

GOVERNMENT OF ANDHRA PRADESH ABSTRACT

MA&UD (CRDA)Department - A.P. Capital Region Development Authority (APCRDA) – Formation of a Special Purpose Vehicle (SPV) under the Companies Act for Development, Implementation, Operation and Management of Special Projects in Amaravati Capital City and Region – Orders – Issued.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (CRDA) DEPARTMENT

G.O.MS.No. 206

Dated: 07-10-2025

Read the following:

1. From the Commissioner, CRDA, Vijayawada, Lr.No.MAU61-COOR0MEET(CM)/9/2025-OM, Dt.03.09.2025.
2. Resolution No.575/2025 52nd APCRDA Authority Meeting, Dt.02.09.2025.

ORDER:-

In the reference 1st read above, the Commissioner, Andhra Pradesh Capital Region Development Authority, Vijayawada has informed that, the 52nd APCRDA Authority Meeting held on 02.09.2025, passed the following resolution on the agenda item and furnished to the Government for necessary approval.

RESOLU- TION NO.	SUBJECT	RESOLUTION
575/2025	APCRDA - Formation of Special Purpose Vehicle (SPV) for the development, implementation, operation and management of special projects to achieve the targeted development in the Amaravati Capital City & Region	<ol style="list-style-type: none">1. RESOLVED that the Authority do and hereby approve the proposal to request the Government to accord approval for the formation of the Special Purpose Vehicle (SPV) under the Companies Act, with the broad Objectives.2. RESOLVED further to request the Government to approve the Authorized Share Capital for the SPV.3. RESOLVED further to request Government to approve the initial Paid-up Capital.4. RESOLVED further to request Government to approve proposed Shareholders of the SPV.5. RESOLVED further to request the Government to propose and approve the appointment of the initial Board of Directors of the

SPV.

6. **RESOLVED** further to request the Government to select and appoint Managing Director of the SPV at the earliest.
7. **RESOLVED** further to request the Government to authorize the Principal Secretary to Government, MA&UD Department or authorize the Commissioner, APCRDA to sign the Memorandum of Association (MoA) and Articles of Association (AoA) of the SPV.
8. **RESOLVED** further to request the Government to sanction the release of funds towards meeting the Incorporation Expenses of the SPV.
9. **RESOLVED** further to request the Government to authorise the Commissioner, APCRDA to identify and establish the Registered and Administrative Office of the SPV.
10. **RESOLVED** further to request the Government to confirm Legal Competence of the Principal Secretary to Government, MA&UD Department or authorise the Commissioner, APCRDA on the Powers and Functions in relation to the SPV.
11. **RESOLVED** further to request the Government to approve the Key Terms to be used in the context of the SPV.
12. **RESOLVED** further to request the Government to approve the indicative Roles & Responsibilities of the Government, APCRDA and the SPV.
13. **RESOLVED** further to request the Government to authorize the Commissioner, APCRDA, to execute the necessary

documentation on behalf of the Government and to take all requisite actions to implement the above decisions after due approval process.

2. After careful examination, the Government hereby accord approval for the formation of a Special Purpose Vehicle (SPV) under the Companies Act, in line with the broad Objectives outlined for the development, implementation, operation and management of special projects to achieve the targeted development in the Amaravati Capital City and Region and governance framework as detailed below.

1. Key Terms to be used in the context of the SPV

- **Special Projects** – Projects notified or approved by the Government/APCRDA for execution under the SPV format in the Amaravati Capital City and Region.
- **Concessioning Authority** – The Government of Andhra Pradesh or the designated SPV, as applicable, authorized to grant concession rights to the Concessionaire in PPP projects.
- **Concessionaire** – The private sector entity selected through the approved procurement process for implementation and/or operation of the project.
- **Project Lifecycle Activities** – Planning, design, financing, procurement, construction, commissioning, operation, maintenance, and transfer/termination, as applicable.
- **Special Purpose Vehicles** – SPVs notified and approved by the Government for the Special Projects to undertake Project Life Cycle Activities mentioned above
- **Contractor/Operator** – Government /Private Sector entities selected by SPVs through Competitive Bidding and approved by the Government
- **Lenders** – Lenders to the Private Sector Participant in PPP Projects and Lenders to SPVs for the EPC Mode Projects
- **Landowner** – APCRDA and/or the Government
- **Revenue Generation** – to APCRDA as Landowner, to the Government as Concessioning Authority & to SPVs as Project Owners
- **Contract Administration** – Post Award Governance in case of PPP Projects and Construction Supervision/Monitoring as per the best practices followed for projects of such size and scale similar to the special projects
- **Stakeholders for the Special Projects** – All entities which are linked to the Special Projects.

