

AGENDA

5/3

FOR

5th MEETING

OF

BOARD OF DIRECTORS

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

12/5
Agenda Item No. 5.1

Leave of Absence.

Leave of absence may be granted to the Directors who have shown their inability to attend the meeting.

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Agenda Item No. 5.2

To take note of the appointment of Sh. Vishnu Bhagwan, IAS, Chief Secretary as Chairman, Sh. Vivek Mehrotra, IAS, Commissioner & Secretary to Govt. of Haryana, Public Works (B&R) Department as Director and Sh. S. R. Aggarwal, Chief Engineer, World Bank-II as Managing Director of the Corporation.

As per provision of Clause 20 (b) of the Articles of Association of the Company, the Director including the Chairman and Managing Director shall be appointed by the Government and Government will determine the period for which Chairman, Managing Director and Directors are to hold their respective office.

Haryana Government vide No. 9 333 98-3 B&R (W) dated 22.11.2000 has approved the appointment of Sh. Vishnu Bhagwan, IAS, Chief Secretary as Chairman, Sh. Vivek Mehrotra, IAS, Commissioner & Secretary to Govt. of Haryana, Public Works (B&R) Department as Director and Sh. S. R. Aggarwal, Chief Engineer, World Bank-II as Managing Director of the Corporation.

The Board is requested to take note of the above appointments and resolve to approve the appointment of Sh. Vishnu Bhagwan, IAS as Chairman, Sh. Vivek Mehrotra, IAS as a Director and Sh. S. R. Aggarwal, Chief Engineer as Managing Director of the Corporation.

Agenda Item No. 5.3

Confirmation of Minutes of 4th Meeting of Board of Directors.

The minutes of 4th Board meeting held on 5.7.2000 were circulated to all the directors on 8.8.2000. Observations on the minutes in regard to procedure for disbursement of loan to be received from HUDCO Item No. 4.10 (i) have been received from the Commissioner and Secretary to Government of Haryana PWD (B&R) and minutes required to be amended. The Board is requested to pass the following resolution to amend the same.

“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.”

Minutes are enclosed herewith for confirmation.

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Agenda Item No. 5.4

Follow up action on the decision taken in the previous meeting of Board of Directors held on 5.7.2000.

Item No. of Minutes	Item	Follow up action
4.1	Leave	No further action is required
4.2	Confirmation of minutes of 3 rd meeting of Board of Directors	No further action is required
4.3	Follow up action on the decision taken in the 3 rd meeting of BOD	No further action is required.
	Item No. 3.10 - Increase in Paid up Capital	Engineer-in-Chief Haryana PWD (B&R) (Budget) has been requested for according approval of Finance Department Haryana for conversion of Rs.1.93 Crores as Equity Capital of the Corporation. Matter is under Consideration.
	Item No. 3.12 - Approval of Exemption of Income Tax under Section 10 (234) of the Income Tax Act	D.O. Letter from Commissioner & Secretary to Government Haryana PWD (B&R) to Member Income Tax, Central Board of Direct Taxes has already issued. Approval is awaited.

4.4	Raising Loan from HUDCO for improvement of State Highways Phase I and II - Approval of resolution passed by circulation.	No action is required.
4.5	Appointment of Managing Director	The approval has been accorded by the Govt. for the appointment of Chief Engineer World Bank-II as Managing Director.
4.6	Convening of Extra Ordinary General Meeting of the Company.	Meeting was held on 1 st August 2000.
4.7	Appointment of Company Secretary	The Comptroller and Auditor General of India was requested in the matter. They have conveyed that Sh. B. R. Shahawal has expressed his inability to work as Company Secretary of the Corporation in addition to Finance Manager (HHUP) in Haryana PWD (B&R) Chandigarh.
4.8	Opening of Separate Project Account	Separate Project Account has been opened in Corporation Bank, Sector 8, Chandigarh as intimated by HUDCO that Cheques drafts of Loan will be given on this bank, to ensure immediate collection of proceeds. Bank has given undertaking for collection of cheques including outstation

