

**Setting up of Gujarat
Infrastructure Development
Fund and Gujarat Charity
Fund.**

Government of Gujarat.
Industries and Mines Department,
G.R.No.IFCG-102003-3681-P,
Sachivalaya, Gandhinagar.
Dated the 08-10-2004.

Preamble:

Initiating a Development road map, which is in tune with the economic evolution being witnessed throughout the country and the process of globalisation ushering in with WTO Agreement, a number of initiatives have been taken by Government of Gujarat to put its economy in a very strong pedestal. Infrastructure Development and providing infrastructure of international standards is the primary requirement that enables sustained economic growth. The process of preparing an infrastructure vision for identifying important infrastructure projects has already been initiated by Government. Realising the importance of funding of these projects and also considering the strong presence of Non-Resident Gujaraties who have shown desire to invest in economic development of Gujarat, provided there are concrete projects conceived and appropriate mechanism established for appropriate utilization of funds, the Government desires creating a mechanism for attracting investments for funding of infrastructure projects.

It was also felt desirable to appoint an Expert Firm as Consultant considering the complexities of various legal obligations to be fulfilled both within and outside the country, for creating an appropriate Mechanism to attract investment.

Government Resolution:-

Accordingly, the State Government is now pleased to sanction creation of following two Funds, viz. (1) Gujarat Infrastructure Development Fund (hereinafter called Fund-1) and (2) Gujarat Charity Fund (hereinafter called Fund-2).

The objectives & modalities for setting up of these Funds will be as under:

Fund-I:

The objective of this Fund is to attract investments & to utilise them in profitable, Infrastructural Projects for development of Gujarat. The concept also allows attractive return to the investors based on profitability of the individual projects. However the fund as such will not commit itself to a definite return on investment.

The Fund would be in the form of a Trust Fund to be registered under Indian Trust Act, 1882.

Fund-2:-

The objective is to set up a fund in which investments will be attracted & will be utilised in socially beneficial infrastructure Projects & related projects. Profit is not the objective for this Fund & concept of return to the investors is not allowed in this Fund. This will primarily be a Non-profitable international charity Fund.

The Fund will be set up in the form of a Trust Fund in compliance with Indian Trust Act, 1882 and Bombay Public Trusts Act, 1950.

The Funds will be administered & managed by two separate Non-Government Trustee Companies to be set up under Companies Act, 1956. IFCG will act as a settler of all the Funds and will form the Companies. Government is also pleased to sanction setting up of two separate Companies, (hereinafter called Company-1 & Company-2) related to corresponding funds, at Mauritius. Above Companies will be administered by Asset Management Companies to be set up at Mauritius & in India. The AMC in India would act as Fund Manager for the whole purpose.

At least 10% of the total investment received in Fund-1, would be contributed by the State Government at the end of each year.

For collecting & receiving investments, transfer of the same for respective projects in India and for utilization, various permissions/approvals/clearances need to be obtained under various Laws framed by Government of India as well as Foreign countries. Similarly, clearances might also be required under various State Laws. It will be responsibility of AMC in India to oblige all such requirements to the best interest of the State. Similarly said AMC will also be responsible for proper utilisation of the investments, satisfaction of the investors, overall maintenance of the Funds and maintenance of accounts in a transparent way. Annual Administrative Report and Annual Accounts of the AMC in India will be sent to the Government of Gujarat.

IFCG, is initially designated for the purpose of setting up of above mentioned Funds & Companies as early as possible. Over a period of time, Government will finalize the AMC in India, its share-holding pattern, structure, Board of directors after required deliberation.

The AMC in India will work out the detailed modalities of the Funds and the Companies in accordance with the guidelines approved by the Government & will keep the Government of Gujarat informed.

For advising IFCG in its various activities as mentioned above, in performing its tasks and in carrying out its responsibilities related to those activities, Government is pleased to nominate M/s. Nishith Desai Associates, Mumbai as Consultant and Advisor to the IFCG as well as to the Government of Gujarat. The Scope of Work and terms of reference for the Consultant would be finalized by the Committee consisting of PS (I), PS (FD), MD-GIIC & MD-IFCG.

For setting up of Funds and Companies & fulfilling other requirements, the Government is pleased to grant administrative approval for expenditure of Rs.25 lacs to be debited to,

Major Head-2852-Industries

Sub-Major Head: (80) General

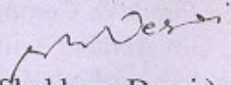
Minor Head: (800) Other Expenditure

Sub Head: (28) Creation of NRI Funds for Infrastructure Development (to be opened).

Industries Commissioner is directed to extend the grant to IFCG for above mentioned purpose, within limit of grant released by Industries and Mines Department separately.

This is being issued with approval of the Government dated 1-10-2004 on this department file of even number.

By order and in the name of the Governor of Gujarat,


(Shobhana Desai)

Deputy Secretary to Government,
Industries and Mines Department.

To

The Secretary to the Governor.

The Principal Secretary to the Chief Minister.

All Personal Secretary to the Ministers.

The Principal Secretary, Finance Department, Sachivalaya, Gandhinagar.

All Departments of Secretariat, Sachivalaya, Gandhinagar

The Industries Commissioner, Udyog Bhavan, Gandhinagar.

The Managing Director, Gujarat Industrial Investment Corporation Limited,
Udyog Bhavan, Gandhinagar.

The Managing Director, Industrial Finance Company Gujarat Limited,
C/o. Gujarat Industrial Investment Corporation Limited, Udyog Bhavan, Gandhinagar

The Accountant General (Audit), Gujarat, Ahmedabad/Rajkot.

The Pay and Accounts Officer, Gandhinagar.

All Heads of the Departments under Industries & Mines Department.

All Board/Corporations under Industries and Mines Department.

All Branches of Industries & Mines Department.

The Finance Department, (A & K) Branch, Sachivalaya, Gandhinagar.

The Treasury Officer, Gandhinagar.

Financial Adviser, Industries & Mines Department, Sachivalaya, Gandhinagar.

The Resident Audit Officer, Gandhinagar.

Section Officer, Budget Branch, I&M Department, Sachivalaya, Gandhinagar.

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Personal file.

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