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SNI-45
ANNEXURE

No.2008/LML/2/17
The General Managers
All Zonal Railways/PUs

RECEIVED
30 APR 2009
SIGN

New Delhi, dated 27.04.2009
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Sub: Commercial development of railway land by RLDA - General Instructions to Railways.

The Rail Land Development Authority (RLDA) has been set-up in January 2007 to exclusively deal with the commercial development of Railway land and the air space above such land for supplementing financial resources of the Railways through non-tariff measures. In the Amended Act:

- (a) A new Chapter (Chapter-IIA) has been inserted, authorizing setting up of the RLDA, primarily to develop Railway land for commercial use for the purposes of generating revenue by non tariff measures.
- (b) Section 11 of the Railways Act, which empowers the Railway Administrations to execute various works required for the purposes of constructing and maintaining a railway has also been amended to include, vide sub-clause (da), "developing any railway land for commercial use."

The Rail Land Development Authority (constitution) Rules, 2007 (RLDA Rules) were notified by the Central Government in exercise of its powers under Section 4A read with Section 198 of the Railways Act, 1989, which provide for the working and powers of the RLDA as delegated by the Railway Board. Rule 5 of the said Rules deals with entrustment of land to RLDA and its functioning. A copy of the Rules has been sent to all Zonal Railways already and is available on the website of Indian Railways and RLDA (www.rlda.in).

For achieving the purposes of the Act and for smooth commercial development of Railways land, active cooperation of Zonal Railways who are the landowners, is very important at all stages, including project implementation, especially in the case of redevelopment projects i.e. those involving rebuilding of Railway Structures for e.g. in Sarai Rohilla, Delhi.

Based on the mandate given by the Act and the notified rules thereunder, and detailed procedure with regard to the duties/responsibilities of Zonal Railways vis-à-vis RLDA has been prepared and is enclosed herewith as Annexure-I for implementation.

Kindly acknowledge receipt.

DA: As above

J.S. Jakra
27/4/2009
Director/L&A
Railway Board

be
incubated
JRM/RA, B. H.
Law
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21/5/09
JRM/RA
298/MPID
30/4/09

Copy to:-

✓ The Vice Chairman/RLDA, Moti Bagh-I, New Delhi - 110 021

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Annexure-B to mt
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Functions and responsibilities of Zonal Railways and RLDA in commercial development of Railway Land.

1. Powers of RLDA for entering into agreement with Developer:-

RLDA has been vested with full powers for commercial development of railway land entrusted to it by the Railway Board. Section 4E of the Railways Act, 1989 gives powers to RLDA to enter into agreements on behalf of the Central Government and execute contracts. Therefore, RLDA shall execute all documents/authorizations on behalf of the Indian Railways that may be required with regard to commercial development of Railway Land entrusted to RLDA.

2. Ownership of Railway Land:-

The owner/title holder of the Railway Land will continue to be the Zonal Railways. RLDA will act and undertake all such tasks, for and on behalf of the Indian Railways which are necessary for commercial development on the entrusted land.

3. Entrustment of Land by Railway Board to RLDA:-

(a) Sites for commercial development will be identified by the Zonal Railways and advised to Railway Board with GM's approval. Railway Board will entrust the Railway Land for commercial development to RLDA as per format enclosed (Annexure 'A'). RLDA may also suggest sites to the Zonal Railways for this purpose. It may not be possible at the time of entrustment of land to specifically and clearly demarcate the precise boundaries of the land to be used for commercial development since the same would depend upon market feasibility study to be carried out by the RLDA. The exact land area/boundaries would be finalized based on the modalities indicated under para 4.

(b) At the time of identification for entrustment of land, the Zonal Railway shall ensure that it is in full possession of unimpaired title of land and land title records, plans etc., and that requisite mutation exists in Revenue/Municipal records in favour of the Railways.

(c) The land entrusted to RLDA shall continue to be in the possession of the Zonal Railways till the time the developer is selected by RLDA and land is handed over to the developer on lease for commercial development. It shall be the duty of the Zonal Railways to keep the land free from encroachments and all encumbrances. The Zonal Railway will shift/relocate its materials/sheds/encroachments etc. in time wherever necessary to provide vacant possession of land to RLDA.

4. Market feasibility study by RLDA and finalization of exact land area:-

(a) After the entrustment of land by Railway Board, RLDA shall conduct a feasibility study with regard to the potential of commercial development, i.e., it will carry out necessary market survey to assess the potential and work out the best model of commercial development in terms of best possible revenue returns. RLDA would correspond with Zonal Railway w.r.t all issues pertaining to the land including removal of encroachments, modification in area etc. as required.

(b) On the basis of market feasibility report, ^{RLDA} shall in consultation with Zonal Railways, finalize the exact area of land along with boundaries etc. that will be taken up for commercial development. The exact area of the Railway Land to be used for commercial development shall be mentioned in a joint "Handing Over Note" [Ref. Para 8 (b)].

