

GUJARAT ACT NO.2 OF 2009.

AN ACT

to provide for establishment, operation, regulation and management of large size Investment Regions and Industrial Areas in the State of Gujarat; and to specially enable their development as global hubs of economic activity supported by world class infrastructure, premium civic amenities, centers of excellence and proactive policy framework; and for setting up an organizational structure with that purpose and for matters connected therewith or incidental thereto.

It is hereby enacted in the Sixtieth Year of the Republic of India as follows :-

CHAPTER I PRELIMINARY

1. Short title and commencement.- (1) This Act may be called the Gujarat Special Investment Region Act, 2009.

(2) It shall be deemed to have come into force on the 6th January, 2009.

2. Definitions.- In this Act, unless the context otherwise requires-

(a) “Amenities ” means basic and essential services including but not limited to roads, bridges, bypasses and underpasses, drainage, water supply, collection-treatment-discharge and disposal of industrial, institutional and township waste, health, education, transport, disaster

management, parks, green areas, gas pipeline, entertainment, hospitality, recreation, industrial parks, townships and institutional areas and other facilities of conveniences as the Apex Authority may specify;

- (b) “Apex Authority” means the Special Investment Region Apex Authority constituted under section 5;
- (c) “Award of project” means awarding, allocating, assigning, transferring and leasing a project or work for execution, operation, management or maintenance under this Act;
- (d) “Concession Agreement” shall have the same meaning as assigned to it by clause (b) of section 2 of the Gujarat Infrastructure Development Act, 1999;
- (e) “Developer” means a person or entity with whom a concession agreement is entered into or a project has been awarded and for which such other agreement is entered into for furtherance of the objectives of this Act;
- (f) “Economic Activity” means the activities and services including but not limited to industrial, manufacturing, commercial, financial, processing, packaging, logistics, transport, tourism, hospitality, health, housing, entertainment, research and development, education and training, information and communication, management and consultancy, corporate offices and the activities and services connected therewith or incidental thereto and other economic activities as the Apex Authority may specify;
- (g) “Government agency” means a Corporation or a body owned or controlled by the State Government or an authority established by or under any law of the State and includes a local authority;
- (h) “Industrial Area” means an area of more than fifty square kilometers and less than or equal to hundred square kilometers and having or proposed for predominantly economic activity;
- (i) “Infrastructure projects” means any project or facility, utility, amenity or service which is required or desirable smooth, productive and efficient functioning of the Special Investment Region and includes such projects within the Special Investment Region, connecting the Special Investment Region or required for it;
- (j) “Investment Region” means an area of more than hundred square kilometers and having or proposed for predominantly economic activity;
- (k) “Local Authority” means and includes a Village Panchayat declared under clause (14) of section 2 of the Gujarat Panchayats Act, 1993, Municipal Council and Municipal Corporation having jurisdiction and falling within the Special Investment Region;
- (l) “Occupier” means a person who is in the legal possession of a site or building in the Special Investment Region and includes his successors, transferees and assignees;
- (m) “Periphery Area” means the outer area of Special Investment Region declared as such under section 27;

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- (n) “Person” means and includes, an individual, an entity, a company, firm, organization, association, society, establishment, institution including Government agencies carrying on business or economic activity in the Special Investment Region or entrusted with any work as per the provisions of this Act;
- (o) “prescribed” means prescribed by rules made under section 33;
- (p) “Regional Development Authority ” means the Regional Development Authority constituted under section 8;
- (q) “Regulations” means the regulations of the Apex Authority made under section 35;
- (r) “Special Investment Region ” means an Investment Region or an Industrial Area declared under section 3;
- (s) “Special Purpose Entity” means a legal entity formed under the Companies Act, 1956 or registered under other relevant Acts to execute particular infrastructure projects;
- (t) “Unit” means a unit set up by a person for the purpose of carrying on any economic activity in Special Investment Region and includes an existing unit whether established before or after the commencement of this Act;
- (u) “User Charges” means the charges levied by the Regional Development Authority, a developer or any other entity authorized for that purpose under this Act.

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CHAPTER II

DECLARATION OF SPECIAL INVESTMENT REGION

3. Declaration of Special Investment Region.- (1) The State Government may, by notification in the *Official Gazette*, declare an existing or proposed Investment Region or Industrial Area to be a Special Investment Region and determine the geographical area of the Special Investment Region for carrying out the purposes of this Act.

(2) An Investment Region or Industrial Area declared as a Special Investment Region may be known with the name of its location or its predominant economic activity.

(3) Every notification issued under sub-section (1) shall be laid before the State Legislature as soon as may be after it is issued.

