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आज़ादी का  
अमृत महोत्सव

भारतीय विमानपत्तन प्राधिकरण  
AIRPORTS AUTHORITY OF INDIA

No.: AAI/CHQ/LM/CIR/2007  
E-office Computer No.163999

1263-269  
83-96

June 9<sup>th</sup>, 2023

**Land Management Circular No. 30**

The Regional Executive Director(s),  
Eastern Region, Northern Region, North-Eastern Region,  
Southern Region, Western Region,  
Airports Authority of India,  
Kolkata, Delhi, Guwahati, Chennai, Mumbai.

Airport Director(s),  
Chennai / Kolkata  
Airports Authority of India,  
Chennai, Kolkata

**Sub: - Allotment of Land and Built-up Hangar / Space on Card Rates to MRO & FTO Operators.**

Sir,

This is with reference to Land Management Circular No.18 dated 1<sup>st</sup> April 2021, Circular No.19 dated 17<sup>th</sup> December 2021, Circular No.27 dated 12<sup>th</sup> October 2022 and Circular No.29 dated 04<sup>th</sup> May 2023 regarding allotment of land and built-up areas at Airports for aviation related services & activities.

2. Further, AAI Board in its 214<sup>th</sup> meeting held on 19<sup>th</sup> May 2023 has accorded the approval as under:

- 1) For allotment of land/ space for **setting up MRO/ FTOs** at AAI Airports to willing agencies on card rate basis for a period of 25 years, apart from allotment of land/ space through bidding process for setting up MROs/ FTOs as per following terms: -
  - a. For MRO (Self & 3<sup>rd</sup> party) – License Fee at applicable card rate on the date of allotment and payable from the date of taking over of the site/ land. License fee to escalate @15% after every 03 year. No royalty/ concession fee shall be payable/ applicable for self and 3<sup>rd</sup> party MRO services.
  - b. For FTO – License Fee which is higher of (i) initial Lump-sum annual fee of Rs.15 lacs or (ii) at applicable card rate on the date of allotment. License Fee shall be payable from the date of taking over of the site/ land and shall escalate @15% after every 03 year. No royalty/ concession fee shall be payable/ applicable.


Page 1 of 2

*[Handwritten Signature]*  
9/6/2023  
Anurag Singh

II) The Board authorized ED(LM) to allot land subject to approvals of the Dte. of Planning and Operations as per the Master Plan approved by Chairman and Member (Plg.)

3. Please acknowledge and ensure compliance of Board's approval as per para 2 above. This be given wide publicity and the proposals/ requests received from FTO/ MRO agencies be forwarded to CHQ for processing and approval thereof.

Yours faithfully,

  
(V. Ramanathan)  
General Manager (LM)

Encl : Copy of Circulars as referred above.

Copy to:

- i. OSD to Chairman
- ii. PS to Member (Ops) /(Plg.) / (Finance) / (ANS) / CVO
- iii. ED(Finance)Rev./ ED(Finance)-Internal Audit/ ED(Commercial)/ ED(Engg)-WR/ ER /ED(OPS)
- iv. GM(IT) : *with a request to upload the same on AAI website*
- v. Lease-Admin Team (LM) : *for necessary action please.*



भारतीय विमानपत्तन प्राधिकरण  
AIRPORTS AUTHORITY OF INDIA

No.: E-103284/AV.21012/03/2021-LM/

Dated: 01<sup>st</sup> April 2021

To,

The Regional Executive Director,  
Airports Authority of India,  
Northern/ Eastern/ Western,  
North Eastern/ Southern Region,  
Delhi/ Kolkata/ Mumbai  
Guwahati/ Chennai.

The Airport Director,  
Airports Authority of India,  
Chennai/ Kolkata.

