

Subject: **Minutes of 4<sup>th</sup> Meeting of Board of Directors of Haryana State Roads & Bridges Development Corporation Ltd. held on 5.7.2000 at 11.00 AM in the Committee Room of Chief Secretary to Govt., Haryana, Chandigarh.**

**Present:**

1. Sh.R.S.Varma, IAS,  
Chief Secretary, Haryana Chairman
2. Sh.A.N.Mathur, IAS  
Financial Commissioner & Secretary  
Finance Deptt. Director
3. Sh.R.R.Sheoran  
Engineer-in-Chief,  
Haryana PWD (B&R) Director
4. Sh.M.M.Seth  
Chief Engineer (HHUP) Joint Managing Director

**By Invitation :**

Sh.Vivek Mehrotra, IAS,

Commissioner & Secretary  
Public Works (B&R) Deptt.

The meeting was chaired by Sh.R.S.Varma, Chairman.

**Item No.4.1 - Leave of Absence**

All the Directors were present in the meeting.

**Item No.4.2 -Confirmation of Minutes of 3<sup>rd</sup> meeting of Board of Directors**

The Minutes of the Meeting of the Board of Directors held on 23.2.2000 which were circulated earlier to all the Board Members were considered and confirmed.

**Agenda Item No.4.3 -Follow up action on the decisions taken in the 3<sup>rd</sup> meeting of Board of Directors held on 23.2.2000**

Board noted the follow up action taken on the decisions taken on the 3<sup>rd</sup> meeting of the Board of Directors. The Board desired that the following further action be taken

Item No.3.10 - Increase in Paid Up Capital

Mr. A. A. Maitra, Director informed the Board that a sum of Rs.1.90 crores was released by the State Govt. to the Haryana Highway Upgrading Project in March, 2000 under Head 1000 (to be taken as Equity Capital of the Corporation.

Item No.3.12 - Approval for exemption of Income Tax under Section 10(23 G) of the Income Tax Act.

It may be got expedited by sending DO letter from Commissioner & Secretary to Govt. Haryana, Public Works (B&R) Deptt., Chandigarh to the Member Income Tax, Central Board of Direct Taxes for early approval of exemption under Section 10 (23 G) of Income Tax Act.

Item No.4.4 - Confirmation of Resolution by circulation - Raising loan from HUDCO for improvement of State Highway, Phase-I and Phase-II

The following Resolutions passed by Directors through circulation were noted and confirmed:-

- (i) "Resolved that the Board of Directors of the Corporation hereby approve and authorise the borrowing to the extent of Rs.173.66 Crores from HUDCO under the terms & conditions prescribed by HUDCO for the improvement of State Highways in Haryana (Phase-I and Phase-II) covering total length of 1155 kms."
- (ii) "Resolved that Board of Directors of the Corporation hereby approve and authorise the Haryana State Roads & Bridges Development Corporation Ltd. to undertake the project for the improvement of State Highways, Phase-I and II with a total project cost of Rs.217.08 Crores."
- (iii) "Resolved that Board of Directors of the Corporation hereby approve the amended draft of Loan Agreement received from HUDCO vide letter dated 19.4.2000 indicating the loan component of Rs.173.66 Crores and hereby authorise Managing Director of the Corporation to accept any modifications, therein."

"Resolved that Board of Directors of the Corporation hereby approve the incurring of expenditure on the project to the extent of Rs.217.08 Crores indicated in the Loan Application and to repay the principal amount and interest etc. to HUDCO within the period prescribed by HUDCO."

"Resolved that the Board of Directors of Corporation hereby authorise Managing Director and Joint Managing Director of the Corporation to execute the Loan Agreement with HUDCO for this project and also to complete all formalities including affixing the common seal of the Corporation on the Loan Agreement to be executed with HUDCO."

**Item No.4.5 - Appointment of Managing Director**

The Board was informed that Govt. vide No.9/333/98-3 B&R (W) dated 23.6.2000 has decided that Chief Engineer, HHUP will be the Managing Director of the Corporation. The approval of Council of Ministers for the appointment of Chief Engineer, HHUP as M.D is still awaited. The Board passed the following Resolution:-

"Resolved that Sh.M.M.Seth, Joint Managing Director of the Corporation be and hereby authorised to exercise the powers of the Managing Director of the Corporation till the approval for his appointment as Managing Director is accorded by the Council of Ministers"

**Item No.4.6 - Convening of Extra ordinary General meeting of the Company.**

The Joint Managing Director explained to the Board that in connection with the alteration of Memorandum and Article of Association of the Company for increase in the Authorised Share Capital and to borrow money in excess of the Paid Up Capital, it is necessary to convene an Extraordinary General Meeting of the Company.

In this connection the following Resolutions were passed:-

"Resolved that an Extraordinary General Meeting of the Members of the Company be convened on 1<sup>st</sup> August, 2000 at 1100 hours at 99, Sector 4, Panchkula, registered office of the Company to consider the resolutions given in the notice as per draft notice placed before the meeting."

"Resolved further that Sh.M.M.Seth, Joint Managing Director of the Company be and is hereby authorised to issue notice of the Extraordinary General Meeting on behalf of the Board and to comply with all requirements of the Companies Act, 1956 in this regard."

