

## **Diamond Research and Mercantile City Limited**

A Government of Gujarat owned Company

CIN : U75143GJ2015SGC083828

SUDA Bhawan, Nanpura, Surat-395001

Email : dreamclsurat@gmail.com,

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### **MINUTES OF THE SECOND ANNUAL GENERAL MEETING OF DIAMOND RESEARCH AND MERCANTILE CITY LIMITED, HELD ON 1<sup>ST</sup> FEBRUARY, 2018 AT OFFICE OF THE CHIEF SECRETARY, GUJARAT, 5<sup>TH</sup> FLOOR, BLOCK NO. 1, SACHIVALAYA, GANDHINAGAR.**

#### **PRESENT:**

Dr. J. N. Singh, IAS	Chief Secretary
Mr. Pankaj Kumar, IAS	Principal Secretary, Revenue Department
Mr. Mukesh Puri, IAS	Principal Secretary, UD & UHD
Mr. Sanjeev Kumar, IAS	Secretary (EA), Finance Department
Mr. Ashwini Kumar,	CEO, GIDB
Mr. M. Thennarasan, IAS	Surat Municipal Commissioner
Mr. Lochana Sehra, IAS	Managing Director, GUDC
Mr. M. Nagarajan , IAS	Chief Executive Authority, SUDA
Mr. Mahendra Patel, IAS	Collector, Surat
Mr. Prakash Dutta, IAS	Senior Town Planner, Surat Urban Development Authority (SUDA)

#### **INVITEES:**

Mr. Kayomarz Panthaki & Mr. Urvesh Zaveri, Chartered Accountants	Partners of M/s. Natvarlal Vepari & Co.
Mrs. Savitaben Patel	I/c. Chief Financial Officer, DREAMCL and Chief Accountant of Surat Urban Development Authority (SUDA)

#### **IN ATTENDANCE:**

All the members in person by virtue of the post they hold.

#### **QUORUM:**

The requisite quorum for the meeting being present, the meeting was initiated.

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## **1. TO ELECT CHAIRMAN OF THE MEETING**

Dr. J. N. Singh, IAS was unanimously elected as Chairman of the meeting and took the chair and presided over the meeting.

### **NOTICE:**

Notice of the meeting along with Directors and Auditors report already circulated to the members was taken as read and following business was transacted.

## **2. TO TAKE NOTE OF PRESENCE & GRANT OF LEAVE OF ABSENCE OF THE DIRECTORS, IF ANY**

All Directors were present.

## **3. APPROVAL OF MINUTES OF THE LAST ANNUAL GENERAL MEETING**

The minutes of the last Annual General Meeting of the company held on 10/08/2017 was read and decided to be approved as circulated by company letter dated 03/10/2017.

The following resolution was passed unanimously:

### **Resolution No. 10**

**RESOLVED THAT** "the members of the company hereby confirm and approve the minutes of the Last Annual General Meeting of the Company held on 10/08/2017 as circulated"

## **4. ADOPTION OF DIRECTORS' REPORT, ACCOUNTS, AUDITORS' REPORT**

The Managing Director of the Company requested to Statutory Auditors of the Company to explain financial statement of the Company. Mr. Urvesh Zaveri, partner of the M/s. Natvarlal Vepari & Co., Statutory Auditor of the Company explained the summary of Balance Sheet and Statement of Cash Flow as on 31<sup>st</sup> March, 2017.

The Director's report, Auditor's report and Accounts circulated to the members were taken as read, considered and adopted.

After discussion on the matter following resolution passed unanimously:

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### **Resolution No. 11**

**RESOLVED THAT** "the Audited Balance Sheet and Cash Flow Statement for the financial year ended on 31st March, 2017 along with the Auditors report and Directors Reports as circulated to the shareholders and laid before the meeting, be received considered, and adopted."

### **5. DECLARATION OF DIVIDEND, IF ANY ON EQUITY SHARES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

With the Company not initiated any commercial activities during the financial year ended on 31<sup>st</sup> March, 2017, it does have any reserves or surplus funds as at 31<sup>st</sup> March, 2017. Hence, the Board of Directors of the Company has not recommended any dividend for declaration. The members approved the decision of the Board of not declaring the dividend for the financial year ending on 31<sup>st</sup> March, 2017.

### **6. APOINTMENT OF AUDITORS**

M/s. Natvarlal Vepari & Co., Chartered Accountants, Surat (ICAI Firm Registration No.: 123626W ) submitted their consent and eligibility for the re-appointment as Statutory Auditor of the Company for the Financial year 2018-19 at a remuneration of Rs. 2,00,000/- plus applicable taxes and out of pocket expense.

