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RAILWAY CONVENTION COMMITTEE

(2014)

(SIXTEENTH LOK SABHA)

MINISTRY OF RAILWAYS

(RAILWAY BOARD)

COMMERCIAL UTILISATION OF VACANT
RAILWAY LAND- ROLE OF RAIL LAND
DEVELOPMENT AUTHORITY (RLDA)



सत्यमेव जयते

LOK SABHA SECRETARIAT

NEW DELHI

May, 2016 /Vaisakha, 1938 (Saka)

THIRD REPORT
RAILWAY CONVENTION COMMITTEE
(2014)

(SIXTEENTH LOK SABHA)

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

COMMERCIAL UTILISATION OF VACANT RAILWAY LAND- ROLE
OF RAIL LAND DEVELOPMENT AUTHORITY (RLDA)

Presented to Lok Sabha on 11.05.2016

Laid in Rajya Sabha on 11.05.2016



LOK SABHA SECRETARIAT NEW DELHI

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CONTENTS

	PAGES
COMPOSITION OF THE RAILWAY CONVENTION COMMITTEE (2014)	(i)
INTRODUCTION	(ii)
PART-I NARRATIVES	
(I) Introductory	1-3
(II) Vacant land and commercial development	3-11
(III) Land Management Cell	11-13
(IV) Multifunctional complexes (MFCs)	13-19
(V) Encroachment of Railway land	19-23
(VI) Revenue generation by RLDA	23-26
PART-II OBSERVATIONS/RECOMMENDATIONS	27-37

APPENDICES

- I. Minutes of the First sitting of the Railway Convention Committee (2014)
held on 22 June, 2015
- II. Minutes of the Second sitting of the Railway Convention Committee (2014)
held on 04 February, 2016
- III. Minutes of the Third sitting of the Railway Convention Committee (2014)
held on 10 May, 2016

COMPOSITION OF RAILWAY CONVENTION COMMITTEE-(2014)

SHRI BHARTRUHARI MAHTAB, MP- CHAIRPERSON

MEMBERS OF LOK SABHA

2. SHRI ABHISHEK BANERJEE
3. SHRI SANGANNA AMARAPPA KARADI
4. SHRI K. ASHOK KUMAR
5. SHRI KAMALBHAN SINGH MARABI
6. SMT. ANUPRIYA PATEL
7. SHRI NANA PATOLE
8. SHRI JANAK RAM
9. SHRI RAHUL RAMESH SHEWALE
10. SHRI BHARAT SINGH
11. SHRI LILADHARBHAI KHODAJI VAGHELA
12. SHRI K.C. VENUGOPAL

MEMBERS OF RAJYA SABHA

13. VACANT*
14. SHRI DEREK O' BRIEN
15. DR. VIJAYLAXMI SADHO
16. SHRI ARVIND KUMAR SINGH
17. SHRI T.K. RANGARAJAN
18. SHRI K.C. TYAGI

*Vacant occurred w.e.f. 9th April, 2016 vice Sh. Avinash Rai Khanna retired from Rajya Sabha.

SECRETARIAT

- | | | |
|---------------------------|---|----------------------|
| 1. Shri K. Vijaykrishnan | - | Additional Secretary |
| 2. Shri M. K. Madhusudhan | - | Director |
| 3. Shri D. R. Mohanty | - | Additional Director |
| 4. Shri J.S. Patiyal | - | Committee Officer |

INTRODUCTION

I, the Chairperson, Railway Convention Committee (2014), having been authorized by the Committee, present this Third Report on 'Commercial utilization of vacant Railway land-Role of Rail Land Development Authority (RLDA)'.

2. In the process of examination of the subject, the Committee obtained background material and written information from the Ministry of Railways (Railway Board) and RLDA. The Committee also took oral evidence of the representatives of the Ministry of Railways (Railway Board) and RLDA on 22nd June, 2015 and 04th February, 2016. The Committee express their thanks to the representatives of the Ministry of Railways (Railway Board) and RLDA for appearing before the Committee and also for furnishing the requisite written information on the subject, as desired by the Committee.

3. The Committee considered and adopted this Report at their sitting held on 10th May, 2016. The Minutes of the sitting of the Committee are appended to the Report.

4. The Committee place on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

5. For facility of reference and convenience, the Observations/ Recommendations of the Committee have been printed in bold letters in the Report.

New Delhi:
10 May, 2016
20 Vaisakha, 1938 (SAKA)

BHARTRUHARI MAHTAB
CHAIRPERSON
RAILWAY CONVENTION COMMITTEE

PART - I

REPORT

I. INTRODUCTORY

The Indian Railways possesses huge tracts of land across the country. The total land available with the Indian Railways is 4,58,589 hectare, out of which 4,21,180 hectare is utilized for Railways' operational purposes and allied usages, leaving 46,409 hectare as vacant land. This vacant land is mostly in the form of narrow strips along tracks, which is required for servicing and maintenance of tracks, bridges and other infrastructure. The vacant railway land is also utilized for execution of various infrastructural projects for meeting the future growth needs of the Railways, including projects for doubling/tripling, traffic facility works, etc.

2. The vacant land which is not required by the Railways for immediate operational use is offered by them for commercial development, in order to mobilize additional financial resources through the Rail Land Development Authority (RLDA).

3. The Rail Land Development Authority (RLDA) is a statutory Authority, under the Ministry of Railways, set-up by an Amendment to the Railways Act, 1989 (Act No. 47 of 2005) for commercial development of vacant railway land. The RLDA came into existence in January, 2007, with its main objective, as approved by the Parliament, being generation of non-tariff revenue through commercial utilization of railway land and air space.

4. The railway land entrusted to RLDA can be developed for purposes like commercial, institutional, hospitality, entertainment,

etc. RLDA may also develop railway land in a phased manner, in case the phased development is considered to be more beneficial based on market assessment. Commercial Development shall conform to the development control norms of the area where the land is located. Land for commercial development is leased out through an open, transparent and competitive bidding process for lease period of 30 to 45 years. Ownership of the land continues to vest with the Railway administration and no mortgage of land is permitted at any time. After expiry of the lease period, the entire railway land together with the buildings or structures existing thereon shall revert and vest upon the Railway administration. At present, 60 sites measuring about 590 hectare which are found amenable for commercial development have been identified and entrusted to RLDA. RLDA since its inception in January, 2007 has earned Rs. 1215 crore from commercial development of land.

5. RLDA conducts feasibility study and market survey which includes the following before initiating the process of selection of developers for a site:

- a) Verifications of boundaries, title and permitted land use;
- b) Survey of encumbrances, encroachments, if any;
- c) Possible usages of land;
- d) Model of development for maximizing returns;
- e) Period of lease; and
- f) Valuation of the returns expected from the development of the railway land.

6. Against the above backdrop, the Committee took up the subject for examination and report. In the process, the Committee obtained background notes, written replies and other relevant documents from the Ministry of Railways. The Committee also took evidence of the representatives of the Ministry of Railways (Railway Board) and RLDA on two occasions. The Committee undertook on-the-spot Study Visits

to various Zonal Railways to obtain firsthand knowledge on the subject matter. Based on the written and oral depositions of the Ministry of Railways and RLDA, as well as the inputs gathered during the field visits, the Committee have deliberated on the issues concerning the subject matter in the succeeding paragraphs.

II. VACANT LAND AND COMMERCIAL DEVELOPMENT

7. The Committee were informed that, so far, 60 sites measuring about 590 hectare were identified and entrusted to RLDA for commercial development, out of which 47 sites which might have the potential for commercial development were zeroed in on by RLDA. The General Managers of the Zonal Railways concerned were asked to examine these sites which, if not required by the Railways, might be offered to RLDA.

8. In the above context, the Committee desired to be apprised of the actual commercial development of the sites entrusted to RLDA. In reply, the Ministry submitted that RLDA invited tenders for 16 number of commercial sites but it could succeed in selecting Developers only for 6 commercial sites, mainly due to the slump in the real estate market. However, agreements were executed with only 4 developers as License of Agreements (LOAs) for 2 sites had to be cancelled due to non-payment of the 1st installment of lease premium by the Developers. The Committee were informed that no site could actually be developed as yet.

