

8

# RAILWAY CONVENTION COMMITTEE

(2014)

(SIXTEENTH LOK SABHA)

MINISTRY OF RAILWAYS

(RAILWAY BOARD)

[Action Taken by the Government on the  
Observations/Recommendations of the Committee contained  
in their Third Report (Sixteenth Lok Sabha) on Commercial  
Utilisation of Surplus Railway Land- Role of Rail Land  
Development Authority (RLDA)]



LOK SABHA SECRETARIAT

NEW DELHI

December, 2016 /Agrahayana, 1938 (Saka)

EIGHTH REPORT  
RAILWAY CONVENTION COMMITTEE

(2014)

(SIXTEENTH LOK SABHA)

MINISTRY OF RAILWAYS  
(RAILWAY BOARD)

[Action Taken by the Government on the  
Observations/Recommendations of the Committee contained  
in their Third Report (Sixteenth Lok Sabha) on Commercial  
Utilisation of Surplus Railway Land- Role of Rail Land  
Development Authority (RLDA)]

Presented to Lok Sabha on 02.12.2016

Laid in Rajya Sabha on 02.12.2016



LOK SABHA SECRETARIAT

NEW DELHI

December, 2016 /Agrahayana, 1938 (Saka)

# CONTENTS

	PAGES
COMPOSITION OF THE RAILWAY CONVENTION COMMITTEE (2014)	(i)
INTRODUCTION	(ii)
Chapter-I Report	1
Chapter-II Observations/Recommendations which have been accepted by the Government	9
Chapter-III Observations/Recommendations which the Committee do not desire to pursue in view of the Government replies	19
Chapter-IV Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration	20
Chapter-V Observations/Recommendations in respect of which replies of the Government are interim in nature	22

## APPENDICES

- I. Minutes of the Twenty Sixth sitting of the Railway Convention Committee (2014) held on 30 November, 2016.
- II. Analysis of Action Taken by the Government on the Observations/Recommendations contained in the Third Report of the Railway Convention Committee (2014)

COMPOSITION OF RAILWAY CONVENTION COMMITTEE  
(2014)

Shri Bhartruhari Mahtab, MP - Chairperson

Members

Lok Sabha

2. Shri Abhishek Banerjee
3. Shri Sanganna Amarappa Karadi
4. Shri K. Ashok Kumar
5. Shri Kamalbhan Singh Marabi
6. Vacant\*
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

Rajya Sabha

13. Shri Derek O' Brien
14. Shri T.K. Rangarajan
15. Shri Prem Chand Gupta
16. Shri Abdul Wahab
17. Smt. Vandana Chavan
18. Shri Ranvijay Singh Judev

SECRETARIAT

1. Shri S.C. Chaudhary - Joint Secretary
2. Shri M. K. Madhusudhan - Director
3. Shri D. R. Mohanty - Additional Director

\*Vacancy occurred w.e.f. 05<sup>th</sup> July, 2016 vice Smt. Anupriya Patel was appointed MOS.

## INTRODUCTION

I, the Chairperson, Railway Convention Committee (2014), having been authorized by the Committee, present this Eighth Report on 'Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Third Report (Sixteenth Lok Sabha) on Commercial utilisation of surplus Railway land- Role of Rail Land Development Authority (RLDA)'.

2. The Third Report was presented to Lok Sabha and also laid in Rajya Sabha on 11th May, 2016. The Ministry of Railways (Railway Board) furnished their replies on 3rd August, 2016 indicating Action Taken on the Observations/Recommendations contained in the Third Report. The Committee at their sitting held on 30th November, 2016 considered and adopted this Report.

3. An analysis of the action taken by the Government on the Observations/Recommendations contained in their Third Report (Sixteenth Lok Sabha) of the Railway Convention Committee -(2014) is given at Appendix-II.

4. For ease of reference the Observations/ Recommendations of the Committee have been printed in bold letters in the Report.

New Delhi:  
30 November, 2016  
09 Agrahayana, 1938 (SAKA)

BHARTRUHARI MAHTAB  
CHAIRPERSON  
RAILWAY CONVENTION COMMITTEE

## REPORT

### CHAPTER - I

This Report deals with action taken by Government on the Observations/Recommendations of the Committee contained in their Third Report (Sixteenth Lok Sabha) on 'Commercial utilisation of surplus Railway land- Role of Rail Land Development Authority (RLDA).

