



10, Institutional Area, Vasant Kunj,
New Delhi 110 070

**Minutes of the Emergency Meeting of the Board of Management held on April 12, 2019
at 2.30 p.m. at the Conference Room**

An Emergency meeting of the Board of Management was held on 12 April 2019 at 1430 hours at the Conference Room.

PRESENT:

The following were present:

Dr Leena Srivastava, Chairperson
Ms Anita Arjundas (telephonically)
Mr Ishteyaque Amjad (telephonically)
Dr Ashok Khosla
Mr Inder Walia (telephonically)
Dr Alok Adholeya (telephonically)
Dr Prateek Sharma
Dr S Ramakrishnan
Dr Vishnu Konoorayar
Dr Fawzia Tarannum
Ms Anju Bhushan Gupta, Lawyer Special Invitee
Mr. Dhanraj Singh, Dy Finance Officer Special Invitee
Capt Pradeep Kumar Padhy (Retd.) Secretary

Prof Dipankar Gupta, Dr Arun Kansal and Dr Sachin Chaturvedi were unable to attend the meeting.

The Vice Chancellor welcomed all the members and thanked them for responding to the call for an Emergency meeting at a short notice. The meeting was necessitated to provide further clarity on the issue of indemnifying Trustees against the loan taken from HDFC – as the loan document carries the names of Trustees, and the related issue of a Bridge Loan. She requested the Registrar to discuss the agenda items.

Item 1. Resolution on indemnification of Trustees. Responding to a communication received from the Trustees requesting that they might be indemnified by TERI SAS against liabilities, if any, which arise out of the financial facility obtained by TERI School of Advanced Studies from HDFC Ltd. for construction of campus at Hyderabad, a draft resolution and affidavit on indemnification of the Trustees was circulated on 02 April 2019 for early approval of the Board. This draft Resolution and draft affidavit/bond were drafted after due consultation with Ms Anju Bhushan Gupta, advocate. However, a need was felt by Members of the BoM to seek further

clarifications on the need for indemnification and the role of the BoM in providing the same.

Ms Anju Bhushan Gupta was invited to answer any queries related to the indemnification resolution. In response to queries, Ms. Gupta stated that as per the Indian Trust Act 1882, Section 30 (together with Section 23 & 26), the Trustees do not have a personal liability. She apprised the members that the MFA was signed by the Pro VC and the Trustees have not signed on it and therefore, are not liable on this account as well. She informed that the “surety” for the loan has been provided by TERI and thus the loan is fully covered through the mortgage if University is unable to honour its liability. She further clarified that the loan is being taken by the TERI SAS and the UGC regulations provide the power to the Board to facilitate any obligation in respect of any borrowings. Some of the members requested that the opinion of the lawyer be shared with them (opinion enclosed).

The Chair clarified that in a situation of the Lessee suddenly vacating the premises and affecting our re-payment capacities, the University would be able to cover the EMI payments for a period of six months, providing ample time to find new Lessees. She further clarified that a detailed updated presentation on the Business plan and Financial Flows would be made in the next regular meeting of the BoM scheduled in June, 2019. A note on this issue would accompany the Agenda Notes for the BoM meeting.

The Chair stated that draft rules of engagement in respect of society and Trust had been shared with Dr Ajay Mathur and Dr Shailesh Nayak and she would share a copy of the same with the Board members.

TS/BM/2019-E1/1.1 The Board resolved to confirm and approve the Draft Resolution on indemnification and affidavit circulated by email on 02 April 2019.

Item2. Bridge Loan Sought from Sponsoring Society. Given the delays in approvals for re-starting loan disbursements from HDFC, the Vice Chancellor had approached the Governing Council to provide a Bridge Loan of Rs 2.5 Crores. The Registrar informed the members that DG, TERI had proposed extending a loan of Rs 2.5 crores which would be interest free for an initial three months from date of disbursement. Thereafter, TERI would charge an interest of 8.2% p.a. He informed that TERI was to be returned the bridge loan amount as soon as the disbursement of loan from HDFC recommences. Ms. Anita Arjundas suggested that the MFA could be checked to ensure that there are no restraining conditions with respect to repayment of the bridge loan, being taken from TERI, from the loan amount being disbursed by HDFC. The Chair intimated that the matter would be looked into. Members discussed the proposal of TERI.

TS/BM/2019-E1/2.1 The Board resolved to approve a borrowing of Rs 2.5 crores from TERI.

The meeting ended with a vote of thanks to all members.

Enclosure:-

Lawyer's opinion

Distribution:-

All members of Board of Management

Anju Bhushan Gupta ADVOCATE

B.SC., LL.B., LL.M.

Enrolment No. D-627/92

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Dated-13.04.2019

Dear Capt. Padhy,
Registrar, TERI SAS,
10, Vasant Kunj Institutional Area,
New Delhi

Sir,

You have raised the following queries -

The Board is not authorised to indemnify the Trustees; it is simply not in its remit. This is something that only the Society can do. The Board is formally a creation of the Society and the Trustees.

If the Trustees are not to be responsible for any default in loan repayment, then who is? Somebody, or a designated category of people, must be responsible. No mention of this appears either in the Resolution or in the Affidavit.

The opinion is as follows-

A perusal of the Master Facility Agreement on the Loan clearly shows that the same is between TERI SAS and HDFC and not between HDFC and the trustees in their personal capacity. So in case of any default, only TERI SAS will be liable and not the trustees. Trustees are mentioned in MFA in their official capacity as trustee and not in their personal capacity. Hence they are not liable in their personal capacity, not even jointly. The trustee can be made liable under The Trusts Act only when they utilize the trust property for their own use or due care is not taken of the trust property or the property is used against the interest of beneficiary etc. The same is not the case here. In-fact the sponsoring society and settler of the trust, TERI has itself mortgaged the property to secure the loan granted under the MFA and has created an equitable mortgage deed in favour of HDFC, by depositing the title deeds. Since the trustees have requested for additional comfort through an indemnity, therefore indemnity bond is being given.



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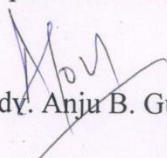
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The loan is being taken by the TERI SAS and the Board of Management is the highest governing body of the University. As per Article 4.4 of Annexure I of UGC (Institutions Deemed to be Universities) Regulations, 2016 the Board of management has power to provide any obligation in respect of any borrowings. Hence the Board of Management can provide the same on behalf of the TERI SAS, indemnifying the trustees, of personal loss, if any, occurs to them because of present MFA.


Adv. Anju B. Gupta