

RAJASTHAN FINANCIAL CORPORATION
(RRM Division)

Minutes of the meeting of SLC held on 20.12.12 at 3.00 p.m under the Chairmanship of Shri Yaduvendra Mathur, IAS, CMD.

The following were present:

Shri M.K.Sharma, GM, SIDBI, Director	:	Member
Shri Kamal Mehta, Director	:	Member
Shri A.R.Choudhary, ED, RFC	:	Member
Shri R P Meena, General Manager (Operations)	:	Member
Shri N.P.Gupta, General Manager (D)	:	Member
Shri D.V.Jashnani, DGM (Law)	:	Member
Shri Onkar Mal, DGM (RRM)	:	Member Secretary

I. Confirmation of the minutes of SLC meeting held on 28.06.2012:

Minutes were confirmed.

II. Action taken report on the decisions taken in the SLC meeting held on 28.6.12:

Noted

III. The committee considered the agenda notes of the following cases placed before it and decided as follows:

1. M/s Lal Singh Dhanra, Banswara:

Nobody appeared before the committee hence consideration of the case was deferred.

2. M/s Paras Oil Industries, Jodhpur: pending

Shri Roop Chand, Guarantor, Shri Sudershan, Shri Amar Singh and Shri Anil Kataria representatives of the unit appeared before the committee.

Term loan of Rs.22.40 lac and working capital loan of Rs.17.30 lac were sanctioned on 21.03.96 and Rs.14.62 lac (TL) and Rs.17.30 lac (WC) were disbursed upto 26.3.98. Due to default in repayment, unit was taken into possession on 13.02.02 and sold at Rs.12.48 lac on 27.10.04 & 28.12.07.

The case was earlier placed before the SLC in its meeting held on 28.6.2012 and it was decided that the representative has to obtain succession certificate first from the competent Court, so that the Corporation may not unnecessarily involve and face problem in releasing the original titles, the case was deferred.

It was noted by the committee that the representative has submitted a request that the original promoter has expired and some of the successors have filed succession suit in which Corporation has also been made a party. The representative has submitted during the discussions that their case may be settled under the OTS scheme and the original title documents may be released after furnishing succession certificate. Therefore, it was

decided to place the case before the SLC for consideration with the condition that the title documents of the property mortgaged to the Corporation will be released to the successor duly authorized by the competent court after payment of settlement amount.

After detailed discussions and considering the facts of the case, the committee offered to uphold the offer given by the SLC in its meeting held on 29.09.2010 in a consideration of Rs.80.00 lac less upfront amount of Rs.3.18 lac deposited on 27.01.10 and Rs.3.15 lac deposited on 23.03.2012 alongwith interest @ 13% on simple basis but guarantor and representatives did not give consent, therefore, the case was rejected. However the case may be reviewed after furnishing of succession certificate by the legal heirs of the borrower.

3. M/s Chetna Service Centre, Jhalawar:

Shri Badri Lal Gujar, Proprietor appeared before the committee.

A loan of Rs.10.70 lac was sanctioned on 20.08.2001 and disbursed Rs.9,89,500/- was disbursed for setting up an automobile service unit at Jhalawar. The proprietor is Shri Badri Lal Gujar S/o Shri Mangi Lal Gujar. Due to default the unit was taken into possession on 09.06.2005 and sold on 08.12.2005 in a consideration of Rs.13.01 lac. ROD is pending at Tehsil Khanpur, Jhalawar. Financial position of the promoter is not good, but the mortgagor guarantor is having a house at Khanpur, Jhalawar having a value of Rs.8.48 lac.

The case was earlier placed before Spl.HOLC on 07.03.08, but nobody had turned up, hence the case was again placed on 15.3.08 where it was decided to settle the account in a consideration of Rs.194884/- less upfront amount of Rs.30000/- i.e. net payable amount of Rs.1,64,884/- which was to be paid in six equal monthly instalments. The party consented to this settlement but did not adhere the same.

