

PROJECT INFORMATION MEMORANDUM (PIM)



For
Commercial Development on Railway Land
(approx. 9271 sq. mtr.)
At
Raxaul (East Champaran), Bihar

June, 2017

Ministry of Railways
RAIL LAND DEVELOPMENT AUTHORITY (RLDA)
Near Safdarjung Railway Station, Moti Bagh-1 New Delhi – 110021

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INTRODUCTION & BACKGROUND

The Indian Railways is desirous of commercial development of their land plots in various locations that are presently lying unused and railway operations are not envisaged on such plots in the foreseeable future. Rail Land Development Authority (“RLDA”) has been set up by Ministry of Railways for commercial development of vacant Railway lands, through an amendment to The Railways Act, 1989 (Amendment No.47 of 2005, published vide Extraordinary Gazette Notification dated 16.9.2005). This amendment essentially contains the following provisions:

- i. A new Chapter (IIA) has been inserted, authorizing setting up of the RLDA, primarily to develop Railway Land for commercial use for the purpose of generating revenue (required by Railways for up-gradation/maintenance of its network) by non-tariff measures.
- ii. 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”. As part of this initiative of Railways, one site approx. 9271 sq.mtr. at Raxaul (Champaran), Bihar location have been identified in the first instance.

This PIM provides the relevant information to the Applicant. The Applicant is advised to make an independent assessment of the project at their end, make site visits and carry out necessary investigations and due diligence and check the adequacy of the information given in the PIM.

1. SITE LOCATION & OVERVIEW

1.1 Site Location

The subject site of 9271 sq.m (2.27 Acres) is located at Raxaul Main Road (NH-28A) and the Station approach road in Champaran District of Bihar. This land parcel is part of total railway land of 12.62 acres . The site shown below is very narrow and longitudinal with only 24 m of the site facing the main Raxaul national highway 28A.

- The local retail market is all located along this highway. Therefore the shops at the back along the station road are not expected to attract sound interest from the local shopkeepers.



Site & City Overview

The site has Part 'A', 'B' and 'C' while only Part 'A' and 'B' (Actual surveyed area 9,768 sqm, Road area is 497 sqm and the area left for development is 9,271 sqm only) are being offered for bidding (While area shown in the map below is around 2.27 acres or 9,192 sqm).

As of 2011 India census, Raxaul Bazar had a population of 55,532. Males constitute 54% of the population and females 46%. Raxaul Bazar has an average literacy rate of 75.62%, higher than the state average of 61.80%: male literacy is 82.14%, and female literacy is 68.25%. In Raxaul Bazar, 16.21% of the population is under 6 years of age.

Raxaul is a small sub-division in east Champaran district and the town thrives just on the cross-border trade between India and Nepal and has limited growth avenues apart from catering to the requirements of the moving goods and cargo entities. Approximately 1000 to 1300 trucks cross the Indo-Nepal border on a daily basis and Raxaul needs attendant facilities to cater to this population.

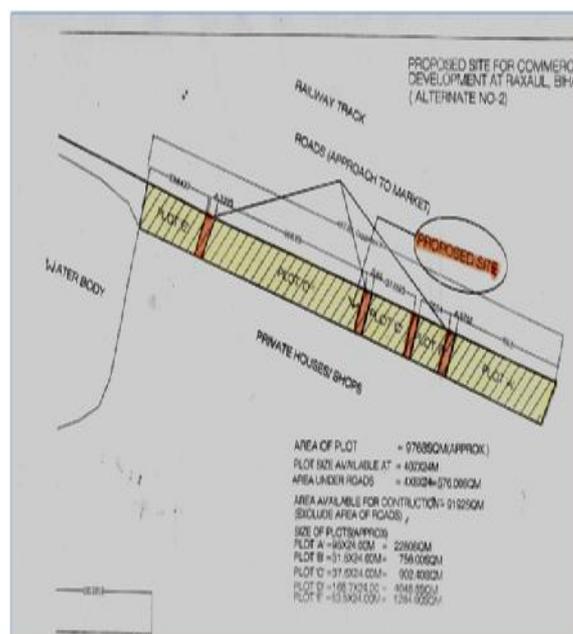
Real estate in Raxaul is very unorganized and comprises primarily of unorganized retail markets, small eateries on the roadside, wholesale traders, retailers, banks etc. There is an opportunity to provide an organized retail shopping experience in Raxaul which is non-existent now, but it would be limited in scope and scale due to the very low demand for such spaces. The only retail cum commercial destination in Raxaul is the NH 28A which runs past the town and all the other retail activity is concentrated along high street markets and small market complexes like Mahadewa market, Laxmi market, and JP complex.