9. Asked to state the latest status of the 47 sites which were identified by RLDA itself for commercial development, the Ministry in their written submission, furnished the following information:-

S. No.	Particulars	Number of sites
1	Number of sites where land is required for future development/ already occupied/ commercially not viable.	6
2	Sites suitable for commercial development and Zonal Railways have been asked for proposal for entrustment of sites to RLDA, if not required by the Railways in near future, after ascertaining the land title in favour of Railways.	21
3	Sites under examination.	20

10. The Committee queried about the specific constraints/impediments faced by RLDA in appropriate commercial development of the sites offered to them. In reply, the Ministry stated that some of the major constraints faced by RLDA were as under:

- a) Most of the commercial sites are located in Tier – II & III cities where huge vacant land is available for freehold sale. Due to availability of free hold property, interest in leasehold property is very less.
- b) Slump in real estate sector.
- c) The existing land use of railway land is either residential or railway/ transportation. As such, change of land use (CLU) is required prior to inviting bids for commercial development on railway land. The process for obtaining CLU is very long and generally takes about 2 to 3 years minimum.

11. In evidence, the Member, Engineering (Railway Board) highlighting the impediments faced in the commercial development of Railway vacant land, submitted as under:

“... As it has been mentioned and by the very nature of the location of the Railway land, most of the plots, they will be bereft of approaches, they may be located in the middle of nowhere. So, the actual number of plots which can be put to commercial use, they get limited only to big cities or reasonably to good size city. This is my main challenge.”

12. When the Committee desired to know whether any problems were being faced on account of the non-cooperation of the State Governments concerned, the Member, Engineering apprised as under:

“... Most of the stations where commercial potential is there, they are located right in the middle of very congested areas in big cities. So, when I want to develop it for commercial purpose, I have to get concurrence from the State Government to go ahead. Most of the time, there is reluctance on their part. For example, for New Delhi in the year 2008, we went for Request for Qualification (RFQ). The RFQ was opened also, but then the State Government backed out.

In CST Mumbai also we went ahead, but the State backed out. Thereafter, we also had some problem as it is a world heritage station. Nonetheless, at some point of time we have got in-principal approval for two stations in Delhi, namely, at Anand Vihar and Bijwasan and RFQs have been invited for both.”

13. Asked to state the participation of the Zonal Railways in the commercial development of vacant land, the Member, Engineering deposed as follows:

“... When I say commercial use of the land, RLDA is one agency but then we do commercial licensing at the level of the Zonal Railway. This is in the form of land for the siding connectivity, commercial plots for the catering, for the goods. So, there is almost 3800 hectare of land which is under commercial licensing which is fetching me almost Rs. 1300 crore per year. We have been increasing it year by year. Last year, it was about Rs. 1300 crore. This year, we are going to exceed that. So, this chunk of earning is coming to me on a regular basis.”

14. The Member, Engineering, further submitted:

“... We have been entrusting plots of the RLDA and then the consultants, after doing their due diligence, may tell them that it can be done or not. That will be decided when RLDA along with their consultant also go and look around and they have been able to identify those 47 plots. They are under consideration of

the Zonal Railway. The Zonal Railways have to do their due diligence because in most of these lands, whatever developments have been taking place, for example, I am doing a lot of doubling, I am doing third lane, a lot of workshops are coming and at big stations, I am doing multi-functional complex, I am setting up laundries, I am setting up now base kitchens, so I do require these lands, so General Managers have to do a lot of due diligence to see that this land is available for some time in the future. We have stipulated 30 to 45 years. For all these contracts, we have the termination clause.”

15. On being asked to state the measures taken/proposed to overcome the problems and attract developers for commercial development of vacant land, the Member, Engineering, deposed as under:

“... There is one thing for which you will appreciate that for the last five to six years, real estate market is really down. So, the model which was conceived by RLDA in the beginning is called upfront model. Upfront model means that they will offer the plot of land to a developer for doing some commercial activity for a period of 30 to 45 years, and he will pay whole of the money upfront. So, they did go for four or five such contracts but almost all of the developers, they could not pay the money because whatever they have envisaged, the real estate went down, so they went into legal tangle. At this point of time, we are re-engineering our agreements. We are now going to go in for a revenue sharing model because if I do licensing today or leasing today, let us say at Rs. 500 crore and the developer comes with the full development after three years, the price may be Rs. 700 crore or Rs. 1000 crore. So, there may be fluctuation. It may go down and then he will run away. Now, we are going for revenue sharing model. If the market goes up, I will get the money and if the market goes down, we will get less money.”

16. Asked to specify the share of RLDA/Railways vis-à-vis that of the developer in the Revenue Sharing model, the Member, Engineering, apprised:

“... This is the bid parameter. Bid parameter means one developer says I will give you, let us say, 30 per cent. The other one says I will give you 40 per cent. The third says I will give you 41 per cent. I will go for the one who offers the highest share.”

17. The Committee then enquired about the measures taken to stop cartel formation amongst the bidders. In reply, the Member, Engineering submitted:

“... For ensuring that cartel formation is not there, the reserve price does get fixed and we do honour it, and in many cases we have gone for re-bidding. We have not accepted those low offers.”

18. The Member, Engineering, elaborated as follows:

“... The first thing is that he will have to bring money upfront. At that point of time, if I ask him that you give me a higher share, then the period will get prolonged. So, that is the first stage where I would like that he gets off as quickly as possible. Then, I will renegotiate at that point of time. So, definitely, it will be periodic. What we are conceiving at this point of time is that it will be an agreement, as you mentioned, between the shopkeeper and the Railways. He is acting as a third party. It is totally transparent. But periodically, I will have to do this. It may be three years. It may be five years. We would like to keep it as small as possible, perhaps, 3-5 years only because if I want to take back that land for my own development purpose, if it is a longer period, then it will be difficult to get the land back. So, this is the scheme which is being finalized in consultation with the consultants so that we are able to go ahead and produce something.”

19. The Committee were informed that after the sites were offered by the Railways, RLDA generally appointed a consultant for feasibility study which included the type of commercial development possible and likely revenue to be generated. During their Study Visits to various Zonal Railways, the Committee were apprised that in several cases the sites entrusted to RLDA were not found suitable for

commercial development and that too even after commencement of work.

20. In the above context, the Committee wanted to know the system adopted by RLDA for appointment of consultants for the feasibility study of the sites for commercial development. In their written deposition, the Ministry submitted as under:-

“... Consultants are engaged by RLDA through open tendering single stage two-packet system. Firstly the consultants are short listed based on minimum technical and professional experience. In the next stage, the financial bids of these short listed consultants are opened and lowest offer is accepted and contract agreement is signed. The engaged consultant has to work as per the terms of reference given in the contract and payment is made as per the schedule. The whole consultancy has been divided into 5 activities and payments are made against each activity only after successful completion of that activity”.

21. The Committee then asked about action taken against consultants as in some cases work had to be abandoned midway and corrective measures taken to appoint consultants of repute and impeccable track record. In reply, the Ministry submitted as under:

“... In the first activity of the consultancy, preliminary feasibility of commercial development is carried out through the consultant. In case the site is not found commercially feasible no further activity is done and site is returned back to railway and consultancy closed as per terms and conditions of contract. However, in three cases the feasibility study done by consultant in assessment of the commercial potential of the site was not found proper and the consultancy contract was terminated.”

22. During their Study Visit, the Committee were informed by the South Western Railway and RLDA at Bengaluru that one Developer had to complete a project by 2012 but he did not do it and the matter was *sub-judice*. In this regard, the Committee desired to know

whether there were some loopholes in the contractual agreements signed with the Developer, which were taken advantage of by the firm to drag the case to the Court of Law. The Ministry in their written submission, deposed as under:-

“RLDA started functioning since January, 2007. Till that time in Railway there was no experience of Long Term Commercial leasing and no Standard Tender documents were available with Railway. So initially these documents were evolving. Standard Bid Documents were finalized in 2013. Since then there has been no case of arbitration or dispute.”

