

Andhra Pradesh Industrial Infrastructure Corporation Limited

(A Govt. of Andhra Pradesh Undertaking)



Volume III PROJECT INFORMATION MEMORANDUM

**Development of International Convention & Exhibition
Centre, Star Category Hotel and Allied Facilities at
Kapuluppada, Visakhapatnam,
Andhra Pradesh**

July 2026

Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)

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1. INTRODUCTION

1.1 Background

- 1.1.1. Andhra Pradesh is one of the most forward-looking states in the country in terms of infrastructure development. Andhra Pradesh Industrial Infrastructure Corporation Limited (the “**APIIC**”), fully owned by the GoAP, is a progressive organization responsible for development of Industrial Infrastructure in the state of Andhra Pradesh. APIIC is known for creating landmark infrastructure projects in the state, which are fueling the economic growth in the state. APIIC has so far developed more than 500 industrial parks/ estates and created land banks for the future industrial development.

APIIC envisages the development of an International Convention and Exhibition Centre. Star Category Hotel and Allied Facilities at Kapuluppada, Visakhapatnam (the “**Project**”) on design, build, finance, operate and maintain (DBFOT) basis, to establish Andhra Pradesh as a premier destination for Meetings, Incentives, Conferences, Exhibitions, and Events (MICE) at the national and international level. Brief particulars of the Project are as follows:

S. No.	Facility	Capacity	Area (in Ac.)
1.	International Convention Centre	5000 pax	20 Ac.
2.	Exhibition Hall (centrally air-conditioned)	1 Lakh Sq.ft	
3.	Star Category Hotel (4-star or above)	250 keys	
4.	Allied Facilities		

- 1.1.2. The Selected Bidder, who is either a company incorporated under the Companies Act, 1956/2013 or its substitute thereof or undertakes to incorporate as such prior to execution of the Concession Agreement (Volume II) (the “**Concessionaire**”), shall be responsible for designing, engineering, financing, procurement, construction, operation and maintenance of the Project under and in accordance with the provisions of a long term Concession Agreement (Volume II) (the “**Concession Agreement**”) to be entered into between the Concessionaire and the Authority in the form provided by the Authority as part of the Bidding Documents pursuant thereto.
- 1.1.3. The scope of work will broadly include master planning of the entire Site, designing, engineering, financing, procurement and construction of the project including a set of Mandatory Facilities (the “**Mandatory Facilities**”); and operation and maintenance of the Project during the entire **Concession Period of 33 years** (which shall include the Construction Period) as more particularly set out in terms of the Concession Agreement (Volume II) and its schedules, till the expiry of Concession Period.

Development of International Convention & Exhibition Centre, Star Category Hotel and Allied Facilities at Kapuluppada, Visakhapatnam on DBFOT Basis

The Mandatory Facilities would include a cohesive development of:

S.No.	Facility
1.	International convention centre of seating capacity not less than 5000 seats along with a separate centrally air-conditioned exhibition hall of not less than 1 lakh sqft of floor area (the “ Convention & Exhibition Centre ”)
2.	4-Star or above category hotel of not less than 250 keys (“ Star Category Hotel ”)

The spatial allocation and built-up area for each of the above components shall be demarcated as part of the master planning exercise and shall conform to zoning norms, with the intent to ensure orderly, efficient, and synergistic development within the overall Project Site.

- 1.1.4. In addition, the Concessionaire is allowed, as per the terms of the Concession Agreement, to develop assets such as hotel(s), restaurant(s), shopping areas, food courts, retail area or any other tourism related allied facility, etc. in addition to the Mandatory Facilities on the balance portion of the Site as permissible under applicable laws and development control regulations (“Allied Facilities”).
- 1.1.5. The timeline for completion of the Project and consequences of any breach of such timelines shall be as per the terms and conditions of the Concession Agreement. However, the maximum period permitted for completion of: (a) the Project shall be 5 years from the date of execution of the Concession Agreement; and (b) the Mandatory Facilities shall be 3 years from the date of execution of the Concession Agreement.
- 1.1.6. Further, the Concessionaire shall ensure that, on or before 1st November 2027, a facility of Convention Center with a minimum seating capacity of 2,000 persons and an Exhibition Center with a minimum built-up exhibition area of 20,000 sq. ft along with all associated supporting infrastructure, including adequate parking facilities, pre-function and circulation areas, dining and food court facilities, catering support spaces, service areas, and ancillary amenities necessary for the efficient operation of the Convention and Exhibition Center, is developed and operational for hosting the “Andhra Pradesh Partnership Summit 2027”. Such facility may be developed in the form of temporary, semi-permanent, or permanent structures, or any combination thereof.

