

RAJASTHAN FINANCIAL CORPORATION  
(FR Division)

**MINUTES**  
**Special HOLC Meeting**  
Date : 27.01.2007

|   |   |                  |
|---|---|------------------|
| Present   |   |                  |
| Shri B.N. Sharma, IAS<br>Chairman & Managing Director   | : | In Chair         |
| Shri S.K.Agarwal, RAS<br>Executive Director             | : | Member           |
| Shri Purushottam Biyani, RAS,<br>General Manager (Dev.) | : | Member Secretary |
| Shri R.P. Meena,<br>DGM(Loans)                          | : | Member           |
| Shri Dharamveer,<br>Manager (Incharge Law)              | : | Member           |

Shri Dinesh Mohan, Manager (FR), Shri S.S.Agarwal, Manager (FR), Shri S.K. Gupta, DM(FR), Shri Naveen Ajmera, DM(FR) and Shri H.S. Mehra, DM(ARRC) were also present.

**I Confirmation of the minutes of Special HOLC meeting held on 14.12.2006.**

Minutes were confirmed.

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

**1. M/s Laxmi Stone Polishers, Dholpur**

Shri Kapoor Chand Garg, Proprietor of the unit appeared before the committee. This is a case of Good Borrower Scheme but due to negligence of the branch officials, no interest and service charges debited in the A/c No. 4618 and 4619 since beginning and accounts had been closed on 31.03.03 and 31.03.04 respectively recovering principal sum only and PDCs of both the accounts were returned to the party. Later on when this fact came into the notice, the Branch Office recast the accounts manually and thus the amount of Rs. 2.98 lakh(A/c No. 4618) and Rs. 2.96 lakh (A/c No.4619) worked out to be recoverable from the party as on 01.10.06. The party was advised to deposit the said amount but the party stated that he was not at fault and having a good track record for paying dues in time, hence, no penal interest should be levied in the account recovered from him. The matter was examined at HO and competent

authority has accorded permission to put up the case before Special HOLC for consideration and take a view as a grievance case.

After detailed discussions and considering all the facts and position of the case, the committee offered the party to settle the account as follows:-

- i) No interest w.e.f. 2<sup>nd</sup> Jan., 2006 is to be charged.
- ii) Documented rate of interest is to be charged since beginning to 21.01.2006.
- iii) No penal interest will be charged in both the accounts.
- iv) That after recasting the account on the above basis, the amount worked out as repayable would be paid by the party within 30 days latest by 28.02.2007.

But the proprietor of the unit requested to inform about the exact amount so as to facilitate him to give his consent. It has, therefore, been decided to advise the BO to calculate and inform the amount to the party as per above formula within 7 days and if the party gives its consent within 7 days then the account may be treated as settled other wise the BO may take action for recovery.

It has been decided by the committee that a charge sheet may be issued by Vigilance Section to erring officials within a weeks time as to why the PDCs were returned without proper checking of the accounts.

## **2. M/s.Bhawani Salt Industries, Makrana**

Shri Devi Dutt, proprietor, appeared before the committee.

It is a case of common salt manufacturing unit of the SC entrepreneur. A loan of Rs. 2.59 lac was sanctioned on 29.08.92 and a sum of Rs. 1.60 lac was disbursed to the unit. The unit is reportedly lying closed, the brine water is of low degree, the area is remote and the kharda is not fully developed yet. Neither collateral security nor third party guarantee is available in this case. ROD was sent on 16.03.06 for recovery under LR Act. The balance outstanding is Rs. 22.56 lakh. MRV is Rs. 3.70 lakh.

This case has been registered as a special case to be placed before Special HOLC after obtaining permission of the CMD after getting 30% as up-front payment and requisite registration fee.

After detailed discussions and considering the facts of the case, the committee offered to settle the account waiver of 90% of the interest outstanding but the proprietor of the unit did not agree with the offer of the committee, hence, the case was **rejected**. The Branch may pursue the ROD already sent for recovery of dues of the Corporation.

The committee noted that the BO has considered the rates of land @ Rs. 20,000/- per bigha which appeared to be very low resulting into depicting low MRV. Therefore, Technical Cell may check this MRV and correct if MRV calculated is not as per norms.

**3. M/s. Bansal Granites, Jalore (ARRC Case)**

Shri Jagdish Prasad Agrawal, promoter of the unit and Shri Shyam Lal Agrawal, relative of the promoter, appeared before the committee. It is a case of granite tile manufacturing unit. This case was considered by HOLC in its meeting held on 09.03.06 and offered to settle the case for Rs. 5.40 lac less Rs. 0.40 lac deposited as up-front amount for HOLC and net settlement amount was Rs. 5.00 lac but the party did not agree to the offer given by HOLC, hence, the case was rejected.

