

WEEKLY GOVERNANCE

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The 'Patanjali Land Deal Scandal' Reveals Systemic Policy Corruption

The 'Patanjali land deal scandal' that implicated former Prime Minister Madhav Kumar Nepal, has emerged as the first case where the prime minister faces corruption charges based on his cabinet decisions. In early June 2025, the Commission for Investigation of Abuse of Authority (CIAA) filed charges against 93 individuals, including ex-ministers, senior bureaucrats, and Madhav Nepal himself in relation to the controversial land deal.

The controversy dates back to 1st February 2010 when the Madhav Nepal-led government granted 815 ropanis (approximately 41 hectares) of public land in Banepa, Kavrepalanchowk, to 'Patanjali Yogpeeth Nepal' company. The land was meant for constructing facilities such as an Ayurvedic university, research center, yoga hall, herbal farm, and a cow farm. However, the allocation significantly exceeded the legal ceiling of 70 ropanis (about 3.56 hectares) allowed under Nepal's Land Act 1964 for hilly regions and was given under a special exemption.

On March 16, 2010, when the Cabinet, reportedly acting on the Prime Minister's instruction, approved the sale or exchange of this ceiling-exempted land—directly bypassing the Land Act. As per the law, such exempted land is not allowed to be sold, and any proceeds generated must be reinvested in the stated purpose. However, Patanjali later sold 18.04 hectares to a private real estate developer, Kashtamandap Business Homes, at undervalued rates.

According to the CIAA, these transactions caused a state loss of approximately NPR 185–186 million. Further scrutiny revealed that while Patanjali recorded the Banepa land sale at Rs 42.25 million, it subsequently purchased only about 5.30 hectares in Dhulikhel for Rs 10.75 million—raising questions about the remaining funds and compliance with reinvestment clauses.

The CIAA has filed charges in the Special Court, demanding imprisonment ranging from 13 to 17 years for the accused, a fine equivalent to the state loss, and seizure of the 41.47 hectares of land. Madhav Kumar Nepal, currently a Member of Parliament, was automatically suspended from his position following the indictment—marking the first instance in Nepal where a former prime minister faces corruption charges linked to cabinet decisions.

Legal experts are calling this case a watershed moment. It not only tests the accountability of high-level officials but also challenges the legal immunity long perceived to shield cabinet decisions. If the court upholds the CIAA's charges, it could redefine norms around political responsibility and institutional checks in Nepal's democratic governance.

Read More: [The Kathmandu post](#), [Onlinekhabar](#)

Governance Issues of the Week

- 1. Committee formed to probe Visit Visa scam:** A high-level probe and investigation committee has been formed to investigate irregularities in immigration and visit visa process. It will be led by former Chief Secretary Shanker Das Bairagi and will have joint secretaries from six ministries. Opposition parties Rastriya Swatantra Party and Rastriya Prajatantra Party have opposed and expressed concerns about the credibility of the committees.

Read More: [The Himalayan Times](#)

- 2. Torture cases see no persecution as of yet:** Torture has been criminalized in Nepal since 2018, but not a single conviction has been made as of yet. The recent custodial death of Harisingh Pali in Karnali has resurfaced the concerns over police brutality and torture. In 2024 alone 10 cases were filed but none saw persecution. Experts call for urgent reforms, including removal of the statute of limitations and independent investigation.

Read More: [The Kathmandu Post](#)

- 3. Elephant conservation plan finalized:** Nepal has finalized a NPR 4.58 billion Elephant Conservation Action Plan 2025-2035, aimed at reducing human-elephant conflict, protecting habitats, and ensuring elephant survival. In the last two decades, over 350 humans and 57 elephants have died in the inter-species conflict. With only around 230 wild elephants remaining in Nepal, experts warn that the species could face extinction if urgent measures aren't taken to protect breeding males.

Read More: [The Rising Nepal](#)

- 4. Conflicting parliamentary committee directives leave SEBON in dilemma:** The public accounts committee's directive commands only companies with a per-share-networth above NPR 90 will be allowed to issue IPOs. In contrast, the finance committee has instructed the securities board to issue IPOs for companies meeting the existing requirements, regardless of the net-worth. This has caused legal ambiguities for the Securities Board, as both committees demand compliance and updates.

Read More: [Ukaalo](#)

- 5. 802 police offices without toilets, yet ministry eyes weapons deal:** Nepal police has been struggling with basic infrastructure gaps, as 802 offices lack toilets and many operate from rented or borrowed buildings. Yet, the home ministry has prioritized a purchase of NPR lethal weapons worth NPR 1.5 billion instead of fulfilling infrastructure shortages. The police headquarters have repeatedly written to the Home Ministry requesting budget allocation citing difficulties in carrying out their duties due to the lack of physical infrastructure.

Read More: [Naya Patrika](#)

- 6. Conflicts and disagreements cause delays in local level budgets:** As of 24 June 2025, 39 local governments in Nepal—24 municipalities and 15 rural municipalities—have yet to present their budgets for the upcoming fiscal year. Kathmandu Metropolis has failed to present its budget due to internal disputes between the mayor and Chief Administrative Officer. Dharan sub-metropolis and Bidur municipality also missed the deadline, with local officials citing procedural delays or disagreements. In Madhesh, 16 out of 77 local governments have not submitted their budgets.

Read More: [Annapurna Post](#)

Nepal Governance Weekly is an analytical update of Nepal's current affairs based on media and real sources mining, to sensitize the communities on hot news on various governance issues from the perspective of accountability.

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