

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

“Andhra Pradesh Tourism Land Allotment Policy 2024-2029” -Orders-Issued.

YOUTH ADVANCEMENT, TOURISM AND CULTURE(T) DEPARTMENT

G.O.Ms.No.1

Dated:11/03/2025
Read the following:

1. G.O.Rt.No.124, Youth Advancement, Tourism and Culture (T) Department, Dt:25.05.2023.
2. G.O.Ms.No.17, Youth Advancement, Tourism and Culture (T) Department, Dt:10.12.2024.

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ORDER:

Andhra Pradesh is known for its rich cultural heritage, historical sites and natural beauty. The state offers a diverse range of tourist attractions, including ancient temples, pristine beaches, lush hill stations and wildlife sanctuaries and holds significant potential to be the leading tourism destination for national and international tourists.

2. In the reference 2nd read above, Andhra Pradesh Tourism Policy 2024-29 has been issued with an aim to create a robust ecosystem that fosters private investment growth by streamlining approval processes, offering incentives and implementing investor-friendly policies. Specially focussing on developing anchor destinations to serve as key hubs, attracting both domestic and international tourists.

3. The Tourism Policy envisages that the Government shall issue a separate order containing detailed guidelines, rules, and regulations governing the allotment, tenure, revenue sharing, and other aspects related to land allotments for tourism projects under the Public-Private Partnership (PPP) model to achieve the objectives of the Policy.

4. In line with the Policy, the Andhra Pradesh Tourism Land Allotment Policy 2024-2029 has been formulated to ensure the efficient use of government-owned land for the development of infrastructure, the creation of diverse tourism experiences such as hotels, resorts, MICE facilities, wellness centers, amusement parks, and to improve service delivery by promoting sustainable Public-Private Partnerships (PPPs).

5. Government, after careful consideration of the feedback from various stakeholders, benchmarking with the Tourism Polices of the Best States and also incorporating the suggestions of the line departments Viz., Revenue, Industries & Commerce, Finance and Law Departments hereby approve the Andhra Pradesh Tourism Land Allotment Policy, 2024-29 as appended to this order replacing the G.O. 1st read above.

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6. The Policy shall come into operation from the date of issue of this order and shall remain in force for a period of 5 years till a new Policy is formulated.

7. All the concerned departments of Secretariat/HoDs shall take appropriate action to implement the provisions made in the "Andhra Pradesh Tourism Land Allotment Policy 2024-2029" following due process.

8. This order is issued with the concurrence of Finance Department vide Finance U.O.No.FMUORBAB (GAD 2)/9/2025, Dt.06.03.2025. (C.No.2725630).

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

**AJAY JAIN
SPECIAL CHIEF SECRETARY TO GOVERNMENT**

To

The Vice Chairman & Managing Director, AP Tourism Development Corporation Limited, Vijayawada.

The Chief Executive Officer, Andhra Pradesh Tourism Authority, Vijayawada.

The Chief Executive Officer, AP State Creativity and Culture Commission, Vijayawada.

The Chief Executive Officer, A.P Shilparamam Society.

The Director of Archaeology & Museums, Vijayawada.

Copy to:

The Secretary to Governor, Raj Bhawan, A.P., Vijayawada

The P.S. to Additional Secretary to Chief Minister.

The P.S. to Chief Secretary to Government.

The OSD to Minister for T,C&C

The Principal Secretary to Government, Finance Department.

The Secretary to Government, Industries & Commerce Department.

The Special Chief Secretary to Government, Revenue (Lands, R&S) Department.

The Secretary to Government, Law Department.

The all Departments of Secretariat,

The Accountant General, A.P., Vijayawada.

The Pay & Accounts Officer, A.P., Mangalgiri.

The Deputy Pay & Accounts Officer, A.P. Secretariat, Velagapudi.

All District Collectors through Andhra Pradesh Tourism Authority, Vijayawada.

All Sections in the Department.

The G.A(Cabinet.I)Dept.(CR.No.67/2025)

Sf/Sc.

// FORWARDED :: BY ORDER//

SECTION OFFICER

ANNEXURE

“Andhra Pradesh Tourism Land Allotment Policy 2024-2029”

1. Introduction

The Land Allotment Policy for Tourism Projects, 2024 is a supplement to Andhra Pradesh Tourism Policy 2024-29, as notified vide G.O. Ms No.17, dated 10.12.2024.

