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No. 11015/2/2012/D (Lands) (Pt)
Government of India
Ministry of Defence

New Delhi
Dated 21st October, 2020

To

1. The Chief of Army Staff
2. The Chief of Air Staff
3. The Chief of Naval Staff
4. The Director General Defence Estates
5. The Chairman, Ordnance Factory Board, Kolkata
6. DG QA, New Delhi
7. DRDO New Delhi

Subject: Transfer of Defence land for Public utilities and Public Infrastructure projects.

Sir/ Madam,

I am directed to refer to the Ministry of Defence policy letter No. 11015/2/2012/D (Lands) dated 2nd February, 2016 and to say that the following amendment is hereby carried out in Para 3 (e) and Para 5A(a) of the said policy:-

Para 3(e)

For: Transfer of Defence land is normally on the basis of exchange of equal value land to be provided by indenting authority. If, however, IA is neither a land owning agency or does not have an arrangement with State /UT Governments for providing land for the project, transfer is considered on payment of current market value of land.

Read: Transfer of Defence land is normally on the basis of exchange of Equal Value Land to be provided by the Indenting Authority or creation of Equal Value Infrastructure (EVI) for the land owning units of Defence by the Indenting Authority. If, however, IA is neither a land owning authority or does not have an arrangement with state Government for providing land for the project, transfer is considered on payment of current market value of land or creation of EVI against the current market value of the land for the land owning units of the Defence .

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Para 5A (a)

For: Permanent Transfer of land should be done on the basis of exchange of equal value land to be provided by the Indenting Authority. However, for linear projects where the Indenting Authority is neither a land owning authority nor does it have an arrangement with State/ UT government for providing land for the project and is therefore unable to provide equal value land partly or fully in exchange, transfer may be considered on (balance/full) payment of current market value. Market value of the land will be fixed by the DGDE in all the cases based on STR or circle/ guideline rates of the State Government. Inter-Departmental rates of land transfer will be used only where a Project authority has been specially allowed by the Cabinet to obtain land on this basis from other Government entities.

Read: Permanent Transfer of land should be done on the basis of exchange of Equal Value Land to be provided by the Indenting Authority or creation of Equal Value Infrastructure (EVI) for the land owning units of Defence by the Indenting Authority. However, for linear projects where the Indenting Authority is neither a land owning authority nor does it have an arrangement with State/UT Government for providing land partly or fully in exchange, transfer may be considered on (balance/full) payment of current market value of the land or creation of EVI by Indenting Agency against the current market value of the land for the land owning units of the Defence. Market value of the land will be fixed by the DGDE in all the cases based on the STR or Circle/guideline rates of the State Government. The value of the land so calculated as on date of issue of working permission / handing over of land will be treated as equivalent value for arriving at Equal Value Infrastructure (EVI). The cost of the construction of the EVI would be benchmarked to the rates given as per prevailing SSR or benchmarks rates of the Government executing agencies, whichever is lower. If the cost of the proposed EVI is less than the current market value of the land to be transferred, the balance amount is to be paid by the IA as cash compensation. IA will be responsible for the construction/execution of the work with respect to creation of EVI finalized. Any cost or time over run will be borne by the IA. Interdepartmental rates of the land transfer will be used only where a Project authority has been specifically allowed by the Cabinet to obtain land on this basis from other Government entities.

*Done by
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2. The detailed guidelines for the cases of EVI are as under:

(a) Process for assessing the market value of the land:-

Normally Defence Land is divided into two parts:-

- i) Defence Land Inside notified Cantonment and;
- ii) Defence Land Outside notified Cantonment

i) **Defence Land Inside notified Cantonment:-** Land value of defence land Inside Cantonment is fixed by committee comprising representative of LMA/Stn. Commander, revenue authority, DEO and rep of adjoining Municipality/ Corporation. The committee determines the market value of land taking into consideration sales statistics of lands/ buildings, valuation assessed by consultancy experts and any other relevant information for arriving at a realistic value. The committees meet every year and finalize its recommendation within two months and send it to the DEO for taking the valuation into account for preparation of STR. It is clarified that, no further consultation with the collector is necessary where the values are assessed by the committees.

Further, for determining the value of land in Cantonment may be divided into zones e.g. bungalow area, civil, shopping and lesser developed areas. Where in a Cantonment there are similar private lands in the neighborhood, valuation of Defence lands can be based on the sale price of the private lands. In other Cantonments, the land in various zones should be identified with similar lands in the neighboring Municipal Area and the sales of the land that have taken place in a particular region in the Municipal Area should determine the value of corresponding land in the Cantonment. The value of land is 40 times of the STR.

ii) **Defence Land Outside notified Cantonment:-** Land value of defence land outside cantonment is fixed by collector based on the minimum land value is fixed by the collector as Mulya Nirdharan Suchi (MNS)/ guideline values/ Circle rates which are fixed based on the following parameters:-

a) The minimum land value, if any, specified in the Indian stamp act, 1899 for the registration of sale deeds or agreement to sell, as the case may be, in the area, where the land is situated; or

b) The average sale price for similar type of land situated in the nearest village or nearest vicinity area.

