions of the Corporation under this Act shall be carried on by the State Government or by such officer or officers or body of officers as the State Government may appoint for this purpose, from time to time.

(4) All property vested in the Corporation shall, during the period of such supersession, vest in the State Government.

59. Offences by companies - (1) Where an offence under this Act has been committed by a Company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the Company for the conduct of the business of the Company, as well as the Company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that, nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a Company, and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the Company such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation:- For the purposes of this section,-

(a) 'Company' means a body corporate and includes a firm, association or persons or body of individuals whether incorporated or not; and

(b) 'director' in relation to a firm, means a partner in the firm, and in relation to any association of persons or body of individuals, means any member controlling the affairs thereof.

60. Authority for prosecution - Unless otherwise expressly provided, no court

shall take cognizance of any offence, relating to property belonging to, or vested by or under this Act in the Corporation, punishable under this Act except on the complaint of, or upon information received from the Corporation or some person authorised by the Corporation by general or special order in this behalf.



61. Compounding of offences by Corporation - (1) The Corporation or any person authorised by the Corporation by general or special order in this behalf may, either before or after the institution of the proceedings, compound any offence made punishable by or under this Act.

(2) Where an offence has been compounded the offender if in custody shall be discharged and no further proceedings shall be taken against him in respect of the offence compounded.

62. Penalty for obstruction - Any person who obstructs the entry of a person authorised under section 52 to enter, into or upon any land or building or molests such person after such entry or who obstructs the lawful exercise, by him of any power conferred by or under this Act shall, on conviction be punished with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

63. Delegation of powers of Corporation - The Corporation may, with the previous approval of the State Government, delegate any of its powers under this Act to any officer of the State Government or any of its officers and to permit them to re-delegate specific powers to their subordinates, by general or specific order in this behalf.

64. Protection of action taken in good faith - No suit, prosecution or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Act or rules or regulations made thereunder.

65. Chairman, Managing Director, Members and Officers etc. to be public servants - The Chairman, Members, Managing Director and Officers and servants on deputation or of the Corporation as the case may be, shall, while acting or purporting to act in pursuance of any of the provisions of this Act or rules or regulations made thereunder, be deemed to be public servants within the meaning of section 21 of the Indian Penal Code 1860 (Act 45 of 1860).

66. Effect of provisions inconsistent with other laws - The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law.

67. Power to make rules - (1) The State Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) Every rule made under this Act shall immediately after it is made, be laid before the Legislative Assembly of the state, if it is in session and if it is not in session, in the session immediately following for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if, before the expiration of the session in which it is so laid or the session immediately following, the Legislative Assembly agrees in making any modification in the rule or in the annulment of the rule, the rule shall, from the date on which the modification or annulment is notified, have effect only in such modified form or shall stand annulled as the case may be so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

68. Power to make regulations - The Corporation may, with the previous approval of the State Government, make regulations consistent with this Act and the rules made thereunder for all or any of the matters to be provided under this Act by regulations and generally for all other matters for which provision is, in the opinion of the Corporation, necessary for the exercise of its powers and the discharge of its functions under this Act.

69. Power to remove doubts and difficulties - If any doubt or difficulty arises in giving effect to the provisions of this Act, the State Government may, by order, make provision or give such direction, not inconsistent with the

provisions of this Act, as may appear to it to be necessary or expedient for the removal of the doubt or difficulty.



70. Dissolution of Corporation - (1) Where the State Government is satisfied that the purposes for which the Corporation was established under this Act have been substantially achieved so as to make the continued existence of the corporation in the opinion of the State Government is unnecessary, the Government may by notification in the Official Gazette declare that the Corporation shall be dissolved with effect from such date as may be specified in the notification, and the Corporation shall be deemed to be dissolved accordingly and upon such dissolution the members (including the Chairman) shall vacate their respective offices.

(2) From, the said date,-

(a) all properties, funds and dues which are vested in, or realisable by, the Corporation shall vest in, or be realisable by, the State Government;

(b) all liabilities which are enforceable against the Corporation shall be enforceable against the State Government.

71. Repeal of Ordinance 6 of 1997 - The Andhra Pradesh Water Resources Development Corporation Ordinance, 1997 is hereby repealed.