

No.15(04)/2021-E.II(A)
Government of India
Ministry of Finance
Department of Expenditure

Kartavya Bhawan-1, New Delhi

Dated: 05.05.2026

OFFICE MEMORANDUM

Subject: Guidelines for transfer/alienation of Central Government's land – reg.

To streamline and standardize the process of alienation of Government land, and in view of the existing framework being dispersed across multiple rules and instructions, the competent authority has approved the issuance of these consolidated guidelines for transfer/alienation of Central Government's land. These guidelines aim to bring clarity and uniformity in procedures, valuation methodology, and the identification of competent approving authorities, while also clearly defining key terms.

2. The detailed guidelines attached as an **Annexure** to this OM shall supersede all previous orders and instructions regarding the transfer or alienation of Central Government land, except for the exemptions specified in paragraph 5 of the annexure. Ministries/Departments may ensure strict adherence to these instructions from immediate effect.

3. This issues with the approval of Finance Minister.



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To,

Secretaries to all Central Government Ministries/Department.

GUIDELINES

-Transfer/Alienation of Central Government Land-

1. Introduction:

1.1 Land is a precious and limited natural resource and is of critical significance in the national endeavor for economic development. Therefore, its availability for various developmental purposes is of paramount importance. It is an asset where value keeps rising with time. The Central Government owns significant amounts of this valuable asset, either on free hold basis or on lease basis. In view of its limited availability and dynamics of developmental needs, the need arises on many an occasion for inter-se transfer/exchange of land amongst Departments or amongst offices of a particular Department. Question also often arises whether land is to be transferred to a Central PSE or State Government based on mutually agreed terms or to be sold outrightly to a private entity on purely commercial terms. These guidelines lay down the principles and procedures governing alienation of land belonging to the Central Government.

2. Objective:

2.1 The objective of these guidelines, therefore, is to lay down framework and conditions to be followed by the Central Government for assessment of the amount of land owned and used by them and the procedure to be followed for sale/ lease of a piece of land identified either as surplus or as required for a different public purpose or for public infrastructure/public utility project so as to ensure productive and gainful use of land and also to unlock its monetary value.

3. Definitions:

- (i) **Central Government:** Ministries/Departments of Government of India, their attached and subordinate offices, statutory authorities administered by Government of India, Central Government owned/controlled entities* and UTs without legislature.
- (ii) **CPSEs:** A company in which not less than fifty-one per cent of the paid-up share capital is held by the Central Government and

includes a company which is a subsidiary company of such a company. This includes SPV companies owned 50% by Government of India and 50% by State Government.

- (iii) **State Government:** Respective State Govts and their offices/bodies including local bodies and UTs with legislature.
- (iv) **Long-term lease:** 30 years or more (including all possible/permissible periods of renewal).
- (v) **Short-term lease:** Less than 30 years or any lease other than Long-term lease.
- (vi) **Market Value:** The Market value is the value of land determined as per para 6 below keeping in view the following:
 - a) Prevalent Guideline Value,
 - b) Recent auction/sale of comparable land in close proximity,
 - c) Professional valuation considering non-distress sale scenario and the encumbrance, reservation/restriction etc.
- (vii) **Guideline Value:** Minimum value notified by the government concerned for a land parcel. This involves terms such as 'Circle Rate', 'Ready Reckoner Rate' etc. used by some State governments.
- (viii) **Market Rental Value:** The rent assessed as per para 6 below based on the lease term, with reference to the market value of the property.
- (ix) **Guideline Rental Value:** The rent assessed as per para 6 below based on the lease term, with reference to the guideline value of the property.
- (x) **Nominal Rental Value:** Rs. 1/- per sqm per annum.
- (xi) **Sale:** Transfer of ownership of land in exchange for a consideration.
- (xii) **Lease:** Transfer of a right to enjoy land for a specified period, express or implied, in consideration of a premium and/or rent, while the ownership of such land remains with the lessor.

* **Central Government owned/controlled entities:** Such institutions that fulfill the following conditions, or any other institution(s) that may be classified as such on a case-to-case basis:

- a) They have been established by, or with the approval of Government of India, and
- b) They obtain their entire budget (or majority of their budget) from Government of India, and

- c) They are controlled by Government of India, with Government having the power to give necessary directions to them, and
- d) The membership of their Governing bodies can be determined by Government of India by adding/removing/replacing Members and Chairperson, and
- e) Their accounts are covered by the Comptroller & Auditor General's (CAG) audit.

