



Gujarat Industrial Development Corporation

GIDC/LND/Policy/1/ 45
Date: 15/12/2010.

CIRCULAR

Sub: Participative Policy for Development of New Estates

Background:

Due to the success of the biennial Vibrant Gujarat: Global Investors Summits and the pro-active policies of the State Government, Gujarat has emerged as a preferred investment destination in the country. Reputed Indian industrial houses and major MNCs are coming to Gujarat with important projects and large investments. The Delhi-Mumbai Industrial Corridor has opened a new vista for extensive investment in key sectors in the state. A large number of companies already operating in the state are keen to expand and make new investment either at the same location or in new estates. Certain key requirements need to be addressed for harnessing such massive inflow of new investment, which fuels the economic growth of the state and creates employment opportunities.

Land is the basic resource required for any economic development. Gujarat's strength has been in manufacturing and infrastructure. The services sector is also gaining ground since the last few years. Increasing interest in investing in the state enhances the requirement of land, be it for manufacturing, services, or infrastructure. The small and medium industries have a pride of place in Gujarat. Their contribution to the industrialization of the state has been immense. Government is keen to ensure that their share in the state's economy increases and they are provided with all the facilities to nurture their entrepreneurial talents. The expectation of SMEs for ready infrastructure, including developed land, for doing business speedily, has to be met suitably.

The enhanced requirement of land creates pressure to meet the demand, to maximize the advantages of increasing investment and employment generation. While considering acquiring agricultural land or government land to meet the demand, it is very important that the interests of the land-owners and the village community be kept in mind wholly and completely. Hence, by the present policy the land owners and the village community are made partners in the economic activity that takes place on their land, and are directly benefitted by the development process.

By framing Participative Policy for Development of New Estates, efforts are made for participation by land-owners and village community in the development of new estates. The present policy is an endeavor to strike a balance between the demand of industries/investors and the expectations of land owners.

An Agenda Item in this regard was submitted in the meeting of Board of Directors of the Corporation held on 8/12/2010. Corporation had considered the Agenda and policies on the subject are approved by the Corporation in its meeting held on 8/12/2010. In the 452nd meeting held on 13/12/2010, Corporation has approved policy circulars.

This policy covers –

- Compensation for the land at market price and also sharing with the land-owners
the proceeds of allotment of land to industries;
- Interim Relief;
- Special Measures for Schedule Tribe land owners
- Spending a portion of the proceeds of allotment of land of the estate on development works;
- Capacity Building.

The policy will be applicable to land owners who give their land to GIDC through consent.

(1) Compensation and Sharing of Proceeds

a) Obtaining Land

- It shall be GIDC's policy to acquire most of the land required for the estate through consent.
- The area 300 meters from the outer limit of the gamtal shall not be acquired.
- Land on which there is major construction shall not be acquired.

b) Market Price

- The market price of the land will be determined by an independent institution such as CEPT University. Price so determined will be considered as compensation price for the land.

c) Sharing of Proceeds

- In addition to the payment of market price of land, as determined above, 10% of the differential amount of allotment price and land price recovered by GIDC from the allotment of land (industrial,

residential, commercial or any other) of the estate shall be paid to the land owners.

- For this purpose, the proportion of private land acquired through consent to the total area of the estate will be considered.
- Such payment shall be made by GIDC from the proceeds of the first allotment of land.
- Such share of proceeds of allotment shall be calculated for the land allotted in a financial year and shall be paid before June of the succeeding financial year.

d) Allotment of Commercial Plot

- The land owners will be given developed commercial plot to the extent of 1% of their land acquired at token rate of Re.1 per sq. mt.

(2) Interim Relief

- A land owner whose entire land holding in the village is being acquired shall be entitled to one time financial assistance equivalent to 750 days minimum agricultural wages for loss of livelihood.
- A land owner who becomes a marginal farmer as a result of the land acquisition shall be entitled to one time financial assistance equivalent to 500 days minimum agricultural wages.

(3) Special Measures for ST land owners

- In the land acquired for the estate, if the number of Scheduled Tribe land owners is more than 50% of the total land owners whose land is acquired, and if such ST land owners lose their customary right/usage of forest product as a result of the acquisition, then each such scheduled tribe land owner shall get additional financial assistance equal to 500 days minimum agriculture wages.
- Scheduled Tribe land owners, if displaced by the land acquisition, shall be resettled as far as possible close to their natural habitat and in a compact block, so that they can retain their ethnic, linguistic and cultural identity.

(4) Capacity Building

- As far as practicable, GIDC will, at its cost, sponsor one person between the age of 18 and 45 from each family whose land is

acquired for training in ITI or in a similar approved institution course up to 2 years duration.

- The trainee will be paid stipend, expenses etc. on the pattern currently adopted by Gujarat PCPIR Welfare Society in case of Dahej region.
- GIDC will endeavor to obtain employment to one member of each family whose land is acquired in the units that come up within or near the industrial estate.

(5) Spending a portion of the proceeds of allotment of land of the estate on development works

- 3% of the total amount recovered by GIDC from the allottee of the plots of the estate (industrial, residential, commercial or any other) shall be deposited into a separate bank account.
- This amount will be utilized for public purpose projects, e.g. school rooms, internal roads, community hall etc. in the villages in which land is acquired or in the surrounding villages

The policy will come in to the force with immediate effect and applied in the cases where the land owners give consent to the land acquisition under the relevant provisions of the Land Acquisition Act.

All offices of the Corporation may take note of the policy.


Sd/-

Vice Chairman and Managing Director

To,

All Officers of the Corporation

Issued



General Manager (E&A)