		cheques on the same day without any bank charges.
4.9	Authorisation to Managing Director to make request to the Government for Change in Shareholders.	Request has been made to State Government for Change in Shareholders. however, approval is still awaited.
4.10	Supplementary Agenda Item	
	(i) Procedure for disbursement of Loan to be received from HUDCO	Amendment in minutes proposed for approval. No further action is required.
	(ii) Staff and office premises of the Corporation	Office accommodation has been allocated. however, no staff and office infrastructure for proper functioning of the Corporation has been provided.

Agenda Item No. 5.5

Approval of Annual Accounts for the year ending 31st March 2000
(from 13.5.1999 to 31.3.2000) - Authentication of Balance Sheet, etc. -
Approval of resolutions.

The Annual Accounts comprising Balance Sheet as on 31st March, 2000 and Profit and Loss Account of the Corporation for the period from 13.5.1999 to 31.3.2000 have been finalised and are placed below for approval of Board of Directors.

As per provisions of Section 35-D of Income Tax Act, a Company is allowed for amortisation of amount equal to one tenth of certain preliminary expenses, i.e., expenditure of legal charges for drafting and printing of Memorandum and Articles of Association and fees for Registration of the Company for ten successive years beginning with year in which the business commences. The Board of Directors in its meeting held on 30th June, 1999 have approved the preliminary expenses to the extent of Rs. 1,65,000 -Accordingly, a sum of Rs. 16,500/- being one tenth of Rs. 1,65,000 - has been written off in the accounts.

The Board may kindly consider and approve the Annual Accounts, the notes forming part of the account and writing off of preliminary expenses. The Joint Managing Director and one Director of the Company along with Finance Manager of the HHUP was authorised to authenticate the Balance Sheet as on 31st March, 2000 and Profit & Loss from 13.5.1999 to 31.3.2000 under Section 215 of the Companies Act, 1956.

The following resolutions have already been passed by the majority of Directors of the Corporation by circulation on 27.9.2000. Board may kindly confirm the following resolutions:-

"Resolved that the Balance Sheet as on 31.3.2000 and Profit & Loss Account for the period from 13.5.1999 to 31.3.2000 of the Corporation be and are hereby approved along with notes forming parts of the accounts and writing off preliminary expenses."

"Resolved further that Sh. M. M. Seth, Joint Managing Director, Sh. R. R. Sheoran, Director of the Company and Sh. B. R. Shahawal, Finance Manager of HHUP be and are hereby authorised to sign the Balance Sheet, Profit and Loss Account and other schedules."

"Resolved further that Sh. M. M. Seth, Joint Managing Director, Sh. R. R. Sheoran, Director of the Company and Sh. B. R. Shahawal, Finance Manager of HHUP be and are hereby authorised to approve changes as may be made in the Accounts for the aforesaid period subsequently on the receipt of the comments of the Statutory Auditors and sign the same.

"Resolved further that Sh. M. M. Seth, Joint Managing Director of the Company be and is hereby authorised to forward a copy of the Annual Accounts duly authenticated as above to the Statutory Auditors and a copy of the Audited Accounts to the Accountant General, Audit Haryana for their report thereon."

Agenda Item No. 5.6

Convening of First Annual General Meeting and approving of draft notice thereof.

Section 166 of the Companies Act, 1956, provides that a Company may held its first Annual General Meeting within a period of not more than eighteen months from the date of its incorporation Haryana State Roads & Bridges Development Corporation was incorporated on 13.5.1999 and therefore, the first Annual General Meeting is required to be held on or before 10.11.2000 (11th and 12th being holidays). Section 210 of the 61st Act provides that at every Annual General Meeting held in pursuance of Section 166, the Board of Directors of the Company shall lay before the meeting the Balance Sheet and Profit and Loss Account of the Company and such accounts should accompany with the reports of Board of Directors, the Comptroller & Auditors General of India and Company's Auditors. Section 219 of the Companies Act, 1956 further provides that a copy of Balance Sheet (including Profit and Loss Account, Directors' Report, Auditors' Report alongwith Comptroller & Auditors' General of India Comments) which is to be laid before the Annual General Meeting be sent to every members of the Company not less than twenty one days before the date of the meeting. The meeting may also be held at a shorter notice for which the Corporation has to get consent of all the members (100%) of the Corporation in Form 22 A (Specimen form attached).

