

Diamond Research and Mercantile City Limited
(Dream CL)

A Government of Gujarat owned Company

SECOND BOARD MEETING
26th APRIL, 2016

DIAMOND RESEARCH AND MERCANTILE (DREAM) CITY Ltd.

MINUTES OF THE SECOND MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY HELD ON 26TH APRIL, 2016 AT 13.00 HRS. IN THE CONFERENCE ROOM OF THE OFFICE OF THE CHIEF SECRETARY GOVERNMENT OF GUJARAT, 5TH FLOOR, BLOCK NO. 1, SACHIVALAYA, GANDHINAGAR

PRESENT

Shri G. R. Aloria, IAS	Chief Secretary	Chairman
Dr. Rajivkumar Gupta, IAS	Principal Secretary - UDD	Director
Miss. S. Aprna, IAS	Principal Secretary - GAD	Director
Shri K. Srinivas, IAS	Principal Secretary - RD	Director
Dr. S. Murli Krishna, IAS	MD, GUDC	Director
Shri Ajay Bhadoo, IAS	CEO, GIDB	Director
Shri Milind Torawane, IAS	Municipal Commissioner – SMC	Managing Director
Dr. Rajender Kumar, IAS	CEA, SUDA	Director

AGENDA ITEM NO.- 01

TO ELECT THE CHAIRMAN OF THE MEETING

Following resolution was passed:

Resolution No. 23

RESOLVED THAT Shri G.R. Aloria, IAS (DIN: 02913711) be and is hereby appointed as the Chairman of the Board Meeting

AGENDA ITEM NO.- 02

TO GRANT LEAVE OF ABSENCE TO ANY OF THE DIRECTORS

Leave of absence was granted to Shri T. Natrajan, IAS Secretary, Finance Department.

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AGENDA ITEM NO.- 03

TO APPROVE THE MINUTES OF THE FIRST BOARD MEETING HELD ON 10/9/2015

Following resolution was passed:

Resolution No. 24

RESOLVED THAT the board passed the minutes of the first board meeting with the amendment in the resolution no 12 (Agenda no 13) as proposed in the agenda no 2 of the second board meeting.

AGENDA ITEM NO.- 04

TO TAKE NOTE OF THE ACTIONS TAKEN REGARDING MINUTES OF THE FIRST MEETING OF THE BOARD

Following resolution was passed:

Resolution No. 25

RESOLVED THAT the board took note of the actions taken so far with reference to the minutes of the first meeting of the Board of Directors of the Company. Further resolved that common seal of the company should be finalised and placed before the next meeting of board.

AGENDA ITEM NO.- 05

TO TAKE NOTE OF THE GOVT NOTIFICATION DATED MARCH 5, 2016 REGARDING APPOINTMENT OF CHAIRPERSON OF THE COMPANY (DREAM CITY)

Following resolution was passed:

Resolution No. 26



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RESOLVED THAT the board took note of the Appointment of the Chief Secretary, Government of Gujarat as the Chairperson of the Company.

AGENDA ITEM NO.- 06

TO TAKE NOTE ABOUT APPOINTMENT OF GLOBAL CONSULTANT FOR PREPARATION OF DETAILED MASTER PLAN INCLUDING BUSINESS PLAN & PROGRESS DONE SO FAR

The Board was apprised of the Appointment of M/s HaskoningDHV Consulting Private Limited as the consultant for preparation of detail master plan for DREAMCITY Project by the GIDB under supervision of steering committee headed by the Chief Secretary, Gujarat. The consultant has submitted inception report and preliminary report. The Board took note of it and suggested that the steering committee should conduct a meeting to consider these reports and offer comments, if any. It was pointed out that various studies related to flood and environment carried out earlier should be considered by the consultant. Irrigation Department, Govt. of Gujarat should also be consulted and their inputs should be considered by the consultant. The Board suggested that EIA of the project should be carried out at the earliest.

Following resolution was passed:

Resolution No.27

RESOLVED THAT the board took note about the Appointment of M/s HaskoningDHV Consulting Private Limited as the consultant for preparation of detail master plan for DREAMCITY Project and the work done so far by the consultant.



