

**PUNJAB REORGANISATION ACT, 1966 PART VIII
(BHAKRA NANGAL AND BEAS PROJECT)**

**PART VIII
BHAKRA NANGAL AND BEAS PROJECTS**

78. (1) Notwithstanding anything contained in this Act but subject to the provisions of section 79 and 80, all rights and liabilities of the existing State of Punjab in relation to Bhakra-Nangal Project and Beas Project shall, on the appointed day, be the rights and liabilities of the successor States in such proportion as may be fixed, and subject to such adjustments as may be made by agreement entered into by the said States after consultation with the Central Government or, if no such agreement is entered into within two years of the appointed day, as the Central Government may by order determine having regard to the purposes of the projects.

Provided that the order so made by the Central Government may be varied by any subsequent agreement entered into by the successor States after consultation with the Central Government.

(2) An agreement on the order referred to in sub-section (1) shall if there has been an extension or further development of either of the projects referred to in that sub-section after the appointed day, provide also for the rights and liabilities of the successor States in relation to such extension or further development.

(3) The rights and liabilities referred to in sub-sections (1) and (2) shall include —

(a) the rights to receive and to utilise the water available for distribution as a result of the projects and

(b) the rights to receive and to utilise the power generated as a result of the projects, but shall not include the rights and liabilities under any contract entered into before the appointed day by the Government of the existing State of Punjab with any person or authority other than Government.

(4) In this section and in sections 79 and 80 -

(A) "Beas Project" means the works which are either under construction or are to be constructed as components of the Beas Sutlej Link Project (Unit I) and Pong Dam Project on the Beas river (Unit II) including -

- (i) Beas Sutlej Link Project (Unit I) comprising
 - (a) Pandoh Dam and works appurtenant thereto,
 - (b) Pandoh-Baggi Tunnel,
 - (c) Sundernagar Hydrel Channel,
 - (d) Suddernagar Sutlej Tunnel,
 - (e) By-pass Tunnel
 - (f) four generating units each of 165 M.W. capacity at Dehar Power House on the right side of Sutlej river,
 - (g) fifth generating unit of 120 M.W. capacity at Bhakra Right Bank Power House,
 - (h) transmission lines,
 - (i) Balancing Reservoir;
- (ii) Pong Dam Project (Unit II) comprising-
 - (a) Pong Dam and works appurtenant thereto,
 - (b) Outlet Works,
 - (c) Penstock Tunnels,
 - (d) Power plant with four generating units of 60 M.W. each
- (iii) Such other works as are ancillary to the works aforesaid and are of common interest to more than one State;

(B) "Bhakra-Nangal Project" means-

- (i) Bhakra Dam, Reservoir and works appurtenant thereto;
- (ii) Nangal Dam and Nangal-Hydel Channel;
- (iii) Bhakra Main Line and canal system;
- (iv) Bhakra Left Bank Power House, Ganguwal Power House and Kotla Power House, switchyards, sub-stations and transmission lines;
- (v) Bhakra Right Bank Power House with four units of 120 M.W. each.

79. (1) The Central Government shall constitute a Board to be called the Bhakra Management Board for the administration, maintenance and operation of the following works, namely:-

- (a) Bhakra Dam and Reservoir and works appurtenant thereto;
- (b) Nangal Dam and Nangal-Hydel Channel up to Kotla Power House;
- (c) The irrigation headworks at Rupur, Harike and Ferozepur;
- (d) Bhakra Power Houses;

Provided that the administration, maintenance and operation by the said Board of the generating units of the Right Bank Power House as have not been commissioned shall commence as and when any such unit has been commissioned;

- (e) Ganguwal and Kotla Power Houses;
- (f) Sub-stations at Ganguwal, Ambala, Panipat, Delhi, Ludhiana, Sangrur and Hissar and the main 220 KV transmission lines connecting the said sub-stations with the power stations specified in clauses (d) and (e); and
- (g) such other works as the Central Government may by notification in the Official Gazette, specify.

(2) The Bhakra Management Board shall consist of—

- (a) a whole-time Chairman and two whole-time members to be appointed by the Central Government;
- (b) a representative each of the Governments of the States of Punjab, Haryana and Rajasthan and the Union territory or Himachal Pradesh to be nominated by the respective Governments or Administrator, as the case may be;
- (c) two representatives of the Central Government to be nominated by that Government.

(3) The functions of the Bhakra Management Board shall include—

- (a) the regulation of the supply of water from the Bhakra-Nangal Project to the States of Haryana, Punjab and Rajasthan having regard to—
 - (i) any agreement entered into or arrangement made between the Governments of the existing State of Punjab and the State of Rajasthan, and
 - (ii) the agreement or the order referred to in sub-section (1) of section 78;
- (b) the regulation of the supply of power generated at the power houses referred to in sub-section (1) to any Electricity Board or other authority in charge of the distribution of power having regard to
 - (i) any agreement entered into or arrangement made between the Governments of the existing State of Punjab and the State of Rajasthan,
 - (ii) the agreement or the order referred to in sub-section (1) of section 78, and
 - (iii) any agreement entered into or arrangement made by the existing State of Punjab or the Punjab Electricity Board or the State of Rajasthan or the Rajasthan Electricity Board with any other Electricity Board or authority in charge of distribution of power before the appointed day in relation to the supply of power generated at the power houses specified in sub-section (1).
- (c) the construction of such of the remaining works connected with the Right Bank Power House as the Central Government may specify;
- (d) such other functions as the Central Government may, after consultation with the Governments of the States of Haryana, Punjab and Rajasthan, entrust to it.