The Land Allotment Policy aims to unlock tourism potential by promoting sustainable Public-Private Partnerships (PPPs). It focuses on the efficient use of government-owned land to develop infrastructure, create diverse tourism experiences, and improve service delivery. The policy fosters investment, benefits local communities, drives economic growth, and enhances the State's overall tourism appeal.

2. Objectives

- Enhance infrastructure such as hotels, resorts, MICE facilities, wellness centers, amusement parks and various tourism experiences to support Andhra Pradesh's rapidly growing tourism sector.
- To leverage the Andhra Pradesh Tourism Policy 2024-29 to support Tourism projects /Experiences through Public-Private Partnerships (PPPs).
- Provide secure, long-term land leases to encourage private investment in world-class tourism projects.
- Prioritize tourism development in remote and underserved regions to ensure balanced growth across the State.
- Establish revenue models, such as fixed lease fees or revenue-sharing arrangements, to enhance public finances.
- Streamline lease approval processes to reduce delays and foster investor confidence.
- Mandate eco-friendly and responsible tourism practices to preserve natural, cultural, and heritage resources.

3. Project Definition

The definition of the projects areas per Andhra Pradesh Tourism Policy 2024-29

S. no	Project Category	Capital Investment (in INR Crore)
1	Micro	Up to 1.0
2	Small	Above 1.00 ≤ 10.00
3	Medium	Above 10.00 ≤ 50.00
4	Large	>50 and up to 250 in 2 years
5	Mega	>250 - 500 in 3 years
6	Ultra Mega	>500 in 4 years

The definition of **Micro, Small, and Medium Enterprises (MSMEs)** will be as per the definitions notified by the Ministry of **MSME, Gol** from time to time.

4. Tenure and Mode of Allotment

(i) For Large, Mega and Ultra Mega Projects

- a) For Large, Mega and Ultra Mega Tourism Projects, land will be allocated on long-term lease basis or on free hold basis depending on the request of the investor and the potential & impact, the project creates in the region /State
- b) The land lease tenure will be for a period of **66 years**, which is extendable for another **33 years** upon successful operation of the project.
- c) Additionally, construction activity will be allowed a time period of **2 years** for Large projects, **3 years** for Mega projects, and **4 years** for Ultra Mega projects.

(ii) For MSME Projects:

- a) The allotment of land will be for a period of **33 years**, which is extendable for another **33 years** upon successful operation of the project.
- b) For MSME projects, **18 months** will be given for the construction activity.

5. Land Extent

- (i) It shall be applicable to allotment of Government lands for any of the following tourism projects:

S. No.	Type of Tourism Project	Maximum extent of land
a	Hotels (Three-Star or above category hotels as per guidelines of Ministry of Tourism, Government of India)	Upto 5 Ac
b	Resorts, including beach resorts, jungle resorts, hill resorts etc. (Three-Star or above category hotels as per guidelines of Ministry of Tourism, Government of India)	Upto 15 Ac
c	Tent City	Upto 5 AC
d	Entertainment Centers	Upto 5 Ac
e	Multiplex	Upto 2-3 Ac
f	Theme Parks	Upto 5-25 Ac
g	MICE Centers/Destination Wedding	Upto 10 Ac
h	Wayside amenities	Upto 1- 3 Ac
i	Golf Courses	Upto 150 Ac
j	Other Tourism projects, as decided by the Government	Upto 10 Ac
k	Marque Investments such as Hotels, Resorts, Theme Parks, MICE/Destination Wedding, Golf Courses etc. under Mega and Ultra Mega Projects	As decided by the Government on case - case basis

- (ii) The Government reserves the right to allocate land to any tourism project beyond the specified limits on a case-by-case basis, considering factors like innovation, locational advantages, contribution to tourism growth, and potential for large-scale employment or significant revenue. The Government's decision is final in the matter. Infrastructure costs, including road with land alienation, power and water, will be determined by SIPB on a case-by-case basis.
- (iii) Notwithstanding anything contained in this policy, the Government can also make allotment of land for any Tourism Project or any hotel chain (having 3 star and above chain of hotels), as per the provisions in the G.O. Ms 571 of Revenue ((Assignment. I) Department dated 14.09.2012 including any amendments/changes thereof.