Most transactions in Raxaul takes place for small retail shops on rent and sale, land transactions in the town as well as peripheral areas. Office space demand is extremely limited in Raxaul and is limited to trading offices, C&F agents, banks, insurance cos, agricultural equipment offices etc. Raxaul has about 6 small sized hotels while most of the tourists to Nepal and other visitors to Raxaul prefer to stay in adjoining Birganj which is just about 3 kms from Raxaul.

2. SITE CONTOURS & APPLICABLE FAR

2.1 Site Contours

- It can be seen from the site plan that the site is very narrow and longitudinal with only 24 m of the site facing the main Raxaul national highway 28A.
- Any development on the site would be facing the Station approach road and could potentially attract the attention of traders, small retailers, small companies, transit travellers, banks, restaurants etc. apart from the demand for office spaces.
- The schematic site plan shows the broad dimensions of the subject site. The frontage of the site is along the station road which adjoins the curved portion of the site. Slums and shanties surround the other 3 sides of the site.



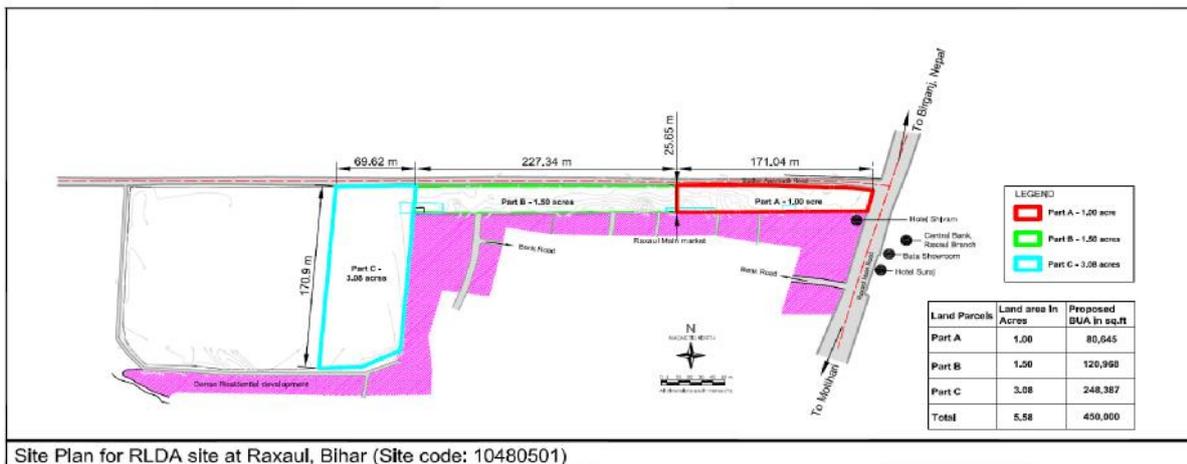
Site Boundaries are as under:	Key Distances to Major Landmarks:
<ul style="list-style-type: none"> • Southern Side: Main traditional market area and residential and mixed use commercial areas of Mouzegaon and Pareuwa • Eastern Side: Raxual Main Road (NH-28A). • Western Side: Land of the Gandak Project (Railway owned land). • Northern Side: Station approach Road. On other side marshy land of railways and rail tracks. 	<ul style="list-style-type: none"> • Gorakhpur Domestic Airport: 187Kms • Nearest Airport: Birgunj Nepal • Railway Station: 500 mtrs. • Bus Terminal: 2.0 Kms • Birgunj, Nepal: 3 Kms

2.2 Applicable FAR & Accessibility

The land has a commercial land use as per the local building bylaws.