4. Special Investment Region to be out of jurisdiction of local authority.- (1) A Special Investment Region declared under this Act, except the village site area (gamtal) of a Village Panchayat, Municipal area and Municipal Corporation area declared under the provisions of respective State laws, shall cease to be under the jurisdiction of a local authority to the extent it relates to the provisions made in this Act.

(2) While preparing the development plan for the Special Investment Region, the Regional Development Authority shall take into account the development plan if any, prepared by the respective local authority for the

concerned village site area (gamtal) of the village Panchayat, Municipal area and Municipal Corporation area and the adjacent area thereof:

Provided that the State Government may declare the adjacent area of a village Panchayat, Municipality or Municipal Corporation from time to time.

CHAPTER III ESTABLISHMENT OF APEX AUTHORITY

5. *Establishment of Apex Authority.*- The Gujarat Infrastructure Development Board(GIDB), established under section 17 of the Gujarat Infrastructure Development Act, 1999 is hereby declared and designated as the Special Investment Region Apex Authority (hereinafter called “Apex Authority”) for the purposes of this Act.

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6. *Powers and functions of Apex Authority.*- (1) The Apex Authority shall exercise all powers conferred on it and discharge all functions assigned to it for any Special Investment Region declared under the provisions of this Act.

(2) Without prejudice to the generality of foregoing powers, the powers and functions of the Apex Authority shall also include -

- i. to make regulations to give effect to the provisions of this Act;
- ii. to make regulations for development, operation, regulation and management of the Special Investment Regions within the State and for Development of infrastructure within the Special Investment Region ;
- iii. to approve, with or without modification, the plan for use of land in the Special Investment Region or its peripheral area on receipt of the proposal from Regional Development Authority;
- iv. to approve, with or without modification, the development plan, the Town Planning Scheme and the General Development Regulations prepared and proposed by the Regional Development Authority;
- v. to grant permission and approval for any economic activity, amenity or infrastructure projects to be established in the Special Investment Region including integrated development in a large area in Special Investment Region;
- vi. to approve with or without modification, the agreements to be entered into by the Regional Development Authority or by a Government Agency or submit the same to the Gujarat Infrastructure Development Board for its recommendation under sub-section (2) of section 5 of the Gujarat Infrastructure Development Act,1999 for the project specified in Schedule I of the said Act and the regulations made thereunder in this regard;
- vii. to ascertain and fix the rates and approve, with or without modification, the user charges proposed by the Regional Development Authority, a Government agency or the developer of infrastructure projects;

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- viii. to propose with recommendation to the State Government for making such provisions with respect to proper development, operation, regulation and management of the Special Investment Region;
- ix. to monitor the development of the Special Investment Region and issue necessary instructions to the agencies involved;
- x. to exercise such other powers and perform such other functions that may be required for development, operation, regulation and management of the Special Investment Region and as entrusted to it by the State Government.

7. *Appointment of Executive Committee and other committees.-*

(1) The Apex Authority may appoint an Executive Committee and such other committees or sub-committees consisting of such number of its members for efficient performance and exercise of its powers conferred under this Act as may be determined by regulations.

(2) The Apex Authority may, instead of appointing an Executive Committee under sub-section (1), designate the Executive Committee of Gujarat Infrastructure Development Board constituted under section 25 of the Gujarat Infrastructure Development Act, 1999 to be the Executive Committee of the Apex Authority for the purposes of this Act.

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Provided that the core functions of the Apex Authority such as approval and modification of Development Plan, Town Planning Scheme and the General Development Regulations shall not be delegated to any committee of the Apex Authority.

**CHAPTER IV
CONSTITUTION OF REGIONAL DEVELOPMENT
AUTHORITY**

8. *Constitution of Regional Development Authority.-* (1) The State Government may, by notification in the *Official Gazette*, constitute a Regional Development Authority for the Special Investment Region area declared under section 3.

(2) Every Regional Development Authority constituted under sub-section(1) shall be a body corporate and shall have perpetual succession and a common seal, with power to acquire, hold and dispose of movable and immovable property and to contract, and by the said name, to sue and be sued.

(3) The State Government may, instead of constituting a Regional Development Authority for an Investment Region or an Industrial Area designate a Government agency or Government company as the Regional Development Authority and empower it to exercise all the powers and perform all the functions as specified in section 15.

9. Headquarters of Regional Development Authority.- The Headquarters of the Regional Development Authority shall be at such place as the State Government may, by notification in the *Official Gazette*, specify.

