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# AGENDA

Item No. 1.1 - Confirmation of Minutes of 2<sup>nd</sup> meeting of Board of Directors  
2<sup>nd</sup> meeting of Board of Directors of Haryana State Roads & Bridges Development Corporation Ltd. was held on [Date]. Copy of Minutes of 2<sup>nd</sup> meeting by Managing Director and Chairman are enclosed herewith. Board of Directors is requested to confirm the same.

FOR

## 3<sup>RD</sup> MEETING

No. of Item	Particulars of decision	Follow up action
1	Confirmation of minutes of 1st meeting of Board of Directors	No further action required
2	Follow up action on resolutions passed in the 1st meeting of the Board of Directors.	No further action required
3	Commencement of business	
4	To approve the statement of preliminary expenses made by the promoters	No further action required
5	To approach HUDCO for short term loan application for raising loan from HUDCO with a total project cost of Rs. 1000 Crores for	

OF

## BOARD OF DIRECTORS

**HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.**

**AGENDA FOR 3<sup>RD</sup> MEETING OF BOARD OF DIRECTORS OF  
HARYANA STATE ROADS & BRIDGES DEVELOPMENT  
CORPORATION LTD.**

**Agenda Item No. 3.1 - Confirmation of Minutes of 2<sup>nd</sup> meeting of Board of Directors**

2<sup>nd</sup> meeting of Board of Directors of Haryana State Roads & Bridges Development Corporation Ltd. was held on 30.6.99. Copy of Minutes of 2<sup>nd</sup> meeting approved by Managing Director and Chairman are enclosed herewith. Board of Directors is requested to confirm the same.

**Agenda Item No.3.2 - Follow up action on Resolutions passed in the 2<sup>nd</sup> meeting of Board of Directors**

Item No. of Minutes	Particulars of decision	Follow up action
2.1	Confirmation of minutes of Ist meeting of Board of Directors	No further action required
2.2	Follow up action on resolutions passed in the Ist meeting of the Board of Directors.	No further action required
2.3	To take note of Certificate of Commencement of business	No further action required
2.4	To approve the statement of preliminary expenses made by the promoters	No further action required
2.5	To approach HUDCO for taking loan.	Loan application for raising loan from HUDCO with a total project cost of Rs.219.92 Crores for

		Improvement of State Highways was filed on 30.9.99 and HUDCO has sanctioned loan of Rs.175.936 Crores vide letter dated 13.12.99.
2.6	Interest and terms & conditions for taking loan from HUDCO/Banks	Rate of interest and terms & conditions for raising loan from HUDCO were negotiated by the Committee consisting of the Managing Director, Commissioner & Secretary, (Finance), Engineer-in-Chief & Joint Managing Director .
2.7	Payment of Equity Capital by the Haryana Govt.	Share Certificates to be issued
2.8	Appointment of Financial Commissioner & Secretary to Govt. of Haryana, Finance Deptt. as one of the Directors of the Corporation.	Form No.32 intimating the appointment of Sh.A.N.Mathur, IAS as Director of the Corporation was filed with the Registrar of Companies, New Delhi on 29.7.99.

**Agenda Item No.3.3- Appointment of Sh.L.M.Goyal, IAS as Managing Director and Sh.R.R.Sheoran, Engineer-in-Chief as Director of the Corporation**

As per provisions of clause 20 (b) of Articles of Association of HSRDC, the Directors including the Chairman and the Managing Director shall be appointed by the Govt. and the Govt. will determine the period for which Chairman, Managing Director and other Directors are to hold their respective offices.

Mrs. Urvashi Gulati has since been transferred and Sh.L.M.Goyal, IAS is now Financial Commissioner & Secretary to Govt. of Haryana, Public Works



(B&R) Deptt. Govt. have approved the appointment of Sh.L.M.Goyal, IAS as Managing Director of the Corporation.

Sh.K.B.Lal Singal, the then Engineer-in-Chief is one of the Directors of the Corporation. He has since retired and Sh.R.R.Sheoran, Engineer-in-Chief, Haryana PWD B&R has taken over in his place. Govt. have approved the appointment of Sh.R.R.Sheoran, Engineer-in-Chief as one of the Directors of the Corporation.

The Board is requested to <sup>take</sup> note of the same and resolve to approve the appointment of Sh.L.M.Goyal, IAS as Managing Director and Sh.R.R.Sheoran as Director of the Corporation.

