

Procedure for Licensing of Railway land for Commercial Plots:

(Authority: Railway Board's letter no. 2005/LML/18/8 Dated 10-2-2005 & 8-06-2005)

- The leasing of land is permitted for the purpose of Commercial use on license basis only.
- Licensing of ordinary commercial plot connected with Railway working will be done with approval of General Manager of the Zonal Railway. Such Railway working are indicated as under:

Types of Plots:

- a) Railway related activities such as City Booking Offices, Out Agencies etc.
 - b) Ordinary Commercial Plots- without structures
 - c) Ordinary Commercial Plots – with temporary structures for stacking/storing;
 - i. Covered area
 - ii. Open area
 - d) Steel Yards/Coal Dumps, Bulk Oil Installations etc.,
 - e) Land used to lay Private Sidings
 - f) Shops/Retail Depots etc. *
- The proposal for the Commercial Plots as indicated above, are submitted to Sr. Divisional Commercial Manager/Divisional Commercial Manager who in turn submits the same to Headquarter Standing Committee along with the following documents:
 - a) Sketch Plan for proposed land
 - b) District Registrar's & Revenue Departments circular regarding commercial value of proposed land.
 - c) Calculation sheet of License fee.
 - d) Minutes sheet of Divisional Committee along with DRM's approval on it.
 - Once General Manager approves the proposal, in each case of licensing proper agreement must be executed between the Railway Administration and the licensees before the licensee is given the possession of the land/plot.
 - * Temporary licensing of railway land to private individuals for the purpose of setting up shops, commercial offices, vending stalls clinics etc. not connected with the Railway working has been stopped.
 - The other terms and conditions/policies issued in this regard by Railway Board time to time will be applicable.

- **Rates for license fee.**

Item no.	Types of Plot	Annual License Fee as a percentage of Land Value.
a)	Railway related activities such as City Booking Offices, Out Agencies etc.	6%
b)	Ordinary Commercial Plots-without structures	6%
c)	Ordinary Commercial Plots – with temporary structures for stacking/storing i. Covered area ii. Open area	7.5% 6%
d)	Steel Yards/Coal Dumps, Bulk Oil Installations etc.,	7.5%
e)	Land used to lay Private Sidings	6%
f)	Shops/Retail Depots etc. *	10%

- **Fixing of Land Value:**

- i. A market value will be required to be taken to serve as a base value for working out rental fee payable. This shall be fixed on the basis of the land value of the surrounding area as on 1.1.1985, as determined from the Revenue Authorities and or Evaluation of Town Planning Department, actual as per PWD and CPWD transactions, actual transactions as per documents filed in the Office of Sub Registrar, Value of land assessed by professional evaluators of the State and Central Governments.
- ii. The land value as worked out shall be increased every year on the 1st of April, starting from 1.4.1986, at the rate of 10% over the previous year's land value to arrive at the land value for the following year based on which the annual license fee shall be fixed. **From 1.4.2004 onwards, the land value shall be increased at the rate of 7% every year over the previous year's value.**
- iii. Fresh cases of licensing of plots, for any purpose(s) defined in 'Rates of License fee' (a) to (e) above, the license fee shall be fixed after obtaining the current value of land. In very rare cases where it is not possible to obtain the current cost (reasons for which should be brought on record), the updated cost based on 1.1.1985 land price shall be adopted.
- iv. For Metropolitan towns of Mumbai, Kolkata, Delhi and Chennai if the HOD's Committee feels that the land rates are widely varying within the City, two or more rates can be utilized for the city.

- **Minimum License Fee:**

The minimum license fee in respect of plots covered under this should be Rs.1000/- per annum. For the purpose of determining the minimum license fee, the maximum size of a plot shall be taken as 100 Sq.meters. For instance, in case licensing of a plot admeasuring 250 Sq. meters is involved, the minimum license fee chargeable shall be relevant to three plots of 100 sq. meters each and will work out to Rs.3000/- per annum.

- **Revision of license fee:**

As the notional land value will increase by 7% over the previous year's land value as mentioned in 'Fixing of land value' the license fee will automatically go up by 7% over the previous year's fee from the 1st of April every year. Suitable provisions, with Schedule of payment due, shall be incorporated in the Agreement.

The termination/renewal date of the Agreement should always be the **financial year**.

- **Powers of licensing and renewal:**

Fresh cases of licensing of plots connected with Railway working and mentioned at (a) to (e) of 'Rates of License fee' above will be approved by General Manager on recommendation of HOD's Committee. As regards plots mentioned at (f) viz. shops , retail oil depots etc. as already stated, the existing ban on fresh licensing for purposes unconnected with Railway working will continue. Renewal of licenses of railway land not connected with Railway working can be done at GM's level with Finance concurrence.

- **Security Deposit and Liquidated damages:**

Instructions contained in para 1025, 1026 and 1027 of Indian Railways Code for the Engineering department (1999) will be applicable.