The party again registered his case for settlement by depositing upfront amount of Rs.19500/- (Rs. 14000/- on 28.02.11 & Rs.5500/- on 03.03.11). During processing of the case, the party has requested vide letter dated 16.11.11 to settle the case on principal plus OM under OTS 2011-12. The case was placed before the SLC in its meeting held on 28.06.2012, but nobody turn up, hence it was deferred.

After discussions and considering the facts of the case, the committee decided to revive the decision taken by Spl. HOLC in its meeting held on 15.03.2008 alongwith interest @ 13% on simple basis on net settlement amount of Rs.164884/- w.e.f. 01.04.2008 + incentive payable to the revenue authorities less upfront amount of Rs.19500/- (Rs. 14000/- on 28.02.11 & Rs.5500/- on 03.03.11). On this basis the net settlement amount would be Rs.260000/- as detailed below:

Particulars	Amount (Rs.in lac)
Net payable amount as per decision of Spl.HOLC dt.15.03.08	1.65
Add: Interest @ 13% on simple basis w.e.f. 01.04.2008	1.00
Add: Incentive payable to the revenue authorities	0.15
Total	2.80
Less: Upfront amount	0.20
Net Payable amount	2.60

The above net payable amount of Rs. 2.60 lac (Rupees Two lac sixty thousand) shall be payable in six EMI commencing from January, 2013. No interest shall be charged upto 20.01.2013 and thereafter interest @ 13% p.a. on simple basis shall be charged on unpaid settlement amount.

The proprietor of the unit has consented to the settlement.

4. M/s Shree Dal Mill, Alwar

Shri Ashok Kumar Gupta, promoter of the unit appeared before the committee.

A loan of Rs.5.00 lac was sanctioned on 28.03.80 and disbursed Rs.4.52 lac upto 25.10.80 for setting up a Dal Mill Unit. Due to default, the unit was taken into possession on 07.07.88 and it was handed over back on 19.10.94 after depositing requisite amount as per norms. Stay was granted by the Hon'ble High Court against action u/s 29, which is still in operation. The value of prime assets (L&B) is Rs.112.00 lac as on 21.10.2011 and outstanding in the loan account as on 01.03.2012 is Rs.18.53 lac.

The case was earlier placed before the HOLC in its meeting held on 22.03.2012 and the committee offered to settle the account in a consideration of Rs.18.53 lac less balance penal interest Rs.3.61 lac and upfront amount of Rs.0.17 lac deposited on 17.08.2011 i.e. at a net settlement amount of Rs.14.75 lac payable upto 30.04.2012, but the party did not agree to this, hence the case was rejected with the direction to BO and Law Section to try hard for vacation of stay and recovery of the dues as per norms.

The promoter visited the BO on 18.06.2012 and submitted an application for appeal against the decision of HOLC dt. 22.03.12. The competent authority condoned the delay and allowed to place the case before the SLC.

After detailed discussions and considering facts and position of the case, the committee decided to uphold the offer given by HOLC in its meeting held on 22.03.2012 with the condition that interest @ 13% p.a. on simple basis would be charged w.e.f. 01.04.2012.

The upfront amount of Rs.17000/- deposited by the unit on 17.08.2012 would be reduced from the settlement amount to be worked out on above basis. No interest on the amount so worked shall be charged from 20.12.2012 to 20.01.2013 and thereafter interest @ 13% p.a. shall be charged. The net settlement amount would be paid in three monthly instalments payable from January to 25th March, 2013 alongwith interest @ 13% p.a. as above on unpaid settlement amount.

The promoter of the unit has consented to the settlement.

5. M/s Bharatpur Chemicals Pvt.Ltd., Bharatpur pending

Shri Kishore Yadav, representative of the Director appeared before the committee.

A loan of Rs. 20.00 lac was sanctioned on 26.4.1995 and Rs. 17.23 lac was disbursed upto 29.2.1996 to the company for setting up a unit for manufacturing CPW. The health code category of the account as on 31st March, 1996 was doubtful.