23. Asked to state the mechanism put in place/proposed to make the contractual agreements foolproof to dissuade the Developers to approach the Courts as well as to save precious time and money of the Railways, the Ministry stated that the following mechanism was put in place to reduce the number of disputes:

- a) Bids are invited based on Standard Bid Document only.
- b) Bids are invited only after examining the land records, change of land use (wherever required),
- c) Arranging site visits for the prospective Developers before bid submission,
- d) Arranging pre-bid meetings, in which the Zonal Railway officials are also involved,
- e) Making the replies of queries of Developers in pre-bid meeting and amendments in bid documents (if required).
- f) Agreements are signed with Special Purpose Company only.
- g) Agreements are signed only after fulfilling all the pre-requisites such as joint site measurement, availability of clear & vacant land by railway, Bank Guarantees for future payments, etc.
- h) Schedule of Payment is essence of the contract.
- i) Provision of conciliation committee to resolve the disputes (if any).

24. During evidence, when the Committee desired to know the exact cause of dispute in the case pertaining to the South Western Railway, the Member, Engineering, apprised that the point of dispute was that

the Developer did not deposit the money and he wanted more time to do so. The Member, Engineering elaborated:

“... he deposited some amount but for the next installment he wanted more time. The conditions at that point of time, from what I understand, did provide, all right, you can grant extension up to this with some 18 per cent interest or something like that but beyond that there will not be any extension.”

25. Asked to highlight the contract conditions in this regard, the Member, Engineering, submitted:

“....Sir, as far as their contract conditions are concerned, my understanding is that the lien will accrue only when he deposits the full money. He did not deposit the money. If he wanted to hypothecate my property before depositing the full money, as was stipulated in the contract, that was contrary to the conditions.”

26. The Member, Engineering, elaborated:

“... As far as this particular issue is concerned, all the contract agreements, which were there and crafted by all high end consultants at that point of time, had provision of payment of installments. So, out of four installments, he made two payments. But what happened is that when all these tenders got finalized, the market was up. They were sure that they would be able to fetch good amount. But as the time progressed and the market went down, they developed cold feet and the money was not forthcoming. Then, he wanted more time. Unfortunately, the tender condition did not have any provision for further extension of time beyond a stipulated period. That led to its termination. Against this he went to the court. But, we are confident that conditions are quite strong and our team of officers will try to do their best.”

27. When asked to state categorically whether extension of time could have been granted to the Developer, the Member, Engineering submitted:

“... If I get you right, the import is, perhaps, he could have been granted some extension or something like that. That was, from what I understand, not possible because the contract conditions were iron-clad. They stipulated very clearly that there will not be any cure period beyond a particular limit and everybody had bid at that point of time with those conditions.”

III. LAND MANAGEMENT CELL

28. The Committee were informed that pursuant to the C&AG observations, instructions have been issued to the General Managers of the Zonal Railways for strengthening and creation of Land Management Cells (LMCs) in the Headquarters and the Divisions.

29. In the above context, the Committee desired to be apprised of the structure, composition and functions of the LMCs. In reply, the Ministry submitted as under:

“... For proper management of this valuable resource, instructions have been issued time to time for setting up and strengthening of Land Management Cell (LMC) on Zonal Railways in Headquarters and in Divisions. For management of this valuable resource, the work of land management is looked after by one of the HoD generally called Chief Engineer (General) in all the Zonal Railways. Chief Engineer (General) is assisted by Deputy Chief Engineer/Land or XEN/Land. These officers are assisted by the supervisors and the ministerial staff. This is the general set up of Land Management Cell in Headquarter of the Zonal Railways. In Divisions, the work of land management is looked after by the Divisional Engineer/Land, sometimes on some of the Divisions, Divisional Engineer/Land is designated as Divisional Engineer/Headquarter who, besides looking after the work of land management Cell, also look after other assigned duties. These officers are further assisted by the junior officers, supervisors and ministerial staff. This is the general set up of Land Management Cell in various Divisions of Indian Railways.”

30. Asked to state whether all the Zonal Railways had complied with the instructions of creating LMCs and whether the Railay Board were

obtaining periodical feedbacks from the Zonal Railways regarding the improvement observed after creation and strengthening of the LMCs, the Ministry stated as under:

“... Almost all the Zonal Railways have already taken action for forming separate Land Management Cell. However, on few Zones/Divisions, there is need to strengthen the LMC for which instructions have been issued to Zonal Railways for appropriate action. The basic function of the LMC is the record keeping and monitoring. Land is a very valuable resource. In addition to storage and upkeep of land plans, LMC also looks after the updation/proper maintenance of land records. In order to ensure efficient functioning of these Cells, Official and staff of LMC are imparted training in Railways Training Institute which is a continuous process. Indian Railways, centralized training institute, i.e. Indian Railway Institute of Civil Engineering (IRICEN), Pune, conducts regular one-week course for the officers of the Indian Railways for imparting training in the subject related to land management.”

31. Asked to state the special efforts made towards imparting training to the Railway Officers, the Member, Engineering, deposed:

“ At the officer level, we are getting them trained at our Railway Institute at Pune and we have told our people to get the staff interacted with the revenue authorities also. We are making proper structure...”

32. Elaborating on the creation and functioning of the LMCs, the Member, Engineering, apprised in evidence as follows:

“As far as the Land Management Cell is concerned, the basic job is the record keeping. Because all these land plans are very valuable properties, not only the storage but upkeep and updating of the land records, is with the Land Cell. In bigger Divisions, mostly, we have adequate staff. There were separate Land Cells altogether vertically. Such Cells do exist not only in the zonal headquarters but also in the Board where we have a full-fledged Directorate headed by an Additional Secretary level officer. There is an Advisor, Land, in the Railway Board, who is

monitoring, frankly speaking, on a real time basis. I would come to that.”

33. When the Committee desired to know the status of digitization of the land records, the Member, Engineering, submitted in evidence:

“... Sir, there are a total of 42,680 land plans all over the Indian Railways. We started an exercise for digitising them. It was a mammoth task. ... I am glad to tell you, Sir, that as on date, almost all the records have been digitised, and we will be completing the whole of the exercise by 31st March. As on date, I have only about 4,000 land plans, which are to be re-verified by the Revenue Authorities, and it is an on-going process. The revenue records get verified at the State level periodically, and so we also do it from time to time. As on date, less than 4,000 land plans are to be verified which we are confident that we will be completing them in the next three months.”

34. He further stated:

“... Sir, we have entered into an MoU with the NSDIC and the National Remote Sensing Authority (NRSA), we are going to put all these land plans on a web-enabled service, just like Google, where I can really assess at what kilometre what is my plot of land. Sir, you may be knowing that we have an Indian version of Google called Bhuvan. Last week, a note has been established in our organisation, Centre for Railway Information Systems (CRIS). I am confident that over the next six months, this will be happening, and it is, I think, for the first time that a Government organisation is doing that.”

IV. MULTIFUNCTIONAL COMPLEXES (MFCs)

35. The Committee were informed that RLDA had so far issued notification for appointing developers for provision of MFCs at 69 different stations out of the 123 stations assigned. In some cases, the tenders had to be invited more than two times or even five times, because of no response or low offers as compared to the Reserved Price. The developers were fixed for 45 MFCs out of which, Developers

for 15 MFCs had either backed out or failed to comply with the conditions of tenders like payment of installments, etc., resulting into cancellation of LOAs. Out of the remaining 30 MFCs for which developers had been fixed, construction was in progress at 6 sites, namely Gaya, Ratlam, Salem, Bhuj, Junagarh & Abu Road and the sites had been handed over to the developers at 6 station, namely, Ajmer, Anand, Somnath, Shegaon, Katra and Jhansi. Further, tenders for 15 MFCs had been called during May and June, 2015, out of which bids had been received for 7 sites which were under finalization.

