

(ii) in a case falling under clause (b), the removal of councillors, who in the opinion of the State Government shall represent the area so excluded from the City;]

(iv) the transfer, in whole or in part, of the assets, rights and liabilities of the surrendering local authority (including the rights and liabilities under any contract made by it) to the absorbing local authority or to the State Government and the terms and conditions for such transfer;

(v) the substitution of any absorbing local authority for the surrendering local authority or the addition of any such absorbing local authority, as a party to any legal proceeding to which a surrendering local authority is a party and the transfer of any proceeding pending before a surrendering local authority or any authority or officers subordinate to it to the absorbing local authority or any authority or officer subordinate to it;

(vi) the transfer or re-employment of any employees of a surrendering local authority to or by the absorbing local authority or the termination of services of any employee of a surrendering local authority, and the terms and conditions applicable to such employee after such transfer or re-employment or termination;

(vii) the continuance within the area so included in, or excluded from, a City under clause (a) or (b) of all or any budget estimates, assessments, assessment list or, as the case may be, assessment book, valuations, measurements or divisions made or authenticated by, or in respect of, the surrendering local authority and in force within its area immediately before the notified day, until they are superseded or modified;

(viii) the removal of any difficulty which may arise on account of any change referred to in clauses (a) and (b).

(4) Where an order is made under sub-section (3) transferring the assets, rights and liabilities of a surrendering local authority, then by virtue of that order, such assets, rights and liabilities of such local authority shall vest in, and be the assets, rights and liabilities of, the absorbing local authority.

(5) The Corporation constituted for the City and functioning immediately before the alteration of the limits of the City shall, subject to the addition or exclusion of members under sub-section (3) and the other provisions of this section continue to function till the expiry of its term under this Act and on such expiry it shall be reconstituted in the manner provided in this Act.

Explanation I.—In this section, unless the context otherwise requires—

(1) “absorbing local authority” means the local authority in the area under whose jurisdiction an area is included under ¹[clause (2) of article 243Q of Constitution of India];

(2) “local authority” means the Corporation of a City, a municipality for a municipal borough, a nagar panchayat, or as the case may be, a gram panchayat; and includes, where such Corporation, municipality or panchayat has been superseded or dissolved, the person or persons appointed to exercise the powers or to perform the functions of such Corporation, municipality or panchayat;

(3) “notified day” means the day on which the alteration of the limits of a City ²[* * * * *] takes effect;

(4) “surrendering local authority” means the local authority from the area under whose jurisdiction any area is excluded under ¹[clause (2) of article 243Q of Constitution of India];

Explanation II.—For the purposes of clause (2) of *Explanation I*, the person or committee appointed under section 264B of the Gujarat Municipalities Act, 1963 for a notified area constituted under section 264A of that Act shall be deemed to be a municipality and the notified area or an area deemed to be a notified area under section 16 of the Gujarat Industrial Development Act, 1962, shall be deemed to be a municipal borough.]

Guj. 34
of 1964.

Guj. XXIII
of 1962.

1. These words, brackets, figures and letter were substituted for the words, brackets and figures “sub-section (3) of section 3” by Guj. 16 of 1993, s. 4(1).

2. The words and Figure “under section 3” were deleted, *ibid.*, s. 4(3).