10. Appointment of members in Regional Development Authority.- The Regional Development Authority shall consist of the following members, namely:-

- i. the Chairperson to be appointed by the State Government;
- ii. the Vice – Chairperson to be appointed by the State Government;
- iii. two officials of the State Government to be nominated by the State Government, *ex-officio*;
- iv. an officer to be nominated by the Apex Authority;
- v. a person having experience in administration to be nominated by the State Government;
- vi. two non-officials who possess experience in area development and regional planning to be nominated by the State Government;
- vii. two representatives from the industry and business sector to be nominated by the State Government;
- viii. a Member Secretary who shall be an officer of the State Government to be appointed by the State Government. The Member Secretary shall be the Chief Executive Officer of the Regional Development Authority.

11. Term of office and conditions of service of members.- (1) The term of office and conditions of service of the Chairperson, Vice-Chairperson, the Chief Executive Officer and members of Regional Development Authority shall be such as may be prescribed.

(2) The appointment, remuneration, allowances and conditions of services of the officers and employees of Regional Development Authority shall be such as may be prescribed by regulations.

12. Meeting of Regional Development Authority and transaction of business.- The Regional Development Authority shall meet at such time and at such place as the Chairperson may determine:

Provided that the procedure with regard to transaction of business at its meetings including quorum at such meeting shall be such as may be laid down by the Regional Development Authority in consultation with the Apex Authority.

13. Constitution of Committees.- The Regional Development Authority may constitute an Executive Committee and such other committees consisting of such number of its members for performance of its functions as may be determined by it;

Provided that the core functions of the Regional Development Authority such as preparation of the development plan, town planning scheme and the

General Development Regulations shall not be delegated to any committee of the Regional Development Authority.

14. Acts and proceedings of Regional Development Authority and committees presumed to be valid.- No act or proceedings of the Regional Development Authority and any of its committees shall be invalid or vitiated merely by reason of –

- (a) a vacancy therein or any defect in the constitution thereof, or
- (b) an irregularity in its procedure not affecting the merit of the case.

CHAPTER V POWERS AND FUNCTIONS OF REGIONAL DEVELOPMENT AUTHORITY

15. Powers and functions of Regional Development Authority.- (1)

The Regional Development Authority shall secure planned development of the Special Investment Region and shall take steps for its effective regulation and efficient management so as to bring and enhance general welfare, convenience, productivity and excellence.

(2) Without prejudice to the generality of foregoing provisions, the Regional Development Authority shall undertake the management and planning of land resource and infrastructure of the Special Investment Region.

(3) The Regional Development Authority shall, in particular, exercise the following powers and perform the following functions, namely:-

- i. to classify and earmark the area of the Special Investment Region for various purposes and usages including economic activities, amenities and community services as it deems fit;
- ii. to prepare the development plan for whole or part of the area of the Special Investment Region;
- iii. to undertake preparation and execution of town planning scheme for whole or part of the Special Investment Region;
- iv. to regulate the development of the periphery area of the Special Investment Region;
- v. to acquire, hold and manage moveable or immoveable property as it may deem necessary subject to general or specific directions of the State Government in this regard;
- vi. to acquire land in the Special Investment Region, by sale, lease, grant, allocation, donation, town planning scheme, consent agreement or through proceedings under the Land Acquisition Act, 1894 for the purposes of this Act;
- vii. to sale, lease, transfer or dispose off any land or building belonging to it subject to the regulations made by the Apex Authority;
- viii. to carry out surveys in the Special Investment Region for the preparation of development plans and town planning schemes;

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- ix. to prepare, issue and implement the directions, the standards and the norms for building structures, infrastructure development and other construction activities in the Special Investment Region ;
- x. to enter into contracts, agreements or concession agreement with any person, entity, developer or organization as it may deem necessary for performing its functions;
- xi. to execute, co-ordinate and supervise works in connection with infrastructure or provision of other services and amenities in the Special Investment Region ;
- xii. to provide for disaster management and mitigation in the Special Investment Region;
- xiii. to levy and collect such fees, development charges, or user charges as may be ascertained and fixed by the Apex Authority under clause (vii) of sub-section (2) of section 6;
- xiv. to remove encroachments and constructions not duly authorized or made in violation of the regulations, directions and norms laid down by the Regional Development Authority;
- xv. to make arrangements for observance and promotion of safety, order, health and environmental safeguards within the Special Investment Region ;
- xvi. to guide, assist and co-ordinate with other authorities functioning in the Special Investment Region in matters pertaining to planning and use of land and development of the Special Investment Region;
- xvii. to control the development activities in accordance with the development plan and to bring aesthetics, efficiency and economy in the process of development;
- xviii. to ensure and make provision for sufficient civic amenities and services including hospitals and medical services, schools, fire services, public parks, markets and shopping places, play grounds, entertainment areas and disposal of waste and provision of drainage;
- xix. to make sustainable arrangements for providing and maintaining the highest standards in civic amenities and services particularly for cleanliness, aesthetics, health and hygiene;
- xx. to make enquiry, inspection, examination or measurement of any land and building in any part of the Special Investment Region ;
- xxi. to exercise such other powers and discharge such other functions as may be prescribed by the rules or regulations.