It was discussed and decided to either negotiate with respect to remuneration with the M/s. Natvarlal Vepari & Co., Chartered Accountant to act as Statutory Auditors of the Company or invite fresh quotation for the appointment of Statutory Auditors of the Company for the year 2018-19.

Following resolution passed unanimously:

### **Resolution No. 12**

**RESOLVED THAT** "Managing Director of the Company be and is hereby authorized either to negotiate the remuneration with the M/s. Natvarlal Vepari & Co., Chartered Accountant to act as Statutory Auditors of the Company or invite fresh quotation and to complete necessary procedure for the appointment of Statutory Auditors of the Company for the year 2018-19"

### **7 a). APPOINTMENT OF GENERAL MANAGER (PLANNING AND ADMINISTRATION)**

The Managing Director of the Company informed the members that DREAMCL having been entrusted all the powers and functions of Khajod Urban Development Authority, will have to take up lots of planning exercises like

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preparation of Development Plan, Town Planning Scheme etc. under the provisions of the GTPUD Act-1976. As at present, all the planning activities of DREAM City Limited as well as Khajod Urban Development Authority is being taken care of by Deputy Municipal Commissioner, SMC, he proposed to appoint Deputy Municipal Commissioner, SMC as the General Manager (Planning & Administration) of the Company.

It was discussed and suggested by the members that the Company may request the Government to depute officers on the above posts in the company. Deputy Commissioner, SMC may hold the charge of the posts till the time regular officers are appointed /deputed.

Following resolution was passed unanimously:

### **Resolution No. 13**

**RESOLVED THAT** "Deputy Commissioner of the Surat Municipal Corporation (SMC) is hereby appointed to hold the charge of General Manager (Planning and Administration) of the company till the time other persons are appointed on the said posts. The Managing Director of the Company be and is hereby authorized to fix Terms & Conditions, delegate the administrative/ financial powers and issue necessary order for the same."

### **b). DISCUSS AND DECIDE THE REQUEST RECEIVED FROM ADVISOR OF SURAT MUNICIPAL CORPORATION REGARDING SURAT METRO RAIL PROJECT**

The Managing Director of the Company informed the members about the minutes of the meeting held under the chairmanship of the Hon'ble Principal secretary, (UD&UHD) regarding Surat Metro Rail project whereby it was decided that construction of two elevated metro stations proposed in the DREAM City project area will be done by DREAMCL on PPP basis and the cost to be borne by DREAMCL.

Following resolution was passed unanimously:

### **Resolution No. 14**

**RESOLVED THAT** "the Board takes note of the minutes of the meeting held under the chairmanship of the Hon'ble Principal Secretary, (UD&UHD) regarding Surat Metro Rail Project"

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### **c). TO TAKE NOTE OF ACTIONS TAKEN REGARDING DEVELOPMENT OF INFRASTRUCTURE**

#### **i. Appointment of "GREEN DESIGN AND ENGINEERING SERVICE PVT. LTD." for consultancy work of Comprehensive Planning and Design for Water supply, Sewerage and Storm water system.**

The Managing Director of the Company informed the members regarding allotment of consultancy work of Comprehensive Planning and Design for Water supply, Sewerage and Storm water system to "Green Design and Engineering Service Pvt. Ltd" by Company order dated 27/09/2017 as per the resolution no. 62 of the sixth meeting of the board of directors of the company. He also explained the proposal of the draft report submitted by the consultant for various infrastructures to be developed.

#### **ii. Water for construction**

The Managing Director informed the board about tendering done for the construction of 230 KLD Portable Tertiary Treatment Plant for availing construction water and allotment of the work to lowest bidder i.e. "Shivam Water Treaters Pvt. Ltd." (@ Rs. 1,46,83,124.50/-),and commencement of the work on site.

He also explained that, for future requirements of all development works, it has been planned to construct a 1 MLD Tertiary Treatment Plant near existing sewage treatment plant of SMC adjoining the project area.

#### **iii. Potable Water**

The Managing Director of the Company informed the members about laying of 250mm diameter pipeline network by SMC on company's request and start of potable water supply from existing line on temporary basis to the Surat Diamond Bourse project. He also explained that, the company shall bear the expenses for the same and shall charge DREAMCL on unit-rate basis.

