



14th Jan 2020

Dear Sri. *Jagan Mohan Reddy garu,*

Sub: Andhra Pradesh Capital- regarding

As a citizen of Andhra Pradesh representing the state in the Rajya Sabha I think it is prudent on my part to place certain facts before you considering the prevailing volatile situation in the state relating to the subject of the state Capital.

As a result of the bifurcation of the combined state of Andhra Pradesh the residuary state of Andhra Pradesh was left without a Capital. Therefore, the then executive appointed an 'advisory committee', vide G.O.Ms. No.133, Dt.20/07/2014, MAUD Dept., to advise it on the following aspects;

- i. Conceptualization of a vibrant, diverse and inclusive city which is a magnet for skilled work force.*
- ii. Creation of a highly liveable urban eco system that provides a productive, comfortable and a happy life for all its residents.*
- iii. Efficient use of natural resources – land, water and energy minimal commutes, green technologies, green spaces, water- fronts etc., that promotes smart and sustainable urban development.*

- iv. *Urban Planning Policies that promote vertical development along transportation corridors, not only within the city but also in the larger Metropolitan area, thereby preventing development of an urban sprawl.*
- v. *Effective institutional and management systems for cost efficient construction and professional management of the new Capital.*
- vi. *Supplement the resources committed by the Government of India with innovative mechanisms to raise additional resources for development.*

The committee after due deliberations recommended Amaravati as the Capital. The said committee considered the following major factors among many others, in identifying the said location as the Capital:

- a) *Centrally located and accessible to all the 13 districts in the State of A.P., in other words, it is equidistant from southern most district Ananthapur, to the eastern most district Srikakulam.*
- b) *Amaravati is connected to all the nook and corners of the State of A.P., via existing Road and Rail connectivity.*
- c) *Gannavaram Airport is nearby.*
- d) *365 days x 24/7 potable drinking water availability, which is one of the, essential life lines, to have sustainable liveable city.*
- e) *The location has an ancient historical background, which is once a Capital of the glorified "**Sathavahana Dynasty**".*



Based on all the above considerations, a report was submitted to the-then executive, which took a policy decision to setup a Capital city of Amaravati comprising 29 villages, which are situated in Thulluru, Tadepalli and Mangalagiri Mandals of Guntur Districts, with the '*Growth Engine Model*'. **You may recall that the said decision of the then executive was unanimous as it was accepted by all the MLAs of TDP, YSRCP and BJP in the Assembly.** As a result of the said decision the AP Legislature enacted, the "**Andhra Pradesh Capital Region Development Authority Act, 2014**", which came into force on 30/12/2014, vide G.O.Ms. 252, MAUD (M2) Department. Thus, the said activity became lawful, as it is supported by Substantive Law. Pursuant to Sec 3(1) of the APCRDA Act, 2014, the AP state 'Capital City Area' was notified, vide G.O.Ms. 254, Dt. 30/12/2014, where under, the schedule appended to the said G.O indicates that, the "Capital City", to be notified in 'Thulluru, Tadepalli and Mangalagiri' Mandals of Guntur District and 29 villages in the said 3 Mandals. This notification is subsisting even as on today. In terms of the Section 2(22) of the AP CRDA Act, 2014 a call was given to all the farmers in 29 villages of the Capital area to offer their lands for the development of the Capital city of Amaravati under land pooling scheme as per the benefits offered vide G.O.Ms.No.1, MAUD (M-2) Department, Dt.01/01/2015, G.O.Ms.No.43, Dt.09/03/2015, G.O. Ms.59, Dt.20/03/2015, and G.O.Ms. 41, Dt. 17/02/2016. Accordingly 29,754 small and marginal farmers voluntarily offered 33,771 acres of their land under the said scheme for the establishment of the Capital city of Amaravati. Further, the government also included 19,876 acres of its land to the above pool after obtaining clearances from Ministry of Environment,

Government of India and planned "Green Field" Capital city in a total area of 53,647 acres.