Earlier the case was placed before HOLC in its meeting held on 5.3.2001 wherein it was offered to settle the case on simple interest basis even on refinance rate but the party did not agree so the case was rejected. Thereafter the company approached for settlement

in SLC and the SLC in its meeting held on 24.3.2001 offered to settle the account on principal outstanding plus other money which was Rs.15.90 lac over and above the amount of upfront already paid by the party. The party had given consent to the settlement on 30.3.2001.

The party has deposited Rs.6.80 lac upto May,2001 inclusive of sale proceed of P&M Rs.4.30 lac. Thereafter the party failed to adhere the decision of SLC therefore, in order to recover the dues the BO has filed the application u/s 31(1)(a)&(aa) with the court of ADJ, Deeg and the same was dismissed, hence, the Corporation had taken over the assets of the unit under possession on 4.2.2010. The assets were put on auction but could not fetch reasonable price.

The outstanding on the day of possession was Rs.157.87 lac (P.sum 15.15 lac, Interest Rs.142.63 lac and other money Rs. 0.09 lac). The MRV of the primary assets as on 16.2.2011 was Rs.12.16 lac and the value of collateral security assessed to Rs.10.43 lac. (Total MRV is Rs.22.59 lac).

The promoters of the unit have shown their inclination to settle the account in a consideration of Rs.10.00 lac vide letter dated 25.8.2010.

The case was placed before the SLC in its meeting held on 04.05.2012, settlement could not be reached. However, the Director of the company has given written consent to settle the account in a consideration of Rs.15.00 lac. Simultaneously, has protested that the Corporation has assessed the MRV of the assets on higher side and requested to re-calculate the MRV. In consideration with the request of the party, the case was deferred with the directions to the concerned officials to re-assess the MRV and put up the case in the next meeting of SLC.

In compliance of above decision of the SLC, the MRV was reassessed by a team of officers of the Corporation. The reassessed MRV worked out to Rs.22.61 lac.

After detailed the discussions and considering facts and position of the case, the committee decided to settle the account un on going deemed settlement scheme in a consideration of Rs.18.09 lac (80% of the total MRV of Rs.22.61 lac) less upfront amount of Rs.1.76 lac deposited on 14.12.2011 i.e. on the net payable amount of Rs.16.33 lac. This net payable amount shall be paid in three equal monthly instalment commencing from 20th January, 2013 to 20th March, 2013.

No interest shall be charged upto 20.01.2013 and thereafter interest @ 13% p.a. on simple basis shall be charged on the unpaid settlement amount.

The representative of the unit has consented to the settlement.

6. M/s Paramount Ceramics P.Ltd., Chittorgarh

Nobody appeared before the committee hence consideration of the case was deferred.

7. M/s Shiv Ganga Marble House Pvt.Ltd., Kishangarh

Shri T C Rathi, representative of the unit appeared before the committee.

It is a case where possession of fixed assets of the unit was taken by the Corporation on 28th December,2001 because of default in repayment. On account of stay granted by the

Hon'ble Court, the assets could not be put for auction till 2007. The original borrower is inclined to revive the unit and proposed to pay the dues which were outstanding as on date of possession i.e. Rs.86.00 lacs. The case is eligible under the Deemed Settlement Scheme. As per deemed settlement scheme the amount of settlement work out to Rs.125.35 lac on 31.03.2012. The party shown its inability to pay the settlement amount in lump sum and requested that they would pay 25% of the amount of deemed settlement before handing over possession back to them and for remaining amount they may be allowed a period of 5 years with a gestation period of 6 months without charging interest for this grace period and further interest as per norms will be paid by them.

Since the party has requested to allow five years time to pay the settlement amount which deviates the provisions of deemed settlement scheme, therefore, it was decided to place the case before SLC for consideration.