**Agenda Item No.3.4 - Taking loan from HUDCO for Improvement of State Highways Phase-I & II.**

As per resolution passed by the Board of Directors in 2<sup>nd</sup> meeting held on 30.6.99, Loan Application with a total project cost of Rs.219.92 Crores for Improvement of State Highways (Mini upgradation) in respect of 20 Sections of State Highway covering total length of 1155 Kms was filed with HUDCO on 30.9.99. Project was presented before the HUDCO Authorities on 23.10.99 and negotiations for raising loan were carried out by the Delegation of Govt. of Haryana headed by the Financial Commissioner & Secretary to Govt. Haryana, Public Works (B&R) Deptt.-cum-Managing Director with HUDCO Authorities at New Delhi on 26.11.99.

HUDCO has sanctioned loan amounting to Rs.175.936 Crores (80% of the project cost of Rs.219.92 Crores) as per letter dated 13.12.99 of Sh.P.S.Khurana, Regional Chief, HUDCO, Chandigarh. The following are the general terms & conditions:-

- i) Net interest rate to be charged by the HUDCO is 13.5% per annum after giving a rebate of 0.25% per annum in the interest rate as applicable for bulk loan of more than Rs.50 Crores. This interest rate includes Interest Tax.

- ii) Due to reduction in the interest rate the total project cost is reduced to Rs.218.09 Crores and the loan amount from HUDCO works out to Rs.174.47 Crores (80% of the project cost).
- iii) Front end fee Charges shall be charged by HUDCO @ 0.5% of the loan amount.
- iv) The loan to be taken from HUDCO will be secured by the State Govt. Guarantee for which Haryana Govt. is to provide guarantee for the above loan.
- v) The total project cost is Rs.218.09 Crores, out of which loan from HUDCO will be taken to the extent of Rs.174.47 Crores. The balance amount required for Counter part Funding to the extent of Rs.43.62 Crores will also be financed by the Corporation for which the State Govt. will provide funds by raising the Authorised and Paid up Capital of the Corporation. State Govt. will also be requested to provide undertaking/commitment for ensuring the release of amount required for Counter part Funding.
- vi) Commitment from State Govt. to pay loan instalment and interest etc. on stipulated dates by making suitable budgetary provision for the entire period of repayment is also to be provided for which the Haryana Govt. is to be requested for the same.
- vii) A separate Project Fund Account shall be opened and all Toll Collections are to be deposited in this account which shall be used for HUDCO's repayment.
- viii) As per general conditions applicable to this loan, the Borrowers shall be liable to pay to HUDCO a premature repayment charges @ 0.5% of the loan amount outstanding, in case, the balance outstanding loan amount is 50% or less and @ 1% of the loan amount outstanding, in case the balance outstanding loan amount is above 50% of the total loan on the date of premature payment. Although during negotiations



with HUDCO it was agreed that no repayment/premature payment charges shall be levied by the HUDCO but this has not been provided in the Loan Agreement. This will now be taken up with the HUDCO Authorities.

This loan is being raised by the Haryana State Roads & Bridges Development Corporation Ltd. and will be passed on to the Haryana PWD B&R. The amount of Counter part funding to the extent of 20% of the project cost will also be given to the Haryana PWD B&R by the Corporation out of its Equity Capital. Toll will be levied by the Haryana PWD B&R and the principal/interest amount shall be repaid by this Deptt. to the Corporation on quarterly basis. Service Charges @ 0.25% per annum shall also be paid by the Haryana PWD B&R to the Corporation on the outstanding loan amount every year.

The Board may kindly take note of the same and approve the above terms & conditions. The Board may authorise Managing Director and Joint Managing Director of the Corporation to enter into Agreement with HUDCO for taking this loan. Managing Director and Joint Managing Director may also be Authorised by the Board to enter into an Agreement with the Haryana PWD B&R for this loan.

**Agenda Item No.3.5 - Notice for calling General Body Meeting**

Haryana State Roads & Bridges Development Corporation Ltd. was incorporated on 13<sup>th</sup> May, 1999 whereas Certificate for commencement of business was issued by the Registrar of Companies, Delhi & Haryana on 4<sup>th</sup> June, 1999. General Body Meeting of the Company has not been held so far. General Body Meeting is now required to be called for transacting important businesses. Board may kindly pass a Resolution for calling General Body Meeting of the Corporation. 21 days notice shall be given in writing and Agenda for the Ist General Body Meeting shall be got approved from the Board of Directors through circulation.