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AGENDA ITEM NO.- 07

TO DECIDE ON FORMATION OF SEPARATE DEVELOPMENT AUTHORITY UNDER GTP & UD ACT-1976 FOR THE IMPLEMENTATION OF THE DREAM CITY PROJECT

The board took into consideration condition no. 10 of vernacular GR of the Revenue Department, Govt. of Gujarat No. JMN/Industr.2014/2230/a.1 Dtd. 29th May 2016 for allotment of land to the DREAM City Ltd., which mentions that it is proposed to establish appropriate authority for the DREAM City Project as per the GTP & UD ACT-1976. It was discussed that considering the importance of the DREAM City project, proposed planned development can be secured only by declaring this area as development area under the GTP & UD ACT-1976.

Following resolution was passed:

Resolution No. 28

It was RESOLVED THAT area of village Khajod covering DREAM City area should be excluded from the Surat Urban Development Authority u/s 22-2A and it should be declared as DREAM City Development Area u/s 3-1 of the GTP & UD Act-1976.

Further it was RESOLVED THAT being a government company, DREAM City Ltd should be designated as the area development authority, instead of constituting separate area development authority as per the provision u/s 6A. MD-DREAM City Ltd. is authorised to send a formal proposal to the UDD-GoG, in this regard.

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AGENDA ITEM NO.- 08

TO DISCUSS AND APPROVE THE ORGANOGRAM FOR THE COMPANY,
DRAFTED BY THE HR COMMITTEE

The Board was apprised of the HR Committee deliberations on the structure and organogram of the company. The Board discussed the necessity of having key managerial positions created and recruited first. Detailed structure and organogram was discussed to be taken up subsequently.

Following resolution was passed:

Resolution No. 29

It was RESOLVED THAT the HR Committee shall complete recruitment for the following positions, at the earliest and post-facto approval shall be obtained, in the first board meeting, thereafter.

Sr. No.	Position	Department	Equivalent position in GoG/SMC/SUDA
1).	GM	Infrastructure & Energy	Addl. City Engineer
2).	Dy. GM	Planning & Development	Town Planner
3).	Dy. GM	Infrastructure	Executive Engineer
4).	Dy. GM	Energy	Executive Engineer
5).	Dy. GM	Finance & Accounts	Chief Accountant
6).	Dy. GM	Corporate Affairs	AMC
7).	Dy. GM	Administration & IT	AMC

It was further RESOLVED THAT HR Committee shall finalise agency for providing outsourced staff to the DREAM CL, as and when required. Managing Director is authorised to seek services of the required assisting staff as and when required, up to the numbers as mentioned hereafter.

Sr. No.	Position	Number	Equivalent position in the GoG/SMC/SUDA
1).	Office assistants	10	Junior/Senior Clerk
2).	Technical assistants	10	Junior/Asst./Deputy Engineer

It was further RESOLVED THAT the HR Committee shall prepare schedule of 'Delegation of Power (DoP)' with an objective to ensure expeditious and timely execution of work with appropriate control in the various spheres of the Company, specially keeping in mind the administrative and financial empowerment at all levels.

AGENDA ITEM NO.- 09

TO TAKE NOTE OF OPENING OF ACCOUNT OF THE COMPANY

Following resolution was passed:

Resolution No. 30

RESOLVED THAT, the board took note of the opening of current account of the Company with Bank of Baroda.

AGENDA ITEM NO.- 10

TO TAKE NOTE OF TRANSFER OF FUNDS TOWARDS INITIAL PAID UP SHARE CAPITAL OF THE COMPANY

Following resolution was passed:

Resolution No. 31

RESOLVED THAT, the board took note of the transfer of share capital fund from Surat Municipal Corporation and Surat Urban Development Authority (SUDA).

AGENDA ITEM NO.- 11

TO TAKE DECISION ON THE REQUEST FROM SDB FOR ALLOTMENT OF DEVELOPMENT RIGHTS IN DREAMCITY PROJECT

Request letter from Surat Diamond Bourse Dtd. 21st April 2016, regarding allotment of development rights in the DREAM City was put to the notice of the Board. Surat Diamond Bourse has requested for allotment of office space with following specifications

- Land : 42.50 Acres
- Office Space : 33,25,000 Sq. feet @ 1.8 FSI
- Paid up office space : 3,75,000 Sq. feet
- Total office space : 37,00,000 Sq. feet
- Proposed height : 110 Mts.
- Plot dimension : 60:40 (L:W)

The Board took into consideration vernacular GR of the Revenue Department, Govt. of Gujarat No. JMN/Industr.2014/2230/a.1 Dtd. 29th May 2016 (hereafter referred as said GR) for allotment of land to the DREAM City Ltd. Condition number 9 of the said GR mentions that DREAM City Ltd. will have specific policy in order to recover the project landed cost, which will come into force for various land use. It was discussed that DREAM City Ltd. is in process of preparing a Master Plan of the project, after which the charge policy for development rights will be formulated, meanwhile, the Company has received demand from the Surat Diamond Bourse for development rights allotment.