#### **iv. Strengthening of 12mt wide existing road and construction of 24mt wide new road on proposed 60mt wide road as per the master plan.**

The Managing Director of the Company informed the members about tendering for strengthening of existing road connecting SDB to 90mt wide Outer Ring Road

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(as there are existing pumping station of SMC and valve station of GAIL in the alignment of the proposed road in the master plan) and from there onwards construct a new 24mt wide road on proposed 60mt wide road alignment in the master plan and allotment of the work to the lowest bidder (Rs.2,61,63,112/-). He also informed that the work of strengthening of existing road is completed on site and the work of constructing new road is in progress.

### **v. Drainage line**

The Managing Director of the Company informed the members of the company that, it has been decided to lay down temporary sewer line connecting SDB labour colony to the existing drainage pumping station of SMC.

### **vi. Electricity Supply**

The Managing Director of the Company informed the members of the company that, DGVCL has sanctioned the application of Surat Diamond Bourse for supply of Electricity on condition of payment of Rs. 55, 81,774/- (Rs. 10,69,068/- towards service connection, line charges and Rs. 45,12,606/- towards security deposit). As the infrastructure in the project area is to be erected/ provided by the company, the amount of Rs.55,81,774/- was deposited to the account of SDB Diamond Bourse and an MOU executed with SDB regarding recovery of amount of security deposit to be refunded in future. He also informed the board that DGVCL has started erecting the poles on site and electric supply shall be started shortly.

Following resolution passes unanimously for Agenda no 7(c) (i to vi):

#### **Resolution No. 15**

**RESOLVED THAT** "The Board takes note of the actions taken so far for development of various infrastructures (appointment of Consultant for the work of Comprehensive Planning and Design for Water supply, Sewerage and Storm water system and tendering/ allotment for raw/ potable water, drainage, electricity, road, appointment of Consultant for the work of Comprehensive Planning and Design for Water supply, Sewerage and Storm water system etc.) Board also confirms and approves the expenses/ fees incurred by the company for the same. Managing Director is authorised for inviting tenders for the infrastructure works pertaining to the phase 1 and 2 of the Master Plan"

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### **d) APPEAL TO THE APPELLATE COMMITTEE UNDER SECTION-15 OF ATMC NO. 06 OF 2012, AAI FOR HEIGHT RESTRICTION OF SURAT DIAMOND BOURSE BUILDING.**

The Managing Director informed the board about the appeal filed by the Company in the Airport Authority against its NOC dated 22/06/2017 which has permitted maximum height of 53.84mt for the proposed Surat Diamond Bourse Building against the proposed height of 72.90mt and proposal of airport authority for an aeronautical study for the site on payment of required fees. He informed the board about payment of Rs. 2,36,000/- and Rs. 21,60,000/- by the company to AAI towards fees for appeal and aeronautical study respectively.

Following resolution was passed unanimously.

#### **Resolution No. 16**

***RESOLVED THAT “ the Board takes note of the actions taken so far by the company for availing NOC of Airport Authority for the height restriction of proposed Surat Diamond Bourse Building. Board also confirms and approves the expenses incurred by the company for the same”***

### **e) TO TAKE NOTE ABOUT MEETING OF STEERING COMMITTEE (Master Plan) HELD ON 09/10/2017**

The Managing Director informed the members about the steering committee (formed for preparing the master plan of the project by GIDB) meeting held on 9th October 2017 under the Chairmanship of Hon’ble Chief Secretary of Gujarat for discussing the Final Master Plan of DREAM City project submitted by the consultant. He also informed the members that the plan was accepted in principal with some suggestions regarding finance Model of the project.

Following resolution passed unanimously:

#### **Resolution No. 17**

***RESOLVED THAT "the members of the Company takes the note of the steering committee meeting held on 9th October 2017 and the decisions taken therein."***

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### **f) OFFICE OF DREAM CITY LIMITED, SURAT**

The Managing Director informed the members about the decision of SMC and SUDA for allotment of office space to the company at municipal building at Althan and in the newly constructed SUDA administrative building at Vesu respectively. He also informed that the company has already started operating from the office space allotted by SMC and has decided to shift in the SUDA building once the possession is given. The terms and conditions of SUDA will be binding to the company.

It was discussed that the company should have its own office at the project site itself. It was suggested that the company should identify a suitable site for the same in the project area and construct an office building of semi permanent nature. It was also decided that till the time the company has its own building company may operate from the space offered by SUDA.

Following resolution passed unanimously:

#### **Resolution No. 18**

***RESOLVED THAT "the members of the Company takes the note about the allotment of office space to the company by SMC and SUDA and authorises the managing Director to identify a suitable site in the project area for company's own office building and take necessary actions for constructing a building of semi permanent nature for the same."***

### **g) DISCUSS AND DECIDE THE REQUEST OF SURAT DIAMOND BOURSE FOR EXTENDING THE TIME LIMIT OF SECOND INSTALLMENT**

The Managing Director informed the members about the request of Surat Diamond Bourse regarding extension of 9 months from the due date of the second installment towards allotment of development rights.