1.2 Project Purpose

- 1.2.1 The Authority envisions the Project as a world-class, mixed-use landmark development that establishes a distinctive identity for Andhra Pradesh and strengthens its position as a premier destination for business, tourism, culture, and MICE activities that will enhance the State's competitiveness in attracting large-scale business events, trade exhibitions, conventions, cultural gatherings, and international summits.
- 1.2.2 Visakhapatnam is strategically located along the eastern coast of India and offers strong connectivity through airports, seaports, national highways, and rail networks. Combined with the State's growing industrial base, emerging investment ecosystem,

tourism potential, and proactive business environment, there exists a significant opportunity to position the Visakhapatnam as a preferred destination for global and domestic MICE activities. However, the availability of world-class convention and exhibition infrastructure remains limited, constraining the State's ability to attract high-value events and realize the full economic benefits associated with the MICE sector.

2. Economic Strength of Visakhapatnam

2.1 Economic Significance

- 2.1.1. The Government of Andhra Pradesh has identified Visakhapatnam as a key growth hub under the State's long-term development strategy and NITI Aayog's Growth Hub initiative. Visakhapatnam stands tall as the economic capital of Andhra Pradesh, anchored by India's oldest shipyard and the Eastern Naval Command, it hosts two deepwater ports and a thriving industrial ecosystem. Its scenic coastline, featuring multiple pristine beaches flanked by green hills, draws visitors each year, while its fast-growing IT, healthcare, and tourism sectors are propelling it onto the national stage as one of India's most future-ready urban powerhouses. It is also the leading contributor to both industrial and services-sector output within Andhra Pradesh.

