



Gujrat

Land Allotment

Issues Pertaining to Allotment of Land

Making the land available in time for industrial use at a reasonable and competitive price without any hassle is the main concern of every investor to ensure that the project goes on stream without undue delay and the policy therefore has rightly given due weightage to this issue. The important issues involved are: easy availability of private land/Government land, clearing of NA permission, land acquisition and evaluation of land. Keeping in view the objective to promote industrialization in Gujarat, the Revenue Dept has so far taken following steps vide different GRs to facilitate allocation of land to industries.

- (a) A provision of Deemed NA has been made which allows a bonafide industrialist to acquire agricultural land and commence activity without prior NA permission, as per the provisions under Sections 63 & 65 (as amended) of Land Acquisition Act. At the executive level of local administration as well as for the knowledge of industries, this provision will be reiterated.
- (b) Land under restricted tenure is now easily convertible to old tenure for industrial purposes.
- (c) Section 63AA of Gujarat Tenancy Act which came into effect from 6th March 77 enables a bonafide industrialist to possess agricultural land for setting up industrial undertaking without prior approval of the District Collector.
- (d) For valuation of Government land, the value upto Rs.50 lakhs is decided by the District Level Pricing Committee. In case of value exceeding Rs.50 lakhs is decided by the State Level Pricing Committee. This mechanism facilitates appropriate and quick evaluation of land.
- (e) As regards land acquisition, urgency clause is also invoked in deserving cases of public or private limited companies to facilitate quicker possession of land for industrial purposes.

The Government however, proposes further simplification in these matters.

Government/private land

- (i) The valuation procedure of Government land is being simplified further to help quicker disposal of proposals of allotment of land.
- (ii) Jantry rationalization currently used in stamp registration is also being taken up to help speed up the valuation procedure.
- (iii) Geographical Information System (GIS) will be developed in due course along with updating and upgradation of land records to identify parcels of Government land available for potential development. The object is to have a decentralized approach to enable an entrepreneur to get all the information at one point at the district level. The Government also plans to make available this information on-line in due course. This will also help to reduce the time of processing drastically.
- (iv) The Government also proposes to dispense with the necessity to obtain NA permission in case of areas marked under Town Planning Schemes.
- (v) The Government proposes to consider the concept of allotment of Government land initially at full price to be neutralized over a period of time commensurate with the progress of project implementation.

GIDC Land

- (i) In case of allotment of land within the GIDC estate, the present policy of fixing the cost of land at "cost plus price" principle will be changed and the cost shall now be fixed on "**Average Pricing**" principle so as to generate demand for development of the estate at a price less than the actual cost. Subsequently, on development of estate, the price could be raised depending upon the demand.
- (ii) In order to minimise the payment of NA assessment charges, GIDC would identify and earmark the land and acquire the same only before the actual allotment. In other words, the time between the allotment and acquisition would be minimised.
- (iii) To reduce the hassles for the transfer, subletting and mortgaging the lease-hold interests in favour of financial institutions and to generate funds for the Exchequer and for providing support to strengthen the clusters including GIDC estates, the Government, as approved in principle earlier, would constitute a Committee under the Chairmanship of Hon'ble Minister of State for Industries to **decide the "premium" to be charged on conversion of lease-hold land to freehold land in GIDC estates.**
- (iv) It is further decided that a portion of this premium would constitute "**Industrial Estate Development Fund**" which shall be administered by a committee headed by the Industries Commissioner.
- (v) From the Industrial Estate Development Fund, the Government would consider sanctioning the assistance in the form of grant to existing industrial estates for upgradation of infrastructure facilities. The quantum of the fund will be decided on the basis of the rating of performance and capacity of the respective industrial estates. This would help them to tie up market borrowings for such developmental projects.

- (vi) For the purpose, infrastructure is defined as the facilities of physical, social and service infrastructure. Physical infrastructure includes internal roads, CETPs, water pipelines, sewage disposal system, effluent disposal system and landfilled sites, street lightings, desalination plants, captive power plants, water recycling plants etc. The social sector of infrastructure includes such facilities as health (e.g. clinics, trauma centres, emergency wards and hospitals), education (e.g. primary school, colleges and technical training institutes) and sports (e.g. swimming pools, tennis courts, badminton courts, gymkhana, etc), housing development, entertainment and shopping complexes. The service infrastructure would include the facilities of library, testing laboratories, centres of excellence, creativity centres, training centres etc.
- (vii) The Government would consider offering financial assistance for development and upgradation of infrastructure in the industrial estates/clusters only towards **capital cost** from the Industrial Estate Development Fund. The recurring cost for maintenance of the facilities will have to be raised by the member units/beneficiary units of the estates/clusters.
- (viii) The Government would lay down detailed guidelines for funding the industrial estates out of the Industrial Estate Development Fund. Both GIDC and private estates would be assisted through this fund for infrastructure development, as per the norms laid down by the Government. The estates desiring to seek assistance for an infrastructural project, should prepare a Detailed Project Report indicating the funding pattern and returns on the project to ensure viable operations. Other schemes like Critical Infrastructure Fund, Industrial Estate Development, etc. of the Government will also be used for financing infrastructure projects.
- (ix) The eligibility and the extent of financial assistance from Industrial Estate Development Fund shall depend upon the rating of the estate in terms of needs, technical and managerial competence, acumen of financial management, past track record, etc. This rating will be carried out through private accredited agencies.
- (x) Towards privatisation, the Government has decided to encourage the estate agencies/association to convert the present system of power and water supply on a co-operative basis by setting up Common Power Plants and Common Desalination Plants. Such activities would be encouraged by the Government through funding from the Industrial Estate Development Fund.
- (xi) Government would also encourage the replacement of present street light systems by a solar street light system in large Industrial estates/parks. Such activities would be entitled to funding from Industrial Estate Development Fund.
- (xii) The Government would also encourage the industrial estates to set up cooperative banks to help member units to avail of finances. The Government help would come in the form of proper monitoring and regulation of the banks, development of necessary manpower and arrangement of fund from other sources. The credit rating agency will also consider the efficiency of management of the bank as an important factor to rank the industrial estate for the purpose of Government assistance.

- (xiii) At present many industrial estates and clusters have been declared as Notified Areas under the GID Act, 1962 and an officer of the GIDC is appointed to act as Notified Area Authority. To make the member units, the Associations and the Presidents of such clusters/estates more involved and responsible towards the upkeeping and upgradation of the estates/clusters, the Government is considering through a provision in GID Act, the appointment of a Legal Committee viz: Board of Management in place of Notified Area Authority. Such a Committee would be provided with autonomy and independence in the estate management. Efficient functioning of such Board of Management, would be considered by the private accredited agencies as one of the key factors while rating and according the grading. The estates would be entitled to funds from IEDF for betterment of the estate. In addition, they would also be entitled to borrow funds through instruments available in the markets for developmental projects.
- (xiv) The Committee may also decide to privatise all aspects relating to execution of services including collection of taxes and funds, maintenance and upkeep of infrastructure and all other such activities, falling within its purview.