As per provisions of the Companies Act, 1956, every General Meeting shall be held at a time during business hours, on a day i.e., not a public holiday and shall be held either at the Registered Office of the Company or at some place within the city in which the Registered Office is situated. Further, meeting should be held after issue of notice to its shareholders, which should not be less than 21 days from the date of issue of notice.

The Board is requested to pass the following Resolutions for convening the First Annual General Meeting of the Corporation and approving of draft notice thereof:

"Resolved that the First Annual General Meeting of the Corporation be convened to take place at its Registered office on _____ the _____ 2000 at _____ a.m./p.m and the draft notice in respect thereof placed at this meeting be approved."

"Resolved further that Sh. S. R. Aggarwal Managing Director of the Company be and is hereby authorised to issue the notice of first annual general meeting as per draft place below, to the members of the Corporation and also other entitled to receive the notice and to complete all other formalities required under the Companies Act, 1956."

Haryana State Roads & Bridges Development Corporation Ltd.
(A State Government Undertaking)
Registered office 99 Sector 4 Panchkula.

Notice

Notice is hereby given to all the shareholders of the Haryana State Roads & Bridges Development Corporation Limited that the 1st Annual General Meeting of the Corporation will be held on _____ the _____ 2000 at _____ AM/PM at the Registered Office of the Corporation at 99 Sector 4 Panchkula to transact the following business.

Ordinary business

To consider and if thought fit to pass with or without modification the following resolution:

"Resolved that the Balance sheet as at 31st March, 2000 and Profit and Loss Account for the period from 13th May, 1999 to 31st March, 2000, Auditors Report and Non Review Certificates there-on from the Comptroller and Auditor General of India Under Section 619 (4) of the Companies Act, 1956 along with Directors Report, be and are hereby received, approved and adopted."

By Order of the Board.
For Haryana State Roads & Bridges Corporation Ltd.

(S. R. Aggarwal)
Managing Director

Place: Chandigarh

Date: _____

Note:

1. A member entitled to attend and vote at the meeting, is entitled to appoint a Proxy to attend & vote instead of himself. A proxy need not be a member.

- 7/19
2. Black Proxy form is attached herewith.
 3. A copy of Balance Sheet (including Profit and Loss Accounts, Auditors' and Directors' Reports) as on 31st March 2000 is attached herewith.

DA - As above

Encls. No. HSRDC AGM _____ Dated _____

1. Governor, Haryana.

Through Commissioner & Secretary to Government of Haryana.
PWD B&R Department, Chandigarh.

2. Sh. Virender Nath, IAS, Financial Commissioner, Transport Department, Haryana,
Chandigarh.

3. Mrs. Urvasi Gulati IAS, Commissioner & Secretary to Government Haryana,
Irrigation Department, Chandigarh.

4. Sh. Ajit Mohan Saran, IAS, Joint Secretary, Insurance, Finance Department,
Government of India, Delhi.

5. Sh. Amit Jha, IAS, Deputy Commissioner, Sirsa.

6. Sh. Kuntal Bihari Lal Singal, House No. 684, Sector-16, Panchkula.

7. Sh. Madan Mohan Seth, House No. 1033, Sector - 11, Chandigarh.

8. Sh. Bharat Singh, House No. 1323, Sector-11, Panchkula.

Copy forwarded to M/s S.C. Dewan & Co, Chartered Accountants, SCO 90 -
01, 1st Floor, Swastik Vihar Panchkula for information and necessary action.