**LAND MANAGEMENT CIRCULAR NO.18**

**Sub: Rationalization of Royalty, Land License Fee, Allotment and Renewal Thereof for Maintenance, Repair and Overhaul (MRO) Service Providers- Revised Policy.**

Sir,

In order to promote MRO Sector in India, a policy paper was put up to AAI Board in its 199<sup>th</sup> Meeting held on 25<sup>th</sup> February, 2021 and approval of Competent Authority is hereby conveyed for Revised Policy/ Tariff of MRO services providers (including line maintenance) and Aircraft Maintenance Organizations (AMOs) at AAI Airports effective from 1<sup>st</sup> April 2021 onwards as per detail below:

- a) **Concession fee:** In any manifestation including royalty, shall not be leviable in new contracts. It shall also not be leviable from the respective date of renewal of existing contracts (MRO providers) from 1<sup>st</sup> April 2021 onwards.
- b) **Airport land/ space rentals:** Shall stand rationalized under existing contracts, renewal of contract and new contracts from 1<sup>st</sup> April 2021 onwards as below:

Year from Date of Allotment / Renewal of Contract / Ongoing Existing Contract from FY 2021-22 onwards	Percentage of applicable Land/ Space rental
Year 01 to 05	20%
Year 06 to 10	30%
Year 11 to 15	40%
Year 16 to 20	60%
Year 21 to 30	75%

c) **Escalation:** The above base land/ space rental shall be escalated @ 15% at the end of every 3 years' block i.e. starting from beginning of 4<sup>th</sup>, 7<sup>th</sup>, 10<sup>th</sup> ..... year onwards.

d) **Renewal of Contract/ Allotment of land under Existing Contracts:**

(i) For existing MRO service providers/ AMOs who are up-to-date on their payments under ongoing contracts or under original contracts that expire anytime in FY 2020-21 notwithstanding any extension given in light of disruptions due to Covid-19 pandemic, the renewal of lease/ license at the existing facility shall be considered with effect from the date of expiry of their existing contract period. The rationalized land/ space rental (as per para 'b' above) shall be applicable for the proposed renewal up to a maximum period of 30 years with the prior approval of CHQ.

(ii) For the existing MRO organizations that have outstanding dues or are under litigation and are willing to seek renewal of their existing contract (which has expired or is to expire in FY 2020-21), their candidature for renewal of lease/ license at the existing facility shall only be considered after the settlement of disputes and clearance of outstanding dues by way of settlement/ negotiation in a time-bound manner through a Committee to be constituted by CHQ. The rationalized land/ space rental shall be payable by such agency also under the proposed renewal contract of up to a maximum period of 30 years subject to prior approval of CHQ.

2. The cases of existing MROs, who are willing to get their contract extended and come forward for Settlement of disputes/ outstanding dues for One Time Settlement, through Settlement Advisory Committee forum, be compiled and forwarded to CHQ for decision thereof by 30<sup>th</sup> April 2021 positively.

3. MRO activities shall initially be promoted from the Bhopal, Chandigarh, Chennai, Begumpet, Juhu, Kolkata, Delhi and Tirupati Airports. Other Airports shall be identified and notified from time-to-time.

4. As regards establishment of new MRO agencies are concerned, the allotment shall be through call of Bids/ EOI for the sites identified at various Airports by the Dte. of Planning / Arch. Action for selection of new agencies shall be at CHQ level.

5. These revised guidelines shall come into effect from 01<sup>st</sup> April 2021 and shall supersede all other previous guidelines/ instructions/ policy approved/ issued by AAI for establishing MRO services at AAI Airports.

Contd...3/-



6. It is requested that necessary action may kindly be initiated in line with above guidelines and existing MROs agencies be informed accordingly. Action Taken Report in the matter may please be sent to CHQ.
7. This issues with the approval of Competent Authority.

Yours faithfully.

