

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Finance Department - Establishment of the Andhra Pradesh State Development Corporation Limited (APSDC) as a 100 % State owned Public Limited Company with the mandate of planning, funding and financing social and economic development projects and activities in the State of Andhra Pradesh - Orders - Issued.

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**FINANCE (PMU-CASPS, FC&IF) DEPARTMENT**

**G.O.Ms.No.80**

**Date:27.08.2020**

**ORDER:**

The targeting & attainment of key socio-economic Sustainable Development Goals (SDGs), across multiple domains, viz. Poverty Eradication & Livelihood Enhancement [SDG-1], Doubling Agricultural Productivity and Farmer's Incomes [SDG-2], Reliable & Universal Healthcare[SDG-3], Inclusive & Equitable Quality Education [SDG-4], Women Empowerment [SDG-5], Clean Water & Sanitation[SDG-6], Housing for Poor [SDG-11], etc., in the State of Andhra Pradesh requires the continuous availability and allocation of funds and ring fencing of the same from competing demands.

2. In order to realise the above objective, the Government has decided to establish a dedicated corporation namely, "Andhra Pradesh State Development Corporation (APSDC)" as a 100% State owned Public Limited Company with the mandate of planning, funding and financing social and economic development projects and activities in the State of Andhra Pradesh.

3. The Government shall identify and entrust to the aforesaid Corporation, specific social & development projects and activities of the Government for funding and financing.

4. In order to enable the APSDC to implement the designated goals and meet its funding and debt servicing obligations, Government shall identify and dedicate the requisite resources comprising of the existing and new revenue streams through the levy of new/additional taxes/cesses/fees, charges, etc., and arrange duly assigning these revenues to the APSDC and deposit it in escrow for the benefit of the APSDC. The Government shall also assign suitable assets to the APSDC to increase its net worth.

5. If, for any reason whatsoever, the Government revokes or modifies the identified and/or assigned revenue stream/s, it shall be incumbent upon the Government to identify and assign equivalent alternative revenue stream/s to the APSDC. Similarly, if there is any shortfall in the assigned revenues, it shall be incumbent upon the Government to identify and assign additional revenue stream/s to make good the shortfall. In the alternative, the Government shall guarantee and/or take over the financial and debt servicing obligations of the APSDC to the extent of the deficit.

6. The Government, if so warranted, shall pass such laws and/or rules to give effect or enable any of the activities of the APSDC/Government, as mentioned hereunder.



7. The core activities of the APSDC, are as follows:-
- A. To fund and finance, the specific social and economic projects and activities, entrusted by the Government to the Corporation;
  - B. To work towards the fulfilment of its core objective, as stated above, through innovative financing, wider market outreach and by facilitating deeper access to the market participants;
  - C. To mobilise resources from the financial institutions, investors, contributors and others through the escrow of the assigned cash flows and follow the principles of fiscal prudence while managing the activities;
  - D. To raise money from capital markets (domestic & international), money markets and other instruments in compliance with various statutes, rules, regulations, as prescribed by various statutory and regulatory authorities;
  - E. To receive any grants and donations from the State/ Central Government or undertakings of State / Central Government or foundations/ CSR/ charitable/ philanthropic organisations across the globe or funding from multilateral/ bilateral/ development organisations or from institutions /persons for meeting the above objectives;
  - F. To issue shares/ bonds/ debentures/ bills / any other instruments dependent on the structure of financing and as per the provisions of the Companies Act, 2013, SEBI regulations and other applicable laws;
  - G. To establish or promote or concur in establishing any Companies or Trusts or Societies or fund which may directly or indirectly help achieving the core objectives of the APSDC;
  - H. To enter into any agreements with the Government or any of its undertakings in fulfilment of its core objectives;
  - I. To ensure that there is proper utilization of the funds in accordance with its core objectives.
8. The APSDC shall invest, with due diligence and prudence, the moneys which cannot be immediately applied in public financial institutions (or) Government of India securities (or) Government of Andhra Pradesh owned NBFCs, subject to such conditions as may, from time to time, be specified by the Board.
9. The APSDC shall accept grants, subventions, donations, and gifts from the Central or State Government or local body or any individual or body, whether incorporated or not, for all or any of the purposes as mentioned above, on such terms and conditions as mutually agreed upon.
10. The authorized and paid-up capital of the APSDC shall be Rs.5 lakh (Rupees Five Lakh only) divided by 50,000 number of equity shares of Rs.10/- each. The entire equity of the APSDC shall be held by the Government of Andhra Pradesh. In future, the Government of Andhra Pradesh may choose to increase the share capital in accordance with various norms.