(4) (a) Notwithstanding anything contained in the relevant State Acts, rules or any existing instructions of the State Government, the Regional Development Authority may frame its own General Development Regulations and the same shall prevail for developments in the Special Investment Region.

(b) Every person, unit or developer or any other stakeholder in Special Investment Region shall be required to get the plans of the building approved by the Regional Development Authority before commencing any construction and shall obtain the approval of the Regional Development Authority

necessary and incidental thereto, after the completion and before use of such premises.

(c) For the purpose of this section and with any other requirement for proper planning, management and development of the Special Investment Region, the Regional Development Authority may issue such direction or instruction as it may consider necessary to any person, unit, entity, developer or any other stakeholder in the Special Investment Region and the person, unit, entity, developer or, as the case may be, the stakeholder shall be bound by such directions.

16. No erection, etc. by any person or entity without permission of Regional Development Authority.-

(1) No person or entity shall erect or occupy any building or structure in the Special Investment Region in contravention of any building norms made by the Regional Development Authority.

(2) Notwithstanding anything contained in any other State law for the time being in force, no person or entity shall erect or occupy any building or structure within the Special Investment Region except with the previous permission of the Regional Development Authority.

(3) A person desiring to undertake building operations or erection or occupation of any building or structure in the Special Investment Region referred to in sub-section (2) shall seek prior permission of the Regional Development Authority.

(4) The Regional Development Authority may, after making such inquiry as it deems necessary, grant the permission on such conditions as it may deem fit or refuse to grant such permission.

(5) (a) Any person aggrieved by the decision of the Regional Development Authority under sub-section (4) may, within fifteen days (including public holidays) from the date of decision, may prefer an appeal before the Dispute Resolution Forum set up under clause (2) of section 25.

(b) The Dispute Resolution Forum, after hearing the Regional Development Authority and the aggrieved person and considering all relevant facts, may accept or reject the appeal filed under sub-section (5) or modify the decision taken by the Regional Development Authority.

(c) In case of rejection of appeal or modification of the decision of Regional Development Authority under clause (b) above, the aggrieved person may prefer second appeal to the Dispute Settlement Mechanism set up under section 26 within fifteen days (including public holidays) of the decision of the Dispute Resolution Forum.

(d) The Dispute Settlement Mechanism after hearing the Regional Development Authority and the aggrieved person, may accept or reject the appeal. The decision taken by the Dispute Settlement Mechanism shall be final and binding to the parties.

(6) In case any person does anything contrary to the decision given under sub-section (4) or (5), the Regional Development Authority shall have power to pull down, demolish or remove any erection made contrary to such decision and recover the cost of such pulling down, demolition or removal from the person concerned.

17. Application of President's Act No. 27 of 1976. - (1) The provisions of the Gujarat Town Planning and Urban Development Act, 1976, shall *mutatis mutandis*, apply with respect to the Development Plans and to the Town Planning Schemes made under this Act.

President's Act
No. 27 of 1976.

(2) The power exercisable by the State Government for sanctioning of Development Plans and Town Planning Schemes under the Gujarat Town Planning and Urban Development Act, 1976 shall be exercisable by the Apex Authority.

President's Act
No. 27 of 1976.

(3) The Regional Development Authority shall be "Appropriate Authority" for the area comprising of Special Investment Region for the purposes of Gujarat Town Planning and Urban Development Act, 1976 as so applied to this Act.

President's Act
No. 27 of 1976.

CHAPTER VI PROCEDURE FOR SETTING UP OF UNITS AND AMENITIES IN SPECIAL INVESTMENT REGION

18. Setting up of units and amenities in Special Investment Region.- (1) The Apex Authority shall be the single point of contact for starting an economic activity or setting up a unit, amenity or infrastructure in the Special Investment Region.

(2) Any person who intends to start an economic activity or set up a unit, amenity or infrastructure project in the Special Investment Region or who intends to undertake integrated development as per the provisions of section 23, shall make a proposal in that regard to the Apex Authority or the agency specified by it in such form containing such particulars, and in such manner and along with such fees as may by regulation prescribed by the Apex Authority.

(3) The Apex Authority, on receipt of a proposal made under sub-section (2) shall examine the same and approve with or without modification or disapprove the proposal. The Apex Authority shall communicate its decision to the concerned person and the Regional Development Authority as early as possible.

(4) The Regional Development Authority, on receipt of communication of approval from the Apex Authority, shall offer the concerned part of the land, premises, facilities or amenities to the concerned unit or person.

(5) The Apex Authority may offer the package, schemes or incentives for an economic activity, amenity or infrastructure in the Special Investment Region as per existing policy or direction of the State Government.

