

AGENDA

FOR

7th MEETING

OF

BOARD OF DIRECTORS

HARYANA STATE ROADS & BRIDGES DEVELOPMENT
CORPORATION LTD.

7th meeting

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6th meeting

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Agenda Item No.7.4

Appointment of Statutory Auditors and finalisation of their remuneration

The Comptroller & Auditor General of India, New Delhi vide its letter No.CA-V Coy Haryana HSRDC (1)1364 dated 13.3.2001 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 2000-2001. A copy of the appointment letter is attached as Annexure-II.

In the Companies (Amendment) Act, 2000, Section 224 (8) (aa) and 619 (2) have been introduced which lay down that the remuneration of such Auditors of the Govt. Companies as are appointed under Section 619 of the Companies Act, 1956 by the Comptroller and Auditor General of India, shall be fixed by the Company in its general meeting. Further it is mentioned that earlier the remuneration of the Auditors was fixed by the Deptt. of Company Affairs, New Delhi. However, with the introduction of the new Section 224 (8) (aa) the remuneration will be fixed by the shareholders in the General meeting.

M/s S.C. Dewan & Co., Chartered Accountants were appointed by the Deptt. of Company Affairs as statutory Auditors of the Corporation at a consolidated remuneration of Rs.6000/- for the last financial year ending 31.3.2000. Board of Directors may consider the consolidated remuneration of Rs.6000/- (Rs. Six thousand only) to the Statutory Auditors for the audit of the financial year 2000-2001 and pass the following resolution:-

“Resolved that a consolidated remuneration of Rs.6000/- (Rs. six thousand only) subject to approval of shareholders in the General Meeting, be paid to M/s S.C.Dewan & Co., Chartered Accountant Statutory Auditors for the audit of the accounts of the Company for the financial year 2000-2001.”

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Agenda Item No.7.5

Raising Loan from HUDCO for Improvement/Upgradation of MDRs and ODRs in Haryana Phase-II.

Loan Application for raising loan from HUDCO with a total project cost of Rs. 188.16 Crores for Improvement/Upgradation of MDRs and ODRs in Haryana Phase-II was submitted to HUDCO, Regional Chief, HUDCO, Chandigarh vide letter no. HUDCO Sand. HSRDC 17035 2000 4100 dated 24.8.2000 intimated about the Sanction of this loan amounting to Rs.150.53 Crores (80% of the project cost).

Haryana Council of Ministers in Cabinet meeting held on 12.12.2000 has accorded approval for giving State Govt. Guarantee amounting to Rs.150.53 Crores for this loan and for providing funds to the Corporation to meet remaining 20% of the project cost.

HUDCO had forwarded Loan Agreement (in duplicate) vide letter no. HUDCO HSRDC 17035 2000 6450 dated 2.1.2001 which was subsequently amended on seeking certain clarifications. The amended draft agreement has been collected personally on 26.6.2001 from HUDCO for taking further action regarding executing the same by the Haryana State Roads & Bridges Development Corporation Ltd.

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

i)	Total cost of the project	Rs. 188.16 Crores
ii)	Loan from HUDCO	Rs. 150.53 Crores
iii)	Counterpart funding by the Corporation	Rs. 37.63 Crores
iv)	Interest rate	(i) 13.75% exclusive of interest tax or such other rates as may be fixed by HUDCO from time to time. (ii) HUDCO shall have the right to vary the rates