(c) In case the entrustment letter to RLDA does not indicate the land area, the site/ area shall be finalized by RLDA in consultation with GM/Zonal Railways. In case the land area has been indicated in the entrustment letter, variation in area of land can be finalized by RLDA in consultation with the Zonal Railways and with the approval of GM/Zonal Railways as a part of such entrustment.

5. Type of Commercial Development:-

(a) RLDA will explore various options of commercial development which could be residential, office complex, malls, hotels etc. based on detailed market feasibility studies and take decisions at their level with prior approval of the Railway Board where commercial development involves development as residential complexes.

(b) The proposed development will conform to the local development control norms and the Developer shall obtain sanction to the plans from the local authorities as may be applicable.

(c) In order to avoid any problems with regard to commercial development of Railway Land in future, the Zonal Railways should ensure that wherever Master Plans of local authorities are under revision, necessary objections are filed to ensure that all the land belonging to Railway is shown as "Railway Land" and not for a particular use (such as residential, commercial, public utilities, transport mixed land use). This will allow RLDA to choose the best usage of Railway Land for maximizing the returns based on the market studies.

6. Period of Lease, mode of payment etc.:

(a) Lease period will be decided by RLDA on the basis of the recommendations of the Consultants and the type of proposed commercial development in conformity to the extant directions of Railway Board on the subject.

(b) Based on market feasibility studies, RLDA may follow any development/revenue model which is in best interest of Railways. Such models could be lease upfront model, Joint Ventures, revenue sharing etc. for individual site.

(c) On expiry of the lease period or in the event of any default on the part of the lessee which results in termination of the lease deed, the entire land along with assets thereon, shall revert back to RLDA and in turn to Zonal Railways. A provision will be kept in the Development Agreement that under exceptional circumstances, i.e., when the Railway Land is required for its own use by the Indian Railways, the RLDA will have the powers for pre-mature termination of the Agreement. However in the event of pre-mature termination, the Railway would have to pay necessary compensation to the Developer. Therefore, recourse to premature termination should be considered only under rare and exceptional circumstances.

7. Inviting bids and entering into development agreement with Developer:-

(a) The RLDA shall proceed with the bidding process based on the area finalized with Zonal Railway, after intimating Railway Board.

(b) RLDA, on behalf of the Railways, shall enter into suitable Development Agreement/land lease agreement and any other agreement that may be required in order to vest the selected Developer with the right to undertake the commercial development and related works on the subject Railway Land.

(c) A copy of the Agreement shall be made available to the Zonal Railway for information and record. Railway would need to make itself conversant with the various provisions of the agreement in order to ensure that railway's interests are taken care of during the currency of the agreement.

8. Handing over of identified land as per Land Plan with Schedule to RLDA/Developer:-

(a) A joint demarcation of the site land will be carried out by RLDA and the Zonal Railways, if necessary along with the local revenue authorities, and a proper "Land Plan with Schedule" will be prepared and signed jointly between Zonal Railway and RLDA showing the exact boundaries and important structures/land marks in each direction, along with area and any other details that may be considered relevant.

(b) A joint "Handing Over Note" (as per format at Annexure 'B') shall also be prepared by the Zonal Railways and the RLDA duly Annexing the "Land Plan with Schedule" as above. This joint note shall be signed and physical handing over of the land will be effected, along with the signing of the Developmental Agreement (to which it will form an Annexure) between the RLDA and the Developer. It shall be the duty of the Zonal Railway, as the owner of the Railway Land, to ensure that the possession of the land is handed over to RLDA and in turn by RLDA to the Developer free from encumbrances and in accordance with the terms of the Agreement well in time. Undue delay in handing over of the site may invite claims of damages from the prospective developer.

9. Assistance required from Railways during project implementations:-

(a) The Zonal Railway shall also assist the RLDA for facilitating the Developer in obtaining access to all necessary facilities and utilities (subject to availability) during

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project execution stages, including water, electricity, telecom facilities at rates and on terms at par with those existing for any other commercial establishment. However, for the regular requirements of the Developer over the lease period, the Developer will have to make his own arrangements. Subject to the Railway's own availability of facilities and utilities and on request of the Developer for the same at post project execution stage, the Railway may meet the requirements of the Developer, in part or in full, on prescribed payment terms.

(b) The Zonal Railway shall assist RLDA wherever required in obtaining various clearances and authorizations in connection with commercial development of Railway Land by the Developer from local municipal and other concerned authorities.

(c) The Zonal Railway shall nominate an officer of suitable rank and seniority (Sr. DEN of the Division and concerned Engineering SAG officers in Head Quarters e.g. CGE) who shall serve as a point of contact and for coordination between Zonal Railways, RLDA and the Developer.

(d) Wherever the commercial development project involves rebuilding of staff quarters/other assets (Redevelopment projects) etc. at same/different location:

(i) RLDA, in consultation with the Zonal Railway shall get a "Phasing Plan" prepared, which will indicate the timewise schedule of number of alternative block/units to be provided. Railway shall ensure the vacation of the corresponding number of quarters/office etc within a month of alternate accommodation being provided by the Developer to avoid payment of damages to the Developer as per conditions of the Agreement.