2. Objectives of the Special Purpose Vehicle (SPV) be named as SPV :

The SPV shall:

- Undertake and execute the complete project lifecycle aspects covering planning, development, financing, implementation, operation, and management of Special Projects as envisaged by the APCRDA and the Government from time to time.

- Mobilize participation for Special Projects from public and private sector participants and structure projects under PPP (BOT, Hybrid-Annuity etc.), EPC, Operation & Maintenance, or other approved models.
- Function in close coordination with APCRDA for fund raising for SPV approvals, regulatory clearances, and inter-agency coordination within their sectoral mandates.
- Ensure compliance with all applicable regulatory, environmental, and social safeguard requirements.
- Institutionalize innovation, technology adoption, and capacity building within their respective sectors.
- Undertake the responsibility of contract administration for Special Projects for the entire Project Lifecycle
- Revenue generation to APCRDA and/or government or to any State government entity through the special projects as agreed at the time of sanction of such special projects.
- Debt servicing to the Lenders to SPV wherever applicable without any default.
- Stakeholder management for Special Projects.

3. Special Projects Identified for the purpose include development, implementation, operation and Management of

- i. Greenfield Airport
- ii. Statue of N.T.R
- iii. Smart Industries
- iv. Iconic Bridge
- v. Sports City
- vi. Riverfront Development
- vii. Ropeway
- viii. Inner Ring Road (IRR)
- ix. Other special projects identified from time to time.

4. Authorized Share Capital

Initial Authorised Capital of INR 10 Crores for the SPV. This may be enhanced from time to time based on the decisions of the Board of Directors of the SPV with the approval of the Government. The Authorised Share Capital will be divided.

5. Paid-up Share Capital

Initial Paid-up Share Capital of INR 1 Crore divided into 10,00,000 number of equity shares of INR 10/- each for the SPV. This may be enhanced from time to time based on the decisions of the Board of Directors of the SPV with the approval of the Government.

6. Shareholders of the SPV

- Government of Andhra Pradesh represented by the Principal Secretary to Government, Municipal Administration & Urban Development to hold 99.99% of the equity of the SPV.

- 0.01% equity will be shared by APCRDA and such other nominated Government Officers or Agencies in order to fulfill the requirements of the Companies Act 2013 for the incorporation of the SPV.
- The Principal Secretary to Government, Municipal Administration & Urban Development Department will be authorised by the Government to sign the incorporation papers for the SPV on behalf of the Governor of Andhra Pradesh and also to represent him in all the meetings of the SPV on his behalf.

7. Board of Directors of SPV

- The Initial Board of Directors shall consist of the following:
 1. Principal Secretary to Government, MA&UD Department – Non-Executive Chairman
 2. Principal Secretary, Finance Department – Director
 3. Principal Secretary, Energy Department - Director
 4. Principal Secretary, Transport, Roads & Buildings Department - Director
 5. Principal Secretary, Industries Department - Director
 6. Commissioner, APCRDA - Director
 7. To be selected from Industry 3 Independent Directors after the incorporation of the SPV.
- Board of Directors of the SPV shall be reconstituted based on the requirements from time to time and will be decided by the Board of Directors of the SPV and with the approval of the Government.
- Appointment of Managing Director(s) of the SPV :- The Principal Secretary to the Government, Municipal Administration & Urban Development who will be the Non-Executive Chairman of the Board of SPV shall nominate Managing Director as per the provisions of Companies Act 2013 as well as Government Procedures to be followed for the appointment of Managing Director of SPV.

