

Former CM Chandrababu Naidu Arrest In AP Skill Development Scam

Why In The News?

- **N Chandrababu Naidu**, Chief Of The Telugu Desam Party (TDP) And Former Chief Minister Of Andhra Pradesh, Was Arrested **Over Allegations Of Corruption** And Shifted To Vijayawada.
- The TDP Chief Has Been Arrested In Connection With An Alleged **Scam Of 317 Crore In The Andhra Pradesh State Skill Development Corporation** During His Tenure. The Body Was Established During The TDP Rule To Provide Skill Training To Youngsters.
- As Per AP Crime Investigation Department (CID), The Case Against Naidu And Others Involves **Funds Allegedly Being Routed Through Hawala Transactions** Through A **Network Of Shell Companies**, Non-adherence To Procedures, A Disregard For Observations Regarding The Project's Viability, And The Questioning Of Over 140 Witnesses.



N Chandrababu Naidu ✓
@ncbn · Follow



For the past 45 years, I have selflessly served Telugu people. I am prepared to sacrifice my life to safeguard the interests of Telugu people. No force on earth can stop me from serving Telugu people, my [#AndhraPradesh](#) and my motherland.

What Is The Alleged Scam?

- The Alleged Deal Revolves Around The **AP State Skill Development Corporation (APSSDC)**, A Govt Agency Established Shortly After Naidu's Telugu Desam Party (TDP) Secured Victory In The Elections In 2014.
- It Also Involves **Siemens Industry Software (India) Pvt Limited And Designtech Systems Pvt Limited**, A Pune-based Company Tasked With Supporting The Project.

SIEMENS

● DesignTech

Technology for designing the future

- The CID Described Naidu As The “Principal Architect Of The Scheme”. They Contend That The **APSSDC Was Formed Without The State Cabinet’s Nod.**
- Naidu, Along With Then Minister K. Atchannaidu, “Fraudulently” Projected To The AP Govt That The Two Companies Would Support The Project, Work To Create **Six Centres Of Excellence (COE) And 36 Technical Skill Development Institutes.**
- All Of This Was To Be Achieved At A Cost Of Around **Rs 3,281 Crore.** The CID Claims That This Is An Inflated Amount.
- While The **State Was To Invest 10%** Of This Cost, The **Remaining 90% Would Come In The Form Of Grants-in-aid From** The Two Companies. It Was Noted That A Civil Servant, Who Is The Wife Of A Siemens Director, Was Appointed As The Deputy Chief Executive Officer Of The APSSDC.



- **An MOU Was Prepared** With A Clause Stipulating That The AP Govt Would Release **Rs 371 Crore** As A Grant To Siemens And Designtech To Set Up Skill Development Institutes.
- The CID Said That A Project Which Was Conceived To Be Primarily Funded To The Extent Of 90% By Siemens And Designtech **Was Illegally Converted Into A Full Government-funded Project.**

- **Rs 371 Crore Was Disbursed To Designtech** Even Before The Establishment Of The Skill Development Institutes. It Further Accuses Staff Members Of Both Siemens And Designtech Of Misappropriating These Funds. Certain Civil Servants Also Expressed Concerns About Releasing Funds To Designtech.



- The ED Too Launched A Probe **Over Money Laundering**. It Provisionally Attached Properties Belonging To Designtech Worth Rs 31.20 Crore And Previously Arrested Few High Profile People. The Income Tax Investigation Wing In Mumbai Also Launched Its Probe.
- The Investigation Is Said To Have Revealed That **A Total Of Rs 279 Crore Was Misappropriated Through Shell Companies**. These Allegedly Did No Work And Raised "Bogus Invoices", Routed Through Entities And Individuals.