Agenda 7th meeting

		of interest on the loan amount or a part thereof at the time of release of such amount.
		(iii) 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.
		(iv) If the Borrower does not draw any loan instalment within six months of the dates indicated in the Loan Drawl Programme, the Borrower shall pay to HUDCO a commitment charge @ 0.10% per quarter for the delayed drawl of funds.
		(v) It is brought out that the Clause of rebate of 0.25% for bulk loan has not been provided in the amended draft agreement received from HUDCO. However, the Clause for rebate @ 0.25% for bulk loan of more than Rs.50 crore has been added as per existing financial pattern of HUDCO.
Vi	Front End Fee Charges	0.5% on pro rata basis of the loan amount.
Vii	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.188.16 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.150.53 crore whereas the balance amount of Rs.37.63 Crores will be financed by the Corporation through its equity capital to be provided by Govt. or by taking loan from Govt. Terms & conditions for lending loan amount to Haryana PWD B&R will be same as would 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, for entering into an Agreement, duly approved by the Board of Directors of the Corporation. The draft agreement for meeting

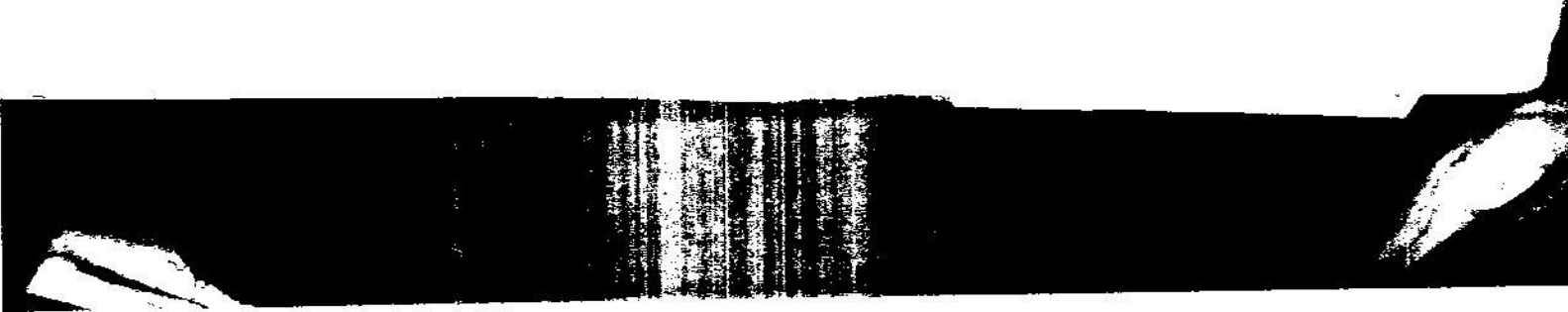


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raising loan may also be approved by the Board. The copy of the draft agreement is enclosed as Annexure-III). The Board is requested to pass the following resolutions:-

- i) "Resolved that the Board of Directors of the Corporation hereby approve and authorise the borrowing to the extent of Rs.150.53 crore from HUDCO under the terms & conditions prescribed by HUDCO for the improvement Upgradation of MDRs and ODRs in Haryana State Phase-II.
- 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-II with a total project cost of Rs.188.16 crore."
- iii) "Resolved that Board of Directors of the Corporation hereby approve the draft of Loan Agreement received from HUDCO and modified with addition of rebate Clause for bulk loan indicating the loan component of Rs.150.53 crore and hereby authorise Managing Director of the Corporation to accept any modifications, therein."
- iv) "Resolved that Board of Directors of the Corporation hereby approve the incurring of expenditure on the project to the extent of Rs.188.16 crore indicated in the Loan Application and to repay the principal amount and interest etc. to HUDCO within the period prescribed by HUDCO."
- v) "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."

Agenda of meeting



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Agenda Item No.7.6

Annual Accounts for the year 2000-2001 ending 31st March 2001

The Annual Accounts comprising Balance Sheet as on 31st March, 2001 and Profit and Loss Account of the Corporation for the period from 1.4.2000 to 31.3.2001 have been compiled and finalised which are attached as Annexure-IV for approval of Board of Directors.

Financial Position

During the year 2000-2001 the Corporation has earned a net profit of Rs.4.39 lacs as against loss of Rs.1.10 lacs during the year 1999-2000. The profit during the year under review is income from interest on loan deposits and service charges.