36. In the above context, when the Committee desired to be apprised of the latest status of the 69 stations for which notifications for appointment of Developers had already been issued, the Ministry furnished the following information in a tabular form:

STATUS OF MULTIFUNCTIONAL COMPLEXES (MFCs) SITES FOR WHICH BIDS INVITED BY RLDA					
S.No	Site	Division	Rail-way	State	Status
1	Lokmanya Tilak Terminus	Mumbai	CR	Maharashtra	Developer Fixed. Lease Agreement to be signed by Developer.
2	Miraj Jn	Pune	CR	Maharashtra	
3	Shegaon	Bhusaval	CR	Maharashtra	Work in progress.
4	Wardha	Nagpur	CR	Maharashtra	
5	Gaya	Mughal Sarai	ECR	Bihar	
6	Patna Saheb	Danapur	ECR	Bihar	
7	Raxaul Jn	Samastipur	ECR	Bihar	Developer Fixed. Lease Agreement to be signed by Developer.
8	Jhansi	Jhansi	NCR	Uttar Pradesh	Arbitration in progress.
9	Katra	Firozpur	NR	J & K	NOC to be received from State Government to commence the construction.
10	Abu Road	Ajmer	NWR	Rajasthan	Work in progress.
11	Ajmer	Ajmer	NWR	Rajasthan	Developer fixed. Lease Agreement executed.
12	Dharmavaram (near Puttaparthi)	Guntakal	SCR	Andhra Pradesh	Developer Fixed. Lease Agreement to be signed by Developer.
13	Kacheguda	Hyderabad	SCR	Telangana	
14	Karimnagar	Secunderabad	SCR	Telangana	
15	Nellore	Vijayawada	SCR	Andhra Pradesh	

16	Nizamabad	Hyderabad	SCR	Telangana	
17	Vijayawada	Vijayawada	SCR	Andhra Pradesh	
18	Zahirabad (Medak)	Secunderabad	SCR	Telangana	
19	Kasaragod	Palghat	SR	Kerala	
20	Salem	Salem	SR	Tamilnadu	Work completed and to be commissioned.
21	Tiruttani	Chennai	SR	Tamilnadu	Developer Fixed. Lease Agreement to be signed by Developer.
22	Tumkur	Bangalore	SWR	Karnataka	
23	Sawai-Madhopur Jn	Kota	WCR	Rajasthan	Work in progress.
24	Anand	Vadodara	WR	Gujarat	
25	Bhuj	Ahmedabad	WR	Gujarat	MFC Commissioned in October,2015.
26	Junagadh Jn.	Bhavnagar	WR	Gujarat	Work in progress.
27	Ratlam	Ratlam	WR	Madhya Pradesh	
28	Somnath	Bhavnagar	WR	Gujarat	Developer Fixed. Lease Agreement signed. Plans to be submitted by the Developer.
29	Vasai Road	Mumbai	WR	Maharashtra	
30	Rewa	Jabalpur	WCR	Madhya Pradesh	
31	Udhampur	Firozpur	NR	J & K	
32	Kurnool Town	Hyderabad	SCR	Andhra Pradesh	Work in progress.
33	Dhanbad Jn	Dhanbad	ECR	Jharkhand	Developer Fixed. Lease Agreement to be signed by Developer.
34	Gulbarga	Sholapur	CR	Karnataka	Tender invited 2 times. No bid received . Tender has to be re-invited 3rd time after revaluation.
35	Nasik Road	Bhusaval	CR	Maharashtra	Developer fixed but LOA was cancelled as railway changed the site dimensions. Fresh valuation to be done after obtaining confirmation of area of the site from Railway.
36	Cuttack	Khurda Road	ECOR	Odisha	Under Arbitration.
37	Hajipur	Samastipur	ECR	Bihar	LOA has been cancelled due to non-payment of 1st instalment of Lease Premium.
38	Asansol	Asansol	ER	West Bengal	Bidder selected. LOA was cancelled due to non-payment of 1st installment of Lease Premium.. Fresh Bids to be invited after revaluation.
39	Deoghar	Asansol	ER	West Bengal	Bidder selected but LOA was cancelled due to non-payment of 1st installment of Lease Premium. Fresh Bids to be invited after revaluation.
40	Durgapur	Asansol	ER	West Bengal	Bidder selected but LOA was cancelled due to non-payment of 1st installment of Lease Premium. Fresh Bids to be invited after revaluation.

41	Jamalpur Jn	Malda	ER	West Bengal	Bids invited two times but no bid received. Site is of low potential. Hence, proposed for de-entrustment.
42	Malda Town	Malda	ER	West Bengal	Bidder selected but LOA was cancelled due to non-payment of 1st installment of Lease Premium. Fresh Bids to be invited after revaluation.
43	Nabadwipdham	Howrah	ER	West Bengal	Bids invited two times but no bid received. Site is of low potential. Hence, proposed for de-entrustment.
44	New Farakka	Malda	ER	West Bengal	
45	Siuri	Asansol	ER	West Bengal	Tender invited. No bid received. Bid to be re-invited.
46	Dhakuria	Sealdah	ER	West Bengal	Bids invited two times but no bid received. Site is of low potential. Hence, proposed for de-entrustment.
47	Krishnanagar city Jn.	Sealdah	ER	West Bengal	Tender invited. No bid received. Revaluation completed. Bids to be re-invited.
48	Raja-Ki-Mandi	Agra	NCR	Uttar Pradesh	Developer fixed but LOA was cancelled due to non payment. Fresh bids to be invited after re-valuation.
49	Gorakhpur	Lucknow	NER	Uttar Pradesh	
50	Ramnagar	Izzatnagar	NER	Uttarkhand	Tender invited 2 times. No bids received. Bids to be re-invited.
51	Agartala	Lumding	NFR	Tripura	LOA has been issued to the selected bidder but later on cancelled as site earmarked in tender has been utilised by Railway for their own use.
52	Bareilly	Moradabad	NR	Uttar Pradesh	No bid received in the last bid. Revaluation done. Bids to be invited.
53	Dehradun	Moradabad	NR	Uttarakhand	Tender invited. Single offer was discharged due to low premium. Revaluation under process.
54	Ludhiana	Firozpur	NR	Punjab	Bidder selected. LOA was issued. Later on the Bidder has withdrawn. Bid to be re-invited after re-valuation.
55	Sonipat	Delhi	NR	Haryana	Bidder selected. LOA cancelled. Re-valuation under process.
56	Hisar Jn	Bikaner	NWR	Haryana	Bids invited on four occasions but no Bids received. Now proposed for de-entrustment.
57	Sikar Jn	Jaipur	NWR	Rajasthan	Bids invited on three occasions but no bid received. Re-valuation under process.
58	Hazur Sahib (Nanded)	Nanded	SCR	Maharashtra	Developer fixed but LOA was cancelled due to non payment. Bid again invited but low bid received. Re-valuation under process.
59	Bhilai	Raipur	SECR	Chhatisgarh	Proposed for de-entrustment as site is not suitable.
60	Erode Jn	Salem	SR	Tamilnadu	Developer fixed but LOA was cancelled due to non-payment of Lease Premium by the developer.
61	Tirchi Fort	Tiruchhirapalli	SR	Tamilnadu	Bids invited on 04 occasions but no bids received. Bids to be invited

					after revaluation.
62	Arsikere	Mysore	SWR	Karnataka	Bids invited on 03 occasions but no bids received. Tender is to be invited again.
63	Bangarpet	Bangalore City	SWR	Karnataka	
64	Bellary Jn.	Hubli	SWR	Karnataka	Bids invited on 04 occasions in but no bids received. Bids to be invited after revaluation.
65	Bharatpur Jn.	Kota	WCR	Rajasthan	Developer fixed but LOA was cancelled due to non-payment of 1st installment of Lease Premium.
66	Sanchi	Bhopal	WCR	Madhya Pradesh	Proposed for de-entrustment as site is not suitable.
67	Nadiad Jn.	Vadodara	WR	Gujrat	LOA has been cancelled due to non payment. Case is <i>sub-judice</i>
68	Neemuch	Ratlam	WR	Madhya Pradesh	LOA was cancelled as selected Bidder failed to pay 1st installment of Lease Premium within the stipulated time. Bids to be re-invited after revaluation.
69	Ujjain	Ratlam	WR	Madhya Pradesh	Bid opened and same was cancelled due to receipt of low premium . Railway has been requested to allot alternative site due to inaccessible approach of the site.