- (iv) Government will make available the requisite land for the PPP projects through the CEO, APTA to APTDC. The title over the land will continue with Government.
- (v) The VC & MD, APTDC is authorized to lease the land on behalf of Government under PPP Mode by following transparent Bid Process for MSME and through SIPC/SIPB for Large, Mega and Ultra Mega Projects.
- (vi) The lands so allocated shall be utilized only for the purpose of the approved tourism projects and under any circumstances the same shall be not deviated.

6. Procedure for Allotment

6.1 Procedure for Large, Mega and Ultra Mega Projects

- a) For Large, Mega, and Ultra Mega Projects, there will not be any bidding.
- b) Land allotment will be directly handled by the State Government through the State Investment Promotion Board (SIPB) on the basis of recommendations of the State Investment Promotion Committee (SIPC), chaired by the Chief Secretary.
- c) Each proposal for setting up a Large, Mega and Ultra Mega Tourism Projects shall be accompanied by a Detailed Project Report (DPR) that shall be evaluated by Transaction advisory consultant and the verification & Evaluation committee constituted with the following members.

1	Chief Executive Officer, Andhra Pradesh Tourism Authority (APTA)	Chairman
2	Executive Director (Projects), Andhra Pradesh Tourism Development Corporation Limited (APTDC)	Member
3	Chief Engineer, Andhra Pradesh Tourism Development Corporation Limited (APTDC)	Member
4	Chief Accounts Officer, Andhra Pradesh Tourism Authority (APTA)	Member
5	HOD IDG Section, Andhra Pradesh Tourism Authority (APTA)	Member Convener
6	GM/AGM (PPP), Andhra Pradesh Tourism Development Corporation Limited (APTDC)	Member
7	PPP Expert, Representative of Finance Dept., GoAP	Member
8	Transaction Advisory	

- d) The Committee shall be responsible for making recommendations on the following:
- i. The Minimum Additional Development Premium (ADP) arrived through equity IRR of the project, for allotment of land on a lease basis.
 - ii. The Lease Rent of the land to be allotted shall be fixed at the rate of 1% of the Sub-Registrar Office (SRO) value as Annual Lease Rent (ALR). The land lease would begin from the date of handing over of land to the Large, Mega and Ultra Mega Projects.
 - iii. For Large, Mega and Ultra Mega Tourism Projects, land will be allocated on long-term lease basis or on free hold basis depending on the request of the investor and the potential & impact, the project creates in the region /State. The decision of the SIPB is final
 - iv. The project proponent can bring private land also for the projects and in case some of the government lands may be required to complete the project - either within the block of their lands or outside the block of their lands, the Government land may be allocated as per the Policy. If the Government lands are such, where ownership cannot be transferred as per Law, the project proponents may be allowed to have the resources without transferring the ownership and maintaining the same without changing the nature of the lands
 - v. Wherever, the tourism projects require access road (Government, private or a mix of both), Government will facilitate land for such access roads for the tourism projects. The lands can be acquired through TDR route and TDR benefits can be utilized by the Tourism Project proponents to increase the built up areas as per the rules in vogue
 - vi. The land lease tenure will be for a period of **66 years**, which is extendable for another **33 years** upon successful operation of the project.
 - vii. The Annual Lease Rent (ALR) and Additional Development Premium (ADP) shall be enhanced by 5% in a block of every 3 years.

- e) The following mandatory payments shall be paid by the Developer as pre-condition for execution of agreement:
- i. **Performance Security** - Refundable Performance Security of 2.5% of the Total Project Cost during the construction period.
 - ii. **Security Deposit** -Refundable Security Deposit of 1 year's Lease Rent and ADP.
 - iii. **Project Development Fee**-Non-Refundable Project Development Fee of 2% of the Project Cost, subject to a maximum of 1.0 Cr.
- f) Specific recommendations on the tailor-made incentives sought by the Mega and Ultra Mega Tourism Projects, including the basic infrastructure like power, water and approach road.
- g) Based on the recommendations of the Evaluation Committee, the Investment Development Group (IDG) wing of APTA headed by Director, supported by the line officers - Deputy Director(IDG), Assistant Director(Investments) & Manager (Investments) shall submit a detailed report to the CEO of APTA. Following this, the CEO of APTA will review the proposal and circulate the file to the Government along with agenda note for inclusion in the SIPC/SIPB.
- h) After approval, the agenda notes will be shared to the Industries Department (Commissioner of Industries - the convenor of SIPC) well in advance of the scheduled meeting. Post-meeting, draft minutes will be prepared and sent to the Industries Department for consolidation.
- i) Once the minutes are approved, APTA will draft the agenda for the SIPB meeting based on SIPC recommendations and forward it to the Industries Department for inclusion in the SIPB agenda.
- j) The decision regarding which model to be adopted, the terms of the model (including ADP), the tailor-made incentives etc, the decision of the SIPB is final.
- k) The recommendations from SIPB will be placed before the Cabinet for final approval. The Government will issue an order for the award of the project based on Cabinet approval.