The summary of the working results of the Corporation for the period under review vis-a-vis of the last year are as under:-

	Current year (Rs. in lacs)	Previous year (Rs. in lacs)
1. Profit less before depreciation	7.43	(-) 1.11
2. Less provision for depreciation	0.17	0.01
3. Net profit loss (-)	7.26	(-) 1.10
4. Provision for Income Tax	2.87	-
5. Net profit (+) loss (-) for the year	4.39	(-) 1.10
6. Reserve & surpluses	3.29	-

Fixed Assets

During the year 2000-2001 fixed assets office equipments photo copy machine of Rs.1,11,768 - have been added.

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

Next meeting

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beginning with year in which the business commences. The Board of Directors in its 5th meeting held on 4.12.2000 had approved the registration fee of Rs.22,50,000/- on account of increase in authorised share capital of the Corporation from Rs.5 crores to Rs.50 crores. Accordingly a sum of Rs.2,25,000/- being one tenth of Rs.22,50,000/- has been written off in the Accounts treating registration fees as deferred revenue expenditure preliminary expenses.

The Board may kindly consider and approve the Annual Accounts, the notes forming part of the account, purchase of fixed assets, provisions and writing off of deferred revenue expenditure preliminary expenses. The Managing Director and one Director of the Company along with Finance Manager of the HHUP may be authorised to authenticate the Balance Sheet as on 31st March, 2001 and Profit & Loss from 1.4.2000 to 31.3.2001 under Section 215 of the Companies Act, 1956.

The Board may kindly consider and pass the following resolution

Resolved that the Balance Sheet as on 31.3.2001 and Profit & Loss Account for the period from 1.4.2000 to 31.3.2001 of the Corporation be and are hereby approved along with notes forming parts of the accounts, purchase of fixed assets, provisions and writing off deferred revenue expenditure preliminary expenses

Resolved further that depreciation of Company's assets be calculated on written down value method with rates for depreciation as per Companies Act, 1956

Resolved further that Sh. P.C.Sharma, 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. P.C.Sharma, 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

Agenda 5 meeting

aforesaid period subsequently on the receipt of the comments of the Statutory Auditors and sign the same

Resolved further that Sh. P.C.Sharma, 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."

Agreed at meeting

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Agenda Item No.7.7

Disclosure of interest by Directors under Section 299 of the Companies Act, 1956.

Pursuant to Section 299 of the Companies Act, 1956, every Director of a Company, who is in any way, whether directly or indirectly, concerned or interested in a Contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company shall disclose in form 24-AA, the nature of his concern or interest at a meeting of the Board of Directors.

The Haryana State Roads & Bridges Development Corporation Ltd. has 5 Directors on the Board and all the 5 Directors have already submitted disclosure of interest under Section 299. Respective Forms 24-AA are enclosed herewith as Annexure-V.

The Board of Directors may please take note of the disclosure of interest by the Directors

At the meeting

Agenda Item No.7.8

Declaration under Section 274 (1) (g) of Companies Act, 1956 by Directors.

The Companies (Amendment) Act, 2008 has introduced one more disqualification of Directors vide Section 274(1) (g) which says that a person who is already a Director of Public Company, which:-

- ii has not filed the Annual Accounts and Annual Returns for any continuous three financial years commencing on or after first day of April, 1999 or;
- iii has failed to repay its deposit or interest or redeem its debentures on due date or pay dividend and such failure continues for one year or more;

shall not be eligible to be appointed as a Director of any other Public Company for a period of 5 years from the date on which such public company, in which he is a Director failed to comply with (i) & (ii) above.

Section 227 which speaks about the powers and duties of the Auditors, Clause (f) Sub Section-3 says that the Auditors Report should include whether any Director is disqualified from being appointed as Director under Clause (g) of Sub Section (1) of Section 274.