As per HOLC proposal the MRV of primary assets was Rs. 5.75 lac. The party requested to reassess the value of assets. A team of officers reassessed the value as on 4.4.06 and value arrived was Rs. 4.44 lac. On non payment of dues of the Corporation, the possession of the unit was taken over by the Corporation on 17.10.06 and MRV worked out to Rs. 4.60 lac.

Aggrieved with the decision of HOLC, the party has filed an appeal on 18.11.06 after permission by the CMD for condoning the delay in filing the appeal.

After detailed discussions with the representatives of the unit and considering the facts, the committee offered to settle the account in a consideration of Rs. 3.22 lac less up-front amount of Rs. 1.22 lac(i.e. Rs. 0.40 lac for HOLC and Rs. 0.82 lac for Special HOLC), therefore, the net payment of settlement amount would be Rs. 2.00 lac which shall be paid by the party as under:-

|             |               |
|-------------|---------------|
| Feb., 2007  | Rs. 50,000/-  |
| March, 2007 | Rs. 50,000/-  |
| April, 2007 | Rs. 50,000/-  |
| May, 2007   | Rs. 50,000/-  |
|             | -----         |
| Total       | Rs.2,00,000/- |
|             | -----         |

No interest shall be charged upto 28.02.07 and thereafter simple interest @ 13% p.a. shall be charged on the unpaid amount of settlement. The possession of the fixed assets will be handed over after payment of entire settlement amount alongwith interest.

The proprietor of the unit consented to the settlement.

**4. M/s Shri Raju Ram Granites, RIICO Industrial Area, Bishangarh, Distt. Jalore.**

Shri Devi Ram, one of the partner and Shri Narsing Ram, brother of the partner, appeared before the committee. It is a case of granite tiles 1'x2' cutting machine and the unit is lying closed. Two loans of Rs. 2.00 lac and Rs. 2.58 lac were sanctioned to this unit on 26.08.89 and 28.07.93 respectively. Out of which, Rs. 1.80 lac and Rs. 2.51 lac respectively were disbursed. Both the accounts were in "Doubtful" category as on 31.03.04, and the total outstanding is Rs. 27.23 lac in both the accounts. The MRV is Rs. 2.93 lakh. No collateral security is available.

This case was registered by BO on 28.10.06 as a special case after obtaining approval of the CMD.

After detailed discussions with the partner and representative of the unit and considering the facts, the committee offered to settle the account on principal sum of Rs. 3.48 lac plus Rs. 2.37 lac, (10% of the interest outstanding) making a total repayable amount of Rs. 5.85 lac less up-front amount of Rs. 1.05 lac(rounded off), therefore, net settlement amount would be Rs. 4.80 lac, which shall be paid as follows:-

|             |                |
|-------------|----------------|
| Feb., 2007  | Rs. 1,60,000/- |
| March, 2007 | Rs. 1,60,000/- |
| April, 2007 | Rs. 1,60,000/- |
|             | -----          |
| Total       | Rs. 4,80,000/- |
|             | -----          |

No interest shall be charged on the above settlement amount upto 28.02.07 and thereafter simple interest @ 13% p.a. shall be charged on the unpaid amount of settlement.

The partner of the unit consented to the settlement.

**5. M/s Jagannath Granites, RIICO Indl. Area, Bishangarh, Distt. Jalore**

Shri Kesha Ram Choudhary, promoter, appeared before the committee. It is a case of granite tiles 1'x2' cutting unit which has been reported as closed. This case was registered as a special case directly for Special HOLC after obtaining permission of CMD.

There are two loan accounts and a total sum of Rs. 19.91 lac was outstanding as on 01.12.2006 in both the accounts. Category of the loan account was "Doubtful" on 31.03.04. The MRV of financed assets has been reported to Rs. 2.34 lac.

After detailed discussions with the proprietor of the unit and considering the facts, the committee offered to settle the account in a consideration of Rs. 3.88 lac less up-front amount of Rs. 0.88 lac, therefore, net payable settlement amount would be Rs. 3.00 lac which shall be paid by the party by 28.02.2007.

No interest shall be charged on the above settlement amount.

The proprietor of the unit consented to the settlement.

**6. M/s Madhur Granite, RIICO Industrial Area, Bishangarh, Distt. Jalore**

Shri Himmat Ram Choudhary, proprietor of the unit, appeared before the committee. It is a case of granite tile 1'x2' cutting unit and reported as closed. This case was registered directly for Special HOLC after obtaining permission of CMD.