*Anil Narula*  
01-04-2021  
(Anil Kumar Narula)  
Jt. General Manager (LM)

Copy to:

- 1) Chairman. AAI
- 2) Member (HR/ Plg./ Ops./ Fin./ ANS)
- 3) ED (Plg./ Arch.) – *with the request to earmark the location for MROs as per Para 3.*
- 4) ED (Ops.)
- 5) ED (IT) – *with the request to upload the same in the AAI website.*
- 6) Circular File No.AAI/CHQ/LM/CIR/2007



भारतीय विमानपत्तन प्राधिकरण  
AIRPORTS AUTHORITY OF INDIA

No: E-62429/AV 21012/03/2021-LM

Dated: 17<sup>th</sup> December, 2021

To,

The Regional Executive Director,  
Airports Authority of India,  
Northern/ Eastern/ Western  
North Eastern/ Southern Region,  
Delhi/ Kolkata/ Mumbai  
Guwahati/ Chennai.

The Airport Director  
Airports Authority of India  
Chennai/ Kolkata.

LAND MANAGEMENT CIRCULAR NO.19

Sub: Rationalization of Royalty, Land License Fee, Allotment and Renewal Thereof for Maintenance, Repair and Overhaul (MRO) Service Providers- Revised Policy.

Sir,

Reference is invited to CHQ letter no. E-103284/AV.21012/03/2021-LM dated 01<sup>st</sup> April 2021 communicating the MRO Policy regarding rationalization of Airport Royalty and other charges leviable on Maintenance, Repair and Overhaul (MRO) service providers for ease of doing business and to provide further incentive to this sector, as communicated by MoCA vide their letter dated 1<sup>st</sup> January, 2021 and approved by the AAI Board vide Agenda item No.199.9 in its Board Meeting held on 25<sup>th</sup> February, 2021. As per the said policy the land was to be allotted for a period of 30 years through EoI for new contracts at 8 identified airports namely Bhopal, Chandigarh, Chennai, Hyderabad (Begumpet), Jaipur, Kolkata, Delhi and Tirupati as well as renewal of contracts allotment of land under existing contracts. As per the provision of policy, it was required to constitute a Standing Committee with participation from AAI, DGCA and MoCA for shortlisting of agencies based on the analysis/ review of the EoIs received.

2. This letter dated 01<sup>st</sup> April 2021 communicating the MRO Policy was withdrawn by CHQ vide e-mail dated 7<sup>th</sup> June, 2021 and the Competent Authority desired not to take any action on the above referred letter dated 1<sup>st</sup> April, 2021 till further orders.

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3 The matter was again deliberated by AAI Board vide Agenda Item No.201.12 D in its Board Meeting held on 7th July, 2021. Further, AAI Board vide agenda item No. 202.20 in its Board Meeting held on 7th September, 2021 took note of the MoCA letter dated 1st September, 2021 and approved the change in Policy as directed by MoCA/Government of India.

4. The finalized policy on MRO, so arrived is appended below:-

- I. As regards establishment of new MRO agencies are concerned, the allotment shall be through call of bids for the sites identified at various Airports by the Dte. of Planning / Arch. Action for selection of new agencies shall be at CHQ level.
- II. Instead of inviting Expressions of Interest (EOIs) with subjective evaluation criterion, AAI shall invite e-tender for New Contracts, wherein the Lease Fee quoted by the Bidder shall be the Bid Parameter. The agency quoting the highest Lease Fee shall be the selected bidder for that specific parcel.
- III. Hyderabad (Begumpet), Chennai, Chandigarh and Bhopal are found to be preferred locations for establishing/ expanding MRO Businesses. Therefore, initially tenders are proposed to be invited at Bhopal, Chandigarh, Chennai and Hyderabad (Begumpet) along with places where existing MRO contract(s) is/are coming to end by 31st March, 2022. Accordingly, tenders have been invited for Leasing of Land for Establishing Maintenance, Repair & Overhaul (MRO) Facility on Design, Build, Operate, Maintain and Transfer Basis (DBOMT) at Bhopal, Begumpet (Hyderabad), Chandigarh, Chennai and Juhu Airports
- IV. For line maintenance, MRO tenders are proposed to be invited for all airports where there is feasibility with an area of approximately 200 sqm. per MRO.
- V. No Floor Price is to be kept in the bid. The agency quoting the highest lease fee shall be the selected bidder for that specific parcel.
- VI. The quoted /accepted lease fee shall be escalated @ 15% after every 3rd year.
- VII. For the purpose of ensuring serious and appropriate level of participation in the Tender, an appropriate amount of EMD/Bid Security, shall be kept. Therefore, in the present tenders called for MROs, the Bid Security Payable for one site has been kept as Rs.10.00 lacs. If the bidder is successful in the EOI for MRO for additional sites, then he shall be asked to pay Rs. 10.00 Lacs for each additional site.

