

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
RAJYA SABHA
UNSTARRED QUESTION NO. 2503
ANSWERED ON 13.03.2026

LEASING OR SALE OF LAND BY RAIL LAND DEVELOPMENT AUTHORITY

2503# DR. RADHA MOHAN DAS AGRAWAL:

Will the Minister of RAILWAYS be pleased to state:

- (a) the rules governing the leasing or sale of land to citizens or private entities by the Rail Land Development Authority (RLDA);
- (b) the basis on which the lease/sale value is assessed, the nature of development required to be undertaken by the land developer, and the revenue that accrues to Railways therefrom; and
- (c) the details of the total land measured in Gorakhpur during the last five years, including the transaction price of the area leased or sold, and the corresponding circle and market rates prevailing at that time?

ANSWER

MINISTER OF RAILWAYS, INFORMATION & BROADCASTING AND
ELECTRONICS & INFORMATION TECHNOLOGY

(SHRI ASHWINI VAISHNAW)

(a) to (c): As per the provisions of the Railway Act, 1989 and RLDA regulations, Rail Land Development Authority (RLDA) grants only long-term leases to developers through transparent e-bidding processes for 45 to 99 years depending on project type, while retaining ownership of land with Railways.

The reserve price of railway land for the purpose of leasing is assessed based on feasibility study, market survey, prevalent circle rates and guidance value of surrounding lands for similar classification. Developers are required to undertake development in accordance with the approved land use and terms specified in the lease agreement, such as residential, commercial, or mixed-use projects as per applicable local authority norms. Railways earn revenue through upfront premiums/revenue sharing and lease rentals, while ownership of the land remains with the Ministry of Railways.

In the Gorakhpur area, about 3.72 hectares has been leased out for an amount of ₹109.51 crore, through competitive e-bidding conducted by the Rail Land Development Authority (RLDA).

The reserve price for such leasing is determined based on feasibility studies, market surveys, prevailing circle rates and guidance value of surrounding lands having similar land use classification. However, the final transaction value is discovered through a transparent competitive bidding process, and therefore may vary depending on market response.