FORM OF PROXY

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LTD.

Registered Office Kothi No.99, Sector 4, Panchkula (Haryana)

I, _____ of _____ in
the district of _____ being a member of Haryana State Roads &
Bridges Development Corporation Limited hereby appointed
_____ or failing him _____ of
_____ in the district of _____ as
my proxy to attend and vote for me on my behalf at the First Annual General Meeting
of the Company to be held on _____ and any adjournment
thereof.

Signed this _____ day of _____ 2000

Signature

(Stamp)

Form No.22A
The Companies Act, 1956
Consent by Shareholder for shorter notice
(Pursuant to Section 171 (2))

To

The Board of Directors
Haryana State Roads & Bridges Development
Corporation Limited

I, _____ son of Sh. _____
resident of _____ Chandigarh holding 10 (ten) equity shares
of Rs.10/- each in the Company in my name hereby give consent, pursuant to Section
171 (2) of the Companies Act, 1956, to hold the extra ordinary general meeting on
_____ at shorter notice.

Dated:

Signature _____

Name _____

(in block letters)

Agenda Item No.5.7

Approval of Directors' Report on the accounts for the period ending 31st March, 2000.

Section 217 of the Companies Act 1956, provides that at every Annual General Meeting of the Company, the Board of Directors shall lay before the meeting a Directors' Report alongwith Balance Sheet. The Directors' Report shall contain explanation on reservations, qualifications adverse remarks made in Auditors' report, material changes subsequent to close of financial year, disclosure in regard to conservation of energy, technology absorption, foreign exchange earning and out go. The Directors' Report should also include a statement showing name of every employee of the Company whether employed throughout the year or part thereof who are in receipt of remuneration of not less than Rs. 6,00,000 - per financial year and not less than Rs. 50,000 - per month respectively. The Directors Report is to be signed by the Chairman or any other Director if so authorised by the Board.

The Board may kindly consider and pass the following resolutions:-

“Resolved that the draft of the Directors' Report for the year ended 31st March, 2000, as submitted before the meeting be and is hereby approved and signed by the Chairman on behalf of the Board.”

“Resolved further that the Balance Sheet, and Profit and Loss Account for the year ended 31st March, 2000 together with reports of Directors', the Comptroller & Auditor General of India and Company's Auditors be circulated to the shareholders, for their consideration and adoptions in the First Annual General Meeting of the Company.”

Draft of Directors Report

Haryana State Roads & Bridges Development Corporation Ltd.
(A State Government Undertaking)
Regd. Office 99 Sector 4 Panchkula.

The Shareholders,

The Directors are pleased to present the First Annual Report together with the audited statements of the accounts of the Corporation, Auditors' Report and the Comments of the Comptroller & Auditor General of India for the period ended 31st March, 2000.

Financial Results

The summary of the working results of the Corporation for the period under review is given below:

Net Loss	Rs.	109578-00
Less Provision for Depreciation	Rs.	98-00
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Net Revenue Loss	Rs.	109480-00
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During the year under review, the loss of Rs. 1,09,578/- is mainly due to the reason that a sum of Rs. 80,000/- was paid to Housing Urban Development Corporation (HUDCO) as loan processing fee.

Operational Highlights

During the year under review, the Corporation has identified projects for improvement of State Highways in Haryana and Improvement of Major Distt. Roads & Other Distt. Roads in Haryana. Loan applications for seeking loans for these projects have been filed with HUDCO during the year. HUDCO has now sanctioned loans amounting to Rs. 626.70 crores so far and the Corporation is expected to receive these loan during coming financial years.

Financial Structure

The authorised share capital of the Corporation is Rs. 5 Crores. The Government of Haryana have contributed Rs. 10 lakhs in cash for which 1 lakh equity shares of Rs. 10 each (fully paid up) have been allotted in the name of Governor of Haryana and other Government nominees. An additional money of Rs. 121 lakhs has also been received from the Government as share application money for allotment of equity shares which will be allotted as soon as a decision to its allotment has been taken. In addition to this Haryana Govt. is giving LOC for the HHUP works which will also be ultimately adjusted in the equity capital because the entire amount of budget cost is to be financed by the Corporation to PWD B&R. After adjustments, the paid up capital of the Corporation will go up to Rs.5 crores.