Contd... 3/-

- VIII. The period of the MRO concession should be retained as 30 years as per the approved policy.
- IX. The maximum period of contract, new or renewal, for allotment of land / space under these provisions shall continue to be 50 years. However, provision shall be made in the lease agreement that in case, the MRO agency commits default or ceases to perform the MRO activities at allotted land/space, the lease shall be terminated without payment of any compensation by AAI.
- X. Instead of renewing the existing land lease / space license of MRO agencies at reduced rates as per the policy, the existing lessee / licensee be required to participate in the bidding if it wishes to continue using the premises as per the fresh terms and conditions specified in the bid, which will have a provision of "Right of First Refusal (ROFR)" to the existing lessee / licensee to match the first ranked bid in terms of the selection criteria, provided its bid is within the range of 15% of the most competitive bid received.
5. These revised guidelines shall come into effect from the date of Board's approval i.e. 7<sup>th</sup> September, 2021 and shall supersede all other previous guidelines/ instructions/ policy approved/ issued by AAI for establishing MRO services at AAI Airports.
6. It is requested that necessary action may kindly be initiated in line with above guidelines and existing MROs agencies be informed accordingly.

This issues with the approval of Competent Authority

Yours faithfully,

(TANU C)  
General Manager (LM)

Copy to

- 1) ED (Ops.)
- 2) ED (IT) - with the request to upload the same in the AAI website.
- 3) Circular File No. AAI/CHQ/LM/CIR/2007



भारतीय विमानपत्तन प्राधिकरण  
AIRPORTS AUTHORITY OF INDIA

No. AAI/CHQ/LM/CIR/Aviation related services /2022//352-358 October 12, 2022  
E-office Computer No.163999

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The Regional Executive Director, Eastern Region/ Western Region/North Eastern Region & Northern Region/ <i>Southern</i> Airports Authority of India Kolkata/Mumbai/Guwahati/Delhi/ <i>Chennai</i>	Airport Director Chennai/Kolkata Airports Authority of India Chennai, Kolkata
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Land Management Department Circular No. 27

**Sub: - Allotment of Land, Built up space in Operational area of the Airports for Aviation Related Services.**

Sir,

AAI is in receipt of requests from Airlines Operators, OMCs, Flight Simulators and other agencies for allotment/ license of hangar and land for construction of hangars for parking, housing, and self-maintenance as well as for other aviation purposes at Airports.

2. In this regard, AAI Board in its 210<sup>th</sup> meeting held on 16.09.2022 has approved as under: -

1. To allot land and built-up areas in operational area at Airports for following aviation related services & activities for a period of 15 years on applicable rental / license fee rates as approved by Board from time to time:

- i. Airline's operations including Private, Scheduled & Non-Scheduled
- ii. Oil Marketing Companies (OMCs) for Aircraft refueling arrangement
- iii. Flight Simulators & Drones
- iv. Cargo and Ground Handling Services
- v. Requirement of Regulatory Agencies
- vi. Porta Cabins for MRO, Ground Handling, OMCs etc.
- vii. Requirement of Defence Authorities
- viii. Other such Aeronautical & Non-Aeronautical services
- ix. Flying Training Organization (FTO)
- x. Maintenance, Repairs & Overhaul (MRO) Activities

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*[Signature]*  
12/10/2022  
Am am 10/22

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Further, where the land / built-up space has already been allotted on tender basis, the terms of the tender will govern those allotments.