(ii) A committee of 3 officers will be constituted to monitor implementation of the phasing plan, as per development agreement. The three officers shall normally be of JAG level-one each from the Engineering and Electrical Branch at Division level and the third shall be from RLDA (DGM/Projects). Actual redevelopment shall be done by the Developer at his cost as per laid down specifications in the Development Agreement. In case of redevelopment project, wherever required, RLDA may engage Project Management Consultants (PMC) for ensuring supervision of the Developers work.

10. Crediting/accountal of realization/ receipts to Zonal Railways:-

As per Board's Circular No.2007/Ac-II/1/7 dated 14/2/2008 the proceeds from commercial development of land shall be credited to Railways account under Sundry earnings (Z-243- Property development of land/air space).

11. Post execution of the Project:-

RLDA on behalf of concerned Zonal Railways shall continue to monitor the obligations of the Railways and the Developer as per the "Development Agreement".

A copy of the Development/Lease Agreement will also be made available to Zonal Railways who by virtue of their presence at site are expected to keep RLDA informed at all times regarding any violations etc. of the terms & condition of the Development/Lease Agreement since RLDA cannot possibly keep watch on all the sites through out the lease period. However, periodical reviews may be carried out by RLDA both with the Zonal Railways and the Developer in this regard.

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12. Claims, Law Suits etc:-

Under the powers delegated RLDA shall contest any claim before any Court or Tribunal or before any arbitration proceedings for and on behalf of Railways arising out of or related to the commercial development of the entrusted Railway Land and to that effect will execute any Vakalatnama, Power of Attorney or provide any authorization as may be required.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No.

The Vice Chairman,
Rail Land Development Authority,
New Delhi.

Sub: Entrustment of sites for commercial development of land to the Rail Land Development Authority (RLDA) located at (Name of the cities).

In terms of Section 4D(1) of Railways Act, 1989 and Clause 5 of the Rail Land Development Authority (Constitution) Rules, 2007, the Railway Board has decided to entrust site/sites to the RLDA for commercial development as per details given in Annexure I

The Authority is hereby assigned and authorized to discharge the functions as provided in Section 4D(2)(i & ii) of the Railways Act, 1989 & to exercise powers as provided under Section 4E of the Railways Act, 1989 and the Rail Land Development Authority (Constitution) Rules made there under, for undertaking commercial development of above railway lands).

The Authority should take necessary action to collect relevant documents and other details from the Zonal Railways. The zonal Railways are required to extend all cooperation to the Authority in furnishing the relevant documents pertaining to the sites mentioned in the Annexure and falling within their jurisdiction.

The Authority may take further action for commercial development of land as entrusted including finalizing of the exact area of land to be taken up for commercial development through market feasibility studies. The exact area of the land to be used for

Commercial development alongwith other relevant details e.g. number of quarters etc. in case of re-development projects shall be finalized in consultation with the Zonal Railways and should be mentioned in the Site Plan forming Annexure to the joint 'Handing Over Note' to be signed between the Authority and the Zonal Railways (Ref.: Board instruction No.....dated.....).

Deputy Director/Land Management
Railway Board

Encl: Annexure

Copy to: General Managers, concerned Zonal Railway/Railways

Annexure I

Format for land entrustment to RLDA

Name of the Zonal Railway: _____

S.N.	Location	Area (sqm)	Division	City	State

Site sketch to be attached

Draft of the Joint Handing Over Note between the
[] Zonal Railways and the RLDA for the
[] handed over on []

The Rail Land Development Authority (RLDA) has been setup to exclusively deal with commercial development of railway land and the air space above such land for supplementing financial resources of the Railways through non-tariff measures.

"The [] Zonal Railways is in the possession of tile land bearing No. [] at [] of area [] Hectares.

The said plot of land has been entrusted to the RLDA by the Central Government in exercise of its powers under Section 4D of the Railways Act, 1989 and Rule 5 of the Rail Land Development Authority (Constitution) Rules, 2006 (letter of entrustment as per format).

The RLDA has undertaken feasibility study and invited technical and financial bids from prospective developers for commercial development of the land mentioned above. The RLDA has selected [] as the developer for the development of the land.

The land bearing No. [] at [] of area [] Hectares has been jointly surveyed by the RLDA and the Zonal Railways' in the presence of [Mr. [] who is the authorized representative of the [] and the said land is free from all encumbrances.

The land bearing No. [] at [] of area [] Hectares is being physically handed over by the [] Zonal Railways to the RLDA on this [] day of [] 200- for being further handed over on lease to the [] for a period of ___ years for undertaking commercial development on the site in accordance with the Development Agreement. The Site Plan of the land is enclosed as Annexure 1 along with this Handing Over Note.

Where-ever commercial development of the site involves redevelopment of staff quarters / other assets, handing over of railway land will be as per approved phasing plan.

Signed'

For RLDA.

For
Zonal Railways