There are two loan accounts and a total sum of Rs. 7.76 lac was outstanding as on 01.12.2006 in both the accounts. Category of the loan accounts was "Doubtful" on 31.03.04. The MRV of financed assets has been reported to Rs. 3.37 lac.

After detailed discussions with the proprietor of the unit and considering the facts, the committee offered to settle the account in a consideration of Rs. 3.37 lac less up-front amount of Rs. 0.63 lac, therefore, net payable settlement amount would be Rs. 2.74 lac which shall be paid by the party in two equal monthly instalment i.e. Rs. 1.37 lakh by 28.02.07 and abalance Rs. 1.37 lakh by 25.03.2007 alongwith interest @ 13% w.e.f. 01.03.07.

The proprietor of the unit consented to the settlement.

**7. M/s Shri Kana Ram son of Shri Deva Ram, V&P. Midiyan, Via-Parbatsar, Distt. Nagaur**

Shri Kana Ram, proprietor of the unit and Shri Lala Ram, brother of the proprietor, appeared before the committee. It is a case of transport loan Tata Truck is reported to be missing. Collateral security is available and value of the same has been reported as Rs. 8.58 lac. The category of the loan account as on 31.03.04 was "Doubtful" and a sum of Rs. 3.19 lac was outstanding as on 01.06.06.

Shri Kana Ram purchased two trucks for which loan of Rs.3.10 lac (A/c No. 4120) and Rs. 3.48 lac (A/c No. 4138) were sanctioned on 3.8.91 and 20.03.93 respectively. Seed capital amounting Rs. 62,000/- was also sanctioned to the unit on 5.8.91 (Account NO. 4120). The party applied for OTS of both the accounts which were forwarded by the BO on 11.01.01. A/c No. 4120 was settled by HOLC on 12.03.01 by waiving 50% of penal interest and A/c No. 4138 was settled by HOLC on 27.02.01 by waiving 100% penal interest but party did not comply with the settlement decision. Subsequently, party applied for regularization of their term loan account No. 4138 under IRS Scheme for the year 2001-02 and rescheduling of loan was considered on 20.03.02 by extending LDR upto 01.10.06. Party has been paying dues in their account though not regularly.

The A/c No. 4120 was settled by SLC on 10.03.05 in further lumpsum payment of Rs. 3.75 lac which has been paid by the party. Now, party has registered the case to settle his another account No. 4138 under OTS scheme introduced vide FR Circular dated 30.11.05. Since this account was earlier settled by HOLC on 27.02.01 by waiving 100% penal interest but the party failed to comply with the settlement decision, hence, this case was placed before Special HOLC by treating as an appeal case after obtaining permission from competent authority.

After detailed discussions with the promoter of the vehicle and considering the facts, the committee offered to settle the account in a consideration of Rs. 2.34 lac less up-front amount of Rs. 0.34 lac, therefore, net payable settlement amount would be Rs. 2.00 lac which shall be paid by the party by 28.02.07.

No interest shall be charged on the settlement amount.

The proprietor of the unit consented to the settlement.

**8. M/s.Bhawani Mines, Jaipur (Rural)**

Nobody on behalf of the unit, appeared before the committee, therefore, the case was **deferred**.

**9. M/s Triveni Containers (P) Ltd., Bassi, Distt. Jaipur**

Shri Rameshwar Sharma, director of the unit appeared before the committee. It is a deficit case and a sum of Rs. 7.89 lac was deficit amount including a sum of Rs. 2.39 lakh to be paid to Government Department on account of 70:30 policy (i.e. Rs. 5.50 lakh + Rs.2.39 lakh) For recovery of deficit, action under Section 32(G) is under process. The banker of the unit i.e.SBBJ also filed a court case against the unit.This

case was settled by DLC in a consideration of Rs. 8.28 lac less Rs. 0.86 lac deposited as up-front amount, thus, the net settlement amount was Rs. 7.42 lac but party preferred an appeal against the DLC decision.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 8.29 lac less total up-front amount of Rs. 1.72 lac deposited by the party for DLC and HOLC, therefore, the net payable settlement amount would be Rs. 6.57 lac which shall be paid in three equal monthly instalments payable from Feb., 2007 to April, 2007. No interest shall be charged upto 28.02.07 and thereafter simple interest @ 13% p.a. shall be payable on the unpaid amount of settlement as per norms.

The director of the unit did not agree to the above offer, hence, the case was **rejected** and branch to initiate recovery action as per norms.