6.2 Procedure for MSME Projects

- a) For MSME Projects, allotment of land will be done through a transparent bidding process.
- b) APTDC shall follow the model Request for Proposal (RFP) documents issued by NITI AYOg - Gol, PPP Guide lines & Advisory(s) with respect to procurement prescribed by Department of Economic Affairs, Ministry of Finance, Gol, the guidelines prepared by Government of A.P and the provisions stipulated in the Andhra Pradesh Infrastructure Development Enabling Act, 2001 (Act 36 of 2001) for preparation of RFP and other rules in vogue.
- c) A "Committee on Tourism PPP Projects" constituted with the following members and invitees for reviewing the DPRs, feasibility reports, RFP/Bid Documents and Concession Agreement/Lease Agreement/Development & Management Agreement etc., of PPP projects vetted by the Transaction Advisors.

1	MD, APTDC	Chairman
2	CEO, APTA	Co-Chairman
3	ED-Projects, APTDC	Member, Convenor
4	PPP Expert, Representative of Finance Dept., GoAP	Member
5	Transaction Advisory Consultant	Member
6	General Manager / AGM (PPP), APTDC	Member
7	Chief General Manager (projects), INCAP	Member
8	Industry Expert (based on project requirement) - As nominated by the Managing Director	Member
9	Representative from Technical University (based on project requirement) - As nominated by the Managing Director	Member
	Invitees	
1	Estate Officer, APTDC Ltd	
2	CE/SE, APTDC	

- d) The committee shall be responsible for the following:
 - i. Review DPRs, feasibility reports, eligibility criteria, RFP/bid documents, and agreements prepared by transaction advisors, ensuring accurate preparation for upload of bid documents on the e-procurement portal.

- ii. The committee shall fix Minimum Development Obligations (MDOs) and Minimum Service Obligations (MSOs), which the developer should achieve within the specified time frame.
- iii. Recommend lease terms for projects and decide key bid parameters, including IBM values.
- iv. Address changes in eligibility for PPP projects based on pre-bid queries to maximize revenue.
- v. Oversee the review of technical and financial bids submitted online, ensuring transparency and compliance.
- vi. While finalizing the tender, the feed-back from the District Tourism Council shall be taken into consideration.
- vii. Submit detailed evaluation reports with recommendations to the Government for approval, ensuring timely issuance of LOA and project awards while maintaining transparency and accountability through the e-procurement portal.
- viii. The Government will issue an order for award of the Project based on the recommendations of the Committee

e) Bid parameter

- i. The parameter for bidding shall be "Additional Development Premium (ADP)", which shall be a percentage of annual gross revenue of the project or minimum annual assured amount, whichever is higher.
- ii. Minimum Additional Development Premium (ADP) will be fixed based on equity IRR. That will be arrived at the time of bidding.
- iii. The bidder quoting the highest ADP shall be awarded the project.

f) Lease Rent.

Land will be allotted at the rate of 1% of Sub Register value (SRO) Value as Lease Rent per Annum (LRA).

g) Lease/ADP Payment

The land lease would begin from the date of handing over of land to the successful bidder/ developer.

The Annual Lease Rent (ALR) and Additional Development Premium (ADP) as quoted by the successful bidder, shall be enhanced by 5% in a block of every 3 years.

- h) Bid Security - 1% of the estimated Project Cost.
- i) The following mandatory payments shall be paid by the successful bidder as pre-condition for execution of agreement
 - i. **Performance Security** -Refundable Performance Security of 2.5% of the Total Project Cost during Construction Period.
 - ii. **Security Deposit** - Refundable Security Deposit of 1 year lease Rent and ADP.
 - iii. **Project Development Fee**-Non-Refundable Project Development Fee 2% of the Project cost Subject to a maximum of 1Cr.