19. Units and amenities of Special Economic Zone in Special Investment Region to be governed under the relevant Act.- (1) Notwithstanding anything contained in this Act or the rules or regulations made thereunder, units and amenities set up in a Special Economic Zone and falling under the Special Investment Region shall continue to be governed by and shall avail the benefits under the Gujarat Special Economic Zone Act, 2004.

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(2) The Developer of the Special Economic Zone shall take into account the development plan prepared by the Regional Development Authority while finalizing the infrastructure within and adjacent to the Special Economic Zone and its peripheral area declared under clause (ii) of section 2 of the Gujarat Special Economic Zone Act, 2004.

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CHAPTER VII DEVELOPMENT AND EXECUTION OF INFRASTRUCTURE PROJECTS

20. Project Development Agencies.- (1) The State Government may set up or designate Government agencies including companies formed under the Companies Act, 1956 as the project development agencies and assign them the powers and functions relating to Project Development of a Special Investment Region including those specified in sub - section (5).

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(2) The State Government may form or designate a nodal company out of the project development agencies and companies mentioned in sub-section (1), to act as the project development agency for projects relating to all the Special Investment Regions in the State.

(3) The Nodal Company shall carry out its functions under general or specific directions of the Apex Authority and shall assist the Apex Authority and the State Government in undertaking project related task.

(4) The Nodal Company shall act in close co-ordination with Apex Authority and give all support and guidance to the Regional Development Authorities and other agencies, developers and entities involved in the task of development of projects relating to the Special Investment Regions.

(5) The functions of the nodal company may include the following, namely:-

- i. conceiving and detailing of the Projects;
- ii. assessing the techno-commercial and economic feasibility;
- iii. financial structuring of projects;
- iv. environmental issues and Solutions;
- v. implementing the projects or awarding them to other developers or entities;

- vi. global marketing of the Special Investment Regions, the Projects in and connected with the Special Investment Regions;
- vii. raising finances from the market including financial and multilateral institutions;
- viii. promoting and bringing in Private Sector Participation in projects within or connected with the Special Investment Region;
- ix. entering into contracts and agreement with other entities for any of the purposes assigned to it;
- x. taking or suggesting any other steps for effective implementation, marketing and management of the projects connected with the Special Investment Region.

(6) Any entity proposing to undertake the development of infrastructure projects in the Special Investment Region or connected thereto shall make the proposal in that regard to the Apex Authority.

21. *Transfer of assets to Government company for infrastructure development.*- (1) The Regional Development Authority may transfer its assets including the land granted by the State Government, its agencies or a local Authority, as the case may be, to a Government company for development of infrastructure and amenities in the Special Investment Region.

(2) Public assets including land and rights thereon shall be transferred or conferred to a private entity for a project as per agreement or, as the case may be, the concession agreement approved under clause (vi) of sub-section (2) of section 6.

22. *Award of projects to a developer.*- (1) The Regional Development Authority may enter into agreement with a developer for carrying out any project or work in the Special Investment Region:

Provided that, in case of infrastructure projects, the process of selection of a developer shall be such as stipulated in the Gujarat Infrastructure Development Act, 1999.

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(2) Without prejudice to the generality of the foregoing provisions, the Regional Development Authority may enter into a joint venture agreement with another Government company or another developer or entity to form a special purpose entity for developing or managing a particular project in the Special Investment Region with prior approval of the Apex Authority.

23. *Integrated development of a large area in the Special Investment Region.* – A person or an entity, having under his possession the minimum contiguous area in the Special Investment Region as prescribed by the Apex Authority from time to time and intending to undertake integrated development of the said area with economic activity and amenities, may apply to the Apex Authority as per the procedure laid down in section 18:

Provided that such development shall be subject to the development plan, the General Development Regulations and such other conditions as the Apex Authority may deem fit.

CHAPTER VIII
ALLOCATION OF PREMISES, EVICTION AND RECOVERY
OF DUES

24. Allocation of premises in Special Investment Region.- (1) Subject to any general or specific directions of the State Government or the Apex Authority, the Regional Development Authority shall be the primary agency for allocating and handing over the premises, land and amenities to the units, amenities and infrastructure projects being set up in the Special Investment Region.

(2) The Regional Development Authority shall offer the lands, premises and amenities within the Special Investment Region to the concerned unit or person on such terms and conditions and after levying such charges as it deems fit or as directed by the Apex Authority.

(3) The Regional Development Authority shall make provisions and take steps for recovery of dues, rent and charges from the occupants of premises and amenities in the Special Investment Region .

(4) The pending dues, if any, on proposal and certification in this regard by the Regional Development Authority, may be recovered or collected as an arrear of land revenue.