#### Item No.4.7 - Appointment of Company Secretary

The Board considered the appointment of Sh. B. R. Shahawal on deputation from the office of Accountant General (Audit), Haryana as Finance Manager in Haryana Highway Upgrading Project as Company Secretary and passed the following resolutions:-

**"Resolved that pursuant to provisions of the Companies Act, Mr.B.R.Shahawal, Finance Manager, HHUP, a member of the Institute of Company Secretaries of India, who has the requisite qualification, as prescribed under the Companies (Appointment and qualification of Secretary) Rule, 1988, be and is hereby appointed as the Secretary of the Company after obtaining the consent of the Accountant General (Audit), Haryana and be designated as Company Secretary-cum-Finance Manger for the period and at a remuneration and other benefit as per terms and conditions of the deputation as finalised by the Engineer-in-Chief, Haryana PWD B&R with the Accountant General (Audit), Haryana and he is to perform all those duties usually performed by a Secretary under the Companies Act, 1956, or any other financial, ministerial or administrative duties which the Managing Director or the Board of Directors may assign to him."**

Item No.4.8 - Opening of Separate Project Bank Account of the Company and to authorise Joint operation.

It was suggested by Sh.M.M.Seth, JMD that a Sweep Account be opened in the name of the Project Account of the Company with HDFC Bank, or any other Bank where the HUDCO has its account in the Bank so that the cheques issued by HUDCO will be credited in the Account of the Company on the same day. Sh. D.K.Verma, EE, HHUP-II and Sh. B.R.Shahawal, Finance Manager, HHUP-II be authorised to operate this account. In this connection following resolutions were passed:-

“Resolved that a Sweep account in the name of Project Account of the Company be opened with HDFC bank., Sector 35 or any other Bank in Chandigarh where HUDCO has its account and Sh.D.K.Verma, Executive Engineer, HHUP-II and Sh.B.R.Shahawal, Finance Manager, HHUP be and is hereby authorised to sign application form and other papers which may be required for opening the said account.”

“Resolved further that the aforesaid Bank account of the Company will be operated jointly by these Officers.

“Resolved further that the aforesaid bank be and is hereby authorised to honour all the cheques, drafts, bill of exchange, promissory notes and other negotiable instruments signed, drawn, accepted or made on behalf of the Company by the aforesaid persons.”

Item No.4.9: - Authorisation to the Managing Director to make a request to the Govt. for change of shareholders.

Board was informed that the shares were allotted to the first subscribers to the Memorandum of Association by virtue of their posting at Chandigarh. However, at present a number of these shareholders have either been transferred from Chandigarh or retired from service. In view of this the Board decided to make a request to the State Govt. for nomination of other shareholders in their places. The following resolution was passed by the Board.

"Resolved that Managing Director of the Company be and is hereby authorised to make a request to the State Govt. for nomination of other shareholders in place of shareholders who have been transferred or retired from service."

#### 4.70 Supplementary Agenda Items

##### (i) Procedure for disbursement of loan to be received from HUDCO

It was informed to the Board that the Corporation is likely to receive loan instalments from HUDCO and counterpart funding from Government against equity capital of the Corporation which has to be given to Haryana PWD B&R who is the executing agency. One of the stipulation in the loan agreement between HUDCO and Corporation is that a Separate Project Account will be opened and operated which will keep detailed accounts of all the credits and debits in connection with toll collections and payments made. In this connection following resolution was passed.

"Resolved that the instalment of loan from HUDCO and counterpart funding from State Government as and when received be deposited in the separate Project Account of the Corporation and then the entire amount be disbursed to the Haryana PWD B&R which may then be deposited by the Department in the treasury and accordingly LOC from Government for the same amount can be obtained. This LOC will be distributed to the concerned Executive Engineers dealing with the works of improvement of MDRs and ODRs. However, in the case of improvement of State Highways, LOC will be placed at the disposal of Executive Engineer, World Bank Division, Ambala Cantt. or other concerned Executive Engineers and payment will be got made through them after sending the bills duly approved by the Engineer-in-Chief (Employer)

**(ii) Staff and Office premises of the Company**

The Board was informed that the Corporation was incorporated on 13.05.1999 and loans for various projects have been sanctioned by HUDCO to the Corporation. As per Government orders dated 01.02.1999 all the officers/staff has to be taken on deputation from PWD B&R Department for the initial period of 2 years. The pay/allowances will also be borne by PWD B&R. Government accorded approval for the creation of various posts in the Corporation on deputation basis from PWD B&R Department/HARTRON in the month of August 1999. There is, however, neither any office premises nor any staff in position for proper functioning of the Corporation.

After discussion, the Board observed that for the proper functioning of the Corporation, office premises with proper infrastructure and staff is required urgently as the Corporation has to hold meetings of its Board of Directors and shareholders periodically for which various records are required to be maintained. Besides this for proper accounts and control of loan/funds various books, vouchers and records are required to be maintained. Moreover, the accounts of the Corporation for the year 1999-2000 are to be finalised and audited before 30<sup>th</sup> September, 2000. Sh. R. R. Sheoran, Director mentioned that proper office premises with proper infrastructure and staff are being provided to the Corporation in the near future. In this connection, the following resolution was passed:-

“Resolved that the Engineer-in-Chief, Haryana PWD B&R Branch be requested to provide urgently the office premises with proper infrastructure and staff on deputation from PWD B&R Department/HARTRON for proper functioning of the Corporation.”

**Vote of Thanks**

The meeting ended with a vote of thanks to the Chair as there were no other business to be transacted.

Sd/-  
(M.M.Seth)  
Joint Managing Director

Sd/-  
(R.S.Varma)  
Chairman