The then government drew up a "Master Plan" for the development of Amaravati consisting of the following 9 theme cities viz;

- i. *Government city (2702 Acres)*
- ii. *Justice City (3438 Acres)*
- iii. *Finance City (5168 Acres)*
- iv. *Knowledge City (8547 Acres)*
- v. *Electronic City (6582 Acres)*
- vi. *Health City (6511 Acres)*
- vii. *Sports City (4150 Acres)*
- viii. *Media City (5107 Acres)*
- ix. *Tourism City (11,574 Acres)*

The said 'Master Plan', was published in all the leading Newspapers, inviting objections, from all the citizens of AP, after considering the said objections and suggestions the said *Master Plan* for all the nine theme cities, was notified in the AP Gazette as defined under Section 2 (55), 2 (32) R/w. Chapter X provisions of the APCRDA Act, 2014, read with LPS Rules, 2015.

Subsequently, foundation stone for Amaravati was laid on 22.10.2015 by the Hon'ble Prime Minister Sri.Narendra Modi Ji and the function was attended by several dignitaries from across the country. In terms Section 94(3) of A.P. Reorganisation Act, 2014 the Central Government released an amount of Rs.1500 Crores for the development of the Capital and the government of A.P. raised

another Rs.2000 Crores by issuing Amaravati Bonds, which are listed with the Bombay Stock Exchange. The government also received public donations to the extent of Rs.42 crores for Amaravati. In addition to these funds the A.P. Government raised several thousands of crores through loans from banks and other institutions. The legislative Assembly, Secretariat and High Court buildings became operational and works in respect of residential complexes for MLA's, MP's and employees are near completion. The A.P. Government allotted several acres of land at Amaravati to 130 Central Government organisations in addition to several private entrepreneurs and some of the prestigious institutes started their operations at Amaravati.

As on the day you assumed the office 62 projects were under progress at an estimated cost of Rs.52,837 Crores out of which tenders were finalised for the works worth of Rs.42,170 Crores. Surprisingly, your government immediately after assuming office brought the ongoing construction work at Amaravati to a grinding halt without assigning any reason. In continuation of your statement on the floor of the Assembly, subsequent statements by your cabinet ministers, the preparation like identifying buildings for secretariat at Vishakahpatnam and the ongoing agitations, which are now seized of by the Hon'ble High Court – clearly denote that you have decided to shift the Capital. The idea of shifting the Capital at this stage from Amaravati defies logic and can have far reaching consequences legally and financially and hence it needs immediate reconsideration in the larger interests of the state and its people. I am perplexed to hear again and again from you and your ministers that some functionaries in the previous government got undue



benefit at Amaravati through insider trading. Assuming your allegation that 4075 acres of land was cornered at Amaravati through insider trading is correct it amounts to only 12% of the total land acquired through land pooling and on this pretext balance 88% of the land cannot be rendered useless. If anyone resorted to malpractice for the financial benefits none can stop you from investigating and punishing the culprits and in fact I demanded full pledged enquiry on this subject on a number of occasions. If you are apprehensive that the existing laws are not enough to proceed against the culprits in this case nothing stops you from bringing new legislations like "Disa Act."

Another, justification offered for shifting the Capital is that completion requires more than one lakh crore rupees, which the AP Government cannot afford at present. Even this is also a clear misrepresentation of facts and far from the truth as the following figures speak for themselves.

- **Total land pooled : 33,771 acres.**
- **Land earmarked for common facilities like roads, parks etc (50%) : 16,885.50 Acres .**
- **Farmer share(25%) : 8442.75 Acres.**
- **Balance available with government : 8442.75 Acres**

As per the current market value this balance land available with the government can fetch Rs.1,26,641 Crores @ Rs.15 Crore per acre. At present private developers are spending Rs.40 lakhs per acre for Grade A development with roads and drainage and going by this standard an amount of Rs.13,508 Crores is required for



development of the pooled land at Amaravati. Therefore, after selling the balance land available with the government and developing the pooled land a surplus amount of Rs.1,13,133 Crores will be available with the government. In addition to this 19,876 Acres of government land, which was pooled for the development of Capital city is also at the disposal of the government. It is apparent from these facts that what is not available with the government is not money and it is the will to develop the Capital city at Amaravati. If a conducive atmosphere for investments is created this land can be leveraged through potential entrepreneurs / Institutes for generation of revenues through a well defined Swiss Challenge mode and the development of the Capital at Amaravati can easily be taken to its logical end without any hick ups. In this regard I can offer my services to the government of Andhra Pradesh without any hesitation in the interests of the state and its people. It is needless to say that shifting of Capital will be double jeopardy as the government has to spend substantial amount at new place while wasting the huge amount already spent at Amaravati. Apart from this the very concept of three Capitals is impractical, inoperative and extremely difficult to sustain.