**10. M/s Bhawani Chemical Industries, Hanumangarh**

Shri D.S. Rathore, one of the partner and his son Shri Praveen Rathore, appeared before the committee. The unit has been lying closed for last 8 years. The account of the unit was classified as "Sub Standard" as on 31.03.04 and "Doubtful" on 31.03.06. The case has been registered as a special case as per the orders of the CMD. MRV of the financed assets is Rs. 5.02 lac. Neither collateral security nor personal guarantee is available. Rs. 3,159/- was waived under Funded Interest Scheme, 2002-03. Two accounts are being maintained and in both the accounts a sum of Rs. 9.27 lac is outstanding on 01.09.06. A sum of Rs. 1.47 lac was penal interest charged in the account since beginning to 01.09.06.

After detailed discussions and considering all the facts and position of the case, the committee decided to **settle** the account by waiver of penal interest and considering the amount of penal interest, the committee offered to settle the account for a sum of Rs. 7.82 lac less upfront amount of Rs. 1.81 lac, therefore, net settlement amount would be Rs. 6.01 lac which shall be paid in five equal monthly instalments commencing from Feb., 2007 to June, 2007.

No interest shall be charged upto 28.02.07 and thereafter interest @ 13% p.a. on simple basis shall be charged on unpaid amount of settlement.

The partner of the unit consented to the settlement.

**11. M/s Hanuman Transport, Nagaur**

Shri Jalu Ram, proprietor of the unit and Shri Mangla Ram, Uncle of the proprietor, appeared before the committee.

It is a case of transport loan and the Corporation has financed two trucks in the year 1992. Out of which, one truck had been sold in auction in a consideration of Rs. 60,000/- on 07.01.02 and another truck is lying at Police Station, Sikar. The value of collateral security is Rs. 7.50 lac. Besides term loan, the Corporation has also sanctioned and disbursed seed capital of Rs.1.31 lac. A sum of Rs. 64.52 lac as on 01.09.06 (Rs. 61.42 lac in term loan and Rs. 3.10 lac in seed capital) is outstanding. For recovery of dues, Corporation has already sent ROD to Collector, Nagaur.

After detailed discussions and considering all the facts and position of the case, the committee offered to **settle** the account for Rs. 14.84 lac less Rs. 1.14 lac deposited as up-front amount, therefore, net settlement amount would be Rs. 13.70 lac but the proprietor did not agree to the offer given by the committee, therefore, the case was **rejected** and decided that Collector, Nagaur may be persuaded for expeditious action for recovery under LR Act.

**12. M/s Shri Lichman Ram son of Shri Bhura Ram, Midiyan, Makrana**

Shri Lichman Ram. Proprietor of the unit , appeared before the committee.

It is a transport loan case and truck financed by the Corporation is missing. The category of the loan as on 31.03.04 was "Doubtful". Besides term loan of Rs. 2.85 lac, the Corporation also sanctioned and disbursed seed capital of Rs. 0.57 lac. The value of collateral security is Rs. 4.00 lac. During the year 1999-2000 the Corporation considered request of the party for waiver of penal interest with the condition of clearance of balance outstanding by 31<sup>st</sup> March, 2000 but the party did not comply with the same. This case was also placed before HOLC in its meeting held on 19.06.01 and case was closed as nobody turned up. The party made an appeal to place the case before SLC by depositing required registration fee and up-front amount. The competent authority has condoned the delay in filing the appeal. Since jurisdiction of settlement committees has changed, this case was placed before Special HOLC.

After detailed discussions and considering all the facts and position of the case, the committee offered to **settle** the case for a sum of Rs. 5.00 lac less upfront amount of Rs.0.35 lac (rounded off), therefore, net settlement amount would be Rs.4.65 lac which shall be paid by the party in two equal instalments in Feb., 2007 and March, 2007.

No interest shall be charged upto 28.02.07 and thereafter simple interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The proprietor consented to the settlement.



**13. M/s Bindal Ganite, Bagra, Distt. Jalore**

Shri Shyam Lal Agrawal, Proprietor, appeared before the committee. It is a case of 1'x2' granite tile cutting unit which is under possession of the Corporation. A loan of Rs. 3.44 lac was sanctioned on 24.03.94 out of which Rs. 3.23 lac were disbursed. This case was earlier placed before HOLC in its meeting held on 09.03.06 and after considering the facts and position of the case, the committee offered to settle the case for Rs. 5.47 lac less Rs. 0.47 lac deposited for up-front amount for HOLC, therefore, net payable settlement amount was Rs. 5.00 lac but the party did not agree to the offer given by the committee, hence, the case was rejected.