After detailed discussions and considering facts and position of the case, the committee decided to consider the request of the promoter and allowed to make the payment of deemed settlement amount of Rs.125.35 lac in following manner:

1. The company has to pay registration fee of Rs.10000/- alongwith 25% of deemed settlement amount immediately and on receipt of the same, possession would be given back to the promoters.
2. Balance 75% of deemed settlement amount in five years in equal quarterly instalment after a gestation period of 6 months from the date of possession.
3. The interest payable on deemed settlement amount @ 13% p.a. would be charged w.e.f. 01.04.2012 on simple basis. The first instalment of interest shall fall due on 01.3.2013 (for the interest from 01.04.2012 to 28.02.2013) thereafter the interest shall be paid on quarterly due dates.
4. The liability of dues of governments, if any shall be cleared by the promoter.
5. On receipt of letter of settlement the court case would be withdrawn and decision would be submitted to the Corporation.
6. The party has to furnish the PDCs as per norms.

The representative of the unit has consented to the settlement.

8. M/s Balaji Pathar Udyog, Sikar

A term loan of Rs.1.19 lac was sanctioned on 9.5.90 and disbursed Rs.108200/- for establishing a stone cutting unit. Due to default, the unit was taken into possession on 10.03.2005 and sold on 23.11.05 at Rs.66000/-. The deficit amount in the loan account after sale is Rs.5.18 lac (P.sum Rs.1.04 lac + Interest Rs.4.14 lac). The unit has been promoted by SC entrepreneur who is a BPL card holder and he is not having adequate means of finance, The case is not eligible under deemed settlement scheme, as FIR lodged on 23.01.2006 for missing assets against the borrower is pending in the court for evidence.

The committee noted that the facts of the case and was of the view that had no FIR / Criminal case lodged in the case, the account would have been finally written off being the loan sanction is upto Rs.2.00 lac.

After detailed discussions and considering facts and position of the case, the committee decided that this case may also be treated as finally written off by relaxing condition no.12 of the scheme which debars the case from deemed settlement.

9. M/s New Prince Studio Colour Lab, Jaipur-City

Shri Faqrudin proprietor of the unit appeared before the committee.

Two loans of Rs.1.02 lac on 29.12.87 and Rs.13.80 lac on 30.10.90 were sanctioned and disbursed Rs.0.96 lac on 2.2.88, Rs.6.90 lac on 4.11.91 and Rs.6.49 lac on 17.5.93 to the concern for setting up a colour film processing unit.

The case was earlier settled by SLC on 27.12.2000 at Rs.14.00 lac, but the party did not adhere the decision. Now the party has again approached for settlement and registered the case. The outstanding in the loan account as on 01.09.2012 is Rs.633.36 lac (P.sum Rs.13.52, interest Rs.619.78 lac and OM Rs.0.06 lac). Collateral security valuing Rs.30.00 lac is available and MRV of the financed assets is Rs.0.50 lac.

The guarantor had filed case against recovery action u/s 32G and it has been decided and the Corporation is not allowed to take any action against the guarantors. Now the applicant has requested to settle his account in lowest amount looking to the miserable financial conditions and other circumstances.

After detailed discussions and considering facts and position of the case, the committee offered to settle the account under on going deemed settlement scheme in a consideration of Rs.24.40 lac (80% of the total MRV of Rs.30.50 lac) less upfront amount of Rs.2.73 lac (Rs.1.10 lac on 28.02.2012 and Rs.1.63 lac on 13.03.2012) i.e. the net payable amount of Rs.21.67 lac. This net payable amount shall be paid in six equal monthly instalment commencing from January, 2013 to June, 2013.

No interest shall be charged upto 20.01.2013 and thereafter interest @ 13% p.a. on simple basis shall be charged on the unpaid settlement amount.

The proprietor of the unit has consented to the settlement.

10. M/s Shagun Sarees, Hanumangarh

Shri Shyam Sunder Arora, proprietor of the unit appeared before the committee.