11. The shareholding / initial subscribers of the APSDC shall be as follows:

Sl. No.	Name of the Subscriber, Address, Description and Occupation with their Signatures	No. of Equity Shares taken by each Subscriber
1	His Excellency Hon'ble Governor of Andhra Pradesh represented by Principal Finance Secretary, Finance Department, Government of Andhra Pradesh.	49,994
2	Chief Secretary, Government of Andhra Pradesh	1
3	Secretary to Government (RM&IF), Finance Dept. Government of Andhra Pradesh.	1
4	Special Secretary to Govt. (B&HR), Finance Dept. Government of Andhra Pradesh.	1
5	Deputy Secretary to Govt. Finance Dept., Government of Andhra Pradesh.	1
6	Additional Secretary to Govt. Finance Dept., Government of Andhra Pradesh.	1
7	Joint Secretary to Govt., Finance Dept., Government of Andhra Pradesh.	1
	TOTAL	50,000

12. The Government may appoint new shareholders after the incorporation/ commencement of the business of the Company.

13. The APSDC shall be managed by a Board comprising of senior State Government officials and industry experts.

A. The first Directors of the Company shall be:

Sl. No.	Person	Designation
1	Chief Secretary, Government of Andhra Pradesh.	Chairperson
2	Principal Finance Secretary, Government of Andhra Pradesh.	VC&MD
3	Special Chief Secretary/ Principal Secretary, Revenue (CT, Excise & RS)	Director
4	Special Chief Secretary/ Principal Secretary, Mines & Geology	Director
5	Secretary to Government (RM&IF), Finance Dept. Government of Andhra Pradesh.	Director
6	Special Secretary to Govt. (B&HR), Finance Dept. Government of Andhra Pradesh.	Director

B. The above Directors will be for incorporation of the Company only. The Government shall appoint new Directors including Independent Directors in due course, as required.



- C. The Board will establish Committees including Audit Committee, Credit Committee, Investment Committee, Risk Management Committee and other Committees as required under the Companies Act, 2013 or any other applicable Acts.
- D. The VC&MD of the APSDC is authorised to appoint a professional management team so as to manage day to day operations of the company in a professional and competent manner in line with the industry best practices.
14. The Registered office of the Company is proposed to be situated at the 6<sup>th</sup> Floor, C Block, Anjaneya Towers, Ibrahimpatnam, Krishna District, Andhra Pradesh.
15. The Government hereby authorise the Principal Finance Secretary, Government of Andhra Pradesh to prepare and finalise the Memorandum of Association and Articles of Association as per the provisions of the Companies Act, 2013 and to sign all papers, deeds, e-forms and other documents as applicable for the incorporation of the APSDC.
16. The Principal Finance Secretary, Government of Andhra Pradesh is authorized to incur necessary statutory expenses and fees of professionals to incorporate the Company. In this regard, the Government shall allot necessary budget for meeting the administrative expenses.
17. The Principal Finance Secretary, Government of Andhra Pradesh is nominated as the nominee of the Hon'ble Governor of Andhra Pradesh for signing on the papers/deeds/documents for incorporation of the new company along with the Company Secretary of the APSDC.
18. The proposed name of the Corporation viz. the Andhra Pradesh State Development Corporation Limited is subject to name availability from the Ministry of Corporate Affairs or else the Principal Finance Secretary, Government of Andhra Pradesh is authorised to propose an alternative name.
19. The Principal Secretary, Finance, Government of Andhra Pradesh shall take further necessary action in the matter accordingly.
20. A copy of the G.O. is available at <https://goir.ap.gov.in>.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**SHAMSHER SINGH RAWAT  
PRINCIPAL SECRETARY TO GOVERNMENT**

To  
All the Departments in A.P. Secretariat, Velagapudi, Amaravati.  
All the Heads of Departments in A.P.  
The Principal Accountant General (Audit) A.P. Hyderabad.  
The Principal Accountant General (A&E) A.P Hyderabad.  
The Regional Director, RBI, Hyderabad  
The Registrar of Companies, A.P.



Copy to:

The OSD to the Hon'ble Chief Minister.

The OSD to the Minister for Finance.

The OSD to the Chief Secretary.

The PS to the Principal Finance Secretary.

The PS to the Principal Secretary, Revenue Department.

The PS to the Secretary to Govt. (RM & IF), Finance Department

The PS to the Special Secretary to Govt. (B&HR), Finance Dept.

The CEO, APCFSS, A.P, Ibrahimpatnam.

SF/SC's(1215116)

// FORWARDED::BY ORDER //

SECTION OFFICER