(5) The Regional Development Authority in consultation with the Apex Authority, may make provisions for eviction of the occupants from any premises in the Special Investment Region for violation of any guidelines issued under this Act or non-compliance of the provisions of this Act.

CHAPTER IX
REDRESSAL OF GRIEVANCES AND SETTLEMENT OF
DISPUTES

25. Redressal of grievances and settlement of Disputes .- Without prejudice to the jurisdiction of any court of law, and to the provisions of the Arbitration and Conciliation Act, 1996, an internal Dispute Settlement Mechanism for the purposes of this Act shall be as follows, namely:-

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(1) The Regional Development Authority shall set up a Grievances Redressal Committee comprising of such number of its members and officers, as may be decided by it to redress the grievances and resolve the Dispute originating from any stakeholder in the Special Investment Region.

(2) Any person aggrieved by the decision of Grievances Redressal Committee may appeal to the Dispute Resolution Forum set up by the Apex Authority comprising of such number of members and officers as may be decided by it.

(3) For the purpose of deciding the Dispute, the Grievances Redressal Committee and the Dispute Resolution Forum shall frame the guidelines

including the time frame in this regard and follow the principles of natural justice while dealing with the grievances.

26. *Dispute settlement Mechanizm.*- (1) The State Government may, by notification in the *Official Gazette*, form a Dispute Settlement Mechanism consisting of such number of member as may be specified by it, to deal with the disputes against Regional Development Authority or those arising in any manner in the Special Investment Region and brought before it or those which could not be resolved or settled by the Grievances Redressal Committee and Dispute Resolution Forum.

(2) The qualification, tenure of office and other terms and conditions of the Chairperson and members of the Dispute Settlement Mechanism shall be such as may be prescribed by rules.

(3) For the purpose of deciding the dispute, the Dispute Settlement Mechanism shall frame the guidelines including the time frame in this regard and follow the principles of natural justice while dealing with the dispute.

(4) The order passed by the Dispute Settlement Mechanism shall be final.

CHAPTER X ADMINISTRATION AND DEVELOPMENT OF PERIPHERY OF THE SPECIAL INVESTMENT REGION

27. *Periphery of Special Investment Region.*- (1) The State Government may, by notification in the *Official Gazette*, declare such of the outer area not exceeding three kilometers on either side adjoining to a Special Investment Region, to be the periphery of the Special Investment Region as it deems fit.

(2) On declaration of an area under sub-section (1) as periphery of a Special Investment Region,-

(a) the Regional Development Authority of the Special Investment Region shall also be the Regional Development Authority for the periphery of the Special Investment Region; and

(b) the powers and functions of the Regional Development Authority and the Apex Authority shall extend to the periphery of the Special Investment Region.

(3) In order to regulate the developments in the periphery area, the Regional Development Authority may prepare separate land use plan and development plan for the periphery area in accordance with the provisions of this Act.

CHAPTER XI
CONTROL, REGULATION AND DEVELOPMENT IN SPECIAL
INVESTMENT REGION

28. Control, regulation and development.- (1) The State Government may, by notification in the *Official Gazette*, declare the whole or any part of the Special Investment Region to be controlled area for the purposes of this Act.

(2) No land within the controlled area shall, except with the permission of the Regional Development Authority, be used for purposes other than those for which it was used on the date of notification under sub-section (1).

(3) No local authority or State Government agency shall grant any permission for any development work or sanction any project including those referred to in sub-section (2) unless the Regional Development Authority has given specific approval for the same.

(4) No person shall erect any building or make or extend any excavation, or lay out any means of access to a road, in the controlled area, save with the previous permission of the Regional Development Authority and in accordance with the development plan and guidelines formulated by the Regional Development Authority.

(5) Any person desiring to obtain permission referred to in sub-section (4) shall make an application in writing to the Regional Development Authority in such form and containing such information as may be specified by the Regional Development Authority.

(6) The Regional Development Authority may, after making due enquiry, grant such permission subject to such conditions as it deems fit or may refuse to grant the same.

(7) Any person aggrieved by the decision of the Regional Development Authority under sub-section (6) may, within thirty days from the date of the decision of the Regional Development Authority, prefer an appeal against such decision to the Dispute Resolution Forum of the Apex Authority.

(8) No person shall be entitled to claim compensation for any injury, loss or damage caused or alleged to have been caused by the control on the developments under this Act.

(9) The Regional Development Authority may order any person who has committed a breach of the provisions of this section to stop or to restore to its original state or to bring into conformity with the conditions imposed, as the case may be, within the stipulated time period, any building or land in respect of which a contravention has been committed.