A loan of Rs.20.00 lac was sanctioned on 9.2.2000 and disbursed on 27.03.2000 to the unit for establishing a showroom under SSI marketing scheme at Hanumangarh. Collateral security of Rs.20.00 lac was accepted to secure the loan. ROD was sent to the Collector, Hanumangarh. The collateral security available with the Corporation was attached by the revenue authorities and sold for Rs.10.56 lac on 18.12.2006. There are several court cases. Smt.Kanta Rani filed case against sale of residential house for her share before Hon'ble ADJ Court, Hanumangarh and status-quo is maintained. There is stay granted by High Court, Jodhpur against execution of sale deed in favour of purchaser which is still in operation. The revenue authorities attached the goods of the unit which were handed over to the loanee after deposition of Rs.6.07 lac in 2007-08.

The case was earlier decided in Spl. HOLC in its meeting held on 30.01.2008 for Rs.21.10 lac less upfront amount of Rs.6.07 lac i.e. net payable settlement amount of Rs.15.03 lac payable in eleven EMI commencing from February, 2008 alongwith interest

@ 13% p.a. The loanee party filed a mercy petition in High Court, Jodhpur that they are capable to pay Rs.50000/- per month which was accepted by court but the loanee failed to make the payment as per request accepted by the court. The borrower only deposited Rs.3.99 lac after settlement. The writ petition was decided by the Hon'ble court that it was a conditional order which was not complied therefore RFC is free to act in accordance of law.

The BO has again registered the case for settlement on 15.12.2011 treating as a NPA case.

After detailed discussions and considering facts and position of the case, the committee offered to revive the decision of Spl. HOLC dated 30.01.2008 but the settlement would be governed by the pending litigations. The promoter did not agree to this, hence the committee decided that since the matter is subjudice as number of cases are pending, therefore to close the case at present and wait for outcome of court cases. However, the case may be reviewed as per decision of the court case(s). The committee also decided that court cases may be persuaded for early disposal.

11. M/s Vasundhara Chem Syntex (P) Ltd., Bhilwara

Shri Ashok Kumar Jain, Director of the company appeared before the committee.

Following loans were granted to the captioned unit:

(Rs. in lac)				
Particulars	Sanction amt	Date of sanction	Amt disbursed	Last date of disb.
Term loan	70.00	29.10.93	61.13	11.01.96
STL	29.26	30.03.96	29.26	02.12.96
WCTL	50.00	25.03.98	50.00	25.05.98
TOTAL	149.26		140.39	

As per the proposal received from BO, Bhilwara, the MRV of prime security ascertained on 22.11.12 is Rs.136.42 lac and there is no collateral security in the case.

Due to default legal notice u/s 29 of SFC Act was issued to the unit on 22.9.01 and date of possession was fixed on 10.4.02. However possession was postponed on that date as per HO instructions. Thereafter, the company registered the case in BIFR in 2002. The BIFR ordered for change in management in September,2010. Against the orders of BIFR, Company approached AAIFR. The AAIFR vide order dated 16.11.10 stayed orders of BIFR with the direction to the company to deposit Rs.25.00 lac with Operating Agency in no lien account within 30 days.

The BIFR in its proceedings held on 30.08.12 has stated that RFC is only agreeing to settle the account with the company by realizing entire principal sum plus o/s interest amount and other expenses which shall be outstanding as on date of clearance of the loan account in full. If the company wants any relief they may approach the Empowered Settlement Committee as per the procedure prescribed and the decision of the committee shall be applicable for settlement of the account.

The case was earlier placed before Spl HOLC in the meeting held on 18.6.10. The committee observed that the company had settled the dues of ASREC (who had purchased the assets and liabilities from SBBJ). 60 days demand notice issued under SARFAESI Act on 15.01.10 by authorized officer of the Corporation. The company

approached for one time settlement before expiry of the notice. The committee offered to settle the case in principal sum plus OM plus simple interest charged in the account but party did not agree to the above offer and therefore rejected the case and decided to advise BM, RFC, Bhilwara to identify the property of the promoters in a period of two months. As per report of BM, Bhilwara dated 28.1.11, the total assets in the name of promoter is Rs.110.00 lac but out of this amount, Rs.100.00 lac is mortgaged to Urban Cooperative Bank and o/s of the bank is Rs.25.40 lac.