Particulars of Employees

Information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 1988 is nil.

Foreign Exchange Earnings and Outgo

During the year under review, the Corporation did not earn any foreign exchange and there was no outgo of foreign exchange also.

Subsidiary /Allied information

Corporation does not have any Subsidiary Company. Further there is no proposal to carry any amount to any specific reserves.

Conservation of Energy

Information required under Section 217 (1) (e) of the Companies Act 1956 with respect to Conservation of Energy and forming part of the Directors' Report is nil.

Directors

Since the inception of the Corporation the following consisted the Board of Directors

Sr.No.	Name of Director	Date of Appointment.	Date of cease of Charge
1.	Shri R. S. Varma. IAS. Chairman	21.5.1999	31.8.2000
2.	Mrs. Urvashi Gulati IAS Managing Director	21.5.1999	22.2.2000
3.	Sh. L. M Goyal IAS Managing Director	23.2.2000	30.4.2000
4.	Sh. M. M. Seth Joint Managing Director	21.5.1999	30.11.2000
5.	Sh. A. N. Mathur. IAS Director	20.6.1999	To date
6.	Sh. K. B. Lal Singal Director	21.5.1999	22.2.2000
7.	Sh. R. R. Sheoran Director	23.2.2000	To date

Auditors

M/s S. C. Dewan & Co. Chartered Accountants, Panchkula, were appointed by the Government of India, Company Law Board, under Section 619 (2) of the Companies Act, 1956, Auditors of the Corporation for auditing its accounts relating to the first financial year ended 31st March 2000.

Comments of CAG of India

The Accountant General (Audit) Haryana, on behalf of Comptroller and Auditor General of India has issued Non Review Certificate under Section 619 (4) of Companies Act 1956.

Acknowledgement

The Board of Directors gratefully acknowledge the support given by the State Government, Department of Public Works (B&R) and Department of Finance during the year under review and look forward to it in the years ahead.

For and on behalf of the Board of Directors,

Place :
Dated :

(Vishnu Bhagwan)
Chairman

Agenda Item No. 5.8

Appointment of M/s S.C.Dewan & Company, Chartered Accountants as Statutory Auditors of the Company - under Section 619(2) of the Companies Act, 1956 for the financial year 1999-2000 - Approval of resolution.

The Company Law Board Ministry of Law, Justice & Company Affairs, Department of Company Affairs, New Delhi vide its letter No.H.097 0600007 2K-IGC-6727 has appointed M/s S.C.Dewan & Company, Chartered Accountants, Panchkula as Statutory Auditors of the Company for the audit of the Accounts for the year 1999-2000 (15.5.1999 to 31.3.2000). A copy of the appointment letter is attached as Annexure-I.

The Company Law Board has stated that the remuneration payable to the Auditors be fixed passed by the Board of Directors of the Company and a copy of the Resolution be sent to the department. The Board of Directors of the Corporation in its 3rd meeting held on 23.2.2000 had fixed an Audit Fee of Rs.6000 - per annum to the First Auditors of the Corporation to be appointed by the Govt. of India. Copy of the resolution passed by the Board of Directors is attached as Annexure-II.

The Board may note the appointment of M/s S.C.Dewan & Company, Chartered Accountants, Panchkula as Statutory Auditors of the Company on a consolidated remuneration of Rs.6000/- only for the financial year 1999-2000. The following resolution has already been approved by the majority of Directors of the Corporation by circulation. Board may kindly confirm the following resolution.

“Resolved that M/s S.C. Dewan & Company, Chartered Accountants be and are hereby appointed as the Statutory Auditors of the Company on a consolidated remuneration of Rs.6000/- (Rupees Six Thousand Only) to be paid to the Statutory Auditors for the audit of the accounts of the Company for the financial year 1999-2000.”