8. The Principal Secretary to Government, Municipal Administration & Urban Development Department will be authorised by the Government to finalise and sign the Memorandum of Association (MOA) and Articles of Association (AOA) for the SPV on behalf of the Governor of Andhra Pradesh.

9. Incorporation Expenses

- The Principal Secretary to Government, Municipal Administration & Urban Development Department will be authorised by the Government to approve the incurring, incorporation of the company expenses such as registration fees, stamp duty and professional fees etc. for the SPV estimated approximately to be INR 15 lakhs (Rupees Fifteen Lakhs Only) for the SPV.

- The Principal Secretary shall authorise the Commissioner, APCRDA to incur expenses for incorporation of the company such as registration fees, stamp duty and professional fees etc. for the SPV.

10. Registered and Administrative Offices of the SPV

- The Principal Secretary to Government, Municipal Administration & Urban Development Department will be authorised by the Government to approve the establishment of Registered and Administrative Office of the SPV.
- The Principal Secretary may authorise the Commissioner, APCRDA to identify and establish Registered and Administrative Office of the SPV.

11. Legal Competence for exercising of the powers and functions of the SPV

- Section 17(2) of Andhra Pradesh Capital Region Development Authority Act 2014 and as amended as on date, Government can direct the Principal Secretary to the Government, Municipal Administration & Urban Development Department and who will also be the Non-Executive Chairman of Board, Directors of the SPV can exercise the following powers and statutory functions in accordance with the applicable legal provisions including the procedures to be established by the SPV.
 - To prepare Detailed Development Plan for the Special Projects based on approved master plan and to be approved by APCRDA.
 - To design, develop, implement and operate & maintain the Special Projects, including the provision of city services
 - To collect development charges from the private developer as approved by the APCRDA.
 - To collect lease rentals, user charges and tariffs as authorised by APCRDA and regulated by relevant authorities.
 - To select Developers/Contractors/Operators for the Special Projects with the approval of APCRDA.
 - To raise financial resources from market besides government funding as required.
 - To develop trunk infrastructure for Special Projects as authorised by the Government and as per approved master plan of APCRDA.
 - To provide transport, power distribution, water supply, solid waste management, Information and Communication Technology (ICT) or any other infrastructure in common area other than the area developed by Contractor/Developer/Operator either directly or through PPP mode as per viability on smart city principles.
 - To provide social infrastructure (eg. health care, sports, education and entertainment) for the Special Projects through various parties to ensure eco system for development.
 - To engage professionals from market on competitive terms and acquire capabilities and act as world class public agency for Special Projects development

12. Legal Competence for Andhra Pradesh Capital Region Development Authority (APCRDA) in relation to the SPV

- Section 13(1) of the APCRDA Act, 2014 empowers the Authority to form or participate in the formation of companies/SPVs:

"The Authority may, form or participate in the formation of a company or create Special Purpose Vehicles (SPVs) with powers to raise money through equity, for various purposes, including but not limited to, design and construction of buildings related to capital city area, large infrastructure projects, provision of utility services, provision of urban services, design and execution of social infrastructure projects, and land acquisition and augmentation of financial resources. The Authority could participate in such SPVs as an equity or debt holder, and also have specified members of the Authority as members of the Board of such SPVs."

13. Roles and Responsibilities (indicative and not exhaustive) :

(a) Government:

- To promote one or more SPVs under the Companies Act, with authorized share capital and initial subscription as approved by the Government.
- To constitute the Board of Directors for SPV; APCRDA nominees shall serve on Boards wherever indented and approved by the Government.
- To designate the Government as the Concessioning Authority for special projects, with the option to authorize the relevant SPV to act as Concessioning Authority on a case-by-case basis.
- To enter into Concession agreement which is a tripartite agreement between APCRDA as land owner, Government/designated SPV as Concessioning Authority as the case may be and private player as concessionaire.
- To promote and supervise SPVs, approve Model Concession Agreements (MCAs), standard bidding documents, and land allotment policies for adoption by SPVs.
- To allocate lands directly to Concessionaires based on APCRDA/SPV recommendations, wherever it is necessary.
- To issue Government Orders permitting land mortgage or assignment of rights for raising finance, and determine tariffs, user fees, concession fees, and revenue-sharing arrangements in consultation with APCRDA.
- To approve project financing mechanisms through SPV, including equity, debt, grants, and Viability Gap Funding (VGF) where applicable.
- To monitor special projects through SPV, ensuring compliance with statutory, regulatory, and safeguard requirements.