The case was also placed before SLC as an appeal case in its meeting held on 24.3.11. It was informed to the committee that the representative of the company made a request vide fax letter dated 23.3.11 that due to illness they are unable to attend the meeting, therefore, it was decided to defer the case.

The case was again placed before SLC in the meeting held on 6.9.11. One of the Director of the company Shri Ashok Kumar Jain informed through fax stating that he will not be present before the committee and requested that they are prepared to settle their account by paying principal amount outstanding in their loan account and their account may be considered for settlement on principal sum. The committee observed that the party is not sincere in settling the loan account and after detailed discussions rejected the offer of the company to settle the account in principal sum only. The committee further decided to follow up the matter with BIFR / AAIFR with the request to allow the Corporation to take action for recovery of Corporation dues as per norms.

After detailed discussions and considering facts and position of the case, the committee offered to settle the account under on going deemed settlement scheme in a consideration of Rs.95.50 lac (70% of the total MRV of Rs.136.42 lac) less upfront amount of Rs.4.00 lac deposited on 06.11.2012 but during discussions the Director has requested that he has also registered his case for settlement by depositing upfront amount of Rs.4.80 lac but the case was decided in absencia in the SLC meeting held on 06.09.2011, therefore, the amount deposited by him as upfront amount earlier may also be considered against the settlement. The committee considered the request and decided to settle the case considering the total upfront amount of Rs.8.80 lac (deposited Rs.0.80 lac on 10.03.2010, Rs.4.00 lac on 29.12.2010 and Rs.4.00 lac on 06.11.2012), the net payable amount of Rs.86.70 lac. This net payable amount shall be paid in three months i.e. by March, 2013.

No interest shall be charged upto 20.01.2013 and thereafter interest @ 13% p.a. on simple basis shall be charged on the unpaid settlement amount.

The Director of the company has consented to the settlement.

12. M/s Jaya Properties (P) Ltd., Sawaimadhopur:

Shri Ravindra Basawatia, Director of the company appeared before the committee.

Two loans of Rs.36.00 lacs and Rs.1.78 lacs were sanctioned to company on 23.10.1990 and 31.03.1991. Out of above, Rs.6.91 lacs was disbursed and the unit is abandoned. The matter is under litigation before the Hon'ble High Court.

The case was placed in the meeting of SLC on 25.01.2012 and SLC offered to settle the case equivalent to MRV of assets i.e. Rs.40.55 lacs, but party did not give his consent, hence the case was rejected. However, Shri Ravindra Basawatia submitted a letter proposing to pay only principal + interest equivalent to the amount of principal total Rs.6.91 + 6.91 lacs = Rs.13.82 lacs. The committee also decided to place the above position / decision in the matter before the Hon'ble High Court.

The Hon'ble High Court vide order dated 30.10.2012 directed that "Let the parties work out the possibility of amicable settlement for which four week's time is granted." Hence the party was advised to submit fresh proposal.

After detailed discussions and considering facts and position of the case, the committee offered to settle the case in a consideration of Rs.32.44 lac (80% of the MRV of Rs.40.55 lac) the settlement amount as per on going deemed settlement scheme of the Corporation but Director did not give his consent, hence the case was rejected. However, Director has again given a proposal vide letter dated 20.12.2012 to settle the account by paying principal sum + interest equivalent to the Principal sum.

The committee also decided that to place the above position / decision in the matter before the Hon'ble High Court in compliance of order dated 30.10.2012.

13. M/s Rakhee Broiler Farm (P) Ltd., Dholpur: pending

Shri M V Nair, Director of the company appeared before the committee.

The above said case was last placed before SLC in its meeting held on 04.05.2012 and following decision was taken:

"The case was discussed in detail. Shri Nair, Director of the company has offered to settle the account in Rs. 55.00 lac but it was not agreed upon keeping in view the MRV of mortgaged assets. The Director of the company Shri M.V. Nair was of the view that the MRV of the assets assessed by the Corporation is on quite higher side and has requested in writing to re-calculate the same. The Committee, in consideration with the request of the party, deferred the case with the directions to DGM (OP-V) & Branch Manager to re-assess the MRV and put up the case in the next meeting".