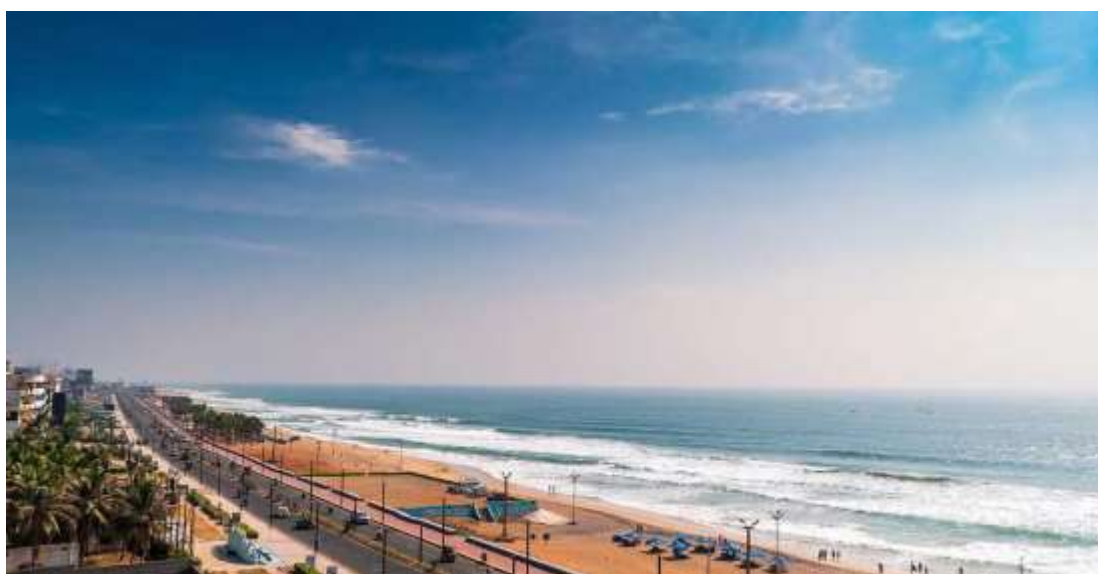


Figure 1- Bay view of RK Beach

- 2.1.2. Additionally, due to its coastal location and its natural beauty, cultural richness, and year-round pleasant weather attract both leisure and business travelers offering proximity to major metropolitan cities like Hyderabad, Chennai, and Bengaluru. The city has been named at the top spot in LinkedIn's inaugural **Cities on the Rise report**¹, which identifies India's fastest-growing non-metro cities in terms of professional opportunities
- 2.1.3. With a population of 4.5 million, based on FY24 estimates, Visakhapatnam serves as the economic and urban nucleus of the region. With a per capita GDP of \$6,600² (more than 2.5 times the national average), it ranks among the most productive urban hubs in the country. This strength is largely driven by its robust manufacturing sector, which constitutes 30-40% of the district's GDP.

¹ LinkedIn News- Cities on the Rise 2025

² VER Report – The Economic Master Plan of Visakhapatnam, Niti Aayog

2.2 Growth Outlook

2.2.1 The district administration has articulated a target of achieving approximately 15% annual economic growth and substantially increasing its GDP contribution through industrial, services, logistics, tourism, and infrastructure investments.

2.2.2 The broader **Visakhapatnam Economic Region (VER)** is estimated to be a **US\$52 billion economy**, making it one of the largest emerging economic regions on India's east coast. Looking ahead to 2047, VER has an ambitious goal of becoming a \$750-800 billion³ economy, with a per capita GDP of \$42,000-44,000 (comparable to present-day Tokyo or Melbourne). The aspiration for VER is to retain nearly a third of the state's share, which is envisioning to become a \$2.4 trillion economy by the centenary of India's independence

2.2.3 Key Economic Drivers

- Global Port-proximate manufacturing hub
- Steel, petroleum, pharma and manufacturing industries
- Next-gen IT, data center, AI and innovation hub
- Defence and shipbuilding ecosystem
- Tourism and hospitality
- Healthcare and education hub
- Global Agriculture leader

Together, these seven drivers have the potential to transform VER into a \$125-135 billion economy by FY32, generating approximately 2-2.4 million additional jobs. This ambitious projection underscores the region's capacity for substantial economic expansion, anchored in strategic initiatives across multiple sectors.

³ VER Report – The Economic Master Plan of Visakhapatnam, Niti Aayog

2.3 Vizag Bay City – Proposed Brownfield City

- 2.3.1 As part of a strategic approach to managing the future growth of the Visakhapatnam city region, two extensive brownfield urban developments have been proposed, leveraging Bhogapuram Airport as a catalyst for regional development. These include Vizag Bay City (40 sq. km) and Vizag 2.0 (210 sq. km).