Agenda Item No. 5.9

Increase in Authorised Share Capital and Borrowing limit of the Corporation.

As per resolutions passed by the shareholders in its Extra Ordinary General Meeting held on 1st August, 2000 it was resolved :-

1. To increase the authorised share capital of the Company from Rs. 5 Crores divided into 50,00,000 (fifty lacs only) equity shares of Rs. 10 - (Rupees ten only) each to Rs. 50,00,00,000 (Rupees fifty Crores only) divided into 5,00,00,000 (five crores only) equity shares of Rs. 10 - (Rupees ten only) each.
2. That the existing Clause V of the Memorandum of Association of the Company as to share capital be and is deleted and in its place be substituted as :-

"The authorised share capital of the Company is Rs. 50 Crores divided into 5 Crores equity shares of Rs. 10/-."
3. That the Clause 5 of the Articles of Association of the Company related to the Authorised share capital of the Company be altered accordingly.
4. That the Board of Directors of the Company be and is hereby authorised to borrow money at its discretion from time to time either from financial institutions or bankers or elsewhere on such terms and conditions as to repayment, interest or otherwise as the Board may deem fit and proper in the best interest of the Company up to limit not exceeding in aggregate of Rs. 700 Crores (Rupees Seven hundred Crores only) at any point of time notwithstanding that the money already borrowed by the Company (apart from the temporary loan obtained from the Company's Banker in the ordinary course of business) will exceed the aggregate of the paid up Capital of the

Company and its free reserves, that is to say, reserves not set apart for any specific purposes.

Shareholders while approving the above resolutions for increase in authorised share capital from Rs. 5 Crores to Rs. 50 Crores and for raising the borrowing limits of the Company upto Rs. 700 Crores (Rupees Seven Hundred Crores) have desired that the approval of the Finance Department and Council of Ministers of Government of Haryana be accorded. Commissioner & Secretary to Government of Haryana, Public Works (B&R) Department vide Endst. No. 0152/2000-3 B&R (W) dated 20.11.2000 has intimated that Haryana Government with the concurrence of Council of Ministers has accorded the approval for :-

- (i) Increasing the authorised share capital of the Haryana State Roads & Bridges Development Corporation Ltd. from Rs. 5 Crores (Rupees Five Crores) to Rs. 50 Crores (Rupees Fifty Crores).
- (ii) Raising the borrowing limit of the Corporation from all sources upto Rs. 700 Crores (Rupees Seven Hundred Crores).
- (iii) Necessary registration fee @ Rs. 50 - per ten thousand of the increased authorised share capital has to be deposited with the Registrar of Companies, New Delhi on account of increase in share capital from Rs. 5 Crores to Rs. 50 Crores.

The Board is requested to pass the following resolutions :-

“Resolved to deposit registration fee of Rs. 22.50 lacs with the Registrar of Companies, New Delhi on account of increase in authorised share capital from Rs. 5 Crores to Rs. 50 Crores.”

“Resolved further that Managing Director of the Corporation be and is hereby authorised to sign all the documents/forms required to be filed with the Registrar of Companies, New Delhi in this regard.

Agenda Item No. 5.10:

Operation of Current Account of the Corporation with the Bank

A current account with the Haryana State Co-operative Bank Ltd. Sector 20, Chandigarh under the name and style of Haryana State Roads & Bridges Development Corporation Ltd. is being operated jointly by the following officers:-

1. Sh. M. M. Seth, Joint Managing Director.
2. Sh. D. K. Arora, Executive Engineer, Bridge Construction Division, PWD B&R, Chandigarh.

Sh. M. M. Seth, Chief Engineer-HHUP was the Joint Managing Director of the Corporation but he has retired on 30.11.2000.

The Board is requested to pass the following resolutions:-

“Resolved that the following officers be and are hereby authorised to operate jointly the Corporation’s current account with the Haryana State Co-operative Bank Ltd. Sector 20, Chandigarh.