As per said directions a team of officers consisting Shri Deepak Verma, Manager(Tech.), Sh. Satish Mamodia, DM (OP-V) and Shri L.K. Saklecha, AM(Tech) was constituted to reassess the MRV of the Prime and collateral security of the unit. Accordingly they have carried out the MRV calculations, details of which are as under:

(Rs in lac)

Particulars	Earlier MRV (4.1.12)	Reassessed MRV (11.6.12)
PRIME SECURITY		
Land (2063 Sq.Mtr)	10.00	92.34
Building	106.42	84.99*
Total	116.42	177.33
*Building constructed on mortgaged land		
COLLATERAL SECURITY		
Land (14066 Sq.yard)	49.23	55.80
Buildings	9.60	7.98
Total	58.83	63.78
TOTAL	175.25	241.11

Since there was difference between earlier MRV (4.1.12) and MRV (11.6.12) therefore a decision was taken by the competent authority on 26.6.12 to reassess the MRV of the prime and collateral security of the company by an independent private valuer of Corporation panel so that there is no grievance of the party about MRV of the unit. Accordingly, M/s Kamal Kant & Associates, Chartered Engineer and registered valuer was appointed to reassess the MRV of the assets of the company. The MRV reported by him vide letter dated 20.08.2012 is as under:

(Rs. in lacs)

S.No.	Particulars	Market value
1	Prime security	
	a. Land (4070.63 Sq.mtr.)	10.18
	b. Building	8.76
	Total value of property (Land + Bldg.)	18.94
2	Collateral security	
	a. Land (10626.84 Sq.mtr.)	31.88
	b. Building	1.74
	Total value of property (Land + Bldg.)	33.62
	Total	52.56

Looking to the large difference between the MRV calculated by the RFC officers and private valuer, it was decided to depute another team comprising of two officers who were not the part of earlier team.

The justification of above MRV submitted vide letter dated 17.10.2012:-

- 1. Prime Security:** This is a strip of land of which depth is very less and after leaving set back, hardly any depth shall be available for setting up and industry. Also there is absolutely no industrial activity all around. Therefore, even if converted into industrial land, this land cannot be used for industrial purpose therefore, their valuation of Rs.18.94 lacs is reasonable and correct.
- 2. Collateral Security:** This was converted into industrial land for use as Poultry farm udyog, but was converted by distt. collector on 4.3.2003 into agriculture land and there is also a big pit about 10' deep on this land. Therefore, their valuation of Rs.33.62 lacs is correct.

However, before any further action could be taken, the Hon'ble high Court, Jaipur has pronounced orders on 21.11.2012 in the SBCWP No. 11166/2008 which reads as under:-

"Counsel for the petitioner says that the petitioner has applied for 'one time settlement' as per the Scheme in the year 2011-2012. He has deposited the requisite upfront charge. Respondents are taking time and not deciding the matter finally. Respondents called for valuation report, which is on record as Annexure-2 and 3 and this would decide the matter of the petitioner on the basis of 'one time settlement'.

Earlier also this Court vide order dated 22nd of February, 2008 directed the respondents to consider the case of the petitioner for 'one time settlement'. Respondents did not accept the system of the petitioner. Petitioner is prepared to pay legitimate dues of the respondents.

Having regards to the facts and circumstances, the petition stands disposed of requiring the respondents to decide the case of the petitioner within three months from the date of

receipt of certified copy of this order. In doing so, respondents obviously would also consider the valuation reports.

After detailed discussions and considering the facts and position of the case, the committee observed that there is a vast difference between the MRV worked out by the teams of officers of the Corporation and private valuer. Therefore, the consideration of the case was deferred with the direction that the matter regarding difference in MRV may be examined in detail viz base rates considered while calculating the MRV, rates considered while sanction of loan, reasons for vast difference in MRV and final MRV to be considered for deciding the case and case may again be placed before the committee for consideration.