37. In response to a specific query of the Committee, the Ministry stated that construction of two MFCs (Bhuj and Salem) had been completed and construction of eight MFCs at Ratlam, Abu Road, Gaya, Shegaon, Junagarh, Wardha, Kurnool Town and Patna Sahib were in progress.

38. As regards the plan of action on the part of RLDA to take up the provision of MFCs at the remaining 54 stations, the Ministry submitted as follows:

“...of the remaining 54 sites, inspection/ valuation/revaluation is in process for 19 sites, 28 sites have been proposed for de-entrustment due to being financially unviable/inaccessible/non-feasible, etc., alternate sites have been requested at 6 stations and site at 1 (one) station is yet to be entrusted by Railways.”

39. The Committee then queried whether any analysis had been done to ascertain the reasons for no response from the Developers to the tender notices; in reply, the Ministry stated that some of the

reasons for not receiving proper response from the Developers were as under:-

- a) Most of the MFC sites are located in Tier-II & III cities where huge amount of vacant land is available for freehold sale. Due to availability of vacant land for freehold sale the interest in leasehold property is very less.
- b) In the cities, the markets are established and functioning for long time. As such, no one is ready to shift their business to MFCs (located in the vicinity of railway stations).
- c) At some of the MFC sites, the approach is very poor/congested and sites are not visible from the main road.
- d) There has been general slowdown in real estate market.

40. When asked to state the measures taken/contemplated to attract more and more Developers towards establishing MFCs, the Ministry submitted that the following steps were taken in that direction:-

- a) Reduction of residual value of the building while working out the valuation of the sites.
- b) Approvals of plans by RLDA instead of Zonal Railways.
- c) No levy of way and leave charges for bringing utilities (such as water, sewerage and electricity) to the site through railway land.
- d) Engagement of marketing consultants and carrying out site visits prior to bidding. Removal of eligibility condition for sites having reserve prices up to Rs.10 crore.

41. In response to another specific query regarding the revisit of the Reserve Price fixed by RLDA, the Ministry stated that if after valuation, bid was not received or value of received bid was much less than the Reserve Price in 2/3 trials, then Reserve Price could be revisited.

42. While deposing before the Committee, the Member, Engineering, submitted in evidence:

“... The idea before multi-functional complexes was to have all the facilities at one location. Then, there was rider that it should be so located that it should not interfere with the movement of the passengers and the vehicles. Unfortunately, at that point of time, it also became something that everybody wanted to have an MFC everywhere. There are certain unviable locations also where these MFCs have come up. Though the building is there, there are no takers for them.”

43. When the Committee enquired whether it was prudent to establish MFCs far away from the stations as the passengers might not be aware of their existence, the Member, Engineering, submitted:

“... I do not rule it out that there are no such locations. There are. But in most of the locations where it is nearby and adequate clientele is there, they are going ahead. There are 40 odd MFCs which are not really viable and RLDA has reverted back that they may not be done. So, whatever has happened at that time when this scheme came, that problem does exist. There may be some MFCs which are located far away. I will not rule it out.”

44. The Committee then pointed out that at some places near some Railway Stations/Junctions, there were vacant land which were being used as play grounds by the local children and enquired whether Railways could develop such land into Sports Complexes. In response, the Member, Engineering, apprised that the Zonal Railways concerned had accordingly been directed.

V. ENCROACHMENT OF RAILWAY LAND

45. As regards encroachment of vacant Railway land, the Committee were informed that as on 31st March, 2015, out of the 4.61 lakh hectare of land available with the Railways, only 914.80 hectare (0.19 percent) of Railway land was under encroachment. Asked to furnish the details of Zone-wise encroachment, the following information was furnished to the Committee:

Zonal Railway	Land under encroachment as on 31.03.2015 (in Hectares)
Central	59.82
Eastern	20.85
East Central	3.02
East Coast	17.05
Northern	209.19
North Central	41.17
North Eastern	25.63
Northeast Frontier	125.99
North Western	19.04
Southern	60.51
South Central	18.77
South Eastern	158.09
Southeast Central	55.45
South Western	16.26
Western	41.44
West Central	36.78
Production Units	5.74
Total	914.80

46. When the Committee desired to know the mechanism put in place and monitoring done to remove encroachment as well as to prevent future encroachment, the Ministry submitted as under:

“... Railways carry out regular surveys and take action for their removal. If the encroachments are of a temporary nature (soft encroachment) in the shape of jhuggies, jhopries and squatters, the same got removed in consultation and with the assistance of Railway Protection Force and local civil authorities. For old encroachments, where party is not amenable to persuasion, action is taken under the Public Premises (Eviction of Unauthorized Occupants) Act, 1971 (PPE Act, 1971), as amended from time to time. Actual eviction of unauthorized occupants is carried out with the assistance of State Government and police. The removal of encroachments by launching demolition drive is a continuous process, as a result of which in the last three years and current year (up to January 2016), 106 hectares of encroached land has been retrieved. During the 2014 and 2015, 1261 demolition drives were conducted by the Zonal Railways to get Railway land freed from encroachments.

Besides demolition, regular measures are taken to protect Railway land from encroachment which includes licensing of land to Railway employees for Grow More Food (GMF) scheme,

provision of boundary wall, fencing, tree plantation at vulnerable locations.

During last three years (2012-2015), 352 kilometer boundary walls have been constructed to check encroachment around vulnerable locations like densely populated areas around Railway stations.”

47. In evidence, the Member, Engineering, further apprised the Committee as under:

“Sir, for these encroachments, we have been consistently reducing them. We are ensuring that there are no further encroachments. In the year 2012-13, there was a reduction of about 20 hectares. Last year, it was about 30 hectares. This year till December 2015, we have been able to remove another 34 hectares. So, the figure which was 900 plus has almost come to about 884. Sir, it is a continuous exercise. Yes, we do require the help of the States. Sir, you may be knowing when the Parliament was in session, we had an issue. We wanted to remove certain encroachments in Delhi area and there was a lot of chaos. So, it is a war of attrition. Unfortunately, they are old encroachments. But I can assure you that it is a focus area with us and the results which they show us as 21 hectares, 25 hectares or 28 hectares. This year, till now, we have been able to remove almost 34 hectares. So, we are doing our best to see that there are no further encroachments.”

48. The Committee then desired to be apprised of the coordination mechanism developed by the Railways with the State Governments concerned for removal of encroachments; the Ministry submitted that regular meetings were held with the State Government officials for removal of encroachments, as removal of encroachment was not possible without the cooperation from State Governments.

49. On being asked to state the latest status of the amendment to Section 10A of the Public Premises (Eviction of Unauthorized Occupants) Act, 1971 which was under consultation among the

Ministries of Railways, Urban Development and Law & Justice, the Railway Board submitted as follows:-

“Ministry of Railways have requested Ministry of Urban Development to incorporate the amendments suggested to section 7, 8 & 11 of the Public Premises (Eviction of Unauthorised Occupants) Act, 1971. The amendment agreed by Ministry of Law in Section 11 may be made by inserting Section 10-A as stated below:-

Section 10-A: The State Government authorities shall be responsible for eviction of the unauthorized occupants, destruction and removal of all the unauthorized constructions and unauthorized additions/alterations thereto, and /or for providing adequate assistance by way of Police and Magistrates to the concerned Central Government authorities for eviction of the unauthorized occupants, destruction and removal of all the unauthorized constructions and unauthorized additions/alterations thereto within certain time limits to be prescribed by the Estate Officer.