**Agenda Item No.3.6 - Increase in the Authorised Capital.**

As per Memorandum & Articles of Association of the Corporation the Authorised Share Capital of the Corporation is Rs.5 Crores and paid up Capital is Rs.10 Lacs. As per clause 6 of the Articles of Association the Corporation may from time to time increase, reduce and alter its share capital.

HUDCO while approving the loan for Improvement of State Highways have desired that the Authorised Share Capital of the Corporation may be raised so that the debt equity ratio is kept within the reasonable limits and, therefore, 20% of the Project cost to be incurred under counter part funding is also to be provided by the Corporation to the PWD. It is proposed that the Authorised Share Capital of the Corporation may be increased from Rs.5 Crores to Rs.50 Crores and Paid up capital will go on increasing as and when the funds are provided by the Haryana Govt. for counter part funding for this project. Necessary fee @ Rs.30/- per thousand of the Authorised Capital has to be deposited with the Registrar of Companies, New Delhi on account of increase in the Share Capital from Rs.5 Crores to Rs.50 Crores

Board is requested to take note and pass Resolution for recommending to the Share Holders of the Corporation (General Body Meeting) for increasing the Authorised Capital of the Corporation from Rs.5 Crores to Rs.50 Crores and may also resolve to deposit a fee of Rs.13.50 Lacs with the Registrar of Companies, New Delhi on account of increase in the Authorised Capital of the Corporation from Rs.5 Crores to Rs. 50 Crores.

**Agenda Item No.3.7 - Consent of Company in General Meeting to borrow money in excess of Paid up Capital.**

HUDCO has already sanctioned loan to the extent of Rs.175.936 Crores for Improvement of State Highways. Two more applications for raising loan from HUDCO to the extent of Rs.296.01 Crores for the Improvement of Major Distt. Roads & Other Distt. Roads and Rs.159.08 Crores for the Improvement of State Highways are being filed with the HUDCO.



The Authorised Share Capital of the Corporation is Rs.5 Crores whereas Paid up Capital is Rs.10 Lacs. The Authorised Share Capital of the Corporation is also proposed to be increased from Rs.5 Crores to Rs.50 Crores.

As per clause 31 of Articles of Association of the Corporation, the Board of Directors shall not accept with the consent of the Company in the General Meeting

- (d) Borrow moneys where the moneys to be borrowed, together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceeds the paid up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

In view of the above provisions, consent of the Company in General Meeting has to be obtained for borrowing money in excess of Paid up Capital of the Company. Board may kindly pass Resolution for borrowing money to the extent of Rs.700 Crores and recommending the same to the General Meeting for its approval.

**Agenda Item No.3.8 - Raising loan for Improvement of Major Distt. Roads and Other Distt. Roads Infrastructure by PWD (B&R), Haryana**

Haryana PWD B&R has requested the Corporation to raise loan for the Improvement of Major Distt. Roads & Other Distt. Roads. Haryana PWD (B&R) has submitted a Project Report with a total project cost of Rs.370.01 Crores out of which loan to the extent of Rs.296.01 Crores is to be raised from HUDCO for this purpose. These works are proposed to be got executed through Haryana PWD (B&R) who will be the executing Agency and the same will be completed within a period of 24 months from the date of commencement of work.

As per clause 16 of Articles of Association, the Board of Directors may from time to time by a Resolution passed at the meeting of the Board accept deposits or borrow money or secure the repayment of any sum or sums of money for the purpose of business of the Company. HUDCO is willing to give loan for the above Project and the Haryana Govt. in principle has also accorded approval for requesting



the Haryana State Roads & Bridges Development Corporation Ltd. to obtain loan from HUDCO for the Improvement of Major Distt. Roads & Other Distt. Roads in Haryana.

The total Project cost is Rs.370.01 Crores, out of which loan to be raised from HUDCO is Rs.296.01 Crores (80% of the Project Cost). The remaining 20% of the Project Cost as Counter part funding shall be borne by the Haryana PWD B&R.

Toll is proposed to be levied by the Haryana PWD B&R after completion of the Improvement works. Haryana PWD B&R will collect the toll and will repay the principal amount and interest in quarterly instalments to the Corporation, who will in turn repay the same to HUDCO. Haryana State Roads & Bridges Development Corporation Ltd. will charge Service Charges @ 0.25% per annum on the balance loan amount every year from the Haryana PWD B&R.