7. Agreements and Monitoring

- a. MD, APTDC is authorized to enter into agreements with the Large /Mega/Ultra Mega projects approved by SIPB and also with successful MSME bidders for PPP projects and is responsible for collecting lease rentals, ADP/revenue shares, success fees, and project development fees and maintaining them in a dedicated account.
- b. The PPP projects shall be monitored through Executive Directors, Superintending Engineers, and regional officers of APTDC for regular and Effective Monitoring.
- c. They may get physical verification reports for every quarter of the year regularly from their district level officials and initiate appropriate action against deviations.
- d. The District Collector shall also maintain a Register of the lands alienated /allotted to various organizations (private / public) and send regular periodical reports on the utilization of the lands allotted for the intended purpose.
- e. Progress shall be reviewed periodically and the reports shall be submitted to the Government from time to time.

8. Consortium

The entity of the Developer/bidder is Individual / Sole bidder or in Consortium, where the maximum number of members permitted in a Consortium are three (03) for Large, Mega and Ultra Mega Tourism Projects. Joint Venture, and other models as per the emerging global trends are also be applicable for Mega Tourism Projects/ 5 Star and above category projects with the approval of SIPB.

In case of MSME projects, the maximum number of members permitted in a Consortium are two (02).

9. Project Implementation Timeline

The Developer/Concessionaire/Lessee must ensure projects are completed and operationalized within the timelines specified in the signed Concession/Lease Agreement. They are also responsible for obtaining necessary approvals from various departments through the Single Window Portal.

In the event that the project is not completed within the stipulated time frame, the Managing Director, APTDC may grant extension of time up to six months with a penalty of 1% of the Project Cost. A second extension of six months may be granted with a penalty of 2% of the project cost. For delay beyond one year, the project may be cancelled and land may be taken back.

10. Cancellation of Allotted Land/Lease

The proposals for the cancellation of leased/ free Hold land will be initiated based on a detailed report of the Managing Director, APTDC. The report shall assess the circumstances leading to the proposed cancellation and include relevant facts and justifications. Once the report is submitted, the proposal will be forwarded to the Government for review. Upon receiving the proposal, the Government will take the necessary actions in accordance with applicable laws and regulations to finalize the cancellation process.

11. Other Agencies /Departments

In addition to APTDC, other agencies in Tourism & Culture Department like Shilparamam Arts Crafts & Cultural Society may also take up Tourism PPP projects.

The procedure detailed herein will also be applicable for allotment of Government lands to tourism projects. It may be followed by any Department or Corporation or Authority for allotment of Government lands to tourism projects. APTDC will facilitate the other Departments /Corporations in bidding process, being the Nodal Department and the concern Department /Corporation will enter into agreements as per the terms & condition of the Policy for development of Tourism Project.

50% of the Project Development Fee collected from successful bidder shall be paid to APTDC towards the charges for facilitating bidding process.

12. Transfer of Lease

The leased land cannot be alienated/ transferred/ sub-leased/ sold/ mortgaged, in part or full, to any third party.

13. Mortgage

The Developer may mortgage its lease hold rights only after obtaining written consent of the Government. However, under no circumstances can a developer mortgage the land leased to it.

14. Land Conversion

Investors shall follow due approval process for conversion of land for Tourism Infrastructure projects as required by the Revenue Department or Urban Development Authority/ULB, duly availing the waiver of land conversion charges to the eligible activities.

15. Lock-in-Period

The Lock-In period shall be two years post Commercial Date of Operations (COD), i.e., the date on which the project is open to tourists on a commercial basis, after due testing, trial running and commissioning.

16. Force Majeure Clause

Neither party shall be liable for failure or delay in fulfilling obligations due to events beyond their control, such events may include, but are not limited to, acts of God. The affected party must notify the other party in writing, detailing the event and its impact. Both parties will cooperate to mitigate the effects and may agree on extensions or remedial actions. If the Force Majeure event lasts for more than specified period, either party may terminate the agreement without penalty. This clause does not relieve either party from obligations already performed or unaffected by the event.

AJAY JAIN
SPECIAL CHIEF SECRETARY TO GOVERNMENT