However, it has been found that in recent amendment in the Act notified vide Ministry of Urban Development’s notification issued on 22.06.2015, the amendment proposed by Ministry of Railways have not been incorporated in the Public Premises (Eviction of Unauthorized Occupants) Amendment Act, 2015.

Ministry of Railways have approached Ministry of Urban Development on 15.07.2015 for consideration of the matter. No response has yet been received.”

50. Asked to state the extent to which digitization of the land records would facilitate prevention and removal of encroachment upon vacant Railway land, the Railway Board submitted as under:-

“Indian Railways has already completed most of work related to digitization of land record, i.e. maintaining land data (details of acquisition/area/usages and land plans) in digital form. Indian Railways have also digitized details of vacant plots of land measuring more than one acre to chalk out the blue print for monetization of its vacant land. A work costing Rs. 36.24 Cr. has been sanctioned for mapping of all fixed Railway assets on Geographical Information System (GIS) Bhuvan Satellite Imagery of Indian Space Research Organisation (ISRO) integrated with

Track Management System (TMS) of Indian Railways. This system will provide the status of Railway land whether encroached or not and thus would be helpful in tackling the menace of encroachment.”

VI. REVENUE GENERATION BY RLDA

51. As regards the year-wise break-up of the earnings by RLDA since its inception, the following information was furnished to the Committee:

Year-wise break-up of Earnings for the period 2006-07 to March 2015.

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Total
Earnings from commercial Site	0	0	39.40	31.78	319.8	27.09	328.49	504.19	3.47	1254.22
Earnings from MFC	0	0	0	0	3.38	4.39	0	6.28	21.65	35.70
Earning from Interest	0	0.10	1.05	1.78	3.28	5.62	13.15	49.35	1.51	75.84
Total	0	0.10	40.45	33.56	326.46	37.10	341.64	559.82	26.63	1365.76
**** Above figures include										
Forfeited EMD/PG/Bid Security	0.00	0.00	0.00	0.00	0.00	0.00	11.84	0.00	1.50	13.34

52. As would be seen from the above statement, RLDA started earning from commercial sites from the year 2008-09 onwards. Further, the earnings from MFC started from 2010-11 onwards. Though the total earnings of RLDA were Rs. 559.82 crore in the year 2013-14, it drastically came down to Rs. 26.63 crore in 2014-15.

53. In the above context, the Committee enquired about the reasons for no earnings by RLDA during the years 2006-07 and 2007-08, especially from the commercial sites. In reply, the Ministry submitted as under:

“...RLDA started functioning since Jan 2007, so no earning could be possible in FY 2006-07. In 2007-08, RLDA started engaging the consultants and inspecting the sites for entrustment for commercial development. After the preliminary feasibility and fixing the reserve prices, the bidding started in 2008. As such, no earnings were made in FY 2007-08 also.”

54. As regards the reasons for not generating any revenue from MFCs from the years 2006-07 to 2009-10, the Ministry submitted that MFCs were first time introduced in the Railway Budget in 2009 only. In 2009, all MFCs were offered for development to PSUs such as IRCON, RITES and RVNL. RLDA got the MFCs from August 2010 for development. Thereafter, bidding started since Nov. 2010 and earnings from MFCs started during 2011-12.

55. The Committee then desired to know the reasons for no earnings from MFCs during the year 2012-13. In reply, the Ministry stated that from March 2011 to August 2012, restriction was imposed by Cabinet Secretariat on long term leasing of Railway land and no bidding took place from March 2011 to Dec. 2012, due to which there was no earning in this period.

56. Asked to state the specific reasons for the earnings of RLDA coming down to Rs. 37.10 crore in the year 2011-12 from Rs. 326.46 crore during the previous year, the Ministry submitted that from March 2011 to Dec. 2012, no bidding of sites could take place due to restriction imposed by Cabinet Secretariat on long term leasing. As such, no additional earning materialized during this period and the earnings came down from Rs. 326.48 crore which were realized from Commercial Projects during 2010-11.

57. The Committee further queried about the reasons of earnings in 2014-15 drastically falling to a meager amount of Rs. 26.63 crore vis-à-vis Rs. 559.82 crore that was earned during 2013-14. In response, the Ministry, in their written submission stated as under:-

“In 2014-15, there were expected earnings of Rs. 478 crore from commercial sites. However, the developer failed to deposit the installments of Lease Premium. Similarly, no bids for

commercial sites such as Bandra (east) Mumbai, Vijayawada, etc. could be materialized due to slump in real estate market.

Bidding for 9 commercial sites could not be taken up as concerned Local Bodies/State Governments are insisting for permanent transfer of a portion of land through registered free gift deed as open space reserve for carrying out commercial development.”

58. In evidence, highlighting the concrete reasons for less earnings by RLDA during the years 2011-12 and 2014-15, the Member, Engineering, further submitted as under:

“... As to 2011-12, in the month of March, 2011, an embargo was imposed on all Departments that there will not be any licensing or leasing of land. It was actually a fall out of Adarsh Society, etc. that a directive came from the Government that no licensing or leasing should be done. It was such a drastic direction that for our commercial purpose also, we could not do any licencing which was connected with day to day working of the Railways. It took us almost one and a half years and in the middle of 2012, that embargo was lifted.”

59. The Member, Engineering, elaborated:

“... In 2014-15, these cases, which had been done earlier as per the older agreement and the model, created a problem. So, at this point of time, they were re-doing the model which will be more conducive. Secondly, all their consultants projected very low figure of revenue. As I mentioned, at this point of time, we hope that we have bottomed as far as real estate is concerned and perhaps it will rise. But if we do any licensing at this point of time, we may fetch very low figures.”

60. Asked to state specifically the concrete measures taken/proposed by RLDA to consistently increase their earnings from commercial sites and MFCs, the Railway Board, in their written reply, submitted as under:-

“... RLDA has organized real estate workshops with the prospective developers in Delhi and Mumbai. The response has been good and helped in understanding their concern. Further

new sites are being identified ensuring that they are free from encumbrances/encroachments and Land papers/Title papers are available so that there is no impediment in the development after fixing the Developer. The construction period of the project has also been made flexible/extendable up to 10 years.”

PART-II

OBSERVATIONS/RECOMMENDATIONS

1. The Committee note that the vacant Railway land which is not required by the Railways for immediate operational use is offered to the Rail Land Development Authority (RLDA), set up in January, 2007, for commercial development in order to mobilize additional financial resources for the Railways. Such land entrusted to RLDA can be developed for various purposes, including commercial, institutional, hospitality, entertainment, etc. Land for commercial development is leased out through open, transparent and competitive bidding process for a lease period of 30 to 45 years. The Committee observe that so far 60 sites measuring about 590 hectare of land have been identified and entrusted to RLDA for commercial development, out of which 47 sites have been selected by them for this purpose. However, the Committee are deeply disturbed to find that not a single site, out of the 47 sites identified by RLDA itself, has actually been commercially developed as yet due to slump in the real estate sector, availability of free hold property in major cities/towns where most of the commercial sites are located and inordinately long time taken for obtaining the Change of Land Use (CLU). What concerns the Committee more is the reported reluctance on the part of some State Governments to cooperate with the Railways/RLDA. In order to overcome the

constraints/impediments, the Ministry are switching over from the upfront model to the Revenue sharing model under which the Railways/RLDA will get revenue depending on the market conditions which, in turn, will encourage the Developers to participate in the commercial development of Railway land. The Committee stress that the non-development of a single site commercially till date has tended to negate the very purpose of setting up of RLDA; as such, the Committee impress upon the Ministry to sort out the systemic deficiencies and initiate urgent corrective measures, including requisite coordination with the State Governments, so as to enable RLDA to succeed in its ventures and mobilize additional financial resources for the Railways.

2. The Committee take note of the statement of the Member, Engineering, Railway Board, that the Zonal Railways have to exercise due diligence and ensure that the identified land is made available to RLDA for a specific period. Appreciating this concern, the Committee desire that requisite instructions be issued by the Railway Board periodically to all the Zonal Managers to make sure that the identified vacant land is handed over to RLDA within a definite time line so that the Authority is able to commercially develop the targeted sites.