In view of above, declarations have been received from the following Directors of the Corporation that they are complying with Clause (g) Sub Section (1) of Section 274 of the Companies Act as explained above:-

- | | | |
|----|-----------------------|---------------------|
| 1. | Sh.L.M.Goyal, IAS | (Chairman) |
| 2. | Sh.A.N.Mehra, IAS | (Director) |
| 3. | Sh.Prem Prachari, IAS | (Director) |
| 4. | Sh.R.R.Sharma, | (Director) |
| 5. | Sh.P.C.Sharma, | (Managing Director) |

Declarations are placed before the Board of Directors for favour of information.

Agenda Item No.7.9

To fix the date and time for convening the 2nd Annual General Meeting of the shareholder of HSRDC for the year 2000-2001.

Under Section 166 of the Companies Act, 1956 annual general meeting of Corporation is required to be held within 6 months from the close of the financial year wherein annual accounts of the Corporation are to be considered and adopted by the Members of the Company Corporation alongwith special business, if any. The financial year of the Corporation is 1st April to 31st March. Accordingly the Annual General Meeting of the Corporation is required to be called within 6 months from the date of 31st March, 2001 i.e. on or before 28th September, 2001 (29th and 30th September being holiday).

In terms of Clause (aa) of Section 224 (8) regarding remuneration of Auditors of the Corporation, inserted by the Companies (Amendment) Act, 2000, the remuneration of these Auditors of the Govt. Company, who are appointed under Section 619 by the Comptroller & Auditor General of India (CAG), shall be fixed by the Company in General Meeting or in such manner as the Company, in General Meeting may determine.

Accordingly, the remuneration of the Auditors will be fixed by the shareholders in the Annual General Meeting. Earlier the remuneration of the Auditors appointed by the CAG was used to be fixed by the Deptt. of Company Affairs.

The Comptroller & Auditor General of India has already appointed M/s S.C.Dewan & Co., Chartered Accountant as Statutory Auditor for the audit of the annual accounts for the year 2000-2001 vide its letter dated 13.3.2001.

The Audit of the Accounts of the year 2000-2001 is under progress. The audited and certified annual accounts as well as Statutory Auditors Report and comments of the Comptroller and Auditor General of India on the said accounts will not be available for circulation among shareholders for consideration and adoption in the meeting.

see meeting

Therefore, on completion of the Audit of Annual Accounts for the year 2000-2001 the same would be adopted in the adjourned 2nd Annual General Meeting.

It is further informed that a clear 21 days notice of Annual General Meeting is to be given to the shareholders prior to the date of Annual General Meeting. The Annual General Meeting is required to be held on any working day during working hours at the registered office i.e. 99, Sector 4, Panchkula or at any place in the City (Panchkula) in which the registered office of the Corporation is situated.

The Board of Directors is, therefore, requested to fix date and time for convening the 2nd Annual General Meeting on or before 28th September, 2001 and also approve the notice for convening the Annual General Meeting (enclosed as Annexure-VII) and to authorise the Managing Director to issue the same to shareholders on behalf of the Corporation.

Annual meeting



Agenda Item No.7.10

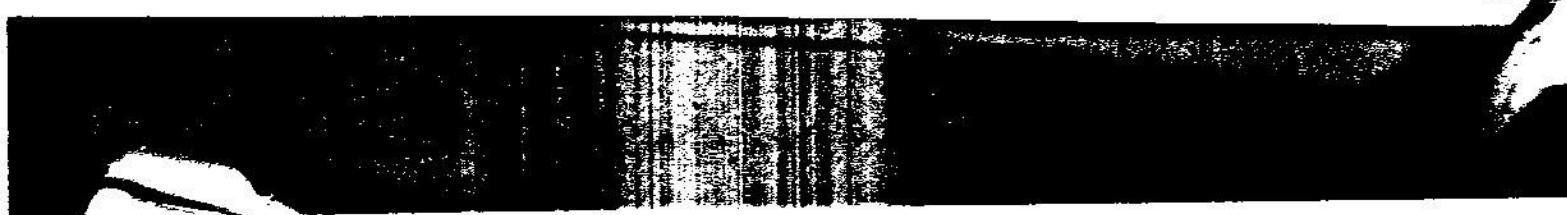
Constitution of Audit Committee Section 292 A of the Companies (Amendment) Act, 2000

In the Companies (Amendment) Act, 2000, a new Section 292A has been introduced which stipulates about constitution of an Audit Committee of Directors for better Corporate Governance.