1. Managing Director ✓	Haryana State Roads & Bridges Development Corporation Ltd.
2. Executive Engineer ✓	Bridge Construction Division PWD B&R, Haryana, Chandigarh.

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

Agenda Item No.5.11

Raising Loan from HUDCO for Improvement Upgradation of MDRs and ODRs in Haryana Phase-I - Approval of Resolutions

Loan Application for raising loan from HUDCO with a total project cost of Rs. 180.10 crores for Improvement Upgradation of MDRs and ODRs in Haryana Phase-I was submitted to HUDCO. Regional Chief, HUDCO, Chandigarh vide letter no. HUDCO Sand. HSRDC 16982 2000 2679 dated 20.06.2000 intimated about the sanction of this loan amounting to Rs.144.08 Crores.

Haryana Council of Ministers in Cabinet meeting held on 15.11.2000 has accorded approval for giving State Govt. Bank Guarantee amounting to Rs.144.08 Crores for this loan.

HUDCO has now forwarded Loan Agreement (in duplicate) vide letter no. HUDCO.HSRDC 16982 2000 dated 23.11.2000 for executing the same.

Board of Directors of the Corporation in 3rd meeting held on 23.2.2000 had approved the taking of loan from HUDCO and thereafter, loan application was filed with HUDCO. As per Loan Agreement sent by HUDCO for execution, the salient features are as under:-

i)	Total cost of the project	Rs. 180.10 Crores
ii)	Loan from HUDCO	Rs. 144.08 Crores
iii)	Counterpart funding by the Corporation	Rs. 36.02 Crores
iv)	Interest rate	(i) 13.75% or such other higher rates as may be fixed by HUDCO from time to time. (ii) HUDCO shall have the right to vary the rates of interest on the loan amount are a part thereof at the time of release of such amount.

		<p>(iii) The Borrower shall be eligible for the rebate of 0.25% for bulk loan subject to the condition that the minimum rate of interest shall not be less than 13.25%. Considering the repayment period of 15 years, the net interest after availing rebate for bulk amount works out to 13.50% per annum.</p> <p>(iv) In the event of default in the payment of instalment of loan and or interest in respect of the loan, the HUDCO without prejudice to the right of Borrower can recall the loan as provided in the General Conditions. HUDCO will also charge additional interest @ 2% per annum on such overdue payments.</p> <p>(v) If the Borrower does not draw any loan instalment within six months of the dates indicated in the Loan Drawal Programme, the Borrower shall pay to HUDCO a commitment charge @ 0.10% per quarter for the delayed drawl of funds.</p>
v)	Front End Fee Charges	0.5% of the loan amount in four equal instalments prior to or at the time of release of 1 st , 2 nd , 3 rd and 4 th loan instalments or on the request of the Borrower deducted from the loan releases. If legal documentation is not completed within the prescribed period an additional charge of 0.25% of the loan shall be levied.
vi)	Repayment period	15 years including construction period of 2 years

This loan is to be taken by the Corporation on behalf of Haryana PWD B&R. The entire project cost of Rs.180.10 crores will be financed by the Corporation as a loan to PWD B&R. Corporation will take loan from HUDCO to the extent of Rs.144.08 crores whereas the balance amount of Rs.36.02 crores will be financed by the Corporation through its equity capital or by taking loan from Govt. Terms & Conditions for handing over loan amount to Haryana PWD B&R will be same as will be agreed in the Loan Agreement with the HUDCO. However, service charges @ 0.25% per annum on the outstanding loan amount will be charged by the Corporation from PWD B&R.