(b) APCRDA:

- To act as Regulator and Planning Authority for special projects and act as Landowner for lands earmarked and provided for such special projects.

- To provide requisite land parcels to SPV for approved projects, as per Government approval.
- To receive revenue-sharing and/or other consideration (built-up space, lease rentals, licence fees, development premium, etc.) for PPP projects in lieu of land provided.
- To receive revenue sharing from SPV for Government-owned projects under the overall guidance & supervision of the Government.
- To review and recommend modifications to feasibility studies, DPRs, bidding documents, financial models, and contract agreements prepared by SPV; implementation of the recommendations and accountability for the non-compliance /adherence of such recommendations shall rest with SPV.
- To discharge local body functions, including tax collection, as may be notified.
- To coordinate closely with the SPV to ensure regulatory compliance, environmental and social safeguard integration, and alignment with capital city development objectives.

(c) SPV:

- To implement and be responsible for special projects including financing in the Amaravati Capital City and Region under the guidance and supervision of the Government, including through subsidiaries/JVs as required.
- To identify and conceptualize projects, prepare feasibility studies, DPRs, and financial models for Government approval.
- To manage procurement through approved modes (PPP, EPC, Hybrid Annuity etc.), administer contracts for the development, construction and O&M phases, and ensure quality, environmental, health, and safety compliance with approval from the Government.
- To prepare Model Concession Agreements (MCAs) & Contract Documents and procurement documents for special projects as approved by the Government; seek approval of Government for the same.
- To operate project-level financial planning & models, including revenue ring-fencing, and escrow mechanisms for PPP projects; ensure fair revenue sharing with APCRDA for PPP Projects as well as Government-owned projects under the overall guidance & supervision of the Government.
- To prepare and submit to the Board of the SPV the annual business plans, quarterly KPIs, and milestone-based progress reports; submit exception reports on delays, cost overruns, and safeguard issues.
- To undertake the responsibility of contract administration for Special Projects for the entire Project Life cycle revenue generation to APCRDA and/or government or to any state government entity through the special projects as agreed at the time of sanction of such special projects.
- Debt servicing to the Lenders to the SPV wherever applicable without any default.
- Stakeholder management for Special Projects
- To adhere to the best Corporate Governance Practices as may be adopted from the best practices for such SPVs in India.
- To recruit and deploy staff as per Government guidelines, engage consultants, and institute robust project management systems.

- To maintain complete statutory, contractual, and audit-compliant records; adopt e-procurement and transparency measures.

(d) Joint Responsibilities (APCRDA-SPV):

- To provide necessary inputs and recommendations for land ownership, mortgage, or auction structures, for the final decision by the Government in consultation with legal/tax experts.
- To exercise flexibility in allocating work and responsibilities between APCRDA and SPV to accelerate execution, in concurrence with the Government.
- To ensure statutory filings, disclosures, and compliance with audit requirements.
- To coordinate and work for the interest of Capital City and Region Development under the overall leadership of the Authority headed by Hon'ble Chief Minister of Andhra Pradesh to expedite development.

3. The Commissioner, Andhra Pradesh Capital Region Development Authority, Vijayawada shall take further necessary action, accordingly.

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

**S SURESH KUMAR
PRINCIPAL SECRETARY TO GOVERNMENT**

To
The Commissioner, Andhra Pradesh Capital Region Development Authority, Vijayawada.

Copy to:

The General Administration (Cabinet) Department, AP Secretariat, Velagapudi.
The Finance Department, AP Secretariat, Velagapudi.
The PS to Secretary to Hon'ble Chief Minister.
The PS to Hon'ble Minister (MA&UD).
The PS to Chief Secretary to Government.
The PS to Secretary to Government, MA&UD Department.
Sf/Sc.

//FORWARDED :: BY ORDER//

SECTION OFFICER