The salient features of the new Section 292A are given below:-

- Every public company having paid up capital of not less than Rs.5 Crores shall constitute a Committee of the Board known as Audit Committee.
- This Audit Committee will consist of not less than three directors and such number of other directors as the Board may determine of which two-thirds of the total number of members shall be the directors, other than Managing Director and or whole time Directors.
- Audit Committee shall act in accordance with the terms of reference to be specified by the Board in writing.
- The Board will fix quorum of the Audit Committee.
- The Chairman of the Audit Committee shall be elected from amongst the members.
- The Auditors, the Internal Auditor and the Director-in-Charge of Finance/Financial Head shall attend and participate at the meetings of the Audit Committee but can not vote on the matters which will be discussed in the Audit Committee.
- The Annual Report of the Company shall disclose the composition of the Audit Committee.
- The Audit Committee shall have authority to investigate into any financial matter in relation to the items specified in the section or referred to it by the Board.
- The Audit Committee shall have full access to information contained in the records of the Company and external professional advice, if any.
- The Audit Committee shall have discussions with the Auditors periodically about internal control systems, the scope of audit including the observations of auditors and review the half yearly and annual financial statements before

agenda for meeting



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submission to the Board and also ensure compliance of internal control systems.

- The recommendations of the Audit Committee on any matter relating to the financial management including the audit report shall be binding on the Board.
- If Board does not accept the recommendations of the Audit Committee, the Board shall record the reasons therefor, and accordingly the shareholders will be informed.
- The chairman of the Audit Committee shall attend the Annual General Meeting of the Company to provide any clarification on the matters relating to the Audit. Non attendance shall attract the penal clause.
- The law provides that if default is made in complying with the provisions of this newly added section, the company and every officer, who is at fault shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to fifty thousand rupees or with both.

Presently the paid up capital of the Corporation is Rs.7.88 Crores hence this Section is applicable to the Corporation.

In view of above, a Committee of Directors known as Audit Committee is to be constituted keeping in view the provisions of Section 292-A and the following resolution is proposed to be passed in this regard.

RESOLVED THAT, pursuant to Section 292A of the Companies Act, 1956 an Audit Committee consisting of the following Directors be and is hereby constituted:

1. Sh.A.N.Mathur, FCF - Director
2. Sh.Prem Prashant, FCPW - Director
3. Sh.R.R.Sheoran, E-in-C, Haryana PWD B&R- Director

Resolved that the Chairman of the Audit Committee shall be elected by its members from amongst themselves

Resolved further that the quorum for a meeting of the Audit Committee shall be 1/3rd of the total number of members or two Directors, whichever is higher..

At the meeting

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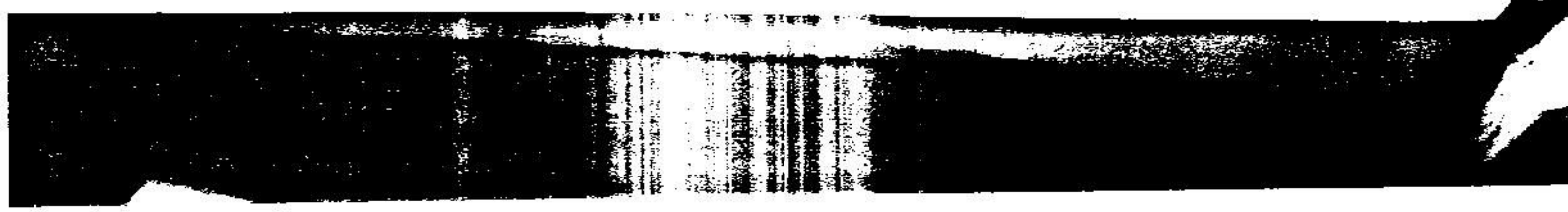
Further resolved that the Audit Committee shall have the authority to investigate into any matter that may be prescribed under the said Section 292A and the following matters:-

