

**GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS  
RAILWAY BOARD**

No. 2001/LML/18/161

New Delhi, dt. 21.2.02

All Zonal Railways  
Including Production Units.

Sub: Licensing of land to Oil Companies for setting up retail outlets  
(Petrol Pumps).

A reference had been received in Board's office regarding policy to be adopted for leasing/licensing of railway land to Oil Companies for purpose of setting up of retail outlets (Petrol Pump installations).

Board have considered the matter and it has been decided that the following procedure shall be adopted for the purpose:-

- (a) Railway will identify suitable plots for this purpose. After identification of plots, expression of interest from the Oil Companies can be called through Press advertisements to ascertain the potential and interest in the site.
- (b) If interest is shown by any oil company suo moto, for a plot of land, then offers should be invited for the same from other oil companies operating in the area for getting their participation and exploring best possible value for the railways.
- (c) The period of licence for this purpose would be 20 years.
- (d) The oil companies would be asked to quote annual licence fee as a percentage of the current market value of the land. The market value of the land would be indicated by the Railways. However, Railways should ensure that such annual licence fees are not less than 10% of the current market value of the land. The current market value shall be determined from the Revenue Authorities and if the same is not available then from any of sources mentioned in Para 4.1 ( a to d ) of Board's letter No. 83WII/LM/18/87 dt. 29.8.95.

The revision of annual licence fee shall be carried out every 3 years based on prevailing market value of land. The licence fee is to be calculated by taking the same percentage (of land value) as was quoted initially by the party (subject to the condition that the amount of original license fee would not be reduced).

- (e) A committee consisting of officers of SAG level from Engineering, Commercial & Finance will examine the bids and put up recommendations to AGM for acceptance.

This issues with concurrence of Finance Directorate of the Ministry of Railways.

Hindi version will follow.

Please acknowledge receipt.

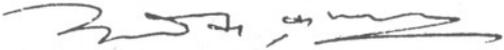
(This disposes of Central Railway's letter No. W/415/L/O/Policy Genl./11 dt. 13.12.01)

*bdupls*  
(DESH RATAN GUPTA)  
Director/Land & Amenities  
Railway Board

No. 2001/LML/18/161

New Delhi, dt. 21.2.02

Copy to: The FA & CAO's, All Zonal Railways.

  
For Financial Commissioner/Railways

Copy to F(X) I Branch, Railway Board.