(4) The Bhakra Management Board may employ such staff as it may consider necessary for the efficient discharge of its functions under this act:

Provided that every person who immediately before the constitution of the said Board was engaged in the construction, maintenance or operation of the works in sub-section (1) shall continue to be so employed under the Board in connection with the said works on the same terms and conditions of service as were applicable to him before such constitution until the Central Government by order directs otherwise:

Provided further that the said Board may at any time in consultation with State Government or the Electricity Board concerned and with the previous approval of the Central Government return any such person for service under that Government or Board.

(5) The Governments of the successor States and of Rajasthan shall at all times provide the necessary funds to the Bhakra Management Board to meet all expenses (including the salaries and allowances of the staff) required for the discharge of its functions and such amounts shall be apportioned among the successor States, the State of Rajasthan and Electricity Boards of the said States in each proportion as the Central Government may, having regard to the benefits to each of the said States or Boards, specify.

(6) The Bhakra Management Board shall be under the control of the Central Government and shall comply with such directions, as may from time to time, be given to it by that Government.

(7) The Bhakra Management Board may with the approval of the Central Government delegate such of its powers, functions and duties as it may deem fit to the Chairman of the said Board or to any officer subordinate to the Board.

(8) The Central Government may, for the purpose of enabling the Bhakra Management Board to function effectively, issue such directions to the State Governments of Haryana, Punjab and Rajasthan and the Administrator or the Union territory of Himachal Pradesh or any other authority, and the State Governments, Administrator or authority shall comply with such directions.

(9) The Bhakra Management Board may, with the previous approval of the Central Government and by notification in the Official Gazette, make regulations consistent with this Act and the rules made thereunder, to provide for-

- (a) regulating the time and place of meetings of the Board and the procedure to be followed for the transaction of business at such meetings;
- (b) delegation of powers and duties to the Chairman or any officer of the Board;
- (c) the appointment, and the regulation of the conditions of service, of the officers and other staff of the Board,
- (d) any other matter for which regulations are considered necessary by the Board.

80. (1) Notwithstanding anything contained in this Act or in any other law, the construction (including the completion of any work already commenced) of the Beas Project shall, on and from the appointed day, be undertaken by the Central Government on behalf of the successor States and the State of Rajasthan:

Provided that the Governments of the successor States and the State of Rajasthan shall at all times provide the necessary funds to the Central Government for the expenditure on the project (including the expenses of the Board referred to in sub-section (2)) and such amounts shall be apportioned among the successor States and the State of Rajasthan in such proportion as may be fixed by the Central Government after consultation with the Governments of the said States.

(2) For the discharge of its functions under sub-section (1), the Central Government may-

- (a) by notification in the Official Gazette and in consultation with the Governments of the successor States and the State of Rajasthan, constitute a Board to be called the Beas construction Board with such members as it may deem fit and assign to the Board such functions as it may consider necessary; and
- (b) issue such directions to the State Governments of Haryana, Punjab and Rajasthan and the Administrator of the Union territory of Himachal Pradesh or any other authority, and the State Governments, Administrator or other authority shall comply with such directions.

(3) The notification constituting a Board under clause (a) of sub-section (2) may empower the Board to appoint such staff as may be necessary for the efficient discharge of its functions:

Provided that every person who immediately before the constitution of the Board was engaged in the construction or any work relating to the Beas Project shall continue to be so employed by the Board in connection with the said works on the same terms and conditions of service as were applicable to him before such constitution until the Central Government by order directs otherwise:

Provided further that the Board may at any time in consultation with the State Government or the Electricity Board concerned and with the previous approval of the Central Government return any such person for service under that Government or Board.

(4) Nothing contained in this section shall be construed as enabling the Central Government to reduce or enlarge the scope of the Beas Project as agreed to between the Governments of the State of Rajasthan and the existing State of Punjab except after consultation with the Governments of the States of Haryana, Punjab and Rajasthan.

(5) Any component of the Beas Project in relation to which the construction has been completed after the appointed day may be transferred by the Central Government to the Board constituted under section 79 whereupon the provisions of that section shall apply as if it were a work included in sub-section (1) of that section.

(6) The Bhakra Management Board constituted under section 79 shall be re-named as the Bhakra Beas Management Board when any of the components of the Beas Project has been transferred under sub-section (5), and the Beas Construction Board shall cease to exist when all the components of the Beas Project have been so transferred.

Thus all the rights and liabilities of the composite State of Punjab in relation to Bhakra-Nangal Project and Beas project on the appointed day, that is, 1st November 1966, became the rights and liabilities of the successor States to be fixed by agreement between the States within two years failing which, as may be determined by an order of the Central Government. These rights include the rights to receive and utilise the water available for distribution and the rights to receive and utilise the power generated as a result of the projects. The 'Beas Project' and the 'Bhakra Nangal Project' have been comprehensively set out in clauses (A) and (B) of sub-section (4) of section 78 of the said Act. The Bhakra Nangal Project was complete then but the Beas Project was still under construction and that is why section 80 cast a duty on the Central Government to complete the same on behalf of the two successor States and the State of Rajasthan albeit with the funds provided by the three party States in such proportion as may be fixed by the Central Government. For the proper management, maintenance and operation of certain works of the Bhakra Nangal Project set out in section 79 the constitution of a Board called the Bhakra Management Board was envisaged. Under sub-section (5) of section 80 the Central Government was empowered to transfer any component of the Beas Project completed after the appointed day to the Board constituted under section 79 whereupon the Board was to be renamed Bhakra Beas Management Board. By section 97 the Central Government was empowered to frame the rules in respect of the matters catalogued in clauses (a) to (j) of sub-section (2) thereof in regard to the proper functioning of the Board and certain other incidental matters.