HUDCO has desired specific Resolutions required for entering into an Agreement which are to be approved by the Board of Directors of the Corporation. The draft of the Loan Agreement is also to be approved by the Board. The following Resolutions may kindly be approved by the Board of Directors:

- i) "Resolved that the Board of Directors of the Corporation hereby approve and authorise the borrowing to the extent of Rs.144.08 Crores from HUDCO under the terms & conditions prescribed by HUDCO for the improvement/Upgradation of MDRs and ODRs in Haryana State Phase-I.
- 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/upgradation of MDRs and ODRs in Haryana, Phase-I with a total project cost of Rs.180.10 Crores."
- iii) "Resolved that Board of Directors of the Corporation hereby approve the draft of Loan Agreement received from HUDCO vide letter HUDCO/HSRDC/16982/2000/ dated 23.11.2000 indicating the loan component of Rs.144.08 Crores and hereby authorise Managing Director of the Corporation to accept any modifications, therein."

v) "Resolved that Board of Directors of the Corporation hereby approve the incurring of expenditure on the project to the extent of Rs.180.10 Crores indicated in the Loan Application and to repay the principal amount and interest etc. to HUDCO within the period prescribed by HUDCO."

vi) "Resolved that the Board of Directors of Corporation hereby authorise 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."

Handwritten notes:
... to be approved ...
... to be approved ...

Agenda Item No. 5.12

Improvement of MDRs and ODRs in Haryana Phase-I

1. Board of Directors of the Corporation in 3rd meeting held on 23.2.2000 observed that the Corporation is taking loan for improvement of State Highways, MDRs and ODRs. Although there is Empowered Committee under the chairmanship of Chief Secretary to Govt. of Haryana to approve/monitor the works of improvement of State Highways but there is no Committee to monitor the works which are proposed to be taken up by the Haryana PWD B&R through the Corporation for the improvement of MDRs and ODRs, therefore, the Board resolved that a Committee of following members may be constituted:-

- | | | |
|------|---|-------------------------|
| i) | Managing Director of the Corporation | Chairman |
| ii) | Engineer-in-Chief, Haryana PWD B&R, Chandigarh. | |
| iii) | Joint Managing Director of the Corporation. | |
| iv) | Concerned Chief Engineer, Haryana PWD B&R. | |
| v) | Executive Engineer, HHUP-II Head Office | Member Secretary |

The above Committee shall be responsible for the following items:-

- i) To identify and approve the details of works to be taken up.
- ii) To approve the bids for all these works.
- iii) To regulate the flow of funds to the Project.
- iv) To monitor the progress of work.

2. It has been brought out by CE (Roads) that as per Manual of Orders, Chief Engineers enjoyed the full powers of according the technical sanction of detailed Estimate and allotting the works and, therefore, with the decision of

- the Board of Directors of the Corporation the powers of Chief Engineer have been given to the Sub committee which is clearly a deviation from the financial powers vested with the Chief Engineers as per PWD Codal provisions.
3. Tenders for several works for the improvement of MDRs and ODRs under HUDCO loan were earlier approved by the Chief Engineer (Roads) in accordance with the decision taken by the then Financial Commissioner & Secretary to Govt. of Haryana, Public Works (B&R) and the Engineer-in-Chief.
 4. Chief Engineer (Roads) have now represented that the constitution of the Sub committee and approval of tenders by this Committee may be reviewed and withdrawn otherwise it may result in an abnormal delay in the award of works. It is added that no such request for approving the bids has been placed before the Committee so far.
 5. It is mentioned that Constitution of the Committee has become irrelevant now because earlier Commissioner & Secretary of Government of Haryana Public Works (B&R) Department was the Managing Director but now Sh. S. R. Aggarwal, Chief Engineer World Bank-II has been appointed by the Government as Managing Director of the Corporation who will be the Chairman of the Committee whereas Engineer-in-Chief, Haryana PWD B&R is the member of the Committee.
 6. Board of Directors may review the resolution for the formation of the Committee and approval of the tenders by the Committee in respect of works of improvement of MDRs and ODRs in Haryana which are being financed through HUDCO loan. However, it is added that as per Codal provisions, the Chief Engineer is fully competent to accord technical sanction of detailed Estimate and approve tenders of unlimited amount.