2. The Third Report was presented to Lok Sabha on 11.5.2016 and also laid in Rajya Sabha the same day. It contained 13 Observations/Recommendations. Replies of Government in respect of all the observations/Recommendations have been received and are categorized as under:-

- (i) Observations/Recommendations which have been accepted by the Government:

Rec. Para Nos. 2,3,4,5,6,7,8,9 & 13

Total: 09

Percentage: 69.23

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply:

Rec. Para No. Nil

Total: Nil

Percentage: Nil

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Rec. Para No. 1

Total: 01

Percentage: 07.70

- (iv) Observations/Recommendations in respect of which replies of the Government are interim in nature:

Rec. Para No. 10,11 & 12

Total: 03

Percentage: 23.07

3. The Committee desire that Action Taken Note in respect of the observations/recommendations contained in Chapter-I and final action taken replies in respect of the Observations/Recommendations contained in Chapter-V for which interim replies have been given by the Government be furnished to them at the earliest.

#### I. Commercial Development of Surplus Railway Land (Recommendation Para No. 1)

4. The Committee in their Third Report had observed that 60 sites measuring about 590 hectare of land had been identified and entrusted to RLDA for commercial development, out of which 47 sites had been selected by them for this purpose. However, not a single site out of the 47 sites identified by RLDA itself had 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 were located and inordinately long time taken for obtaining the Change of Land Use (CLU). What concerned the Committee more was 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 were reportedly switching over from the upfront model to the Revenue sharing model under which the Railways/RLDA would get revenue depending on the market conditions which, in turn, would encourage the Developers to participate in the commercial development of Railway land. Opining that the non-development of a single site commercially till date had tended to negate the very purpose of setting up of RLDA, the Committee impressed 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.

5. The Ministry of Railways (Railway Board) in their Action Taken Note have submitted as under:

"RLDA invited tenders for 16 number of commercial sites but RLDA could succeed in selecting Developers for 6 commercial sites only mainly due to slump in real estate market. Agreements were executed with 4 developers only as LOAs for 2 sites had to be cancelled due to non-payment of 1st installment of lease premium by the developers. However no site could be developed as yet.

Some of the constraints faced by RLDA are:

- (i) Most of 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.

(ii) Slump in real estate sector.

(iii) 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 generally takes about 2 to 3 years minimum, despite coordination at all level.

(iv) Now some of the urban/local bodies have asked that land be given as gift through gift deed in lieu of change in land use so that same may be used for developing amenities for public like park, widening of roads etc. In this regard a proposal has also been initiated.

However, the concern of the committee has been noted and necessary corrective action shall be taken as and when need is felt."

6. The Committee deprecate the Ministry's statement that 'necessary action will be taken as and when need is felt' even after conceding that not a single site could be commercially developed by RLDA during a decade of its existence. It is really a matter of serious concern that the need for corrective necessary action has not yet been felt by the Railway Board despite the non-performance of RLDA in terms of commercial development of surplus land. The Committee, therefore, reiterate and exhort the Ministry to sort out with a sense of urgency the systemic deficiencies and other removable shortcomings that impede the commercial development of surplus Railway land so as to ensure RLDA's success in its ventures and consequential mobilization of additional resources for the Indian Railways

## II. Commercial Licensing with the Zonal Railways (Recommendation Para No. 3)

7. The Committee in their earlier Report had observed that almost 3800 hectare of vacant Railway land was under commercial licensing with the Zonal Railways for siding connectivity, catering units, goods, etc. Such commercial licensing with the Zonal Railways had 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 opined that apart from entrusting vacant land to RLDA for commercial development, entering into commercial licensing with Zonal Railways was a step in right direction as was corroborated from the substantial revenue generated annually. The Committee had encouraged 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.

8. The Ministry of Railways (Railway Board) in their Action Taken Note have stated as under:

"Railway's endeavour is to earn more and more revenue through commercial licensing. As a result of this endeavour an amount of Rs.1682 Crores has been earned during the financial year 2015-16".

9. The Committee are pleased to note that due to Railway's constant endeavour towards earning more revenue through commercial licensing, an amount of Rs. 1682 crore was earned during the 2015-16 fiscal. The Committee would like the Railways to maintain their focused endeavour towards

commercial licensing for siding connectivity, catering units etc., so as to ensure more revenue generation in the coming years.