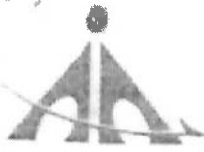
- II. To seek the approval of MoCA for allotment of land /space on lease for MRO and FTO at card rates without tender. Accordingly, the fresh allotment and renewal for FTO and MRO shall come into effect only upon receipt of approval from MoCA.
  - III. That the existing land licenses of Oil Marketing Companies (OMCs) on expiry, be considered as fresh allotment with effect from 01.04.2022 or from the date of expiry whichever is later for a period of 15 years on applicable rental rates, irrespective of the location whether in operational area or non-operational area.
  - IV. ED(LM) has been authorized to make fresh allotments as per Master Plan for the Airport approved by the Chairman /Member (PIng).
3. Please acknowledge the receipt and ensure compliance of Board Approval as per para 2 I (i) to (viii) as above.
4. However, with regard to para 2 I (ix) & (x) (i.e with regard to FTO & MRO), CHO is separately taking up the matter with MoCA.

Yours faithfully,

  
(V. Ramanathan)  
General Manager (LM)

**Copy To:**

1. ED(Finance)-Rev. /ED(Finance)-Internal Audit. /ED (Commercial) / ED (Engg)- WR/ER /ED(OPS)
2. OSD to Chairman
3. PS to Member (Ops) / (PIng.) / (Finance) / (ANS) / CVO
4. GM(IT)- with a request to upload the same on AAI website
5. AAI/LM/Lease-Admin Team: For n.a. please.



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भारतीय विमानपत्तन प्राधिकरण  
AIRPORTS AUTHORITY OF INDIA

No. : E-62429/AV 21012/03/2021-LM/ 173-199  
EO No. -157620

Dated: 4<sup>th</sup> May, 2023

To,

<p><b>The Regional Executive Director,</b> Airports Authority of India, Northern/ Eastern/ Western, North Eastern/ Southern Region, Delhi/ Kolkata/ Mumbai Guwahati/ Chennai</p>	<p><b>The Airport Director,</b> Airports Authority of India, Chennai/ Kolkata.</p>
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**LAND MANAGEMENT CIRCULAR No.29**

**Sub: Renewal of agreements for Maintenance, Repair and Overhaul (MRO) and terms & conditions thereof**

Sir,

As per the directions of MoCA, AAI is in continuous process of updation of MRO Policy regarding rationalization of Airport Royalty and other charges leviable on Maintenance, Repair and Overhaul (MRO) service providers for ease of doing business and to provide further incentive to this sector. Also Global MROs and manufacturers of aircraft components are being encouraged to enhance investments in India

2. It has been viewed that some officials at station levels are not up to date with the recent developments in respect of above sector and are renewing the agreements on previous terms and conditions which are not in tune with the revised policy of AAI on MRO.

3. Henceforth, all Regional Executive Directors and Airport Directors are requested that any renewal shall be forwarded to CHQ for approval of the proposal and terms & conditions thereof, in order to keep pace with the new MRO Policy

This issues with the approval of Competent Authority

Yours faithfully,

(TAJTEC)

General Manager (LM)

Copy to:

- 1) ED (Ops )
- 2) ED (IT) – with the request to upload the same in the AAI website.
- 3) Circular File No AAI/CHQ/LM/CIR/2007

राजीव गांधी भवन  
Rajiv Gandhi Bhawan

सफ़दरजंग हवाई अड्डा नई दिल्ली- 110003  
Safdarjung Airport, New Delhi-110003

दूरभाष : 011-24632950  
Phone : 011-24632950