



CAA LAND LEASE POLICY

2nd June 2001

The CAA Land Lease Policy approved by CAA Board in its 92nd Meeting held on 2nd June 2001 is as follows.

LEASE PERIOD

MARKET VALUE OF THE LAND

PREMIUM

RENT

NON-UTILIZATION CHARGES

METHOD OF LEASING

PERIOD OF LEASE

The duration of lease shall be 30 years which is renewable on mutual consent.

MARKET VALUE OF THE LAND

The market value of the land shall be assessed by a committee comprising the following, at locations and HQCAA, but the value of land assessed by Collector/Revenue authority of the District, shall be kept as a base line. If the price of land being offered through auction is equal to or more than the assessed value, the Committee may take an independent decision. All other cases shall be submitted to CAA Board for approval.

COMPOSITION OF COMMITTEE

At CAA Headquarter: Director Commercial & Estates.

General Manager Estates.

General Manager Legal.

General Manager Finance.

At Locations: Airport Manager.

Estates Representative.



Legal Representative.

Finance Representative.

PREMIUM

It shall be fixed with reference to land value and be charged not less than 30% of the land value. The payment may be made in lump sum or it may be re-structured so as to be staggered in equal installments as follows

- ❖ First at the time of award of lease.
- ❖ Second on the expiry of the construction period as per lease agreement.
- ❖ Third installment six months after the second installment.

RENT

The annual rent of the land shall be fixed at a sum which will be equal to 1/30th of the value of land for the first ten years. It shall be enhanced by 100% on expiry of each term of ten years.

NON-UTILIZATION CHARGES

Where the lessee fails to commence construction or commits delay in launching of a project he will be liable to pay a penalty ranging from Rs.100/- per sq.yd per annum to Rs.300/- Per sq.yd per annum depending on the location of the site.

In case construction is not commenced or completed within the period provided in the lease agreement or within the extended period provided in the lease agreement or within the extended period allowed by the competent authority, termination of lease/resumption of land shall be stipulated in the lease agreement.

METHOD OF LEASING

The method of leasing will be Auction or Private Treaty.

AUCTION

- ❖ The lease of land shall be either through open auction, open bidding or calling tenders after pre-qualifying firms, as may be required through wide publicity in the press and media. This will be done by Commercial Directorate or respective Airport Managers.

PRIVATE TREATY

- ❖ Executive Committee may decide to dispense with the auction of the lease and may instead cause the site to be leased by Private Treaty on such terms and conditions as may be recommended by the respective Committee.



- ❖ Leasing at the concessional premium through Private Treaty for place of worship or amenity purpose has been abolished.
- ❖ The Private Treaty is to be resorted to sparingly and be restricted to Government/Semi Government agencies, airlines and other such functionaries, where auction cannot be resorted to.
- ❖ All private treaties shall carry the approval of CAA Board.

FINAL APPROVAL

All cases for disposal of land shall be accorded final approval by the Executive Committee or CAA Board depending on the valuation of land as follows

- ❖ Cases involving upto Rs.100 Million of the land value be approved by Executive Committee.
- ❖ Cases over Rs.100 Million of the land value be approved by CAA Board.