- i) To ensure the internal control systems are adequate.
- ii) To review the adequacy of the internal audit functions including its structure and staffing and frequency of internal audit.
- iii) To discuss with the internal auditors any significant findings and follow up thereon.
- iv) To look into the matter where there is a suspected fraud or irregularity or a failure of internal control system of material nature and report the matter to the Board.
- v) To review the audit paras of the Committee on Public Undertakings and to monitor the timely submission of replies thereof or any matter incidental thereto.
- vi) To discuss the nature and scope of the audit before its commencement by the auditors and also have post audit discussion to ascertain any area of concern.
- vii) To discuss the quantum of fee to be paid to the auditors.
- viii) To discuss and review the comments of the Statutory Auditors & CAG as well as replies of the management before submitting the same to the Board of Directors.
- ix) To investigate into any matter as may be referred to it by the Board of Directors.
- x) Any other matter Chairman of the Audit Committee deems fit to discuss and review in the interest of the Corporation.

And for this purpose the Audit Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary.

Further resolved that the Audit Committee shall conduct discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors on the annual financial statements and other matters referred to it by the Board and submit the same to the Board with its recommendations, if any.

At a meeting



Resolved further that the Statutory Auditors, EIL HUI P-II, Finance Manager, HUI P-II and the Internal Auditors of the Corporation be requested to attend and participate at the meetings of the Audit committee, without right to vote.

Resolved further that the Audit Committee shall meet periodically, as it deems fit and in any case, have at least two meetings in a financial year of the Company.

Resolved further that the Audit Committee shall have the minutes of its meetings duly approved from the Chairman of the Committee and the same shall be circulated to its members and other participants.

Further resolved that the Company Secretary of the Corporation shall be the Secretary of the Audit Committee.

Resolved further that the Chairman of the Audit Committee shall attend the annual general meeting of the Company to provide any clarifications on matters relating to audit as may be required by the members of the Company."

yearly meeting

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Agenda item No.

Any other item with the permission of the chair.

www.meeting

(3) Annexure - I 21

HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION
LIMITED

To

1. Sh.L.M.Goyal, (Chairman)
Chief Secretary to Govt. Haryana.
2. Sh.A.N.Malhotra, (Director)
Financial Commissioner &
Secretary to Govt. Haryana
Finance Deptt.
3. Sh.Prem Prashant (Director)
Financial Commissioner & Secretary to Govt., Haryana,
Public Works (B&R) Deptt.
4. Sh.R.R.Sheoran, (Director)
Engineer-in-Chief,
Haryana, PWD B&R Br., Chandigarh
5. Sh.P.C.Sharma, (Managing Director)
Chief Engineer (HIUP),
Haryana, PWD B&R Br., Chandigarh


28 Memo No HSRDC/ 75-79

Dated: 7-6-01

Subject: Haryana State Roads & Bridges Development Corporation Ltd. - 6th
meeting of Board of Directors.

Please find enclosed herewith minutes of 6th meeting of Board of Directors of Haryana State roads & Bridges Development Corporation Ltd. held on 1st May, 2001 at 4.00 pm under the chairmanship of Sh.L.M.Goyal, Chief Secretary to Govt. Haryana for information please.

DA/As above


Executive Engineer, HIUP-II
for Managing Director,
Haryana State Roads & Bridges
Development Corporation Ltd.