However, during discussions, Director of the company informed that he still stands to earlier offer dated 04.05.2012 to settle the account in a consideration of Rs.55.00 lac less upfront amount deposited for SLC alongwith interest @ 13% only for three months.

14. M/s. Narendra Kumar Sharma, Sawai Madhopur

Shri Narendra Kumar Sharma, Proprietor of the unit appeared before the committee.

A loan of Rs.1.87 lac was sanctioned on 17.04.85 and disbursed Rs.1.87 lac upto 05.03.86 for purchase of truck with the condition of collateral security. Truck is not traceable and MRV of collateral security is Rs.10.75 lac and outstanding in the loan account as on 01.06.2012 is Rs.71.22 lac (P.sum Rs.1.87 lac, Interest Rs.69.35 lac).

The Corporation obtained decree from DJ, Sawai Madhopur on 16.12.94 for Rs.394512/- + interest @ 15% p.a. w.e.f. 22.01.1991. The case was registered for settlement under OTS scheme of 2008-09 and settled in Rs.4.20 lac on 31.03.2009 but party did not deposit the settlement amount and approached to Hon'ble High Court. The court directed on 14.03.2012 to consider the case for OTS.

The case was placed before SLC in its meeting held on 04.05.2012. The party did not attend the meeting and SLC decided to settle the case in Rs.373812/- i.e. in original decree amount less upfront amount deposited on 30.03.2012 (Rs.394512/- (-) Rs.20700/-). The amount was payable in six equal monthly instalments from 01.06.2012 and interest @ 13% p.a. on the unpaid amount.

Again the party approached to Hon'ble High Court and as per order dated 02.11.2012 the Hon'ble court directed to decided the case as per OTS scheme floated vide circular no. FR-662 dated 08/15.07.2011 within a period of three months.

After detailed discussions and considering facts and position of the case, the committee noted that had the case not registered under the OTS scheme 2011-12 and being the loan sanction amount upto Rs.2.00 lac, the account would have been finally written off by relaxing the eligibility criteria in this case. Hence, the committee decided to write off the account finally.

GENERAL DECISION:

During discussions, the committee noted that there are some cases which are debarred from the deemed settlement scheme either on account of cases registered under OTS scheme 2011-12 and still were pending as on 31.03.2012 or covered under condition no.12 of the scheme which is reproduced as under:

"the benefit of OTS shall not be extended to the cases of willful default, fraud or malfeasance committed by unscrupulous borrowers / guarantors etc. and where criminal cases are pending (except the cases wherein complaints have been lodged u/s 138(b) of the Negotiable Instruments Act).

However, if OTS is found a better exit route of recovery, such cases may be processed with due care and be referred to HO through the respective DGM (Operations) for permission for considering under the OTS Scheme.

However, One time settlement of such loan accounts will be without prejudice to any action / out-come of any criminal case(s) initiated / to be initiated by the Corporation / other law enforcing agencies.

Further, the borrowers of such cases shall not be absolved from any action and his / her liability on account of willful default / fraud / malfeasance committed with any other financial institution agencies."

The committee decided to collect information of all the cases of loans upto Rs.2.00 lac and debarred for deemed settlement scheme and put up before the committee for taking a view for finally write off.

GENERAL CONDITIONS:

- 1) Wherever settlement amount is to be paid in installments, the party will produce PDCs in the BO payable on 15th of the each month or date specified by the committee, as the case may be. BO has to ensure that PDC's are invariably taken in such cases.
- 2) If the party fails to make payment strictly as per decision of the committee, BO concerned will initiate recovery action at their level.
- 3) Recovery charges to be sent to Collector concerned are included in the settlement amount, where recovery is affected on account of action initiated under Section 32(G).
- 4) Actual other money not debited so far is to be recovered over & above the settlement amount. Branch Office will let it know to the party about amount of other money, if any, within a month from the issue of this order.
- 5) The party shall withdraw court case, if any, before issue of no dues certificate.
- 6) Subsidy, if any, shall be recoverable separately as per norms.


Dy. General Manager (RRMD)
MEMBER-SECRETARY