3. The Committee understand that almost 3800 hectare of vacant Railway land is under commercial licensing with the Zonal Railways for siding connectivity, catering units,

goods, etc. Such commercial licensing with the Zonal Railways has fetched approximately Rs. 1300 crore during 2014-15 to the Indian Railways and during 2015-16, it was expected to exceed that amount. The Committee feel that apart from entrusting vacant land to RLDA for commercial development, entering into commercial licensing with Zonal Railways is a step in right direction as is corroborated from the substantial revenue generated annually. The Committee would, therefore, like to encourage the Railway Board to continue their endeavours and explore possibilities of entering into more such commercial licensing with the Zonal Railways with a view to mobilizing more financial resources for the Indian Railways.

4. The Committee observe that after the sites are offered by the Railways, RLDA appoints a consultant for feasibility study which includes the type of commercial development possible and the revenue likely to be generated. But during their Study Visits to various Zonal Railways, the Committee, much to their chagrin, were informed that in a number of cases the sites entrusted to RLDA and after feasibility study conducted by the consultants were not found suitable for commercial development and worse, even after commencement of work. The Committee are not convinced with the explanation advanced by the Ministry that the consultants are shortlisted based on minimum technical and professional experience in view of the Ministry's own

admission that in three cases the feasibility study done by the consultants in the assessment of the commercial potential of the sites was not found proper and the consultancy contract had to be terminated. Needless to say, the very purpose of the appointment of the consultants to carry out preliminary feasibility study is defeated when projects have to be abandoned midway. The Committee, therefore, exhort the Ministry to further streamline and strengthen the process of appointing consultants so that only consultants of repute and impeccable track record are entrusted with the job of carrying out initial feasibility study of the commercial potential of the sites which would save the precious time and money of the Railways.

5. During their Study Visit to South Western Railway at Bengaluru, the Committee's attention was drawn to a specific case where, as per the contractual agreements, one Developer had to complete a particular project by 2012, but as this was not done, the contract was terminated against which the Developer went to the Court of Law. The Committee were apprised in evidence that the point of dispute was that the developer paid two installments out of the stipulated four installments and he sought more time to pay the remaining two installments. As the tender conditions did not have any provision for further extension of time beyond the stipulated period, the developer was not allowed further extension of time to pay the remaining two installments and his contract was

hence terminated. In this context, the Committee find that till 2013, there were no Standard Tender Documents available with the Railways and they had no experience in Long Term Commercial Leasing which had led to the dispute and arbitration in the above mentioned case. Now that the Standard Bid Documents have been put in place, the Committee call upon the Ministry to make the contractual agreements foolproof so as to ensure that there is no scope for the Developers to approach the Court of Law and resultantly no litigation or arbitration impeding the timely completion of the envisaged projects.

6. The Committee appreciate that pursuant to the C&AG observations, instructions have been issued to the General Managers of all the Zonal Railways for strengthening and creating Land Management Cells (LMCs) in the Headquarters as well as the Divisions. Though almost all the Zonal Railways have reportedly taken action for establishing LMCs, the Committee are concerned to note that this has not been done in some Zones/Divisions. As LMCs are a critical instrument in the storage, upkeep, updating and monitoring of land plans/records, which are very valuable properties, the Committee urge the Railway Board to instruct General Managers of those Zonal Railways/Divisions, where LMCs have not been set up, to urgently create and strengthen LMCs in their respective jurisdictions. The Committee further urge the Railway Board to periodically monitor the performance of the

Zones/Divisions so as to ensure timely corrective action in view of the imperatives involved.

7. The Committee are pleased to observe that regular training courses are imparted on land management to the Railway officers/staff, who have also been instructed to interact with the Revenue officials. As regular training courses are crucial for ensuring efficient functioning of the LMCs, the Committee emphasize that the Ministry should specially focus on training programmes for Railway officers/staff so that they become adequately trained in the upkeep and updating of Railway's precious land plans/records.
8. The Committee appreciate the commendable efforts made by the Indian Railways in digitizing the land plans as is substantiated from the fact that out of a total number of 42,680 land plans all over the Indian Railways, only around 4000 land plans are left to be digitized and the Ministry have exuded confidence to complete the exercise within three months. The Ministry are also reportedly planning to put all the land plans on a web-enabled service which would fructify within the next six months. As digitization of land records would facilitate proper maintenance and effective monitoring of land data, besides efficiently tackling the menace of encroachment, the Committee stress that the work on digitization of the remaining land plans be completed expeditiously and that

all the land plans of Indian Railways be uploaded on a web-enabled service, as contemplated.

9. The Committee note with deep concern that out of the total number of 123 stations assigned to RLDA construction of only two Multi Functional Complexes (MFCs) have been completed and construction of eight MFCs are in progress out of the 69 stations, where provision of MFCs have been envisaged initially. In the remaining cases, it is uncertain whether the construction of MFCs would commence or when they would be completed as in some cases bids have been cancelled/reinvited or NOC to be received from the State Governments, and in some other cases sites have been proposed for de-entrustment after being found inaccessible or financially unviable. The Committee are perturbed to find one perennial problem that has plagued the scheme since its inception is the far away location of the proposed MFCs, which makes most of them financially unviable and hence with no takers. Though the Ministry are reportedly taking various measures like reduction of the residential value of the building, approval of plans by RLDA instead of the Zonal Railways, no levy of way and leave charges and engagement of marketing consultants to attract more developers, the Committee are not satisfied with the end results. They, therefore, emphasize that the selection of the location of the MFCs is of paramount importance to make them easily accessible and financially viable and recommend to the Ministry to sort out the

basic/inherent problem that has been impeding the establishment of MFCs so that the goal of providing passengers/commuters with appropriate facilities at one location is truly realized.

10. The Committee further desire that the Railway Board should monitor and follow up their instructions to the Zonal Railways to develop those vacant land near some Stations/Junctions which are being used as play grounds by local children, into sports complexes so as to nurture budding and aspiring sportspersons in the country.

11. The Committee are concerned to observe that 914.80 hectare of land belonging to the Railways is under encroachment as on 31st March, 2015, the highest encroachment being in Northern Railway (209.19 hectare) followed by South Eastern Railway (158.09 hectare) and North East Frontier Railway (125.99 hectare). The Ministry's submission that only 0.19 percent of Railway land is under encroachment out of the 4.61 lakh hectare of land available with the Railways is no consolation to the Committee in view of the precious value of land, which could be productively used by the Railways to augment their financial position. The Committee are also unconvinced of the Ministry's assertion that they are ensuring that encroachment of Railway land is consistently reducing, more so in view of the existing area of land still under encroachment. The Ministry are reportedly taking various measures to protect Railway

land from encroachment, which include licensing of land to Railway employees for the Grow More Food (GMF) scheme, provision of boundary wall, fencing, tree plantation at vulnerable locations and demolitions. The Committee are of the considered opinion that besides these measures, the Ministry ought to strengthen their coordination mechanism with the State Governments without whose support it is next to impossible to remove or prevent encroachment of vacant Railway land. The Committee further impress upon the Ministry to exhibit zero tolerance towards encroachment, and take all possible measures to ensure removal of the existing encroachments as well as prevention of future encroachments.

12. The Committee note that the Ministry of Railways had mooted a proposal to amend Sections 7, 8 and 11 of the Public Premises (Eviction of Unauthorized Occupants) Act, 1971. The Committee are surprised to find that the proposed amendment, agreed to by the Ministry of Law and Justice to Section 11, has not been incorporated in the recent amendment to the Act notified vide the Ministry of Urban Development's Notification dated 22nd June, 2015. What is even more perturbing to the Committee is the fact that though the Ministry of Railways have subsequently taken up the matter with the Urban Development Ministry in July, 2015, no response has yet been received from that Ministry. In view of the import of the eviction of all unauthorized

constructions/occupants from Government land in general and Railway's vacant land in particular, the Committee call upon the Railway Board to vigorously pursue the matter at the appropriate fora so that removal and eviction of all encroached Railway property is effectively carried out within a specified time frame. The Committee may be apprised of the progress in the matter.