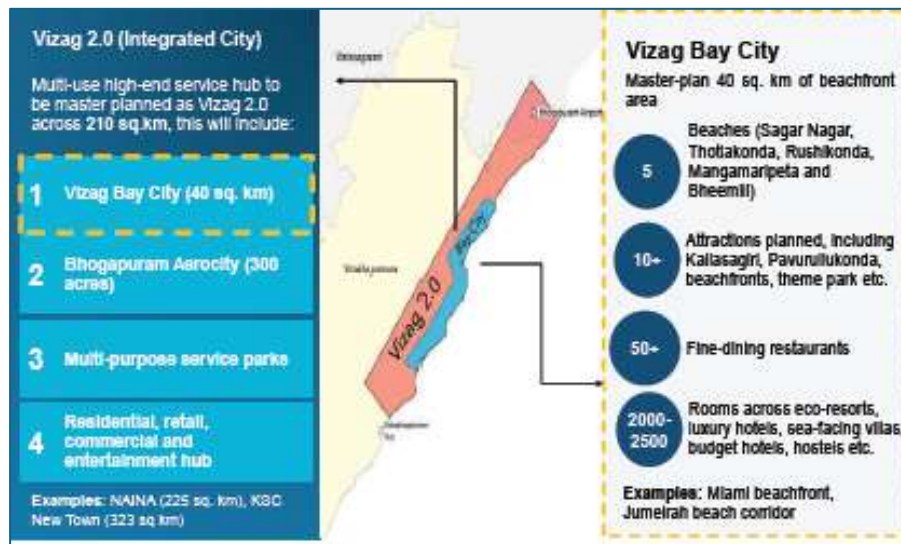


Figure 2-Geographical representation of the two brownfield cities

- 2.3.2 Vizag Bay City has been recommended to be developed as a world-class integrated mixed-use waterfront city, to cater to an aspiring urban workforce in a growing economy. The city is proposed to be strategically located along the beach corridor between the Bheemli beach in the north and Kailasagiri in the south.
- 2.3.3 In line with global models like Miami's Bayshore Corridor and Dubai's Jumeirah Beach, the aspiration is to develop 25 km of prime coastline between Kailasagiri and Bheemili beach as a vibrant mixed-use city area, comprising:
- 2,000-2,500 additional hotel rooms
 - 70+ restaurants
 - 80-100 beach shacks and 8-10 beach clubs
 - Recreational amenities including open-air event venues, 2-3 shopping complexes, boardwalks, cycling tracks, water sports zones, spas etc.
 - 10+ tourism hotspots like Kailasagiri, Thotlakonda, 1 marina with 5-6 jetties, a renowned adventure/theme park etc
 - Hub of high-end housing in VER, with 5,000-7,000 housing units including premium villas, high-end apartments and condominiums, spread across 10-11 million square feet master planned across the beach corridor

3. Market Analysis

3.1 Business Ecosystem

- 3.1.1 Visakhapatnam is the largest urban centre in Andhra Pradesh, with a metropolitan population exceeding 3 million residents. It is the financial capital of Andhra Pradesh and popularly known as **“The jewel of the East Coast”**. The coastline stretches to a full length of 132 Km on the coast of Bay of Bengal. The geographical conditions of Vishakhapatnam are said to be almost same as San Francisco and that has helped it in becoming a famous tourist attraction.

Workforce Advantages

- Large, educated workforce
- Strong engineering talent pool
- Presence of technical universities and research institutions
- Growing IT and Knowledge economy
- Investments in AI & Data Centers

Key Institutions include:

- Andhra University
- GITAM University
- IIM Visakhapatnam
- Indian Maritime University
- National Law University campus
- Indian Institute of Petroleum and Energy
- National Institute of Oceanography

International Business Linkages

- Port-led industries
- Pharmaceutical manufacturers
- Defense establishments
- Global Shipping Companies
- Export-oriented Industries

3.2 Hospitality Sector

- 3.2.1 Growth is the best driver for hospitality, likewise the hospitality sector in Andhra Pradesh is experiencing encouraging growth, driven by rising tourism, business travel, and new hotel developments. Visakhapatnam is emerging as an important tourism and hospitality destination.
- As of FY24, Visakhapatnam had a tourism GVA of \$1.3-1.5 billion⁴ in FY24 (20% of AP's total) with an estimated annual footfall of 6 million domestic, 6,000 foreign arrivals, and 30,000-40,000 high-end visitors (FY23).
 - In the 'Swarna Andhra @2047 Visions⁵', the state has set an ambitious aspiration to elevate its tourism sector, shifting focus from volume-based religious tourism to

⁴ VER Report – The Economic Master Plan of Visakhapatnam, Niti Aayog

⁵ Swarna Andhra Vision 2047 – Report on Long term development roadmap

more sustainable, high-value segments, targeting increase of its tourism sector GVA from the current \$7-8 billion (4.6%) to \$30-35 billion (8-9%) by FY32. To emerge as a renowned tourism destination, the State Government has prioritized theme-based tourism development to unlock and drive tourism growth rate.

3.2.2 Premium Hotels- Existing

The city offers a wide range of stays, including luxury hotels, budget guesthouses and resorts. Visakhapatnam currently hosts several nationally and internationally branded hotels in the 4-star and 5-star segments. Major chains such as ITC, IHCL, Radisson, Accor, Marriott, and The Park are already present, while The Oberoi Group, Mayfair, and The Leela Hotels are reportedly in the pipeline.

The Varun Group, the city's largest hotel owner, has announced investments of ₹1,600 crore over the next three years, including laying the foundation stone for Varun Bay Sands (VBS), inspired by Singapore's Marina Bay Sands. With the momentum building, Visakhapatnam is fast positioning itself as a vibrant coastal destination.