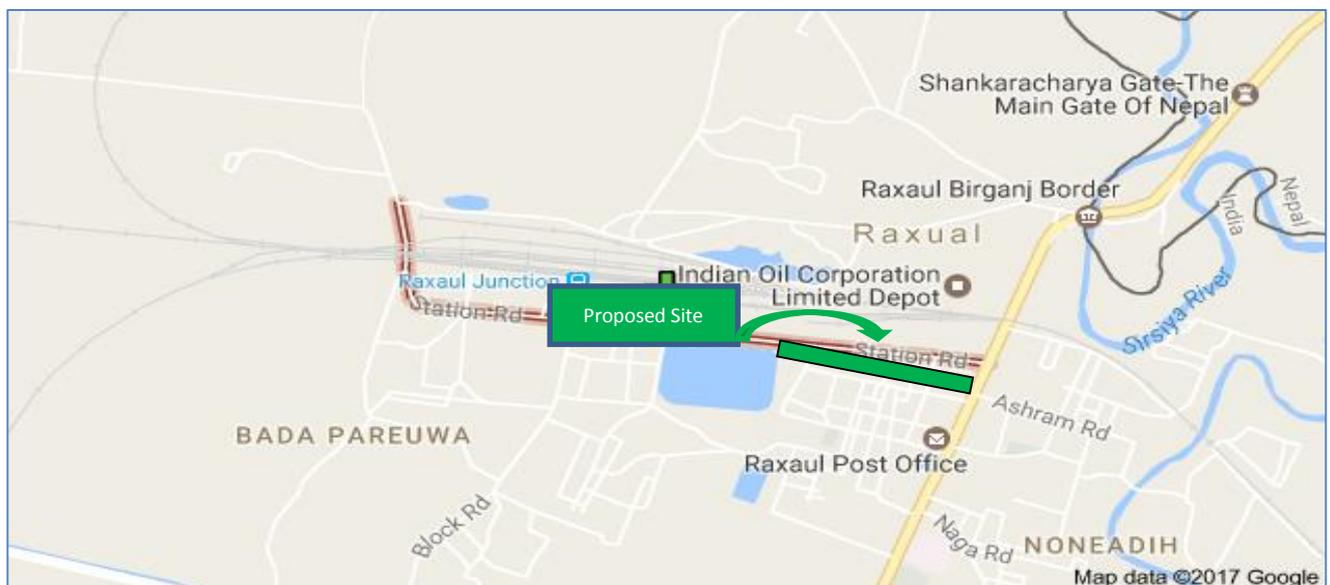
Commercial: 2.00 (Achievable FAR is however 1.21) FAR

The site enjoys direct access from 7 meter wide Station approach Road and 10 meter wide Raxual Main Road. Site frontage – North 407 m approx. and Depth of site – Average 24 m approx.



Site Plan for RLDA site at Raxaul, Bihar (Site code: 10480501)

3. SITE PHOTOGRAPHS





4. SWOT ANALYSIS

Strength:

- The site, on its eastern side abuts Raxaul Main Road (NH-28A) – which is presently the road route to enter Nepal for both people and goods.
- Part of the subject site is situated at a very prominent location within the town of Raxaul.

Weakness:

- The land parcel size is large, by Raxaul standards and, thus, is not expected to attract the prevalent land prices.
- The next most important weakness of the site is its irregular shape. The strip of the land and the irregularity drastically reduces the possible development options in the site.
- Given the large site area, and the possible development options on the site would not be sustainable given the current market conditions in Raxaul.
- The station approach road, which bounds the site in the north, and provides a prime access along the length of the site, is in a very narrow and bad condition.
- A large part of the site, Part-B, is waterlogged and, thus, would require substantial investment in terms of land filling and development.

Opportunity:

- In case trade between Nepal and India increases, the development potential of the site increases.