13. The Committee appreciate that RLDA, since its inception, has been able to earn Rs. 1215 crore for the Railways from commercial development of land. However, the Committee are very disturbed to find that during the year 2014-15, the earnings of RLDA had drastically fallen to a meager amount of Rs. 26.63 crore vis-à-vis the 2013-14 earning of Rs. 559.82 crore. Such fall in the earnings have been attributed to the slump in the real estate market, failure of Developers to deposit installments of lease premium, non-receipt of commercial bids for some sites and, most importantly, the restrictions imposed by the Cabinet Secretariat on long term leasing. With a view to increasing the earnings from commercial sites and MFCs, RLDA is organizing real estate workshops to understand and address the concerns of Developers, besides identifying new sites which are free from encumbrances/ encroachments. The Committee are of the considered view that these notable initiatives should be persisted with, besides exploring additional innovative measures to attract developers in participating in the commercial development of vacant Railway land which

would certainly enable RLDA to mobilize increased financial resources for the Indian Railways.

New Delhi:
10 May, 2016
20 Vaisakha, 1938 (SAKA)

BHARTRUHARI MAHTAB
CHAIRPERSON
RAILWAY CONVENTION COMMITTEE

RAILWAY CONVENTION COMMITTEE (2014-2019)

MINUTES OF THE 4th SITTING OF THE COMMITTEE HELD ON
Friday 22nd June, 2015

The Committee sat from 1100 hrs. to 1230 hrs. in Committee Room-C, Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

SHRI BHARTRUHARI MAHTAB - Chairperson

Members

Lok Sabha

1. SHRI RAHUL RAMESH SHIWALE
2. SHRI L.K. VAGHELA
3. SHRI JANAK RAM
4. SMT. ANUPRIYA PATEL

Rajya Sabha

1. SHRI ARVIND KUMAR SINGH
2. SHRI T.K. RANGARAJAN
3. SHRI K.C. TYAGI

Secretariat

1. Sh. K. Vijaykrishnan - Addl. Secretary
2. Smt. Anita Jain - Joint Secretary

Representatives of the Ministry of Railways (Railway Board)

S.No	S/Shri	Designation
1.	A . K. Mittal	Chairman, Railway Board
2.	Rajalakshmi Ravikumar	Financial Commissioner
3.	V.K. Gupta	Member (Engineering)
4.	Ajay Shukla(L/A)	Member (Traffic)
5.	S. Vijayaraghavan	Addl. Member (Finance)
6.	Ashok Ranjan	Adviser (Land & Amenities)
7.	Y.P. Singh	Vice-Chairman (RLDA)

2. At the outset, the Hon'ble Chairperson welcomed the representatives of the Ministry of Railways (Railway Board) to the sitting. He then drew the attention of the witnesses to Directions 55 and 58 of Directions by the Speaker regarding Confidentiality of proceedings of the Committee.

3. The representatives of the Ministry of Railways then briefed the Committee about the functioning of the Railway Land Development Authority (RLDA). Thereafter, the Chairperson and the Members raised queries on various issues concerning the subject viz. total area of surplus land at the disposal of RLDA, Railway land under encroachment, policy framework of Railways for exploitation/utilization of its surplus land, efforts for proper maintenance of land records, role of RLDA in identification of sites having commercial potential, need for considering the social dimension while framing policy for utilization of surplus land and developing land in a way to serve social objectives like education, health, etc. The officials of the Ministry of Railways responded to the queries. The Committee desired that replies to the points on which information was not readily available may be furnished to the Secretariat within ten days time.

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

RAILWAY CONVENTION COMMITTEE (2014-19)

MINUTES OF THE ELEVENTH SITTING OF THE COMMITTEE

The Committee sat on Thursday, the 04th February, 2016, from 1430 hrs. to 1600 hrs. in Room no G-074, Ground Floor, Parliament Library Building, New Delhi.

PRESENT

Shri Bhartruhari Mahtab - Chairperson

MembersLok Sabha

2. Shri K. Ashok Kumar
3. Smt Anupriya Patel
4. Shri Nana Patole
5. Shri Janak Ram
6. Shri Liladharbhai Khodaji Vaghela

Rajya Sabha

7. Smt. Vijayalaxmi Sadho
8. Shri. Arvind Kumar Singh
9. Shri. T. K. Rangarajan
10. Shri. K. C. Tyagi

Secretariat

1. Sh. K. Vijaykrishnan - Additional Secretary
2. Sh. M. K. Madhusudhan - Director
3. Sh. D. R. Mohanty - Additional Director

WitnessesRepresentatives of the Ministry of Railways (Railway Board)

1. Sh. A. K. Mital - Chairman, Railway Board
2. Sh. S. Mookerjee - Financial Commissioner
3. Sh. V. K. Gupta - Member (Engineering)

- | | | | |
|----|---------------------|---|-----------------------------|
| 4. | Sh. Mohd. Jamshed | - | Member (Traffic) |
| 5. | Sh. K. B. Nanda | - | Additional member (Finance) |
| 6. | Sh. Alok Ranjan | - | Adviser (L&A) |
| 7. | Sh. Rajinder Prasad | - | Vice Chairperson (RLDA) |

2. At the outset, the Chairperson welcomed the Members and the representatives of the Ministry of Railways (Railway Board) to the sitting of the Committee, convened to have a evidence by the representatives of the Ministry of Railways on the subject "Commercial Utilization of Surplus Railway Land- Role of Rail land Development Authority (RLDA)". Impressing upon the witnesses to keep the proceedings of the Committee "Confidential", the Chairperson requested the Chairman, Railway Board, to give an extension on the overview of the subject matter, including the progress and current developments on the issues raised in the earlier briefing meeting by the committee.

3. The Chairman, Railway Board, accordingly briefed the Committee on various aspects of the subject matter highlighting, inter-alia the total land available with the RLDA, percentage of the vacant land, land currently under encroachment, development of the Multi functional complexes (MFC), digitization of land records and progress in this front, Development of effective Coordination mechanism between Railway and state authorities and other ancillary issues. The Chairman, Railway Board, and the other representatives of the Ministry also responded to the queries of Members. As some queries required detailed and statistical reply, the Chairperson asked the Chairman, Railway Board, to furnish written reply on the same within a period of 10 to 15 days. The Chairman, Railway Board, assured to comply.

4. The Chairperson thanked the witnesses for appearing before the Committee and for furnishing the available information that the Committee desired in connection with the examination of the subject.

The witnesses then withdrew.

A verbatim copy of the proceedings was kept on record.

The Committee then adjourned.

RAILWAY CONVENTION COMMITTEE (2014)

MINUTES OF THE FIFTEENTH SITTING OF THE COMMITTEE

The Committee sat on Tuesday, the 10th May, 2016, from 1030 hrs. to 1100 hrs. in Room No.-133A, Chairman's Chamber, First Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Bhartruhari Mahtab - Chairperson

MembersLok Sabha

2. Shri Sanganna Amarappa Karadi
3. Shri Nana Patole
4. Shri Rahul Ramesh Shewale
5. Shri Bharat Singh

Rajya Sabha

6. Shri Derek 'O' Brien
7. Shri Arvind Kumar Singh
8. Shri K.C. Tyagi

Secretariat

1. Sh. K. Vijaykrishnan - Additional Secretary
2. Sh. M. K. Madhusudhan - Director
3. Sh. D. R. Mohanty - Additional Director

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee, convened to consider and adopt the draft Report on "Commercial utilization of vacant Railway land- Role of Rail Land Development Authority (RLDA)". Giving an

overview of the important Recommendations contained in draft Report, the Chairperson solicited the views/suggestions of the Members.

3. The Committee then took up for consideration the draft Report and adopted the same after some discussions.

4. The Committee, then, authorized the Chairperson to finalize the Report in the light of consequential changes that might arise out of factual verification of the draft Report and present the same to both the Houses.

The Committee then adjourned.