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(b) Calculation of Equal Value of Land:

Equal value of land is arrived by valuation of land equal to the amount of land which is proposed to be exchange / transfer.

Example:-

- (i) Suppose a piece of land admeasuring 2000 sqmt. have circle rate of Rs. 20,000/- per Sqmt. then, the value of land is $2,000 \times 20,000 = 4,00,00,000/-$
- (ii) Another piece of land having extent of 1000 sqmt. with market value of Rs. 40,000/- per sqmt. then, the value of land is $1,000 \times 40,000 = 4,00,00,000/-$.

Therefore, since the valuation of both the pieces of land i.e. (i) & (ii) is Rs 4,00,00,000/-, hence both are of equal value land.

(c) Manner of calculation of the value of the land for arriving at the value of EVI:

The cost of the defence land will be worked out as per the prevailing STR by DGDE. The overall area to be handed over to Indenting Authority(IA) will be worked out by a joint Board of Officers (BOO) as per the practice currently in vogue and multiplying this figure with the current land rate (based on prevailing STR) will give the total value of land to be transferred . This value of the land will be taken as on date of issue of working permission/ date of hand over of land. The value of the land so calculated will be treated as equivalent value for arriving at Equivalent Value Infrastructure (EVI). The IA will be responsible for construction /execution of work for creation of EVI finalized as per para (e) below. The cost of construction of EVI would be benchmarked to the rates given as per prevailing SSR or benchmarked rates of the Government executing agencies, whichever is lower. If the cost of the proposed EVI is less than the current value of the land to be transferred, the balance amount is to be paid by the IA as cash compensation. If the cost of the proposed EVI in any case is greater than the current value of the land to be transferred, budget of concerned service would be used.

(d) Cost and time overrun:

Value of the land being offered will be calculated as explained in para (b) above. IA will be responsible for construction /execution of work with respect to creation of EVI finalized. Any cost or time overrun will be taken care by the IA.

EVI would be based on market value of land on date of working permission / handing over of land and estimated cost on the said date as per prevailing SSRs.

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(e) EVI that can be considered under the policy –

- i- Construction of married accommodation or dwelling units for troops , JCOs
- ii- Other Than Married (OTM) accommodation
- iii- Barricades
- iv- Checkposts
- v- Service roads
- vi- Sheds
- vii- Barracks for the troops
- viii- Drainage system, STPs
- ix- Lighting arrangement
- x- Boundary Walls and security infrastructures
- xi- Any other infrastructure with approval of DoD.

Benchmark for seeking Infrastructure under EVI mode

- a. The items should be authorized /scale as per various authority(s) documents like as per SADS 2009, Scale of Accommodation (SoA), Operational Works and married accommodation Project scales.
 - b. Specifications of the items to be created as Equal Value Infrastructure (EVI) will be as per extant National Building Code (NBC) norms / EinC Branch specifications /CPWD manual /MES/Op Works procedure specifications.
 - c. The proposal will be sanctioned by MoD on the recommendation of Service Headquarters if the purpose falls in for the transfer of A1/analogous to A1 land under the management of Service /Defence Establishments .For B3 and B4 land under the management of DEO or cantonment Board in a cantonment , the EVI will be sanctioned by MoD on the recommendation of the DGDE for development of public roads and streets , drainage , STPs, public utility civic amenities and remunerative projects of Cantonments which will benefit both military and civil population. As the policy pertains to exchange of land for infrastructure, CFA will be Hon'ble RM in all such cases.
3. DGDE will be responsible for keeping a system for monitoring and accounting of the proceeds from the transfer of land.
4. The other content of the above said MoD policy letter dated 02.02.2016 will remain same.

Ran K. S.
21/10/20

5. This issues with the concurrence of Ministry of Defence (Fin) vide their U.O. 100 dated 21.10.2020.

Yours faithfully,


(Pankaj Srivastava)
Director (Lands-I)
Tel: 23013173

Copy to:

1. The CGDA, Delhi Cantt
2. Ministry of Defence (Finance Division/W-I), New Delhi
3. The DGA (DS), L-II Block, Brassey Avenue, New Delhi
4. QMG Branch/ Plg (Lands)
5. D (Air-II)
6. D (Navy-III)
7. D (Q&C)
8. D (R&D)
9. D (QA)
10. D (GS-III)
11. DMA, HQ IDS
12. DG BRO
13. Dir (Infra), Coast Guard