S.No	Hotel	Approx. Keys
1.	Novotel Visakhapatnam Varun Beach	224
2.	Radisson Blu Resort Visakhapatnam	92
3.	Welcome Hotel by ITC Deveen Grand Bay	100+
4.	The Park Visakhapatnam	60+
5.	Fairfield by Marriott	120+
6.	Four Points by Sheraton	120+
7.	Gateway Hotel (IHCL)	90+
8.	Bheemili Resort (Accor)	100+

Table 1- List of 5-Star Category Hotels

Based on branded hotel inventory, the city possesses more than 900–1,000 upscale and luxury hotel rooms, with additional midscale branded inventory and independent hotels.

3.2.3 Convention Center-Existing

Although Visakhapatnam is home to several standalone event venues, including the Andhra University Convention Center, Gadiraju Palace Convention Center, and Vizag Convention Center, these facilities generally offer limited flexibility in terms of event infrastructure, exhibition capacity, and integration with complementary hospitality and retail components and has no large-scale dedicated convention center.

This fragmented supply presents an opportunity for the proposed development to establish a comprehensive, multifunctional destination capable of accommodating a

wide range of business, convention, exhibition, and entertainment events within a single integrated precinct.

3.3 Demand Assessment – Emerging MICE Destination

Visakhapatnam possesses strong fundamentals to emerge as a leading MICE (Meetings, Incentives, Conferences and Exhibitions) destination in India. The city combines a large economic base, strong industrial ecosystem, tourism attractiveness, improving aviation connectivity, a growing premium hospitality market, and a proven track record of hosting large-scale national and international events. These factors support the business case for developing a world-class International Convention & Exhibition Centre. Major events conducted recently at Visakhapatnam.

3.3.1 CII Partnership Summit 2025

Visakhapatnam successfully hosted the Andhra Pradesh Partnership Summit in November 2025, attended by over 650 International delegates across 60 countries.

- Attended by approximately 3,000 delegates
- Represented by 30 ministers from different countries
- Participation from ambassadors, business leaders, policymakers and global investors.
- Countries Participated: 60 No's
- More than 613 investment proposals
- Investment intent exceeding **₹13 lakh crore**

This event demonstrated the city's ability to host large-scale conferences and investment summits.

3.3.2 International Conference on Sustainable Waste Management & Circular Economy, 2024

An International Conference was convened at GITAM University to discuss on the effective waste management by waste segregation and circulation of dry & wet wastes and least possible water & carbon footprints.

- Approximately 1,000 delegates participated
- Participants from 60 countries
- More than 400 technical presentations

3.3.3 2nd G20 Infrastructure Working Group (IWG), 2023

The meeting under the Indian G20 Presidency concluded successfully in Visakhapatnam on March 29th, 2023. The two-day meeting was co-chaired by Department of Economic Affairs, Ministry of Finance, Government of India, along with Australia and Brazil. 57 delegates from 14 G20 member countries, 8 invitees, and 10 international organizations attended the meeting physically.

3.4 Future MICE Demand Projections

- #### **3.4.1**
- Additionally, Visakhapatnam already has the baseline infrastructure with 1,100 premium hotel rooms, India Expo Centre at Andhra Pradesh MedTech Zone (AMTZ)

and an under-development East Coast Habitat Centre at Rushikonda (9 acres), located along Vizag's scenic beachfront. Over the last few years, Visakhapatnam has hosted various marquee events. Despite having a decent ecosystem, Visakhapatnam's MICE market is currently at a nascent stage, valued at \$50 million⁶, representing less than a 1% share of the Indian market.

- 3.4.2** With its current endowments, upcoming international airport, growing hospitality and connectivity infrastructure, and competitive cost advantage, Visakhapatnam has the potential to emerge as one of India's top 10 MICE destinations and increase its share of India market to 2-5% to reach \$0.6-1 billion by FY32.

⁶ VER Report – The Economic Master Plan of Visakhapatnam, Niti Aayog

4. Demographic Strengths

4.1 Site Location

The proposed project site is located close to Kapuluppada (v) in the city of Visakhapatnam. It is about 21 km from Visakhapatnam Main City and falls in the Visakhapatnam Metropolitan Region Development Authority (VMRDA) limits. The site is spread over 20 acres of land at Greyhounds Lands.