(10) If such person fails to do so as directed under sub-section (9), the Regional Development Authority may itself take measures to give effect to the

order and the cost of such measures shall be recovered from such person as an arrear of land revenue.

- (11) Nothing in this section shall apply to –
- (a) any building for the purposes of residence or buildings subservient to agriculture in the village site area (gamtal) of a village Panchayat, Municipal area and Municipal Corporation area;
 - (b) the erection of a building or a wall enclosing a crematorium, graveyard, place of worship, or *Samadhi* on land which is, at the time of the notification under the sub-section (1), was traditionally occupied by or was used for the said purposes;
 - (c) normal excavations (including wells) made in the ordinary course of agriculture;
 - (d) the construction of an unmetalled road intended to give access to land solely for agricultural purposes.
 - (e) construction or extension in an agricultural land, of a dwelling house for personal use or for storage of agricultural assets of the owner, as per permissible norms prescribed by the State Government from time to time under the relevant Acts or rules.

CHAPTER XII

SPECIAL INVESTMENT REGION TO BE AN INDUSTRIAL TOWNSHIP

29. *Special Investment Region to be an Industrial Township.*- (1) The area within the Special Investment Region except the village site area (gamtal) of a Village Panchayat, Municipal area and Municipal Corporation area shall be deemed to be an industrial township within the meaning of the provisions of clause (1) of article 243Q of the Constitution of India from the date it is so notified in the *Official Gazette* by the State Government.

(2) Subject to the prior permission and any general or special orders which the State Government may make in this behalf, the Regional Development Authority may act as the authority for taking decisions and steps for assessment, imposition and recovery of taxes under this section.

CHAPTER XIII

FINANCE, ACCOUNTS AND ANNUAL REPORTS OF REGION DEVELOPMENT AUTHORITY

30. *Funds of Regional Development Authority.*- The Regional Development Authority shall have and maintain its own fund. All sums paid to and collected by the Regional Development Authority shall be carried to the fund of the Regional Development Authority and all payments shall be made therefrom.

31. *Accounts and Audit.*- (1) The accounts of the Regional Development Authority shall be prepared and maintained in such form and in such manner as may be prescribed by rules.

(2) The accounts of the Regional Development Authority shall be audited by an auditor duly qualified to act as an auditor of the Companies under section 226 of the Companies Act, 1956.

I of 1956.

32. Annual Report.- (1) The Regional Development Authority shall during each financial year, prepare an annual report giving a true and full account of its activities during the previous financial year and an account of the activities likely to be undertaken by it in current financial year in consultation with the Apex Authority and submit it to the State Government.

(2) The State Government shall cause every such report along with the audited annual accounts for the year to be laid before the State Legislature as soon as may be after the receipt of the report under sub-section (1).

CHAPTER XIV POWERS TO MAKE RULES, ISSUE DIRECTIONS AND REGULATIONS AND REMOVE DIFFICULTIES

33. Power of State Government to make rules.- (1) The State Government may, by notification in the *Official Gazette*, make rules to carry out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing powers, such rules may be made for determining any other powers and functions of the Regional Development Authority and the Apex Authority constituted under this Act.

(3) All rules made under this section shall be laid for not less than thirty days before the State Legislature as soon as possible after they are made and shall be subject to such modifications as the legislature may make during the session in which they are so laid or the session immediately following.

34. Power of State Government to give directions.- (1) The State Government may issue directions to the Apex Authority, Regional Development Authority or any agency or entity connected with the activities under this Act or to any person or body involved in the development, operation and implementation of the projects in the Special Investment Region or connected therewith.

(2) Every direction issued by the State Government under sub-section (1), shall be binding to the respective authority, Regional Development Authority, agency, entity, body or person.

35. Power of Apex Authority to make regulations. - The Apex Authority may make regulations not inconsistent with the provisions of this Act and the rules made thereunder to carry out the purposes of this Act and for enabling it to discharge its functions under this Act.

36. Power of State Government to remove difficulties.- (1) If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by order published in the *Official Gazette*, make such

provisions not inconsistent with the provisions of this Act, as appears to be necessary or expedient for removing the difficulty:

Provided that no order under sub-section (1) shall be made after the expiry of two years from the date of commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before the State Legislature.

CHAPTER XV MISCELLANEOUS

37. Act to override other State laws.- Save as otherwise provided in this Act, the provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other State laws for the time being in force.

38. Land deemed to be for public purpose.- Land needed for the purposes of a town planning scheme, development plan or an infrastructure project under this Act shall be deemed to be the land needed for public purpose within the meaning of the Land Acquisition Act, 1894.

I of 1894.

39. Members, officers and employees to be public servants.- All members, officers, and employees of the Apex Authority, the Regional Development Authority, the Nodal Company and other Government Company or Project Development Agency shall, while acting or purporting to act in pursuance of the provisions of this Act or the rules and regulations made thereunder, be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.