As per the order of Urban Development Department resolution dated 5/7/2016 and 3/8/2017 Surat Diamond Bourse had been allotted 2, 58,885.72 sq.mt of development rights against a total payment of Rs.626,96,94,367/- in four equal installments of Rs.156,74,23,592/- each to be paid every **six** months from the date of agreement. Accordingly, the amount of first installment was deposited by Surat Diamond Bourse on the date of agreement (13/04/2017). The second installment is due from 13/10/2017. Surat Diamond Bourse has not deposited the second installment in time limit.



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It was discussed that the project area being situated in the air funnel zone of Surat Airport, the building height restriction was shown to be varying from 45mt in the West to 145mt in the East of the project area in the draft master plan submitted by the consultant on 10th February 2017. Accordingly a suitable site (permitting a construction of a building with 75mt to 85mt height) was identified and decided to be allotted for the construction of Surat Diamond Bourse building. By Urban Development Department order dated 15/03/2017, Khajod Urban Development Authority was directed to give permission to the proposed SDB building with a height of 72.90mt with subject to avail the NOC of AAI for the same. Airport Authority by its NOC dated 22/06/2017 permitted maximum height of 53.84mt for the proposed SDB building. This change in the permissible limits of height in the project area was due to the proposal of a new runway of Surat Airport and subsequently in the Air funnel zone. This is reflected in the final master plan of the project submitted by the consultant on 28th July 2017 whereby the building height restriction is shown to be varying from less than 45mt in the West to 115mt in the East of the project area due to which the land allotted to SDB has been shown to be restricted with a permissible height of 45 to 60mt. Company has filed an appeal in the AAI for reconsidering the height restriction and permit a height of 85mt to SDB building. The appeal is pending with AAI for decision.

Considering the above facts, after discussion it was unanimously suggested that the Surat Diamond Bourse being the anchor tenant of the project and keeping in mind overall benefit to the project due to upcoming SDB building, the company should consider the request of SDB and recommend the Government for granting a maximum extension of 9 months to SDB for payment of second installment of allotment of development rights.

Following resolution passed unanimously:

### **Resolution No. 19**

***RESOLVED THAT " Surat Diamond Bourse being the anchor tenant of the project and keeping in mind overall benefit to the project due to upcoming SDB building, it is decided to forward the representation of SDB with a recommendation to the Government for issuing necessary orders to grant a maximum extension of 9 months to SDB for payment of second installment from the due limit as per the Urban Development Department order dated 03/08/2017. The managing Director is hereby authorised to send a formal recommendation to the Government for the same."***

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### **h) APPOINTMENT OF MANPOWER**

The Managing Director of the Company informed the members that as decided By the HR committee held on 04/04/2017 applications were invited for the posts of Dy. GM (Planning & Development), Dy.GM (Infrastructure) and Company Secretary. He informed that after following due procedure, company has appointed a company secretary, whereas, none of the candidates for the posts of Dy.GM (Planning & Development) and Dy.GM (Infrastructure) were found to be eligible. He also informed the members about recruitment of 3 civil engineers, 1 deputy Accountant and 3 Computer Operators/Clerks on contract basis as decided by the HR Committee. It was suggested that HR Committee should review the eligibility criteria and do needful for appointment of full time Dy. GM (Planning & Development), Dy. GM (Administration), Dy.GM (Infrastructure).

Following resolution was passed unanimously.

#### **Resolution No. 20**

***RESOLVED THAT "Board takes note and confirms the HR committee resolution and subsequent appointments on various posts in the company HR committee is hereby directed to review the eligibility criteria and do needful for appointment of full time Dy. GM (Planning & Development), Dy. GM (Administration), Dy.GM (Infrastructure)"***

### **i) TAKE NOTE OF AMOUNT DEPOSITED IN COMPANY'S ACCOUNT**

The Managing Director informed the board about the amount deposited in company's account till date in form of initial paid up share capital of the company and payment towards allotment of development rights to developers in the project area. He also explained the details of fund deployment, total expenses incurred and the balance amount.

The members took note of the on the same.

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### **VOTE OF THANKS:**

There being no other business to transact, meeting ended with vote of thanks to the chair.

**Sd/-**

**Managing Director, DREAMCL and  
Municipal Commissioner, SMC**

**Sd/-**

**Honorable Chairman, DREAMCL and  
Chief Secretary, Gujarat**