The Board is requested to consider and approve taking up loan from HUDCO to the extent of Rs.296.01 Crores. Managing Director and Joint Managing Director of the Corporation may be Authorised to file Loan Application along with Project Report and other documents with HUDCO for raising this Loan. Processing Charges amounting to Rs.40,000/- to be deposited with the HUDCO will be borne by the Haryana PWD B&R. Board may kindly consider and pass Resolution to this effect.

**Agenda Item No.3.9 - Raising loan for Improvement of State Highways (Mini Upgradation) Phase-III and IV.**

Haryana PWD B&R has requested the Corporation to raise loan for the Improvement of State Highways in Haryana. PWD (B&R) has submitted a Project Report with a total project cost of Rs.198.85 Crores for the Improvement of State Highways Phase III & IV, out of which loan to the extent of Rs.159.08 Crores is to be raised from HUDCO for this purpose. These works are proposed to be got executed through Haryana PWD (B&R) who will be the executing Agency and the same will be completed within a period of 18 months from the date of commencement of work.

As per clause 16 of Articles of Association, the Board of Directors may from time to time by a Resolution passed at the meeting of the Board accept deposits or borrow money or secure the repayment of any sum or sums of money for the purpose of business of the Company. HUDCO is willing to give loan for the above Project and the Haryana Govt. in principle has also accorded approval for requesting the Haryana State Roads & Bridges Development Corporation Ltd. to obtain loan from HUDCO for the Improvement of State Highway in Haryana (Phase-III and Phase-IV).

The total Project cost is Rs.198.85 Crores, out of which loan to be raised from HUDCO is Rs.159.08 Crores (80% of the Project Cost). The remaining 20% of the Project Cost as Counter part funding shall be borne by the PWD B&R.

Toll is proposed to be levied by the PWD B&R after completion of the Improvement works. PWD B&R will collect the toll and will repay the principal amount and interest in quarterly instalments to the Corporation, who will in turn repay the same to HUDCO. Haryana State Roads & Bridges Development Corporation Ltd. will charge Service Charges @ 0.25% per annum on the balance loan amount every year from the PWD B&R.

The Board is requested to consider and approve taking up loan from HUDCO to the extent of Rs.159.08 Crores. Managing Director and Joint Managing Director of the corporation may be Authorised to file Loan Application along with Project Report and other documents with HUDCO for raising this Loan. Managing Director may also be Authorised to make payment of Processing Charges amounting to Rs.40,000/- to be deposited with the HUDCO. Board may kindly consider and pass Resolution to this effect.

**Agenda Item No.3.10 - Increase in the Paid up Capital**

As per Memorandum & Articles of Association of the Corporation, the Authorised Share Capital of the Corporation is Rs.5 Crores whereas at present the Paid Up Capital of the Corporation is Rs.10 Lacs.

Works of Improvement of State Highways (Mini Upgradation) against the project already approved by HUDCO have been taken in hand and payment for the



same is to be made as such the Paid Up Capital of the Corporation has to be increased upto the limit of present Authorised Capital of Rs.5 Crores.

Board may kindly consider and pass Resolution for requesting the Govt. to make payment for the balance amount of Rs.4.90 Crores immediately so as to ensure the Paid Up Capital of the Corporation to the extent of Rs.5 Crores in accordance with Authorised Share Capital of Rs.5 Crores.

**Agenda Item No.3.11 - Appointment of First Auditors for the Corporation**

As per Section 619 of the Companies Act, 1956, the First Auditors of the Corporation are to be appointed by the Central Govt. on the advice of Comptroller & Auditors General of India. Board of Directors in first meeting had decided to approach the Central Govt. & Auditors General of India for getting the first Auditors appointed. Accordingly the matter was referred to the Comptroller & Auditor General of India for the same.

It was also intimated that this being a new Company and the business of the Company in the very first year is likely to be very low and, therefore, the fee of the first Auditors of the Company should not be more than Rs.5,000/- to Rs.6,000/-.

Comptroller & Auditors General of India has requested for furnishing Board of Director's Resolution for the appointment of the Auditors on the advice of the Comptroller & Auditors General of India and the audit fee payable to each of the Auditors. Accordingly Board may kindly consider and pass Resolution for the appointment of First Auditors of the Corporation on the advice of Comptroller & Auditors General of India and audit fee of Rs.6,000/- to be paid to the first Auditors.