45 of 1860.

40. Protection of action taken in good faith.- No suit, prosecution or other legal proceeding shall lie against the Apex Authority, the Regional Development Authority, Nodal Company, other Government companies or project development agencies or any of their committees, members, officers and employees for anything which is in good faith done or intended to be done in pursuance of the provisions of this Act or any rules and regulations made thereunder.

41. Repeal and saving.- (1) The Gujarat Special Investment Region Ordinance, 2009 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act.

STATEMENT

India is emerging as a major economic power in the world. The competitive advantage of India include a vast market, a large pool of talented human resource who are mostly in the working age group, vast areas of waste land and a variety of natural resources. Gujarat is placed very well to play this role of taking India on a high growth trajectory. Gujarat already contributes a substantial part in India's industrial production, capital formation and exports. In several products, it is in fact, a national leader and in certain others, a global player. Gujarat has thus emerged as the growth engine of India. However, the potential is still very large and Gujarat must exploit the same for its own development and for growth of the country.

One of the main reasons of economic progress of several countries has been the creation of huge industrial corridors and mega manufacturing and commercial hubs including in Japan and China. It is particularly observed that size of such hubs does matter. This helps in the economies of scale particularly in creating and providing robust infrastructure which is uniform and available to all users. In this background, if the State and the country have to achieve a higher growth, a similar pattern may have to be followed. With that objective, the State Government is very keen to create large size Investment Regions and Industrial Areas in the State of Gujarat; and to specially enable their development as global hubs of economic activity supported by world class infrastructure, premium civic amenities, centres of excellence and pro-active policy framework; and to set up an organizational structure with that purpose.

This strategy of the State Government is complimented with the strategy of the Government of India. Government of India has proposed a project of Dedicated Freight Corridor (DFC) between Delhi and Mumbai. The area of 150 kms on both sides of the DFC will be developed as the Industrial Corridor. 38% of the length of the DFC is falling in Gujarat. As part of this Delhi-Mumbai Industrial Corridor (DMIC), six mega industrial nodes (four industrial areas and two investment regions) have been proposed for the State of Gujarat. Almost one third of the proposed investments of about 90 billion US dollars in DMIC is expected to take place in Gujarat alone. As part of the DMIC project, identified industrial nodes have to be developed as Global Manufacturing and Commercial Hubs. All kinds of infrastructure both within and outside the nodes also have to be developed with global standards, Government of Gujarat has not only given its full commitment for the DMIC project but has been actively working with the Government of India on the same. Even Government of India has suggested to the State to put in place a legal frame work and a dedicated organizational structure for setting up the industrial nodes. As an initial exercise, Government has designated the Gujarat Infrastructure Development Board (GIDB) as the nodal agency to undertake this task. Government has also approved formation of a project development company in the name of "Gujarat Industrial Corridor Company" (GICC).

All this will lead to enhanced economic activities in the State and in the country and will particularly, result into generation of employment for the people on a massive scale. The objective also includes putting to use large tracts of uncultivable land for industrial and other productive purposes and to develop robust infrastructure linking the industrial nodes, our ports, the DFC and other important locations. This will result into enhanced production and productivity, wealth creation and welfare of the community.

To achieve this mammoth task, it is imperative for the State to put in place a legal framework and organizational mechanism with such powers and functions, which steer the development of mega investment regions and industrial areas faster and smoother. Therefore, it is felt necessary and expedient to come up with a legal frame work to enable development of mega investment regions and industrial areas in the State of Gujarat by promulgating an Act. The Act mainly proposes to provide for following matters :

- (1) The State Government is empowered to declare Investment Region or Industrial Area and designate them as Special Investment Region (Special Investment Region) by notification;
- (2) The Act provides for establishment of Apex Authority and Regional Development Authority for development, operation, regulation, management, planning and to grant permission and approval for any economic activity or amenity to be established in the Special Investment Region;
- (3) The Act provides that the Apex Authority shall be single point of contact for starting an economic activity or setting up a Unit or amenity in the Special Investment Region;
- (4) The Act empowers the State Government for setting up of Project Development Agencies and Nodal Company and assign them the functions like conceiving and detailing of the project, assessing the techno-commercial and economic feasibility, financial structures of projects, environmental issues and solutions, implementing the projects or awarding them to other developers or entities, promoting private sector participation in projects etc.;
- (5) It also provides for effective internal dispute settlement mechanism.

As the Legislative Assembly of the State of Gujarat is not in session, this Act is promulgated to achieve the aforesaid objects.

Gandhinagar.

Dated the January, 2009.

NAWAL KISHORE SHARMA,

Governor of Gujarat.