4. Applicability:

4.1 The following five categories of land transfer shall be covered under this framework:

S.No	Type of transfer	From	To
1.	Sale/Long term lease	Central Government	Central Government
2.	Sale/Long term lease	Central Government	CPSEs
3.	Sale/Long term lease	Central Government	State Government
4.	Sale/Long term lease	Central Government	Any other entity
5.	Short term lease	Central Government	Central Government, CPSEs, State Govt. or any other entity

5. Exemptions:

- (i) This framework will not cover land/buildings to be acquired or disposed of where specific provisions exist under statute/law.
- (ii) Any land transfer/lease covered by existing policies of Ministries/Departments as on 1st March, 2026 will continue under that policy / guideline.

6. Valuation:

6.1 The value at which the land transaction is to be done will be determined by NLMC. For this purpose, NLMC may charge a fee from the requesting Ministry/Department. The following land values would be

determined and made available by NLMC as per the nature of the land transfer:

- (i) Sale of land:
 - a) Guideline Value/ Circle Rate/ Ready Reckoner Rate / (hereinafter referred to as '**Guideline Value**') – NLMC may take the highest Guideline Value issued by the State/UT during the previous three years.
 - b) Market Value
- (ii) Leasing of land:
 - a) Market Rental Value
 - b) Guideline Rental Value

Note: The valuation report to be submitted by NLMC under these guidelines shall not require the approval of the Alternative Mechanism.

6.2 In addition to the NLMC, any other Government of India entity or CPSE which carries out valuation could also be engaged subject to such entity/CPSE:

- (a)* empaneling and then engaging such professional valuers# for this purpose, and
- (b) not being under the administrative control/domain of the Ministries/Departments which are parties to the land transaction

***Condition (a) would not apply to CPWD.**

#Professional Valuer: An individual entity registered as a valuer under the provisions of the Companies Act, 2013.

7. Assessment of need: In cases of land transfer covered at Sl. No. 1 & 2 of table at para 4 above, Ministries/Departments may ensure that proposal for transfer of land is supported by concrete plans or projects with a clear timeline for execution. To ensure fairness of the process, Secretary (Expenditure), may carry out Inter-Ministry consultation on a case-to-case basis keeping in mind the opportunity cost, competing demands and alternative uses of land.

8. Competent Authority and value to be considered for transfer of Land:

S. No	Type of Transfer	From	To	Approving Authority	Pricing
1.	Sale/Long term lease	Central Government	Central Government	Transferor Administrative Ministry with the prior concurrence of Ministry of Finance	Through Book Transfer/ Nominal Rental Value OR through Budget allocation (at Guideline value/Guideline Rental Value)
2.	Sale/Long term lease	Central Government	CPSEs	Transferor Administrative Ministry with the prior concurrence of Ministry of Finance	Where CPSE is 100% Government of India owned: For public purpose: At Guideline Value/Guideline Rental Value Other than public purpose: Market Value/Market Rental Value For other CPSEs: Market Value /Market Rental Value
3.	Sale/Long term lease	Central Government	State Government	Cabinet	Public Purpose: Guideline Value/ Guideline Rental Value Non-public Purpose: Market Value / Market Rental Value

4.	Sale/Long term lease	Central Government	Any other entity	Cabinet	Transparent competitive bidding: Reserve price to be based on Market Value/Market Rental Value determined as per para 6 above.
5.	Short term lease	Central Government	Central Government, CPSEs, State Govt. or any other entity	Transferor Administrative Ministry with the prior concurrence of Ministry of Finance	Public Purpose: Guideline Rental Value Non-public Purpose: Market Rental Value

9. Transfer of CPSE land*: Policy for transfer of CPSE land to any entity through sale/long term lease or short-term lease shall be formulated by Department of Public Enterprises (DPE). Until then the existing provisions of GFRs, 2017 shall continue to be followed.

***CPSEs under Ministry of Steel shall follow the instructions issued by their Administrative Ministry, until a policy is formulated by DPE, as above.**

10. Transfer of buildings and superstructures on land shall be treated similar to transfer of land. Transfer of buildings and superstructures on land shall be at the present-day cost minus depreciation of these structure(s) standing on the land. Valuation for this purpose shall be obtained in accordance with para 6 above.

11. If any question, not covered in these guidelines, in regard to land alienation arises, the same shall be taken up with the Ministry of Finance, Department of Expenditure for an appropriate course of action.