Figure 3 Site Profile

4.2 Tourism Profile - Visakhapatnam

Visakhapatnam, affectionately known as Vizag, serves as the ultimate tourism epitome of Andhra Pradesh by effortlessly weaving sun-drenched coastlines, dense hill stations, and deep spiritual heritage into one extraordinary region

Location	Tourism Category	Highlights
Rushikonda Beach	Coastal / Water Sports	The crown jewel of Andhra's coast; holds the international Blue Flag certification for eco-cleanliness.
RK Beach (Ramakrishna)	Urban Coastal / Culture	The lively cultural heart of the city, lined with parks, war memorials, and local street food.
Yarada Beach & Dolphin's Nose	Scenic Coastal	A secluded, picture-perfect beach flanked by a massive, dolphin-shaped rocky headland.
INS Kursura Submarine Museum	Military / National Heritage	A decommissioned Soviet-built submarine parked right on the sand—the first of its kind in Asia.
Kailasagiri Hill	Eco-Leisure / Panoramic	A hilltop park offering panoramic cable-car views where the Eastern Ghats plunge directly into the sea.
Araku Valley	Hill Station / Eco-Tourism	Known as the "Ooty of Andhra," offering cool misty weather, organic coffee plantations, and unique tribal heritage.
Borra Caves	Geological Wonder	Deep limestone caves filled with million-year-old stalactites and stalagmites formed by the Gosthani River.
Simhachalam Temple	Spiritual / Architecture	A historic 11th-century hill temple dedicated to Lord Varaha Lakshmi Narasimha, featuring intricate Kalinga architecture.
Thotlakonda	Historical / Heritage	A ancient 3rd-century BCE Buddhist monastic site sitting atop a hill overlooking the Bay of Bengal.

Table 2- Tourism Profile of Visakhapatnam

4.3 Linkages & Connectivity

Extent of Land	20 Acre
Present Site Condition	The site is sea-facing property located atop a hill at Greyhounds Land parcel. At present the Site is lying vacant and free from any kind of encroachments
Connectivity to NH	- Connected to Madhurawada, Visakhapatnam through NH-16 – 6 km - Abutting Beach Road connecting Visakhapatnam-Bhogapuram International Airport
Airport	Visakhapatnam International Airport (existing) – 30 km Bhogapuram International Airport (New) – 36 km
Port	Visakhapatnam Port – 35 km
Railway Station	Visakhapatnam Railway Station – 21 km

Table 3- Connectivity

4.3 SWOT Analysis

Strengths

- **Strategic location** - Located in close proximity to Visakhapatnam, ensuring easy access to Government, business and tourism infrastructure.
- **Leisure Appeal** – Beaches, Hills & Buddhist Circuit- Panoramic sea views and adjacent to Thotlakunta Buddhist Monastery, Rushikonda Beach (Blue Flag certified), attracting both domestic and international tourists.
- **Premier Edu hub** - Major educational institutions such as IIM Visakhapatnam, GITAM University, National Law University & Indian Maritime University.
- High potential for MICE (Meetings, Incentives, Conferences, and Exhibitions) tourism development due to institutional setting and serene environment

Weakness

- **Global Connectivity** – Heavily relies on the domestic transit hubs (Hyderabad, Chennai, Delhi & Bengaluru) for true international delegates.

Opportunities

- **Industrial Synergy** – Lies on the Kapuluppada–Madhurawada corridor, which is witnessing a steady rise in demand for IT development, Data Centers, Grade-A spaces and prominent Hotels & Resort.
- **Bleisure (Business+Leisure)** – Proposed Vizag Bay City, a Mega world-class brownfield city, to act as a catalyst amid extensive infrastructure development supported by rapid urban expansion and population growth in the northern coastal belt.
- No major International Convention Center existing in the city.

Threats

- **Aggressive Competition from Southern Hubs** – Already established MICE centers at Hyderabad and Bengaluru.

- **Infrastructure strain from unregulated visitor surge** – Risk of rapid tourist growth outstripping public utility capacity, and a drop in overall visitor satisfaction.