### III. Creation and Strengthening Land Management Cells (LMCs) (Recommendation Para No. 6)

10. In their Third Report, the Committee had appreciated that pursuant to the C&AG observations, instructions had 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 had reportedly taken action for establishing LMCs, the Committee were concerned to note that this had not been done in some Zones/Divisions. As LMCs were a critical instrument in the storage, upkeep, updating and monitoring of land plans/records, which were very valuable properties, the Committee urged the Railway Board to instruct General Managers of those Zonal Railways/ Divisions, where LMCs had not been set up, to urgently create and strengthen LMCs in their respective jurisdictions. The Committee further impressed upon 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.

11. The Ministry in their Action Taken Note have submitted as under:

"Land is a valuable resource of IR. For proper management of this valuable resource, instructions have been issued from 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 in all 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 of almost all the Divisions of Indian Railways. Almost all the Railways have already taken action for forming separate Land Management Cell. However, on few zones/divisions, there is need to strengthen the LMC. Instructions have already been issued to Zonal Railways to review the status of LMC in Headquarters/Divisions and furnish a time bound programme for strengthening the LMC."

12. According to the Railway Board, though almost all the Zonal Railways have already taken action for forming separate Land Management Cell, in few Zones/Divisions there is a need to strengthen the LMC for which instructions have already been issued to the Zonal Railways to review the status and furnish a time bound programme for strengthening the LMC. The Committee desire that upon receipt of the time bound programme from various Zonal/Divisional Railways, the Railway Board should embark upon corrective measures wherever

necessary, to ensure proper upkeep, storage, updation and monitoring of valuable land plans/records.

New Delhi:  
30 November, 2016  
09 Agrahayana, 1938 (SAKA)

BHARTRUHARI MAHTAB  
CHAIRPERSON  
RAILWAY CONVENTION COMMITTEE

RAILWAY CONVENTION COMMITTEE (2014)

MINUTES OF THE TWENTY-SIXTH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 30<sup>th</sup> November, 2016, from 1015 hrs. to 1100 hrs. in Room No. 133A, Chairperson's Chamber, First Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Bhartruhari Mahtab - Chairperson

Members

Lok Sabha

2. Shri Sanganna Amarappa Karadi
3. Shri K. Ashok Kumar
4. Shri Nanabhau Patole
5. Shri Bharat Singh

Rajya Sabha

6. Shri T.K. Rangarajan
7. Shri Ranvijay Singh Judev

Secretariat

1. Sh. Sukhi Chand Chaudhary - Joint 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 Reports on the subjects "Rate of Dividend payable by the Railways to the General Revenues for the year 2016-17 and other ancillary matters" and Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Second and Third Reports on IRCON and RLDA respectively. Giving an overview of the important

recommendations contained in the Draft Reports, the Chairperson solicited the views/suggestions of the Members.

3. The Committee then took up for consideration the following Draft Reports:

(i) Rate of Dividend payable by the Railways to the General Revenues for the year 2016-17 and other ancillary matters.

(ii) Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Second Report (Sixteenth Lok Sabha) on Role of IRCON in Infrastructure Building in Indian Railways.

(iii) Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Third Report (Sixteenth Lok Sabha) on Commercial Utilisation of Surplus Railway Land- Role of Rail Land Development Authority (RLDA).

4. After some discussions, the above Draft Reports were adopted unanimously by the Committee.

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

The Committee then adjourned.

APPENDIX-II

(Vide Par No. 3 of the Introduction)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON  
OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE THIRD REPORT OF  
THE RAILWAY CONVENTION COMMITTEE -2014 (SIXTEENTH LOK SABHA)

		Total	Percentage
I.	Total number of Recommendations	13	-
II.	Observations/Recommendations which have been accepted by the Government:  (Para Nos. 2,3,4,5,6,7,8,9 and 13)	09	69.23
III.	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies:  (NIL)	NIL	-
IV.	Observations/Recommendations in respect of which Government's replies have not been accepted by the Committee and which requires reiteration:  (Para No. 1)	01	7.70
V.	Observations/Recommendations in respect of which final replies of Government are of interim in nature:  (Para Nos. 10,11 and 12)	03	23.07
Total		13	100%