Threats:

- Given the current political situation in Nepal, its trade with India has also taken a hit. This would reduce the development potentials of the site.
- The site is situated on the NH-28A, which is the current main road access route to Nepal for goods and cargo. With the construction of the Integrated Check post and re-routing of the trucks from the western parts of the town, the importance of the site reduces.

5. RAXAUL REAL ESTATE MARKET

Commercial Real Estate Market:

Raxaul is a small sub-division in east Champaran district with a population of approximately 60,000 only. Of this only 40% population is in the urban area of Raxaul. The town thrives just on the cross-border trade between India and Nepal and has limited growth avenues apart from catering to the requirements of the moving goods and cargo entities. Approximately 1000 to 1300 trucks cross the Indo-Nepal border on a daily basis and Raxaul needs attendant facilities to cater to this population.

Real estate in Raxaul is very unorganized and comprises primarily of unorganized retail markets, small eateries on the roadside, wholesale traders, retailers, banks etc. There is an opportunity to provide an organized retail shopping experience in Raxaul which is nonexistent now, but it would be limited in scope and scale due to the very low demand for such spaces. The only retail cum commercial destination in Raxaul is the NH 28A which runs past the town.

Most transactions in Raxaul takes place for small retail shops on rent and sale, land transactions in the town as well as peripheral areas.

Retail Real Estate:

Retail real estate in Raxaul comprises predominantly small or organized shops and traders trading in essential goods, with a few organized outlets for apparel and electronics. All the retail activity is concentrated along high street markets and small market complexes like Mahadewa market, Laxmi market, and JP complex.

Raxaul does not have a multiplex or a family restaurant yet and most cinema halls are not preferred by the up-market families in Raxaul. Therefore Retail could be mixed with multiplex and food related joints in an organized development.

The pictures below show the retail activity in Raxaul high street locations and important landmarks of the town.

Office Real Estate:

Office space demand is extremely limited in Raxaul and is limited to trading offices, C&F agents, banks, insurance cos, agricultural equipment offices etc. We anticipate some office relocations into the proposed development as there are no quality office spaces within the town.

Hospitality Market:

Most tourists to Nepal and other visitors to Raxaul prefer to stay in adjoining Birganj which is just about 3 kms from Raxaul. Considering the daily traffic in Raxaul (over 1000 business visitors, truckers, tourists, government officials etc), and the availability of only about 80 rooms total in Raxaul, there is a definite demand for a quality budget hotel in the town.

6. LAND USE, OWNERSHIP & MODE OF DISPOSAL

The site falls in the commercial land use for any kind of commercial development on the subject site. Raxaul does not have a Master Plan. Plan approving authority for the subject site is local development authority like Municipal Council of Raxaul etc.

The land is owned by the East Central Railways and RLDA has been entrusted to divest it on a leasehold basis on behalf of Ministry of Railways.

RLDA wants to lease it for a “Commercial development only” for a lease period of 45 years on as is where is basis.

7. POTENTIAL DEVELOPMENT

Development Options	
Preferred Development	• Other Sub-Classes
Retail Shopping Complex cum Hotel Development	<ul style="list-style-type: none"> ○ Small Offices (total 25,000 sq.ft) ○ Nursing Home/ Doctor clinics ○ Multiplex & food court ○ Entertainment

8. SAILENT TERMS OF LEASE

- a. 45 years lease on “as is where is basis”.
- b. Ownership of Land to remain with Railway throughout the Lease Term.
- c. Any increase in effective FSI will trigger proportionate increase in land premium.
- d. Agreement to be signed with SPC created by Selected Bidder.
- e. Site to be handed over within 30 days of signing of Agreement.
- f. Land along with assets thereon to revert back to Railway after expiry of Lease Term.
- g. Provision of premature termination of Lease in case of requirement of such land by Railways subject to Termination Payment to the developer as per Lease Agreement.
- h. No mortgage of Land is allowed.
- i. Third party rights cannot be created by the developer on the land unless it completes payment of all lease premiums due to RLDA as per terms of the bid.