No place can become a Capital just because someone calls it a Capital. As per definition and the convention the world over the Capital is the principal seat of administration and it includes Legislature, Secretariat, Raj Bhavan, the Judiciary, residential and other infrastructure facilities. As on date Amaravati has the functional buildings for the Assembly, the Secretariat, the High Court, the Raj Bhavan and residential quarters for the executive are near completion. Therefore, right now Amaravati is a full pledged



functional Capital city and by spending about Rs.3000 crores the balance minor pending works can be completed and hence the shifting of Capital at this juncture is clearly unwarranted, illogical and unjustified.

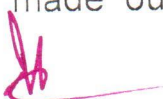
Apart from all the facts discussed above, we the people occupying public office are expected to be judicious and keep public interest alone in mind while taking decisions. It may be pertinent to draw your attention that all the sovereign agreements entered by the previous government with the farmers, entrepreneurs and contractors in the process of developing Amaravati Capital city are legally binding on the successive Governments also as the Government is permanent in nature unlike persons. All these stake holders will be compelled to seek compensation through the courts for violating the sovereign agreements by shifting the Capital from Amaravati. I am sure that you are aware that any compensation in this regard has to be worked out as per the provisions of the Right to fair compensation and transparency in land acquisition, rehabilitation and re-settlement Act, 2013. Considering the market value of Rs.5000 per square yard fixed by the government in all the 29 villages of Amaravati the compensation for the farmers alone works out as under:



- Yield per acre : 4480 Sq. Yards
- Market Value per acre: @ Rs.5000 per Sq. Yard:
Rs.2.24 Crore.
- Formula as per R&R Act; $2.24 \times 1.25 \times 2 = \text{Rs.}5.60$
Crore
- Total compensation: $33,771 \times 5.60 = \text{Rs.}1,89,117$ Crore
- Interest @12% is payable from the date of award till
the payment is completed.

In addition to the farmers other stake holders like those purchased Amaravati Bonds, contractors engaged in development of Amaravati and the entrepreneurs and the institutes purchased land at Amaravati can also claim compensation and this may work out to another Rs.2,00,000/- Crores (Rupees two lakh crores) . Therefore, in the event of shifting Capital from Amaravati the government of Andhra Pradesh may have to pay about Rs.4,00,000 Crore(Rupees four lakh crore) as compensation to various stake holders. In such an event the state economy, which is already fragile, will be destroyed beyond repair and the consequences will be frightening to think about. This will clearly lead to financial emergency and it will be impossible for the state to raise any loan as its credit rating will be negative based on perceived liabilities.

As I have already mentioned the persons leading the governance are expected to be impartial, judicious and their decisions should be aimed at well being of the governed. It can be made out from the recent statements given by you and various



other functionaries in your government that the decision to create the so called three Capitals is ill conceived. To my mind this type of decisions - not honouring sovereign commitments will affect the nation image and interest, and could work against our target of reaching "Five Trillion Dollar Economy" for which our Hon'ble Prime Minister is endeavouring. Being responsible leaders let us keep aside the petty politics while taking decisions involving the survival of our future generations.

Hope that you are aware of the famous saying that "PROTECT THE TREE AND THE TREE PROTECTS YOU." Similarly I urge you to "PROTECT AMARAVATI AS AMARAVATI CAN PROTECT ANDHRA PRADESH."

Jai Hind. Jai Andhra Pradesh.

With *The Best Wishes.*

Yours *Sincerely*

Menon

(Y.S.CHOWDARY)

To

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