Position of Surat Diamond Bourse is important considering overall structure of the DREAM City Project. It can be considered as an anchor investor, with whose presence DREAM City Project will have a sound



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start. Subsequent and dependant investors will also have required level of confidence once this anchor investor gets into operations with the DREAM City Project. Considering the situation, it was discussed that demand of development rights by the Surat Diamond Burse cannot be delayed till the time formal charge policy for development rights comes into force.

It was discussed that only development rights shall be allotted to the Surat Diamond Burse in compliance of condition no. 4 of the said GR. Till the time charge policy for development rights comes into force, prevailing GDCR applicable to the DREAM City area shall be taken into consideration for the calculation of development rights. Issue of concession, if any was also discussed and The Board unanimously decided not to recommend any concession in the valuation of the land as has been done by the State Level Valuation Committee (SLVC), which is quoted in para (2) of the said GR.

Taking into consideration permissible FSI @ 1.8, rounded off charge of development rights of one square meter comes to be Rs. 21,623/- (Rs. Twenty One Thousand, Six Hundred and Twenty Three only). This rounded off charge is calculated @ permissible 1.8 FSI, applying the basis of valuation @ Rs. 38,921/- per Sq. mt. by the SLVC (as per para no. 2 of the said GR).

Considering the total high amount of the charged value, it was decided that four equal instalments may be permitted, with first instalment to be paid at the time of agreement and rest each, after a period of six months of the previous instalment.



Following resolution was passed:

Resolution No. 32

After careful consideration of the request of the Surat Diamond Bourse for allotment of development rights in the DREAM City, it is RESOLVED THAT Surat Diamond Bourse shall be allotted development rights of office space of 3,08,903 Sq. mt. (33,25,004 Sq. feet) to be calculated @ 1.8 FSI as per the applicable GDCR. Charge of Rs. 21,623/- (Rs. Twenty One Thousand, Six Hundred and Twenty Three only) per Sq. meter is proposed for development rights. In order to get the proposed development rights exercised by the Surat Diamond Bourse, suitable size and location of the plot shall be decided by the DREAM CL @ 1.8 FSI as per the applicable GDCR. As a developer, the Surat Diamond Bourse shall have only development rights and no ownership rights, in compliance with condition no. 4 of the said GR. All other conditions of the said GR shall also be applicable.

Office space and height requested beyond the permissible/free levels of GDCR shall be charged as per the applicable provisions of GDCR. All other charges like stamp duty, registration fee etc. shall be charged in accordance of the provisions mentioned in the said GR. Four equal instalments may be permitted, with first instalment to be paid at the time of agreement and rest each, after a period of six months of the previous instalment.

Further RESOLVED THAT the DREAM City Ltd. has not yet formulated charge policy for development rights therefore ratification of the Government of Gujarat shall be obtained for the proposed charge of



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development rights @ 1.8 FSI as per the applicable GDCR. Managing Director, DREAM CL is hereby authorised to send a formal proposal to the Govt. of Gujarat through the Urban Development Department, on the basis of this resolution for the same.

AGENDA ITEM NO.- 12

TO TAKE A NOTE OF PAYMENT LIABILITY, INCURRED LIABILITY FOR FORMATION OF THE COMPANY, IF ANY AND TO REIMBURSE EXPENSES MADE BY SMC/SUDA

The Board was apprised of the expenses incurred towards the preliminary feasibility study of the DREAM City Project and towards the incorporation of the Company.

Following resolution was passed:

Resolution No. 33

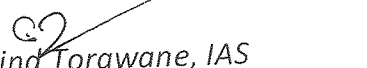
RESOLVED THAT sanction is accorded to reimbursement of the following expenses


Sr. No.	Particulars	Amount (Rs.)	Payment done by	Date
1).	Part payment towards cost of contour survey, topographical survey and soil test	21,57,016/-	SMC	18/10/2015
2).	Expenses towards inauguration ceremony carried out by the R & B Division-I, Surat	91,44,280/-	SMC	01/07/2015

AGENDA ITEM NO.- 13

ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR

There being no further business to transact, the meeting was concluded and dissolved.


Milind Torawane, IAS
(Managing Director, DREAM City Ltd.)


G. R. Aloria, IAS
(Chairman, DREAM City Ltd.)