Due to non payment of Corporation dues possession of the unit was taken on 17.10.06. The MRV of the assets is Rs. 4.21 lac and outstanding as on 01.12.06 including simple interest for possession period is Rs. 18.42 lac. The party filed an appeal on 18.11.06. The delay in filing appeal has been condoned by the CMD.

After detailed discussions with the proprietor of the unit and considering the facts, the committee offered to settle the account in a consideration of Rs. 3.44 lac less up-front amount for HOLC as well as Special HOLC( Rs. 0.47 lac for HOLC and Rs. 0.97 lac for Special HOLC), therefore, net settlement would be Rs. 2.00 lac, which shall be paid by the party in four equal monthly instalments from Feb., 2007 to May, 2007.

No interest shall be charged upto 28.02.07 and thereafter simple interest @ 13% p.a. shall be charged on the settlement amount. It was also decided that possession will be handed over back after deposition of entire settlement amount alongwith interest.

The proprietor of the unit consented to the settlement.

**14. Note regarding grievance of M/s Tak & Company, Jhunjhunu**

It is a case wherein a decision was taken by HO to waive off penal interest for the period of closure but the BO instead of giving benefit of amount of penal interest for closure period allowed benefit of entire penal interest charged in the account giving excess credit of Rs. 10,410/- and issued No Dues Certificate on 01.12.1990. This error came into the notice at the time of releasing the documents. The matter was enquired and recovery of excess credit of Rs. 10,410/- has been made from the erring officer Shri G.R. Pareek. The party has requested that this amount of Rs. 10,410/- recovered from Shri G.R. Pareek should be credited in his account w.e.f. the date on which No Dues Certificate was issued and after that for the balance amount he is ready to deposit.

After detailed discussions and considering all the facts and position of the case, the committee decided that the credit of Rs. 10,410/- recovered from the erring officer is not to be allowed in party's loan account, however, party should not suffer for the fault of the office and, therefore, it was decided that the balance amount remained unpaid after considering eligible amount of penal interest should be recovered by charging simple interest and benefit of compounding and penal interest may be allowed.

**15. Note regarding grievance of Shri Mahesh Kumar Tripathi, Jaipur(City) (Transport Loan – Mini Bus No. RNB-4719)**

Deferred.

**16. M/s Kankaria Udyog, Jodhpur**

Shri Mahendra Kankaria, Partner of the unit, appeared before the committee. It is an appeal case. This case was earlier placed before HOLC in its meeting held on 25.05.06, 13.06.06 and 07.07.06 but nobody turned up on behalf of the unit before the committee, therefore, it was decided by the HOLC in its meeting held on 07.07.06 to close the case with the directions that BO may initiate legal action for recovery as per norms. The party has made appeal against the decision of HOLC on 5.10.06. The delay in filing appeal has been condoned by the competent authority and the case was placed before Special HOLC in its meeting held on 14.12.2006 but again nobody turned up, therefore, the committee deferred the case. Against the unit, a sum of Rs. 17.42 lac is outstanding on 01.12.2006 (Principal Rs. 10.00 lac, Interest Rs. 7.41 lac and other money Rs. 0.01 lac)

After detailed discussions with the partner of the unit and considering the facts, the committee offered to settle the account in a consideration of Rs.11.00 lac less total up-front amount of Rs. 3.00 lac deposited for HOLC and Special HOLC (Rs. 1.50 lac each), therefore, net payable settlement amount would be Rs. 8.00 lac which shall be paid by the party upto 25.03.2007.

No interest shall be charged upto 28.02.07 and thereafter simple interest @ 13% shall be charged on the unpaid settled amount.

The partner of the unit consented to the settlement.

**17. M/s Natraj Fitting (P) Ltd., Chittorgarh**

Shri Jagdish Lal Soni, Director of the company alongwith Shri Dinesh Soni, relative of the Director, appeared before the committee.

It is a deficit case. This case was earlier considered by HOLC in its meeting held on 07.07.06 and the committee offered to settle the case for Rs. 9.15 lac less Rs. 1.35 lac deposited as up-front amount for HOLC, therefore, the net settlement amount was Rs. 7.80 lac but the party did not agree to the offer given by the committee, therefore, the case was rejected. Aggrieved with the decision of HOLC, the party has made an appeal to higher committee.

A loan of Rs. 20.00 lac was sanctioned on 18.03.98, out of which Rs. 18.04 lac was disbursed upto 2.3.2000. On non payment of Corporation dues, the unit was taken into possession on 23.03.01 and sold on 5.3.03 in a consideration of Rs. 12.21 lac. A loan against subsidy Rs. 3.33 lac was also disbursed to the company but due to non-reimbursement by the Government, it is also recoverable from the company alongwith interest. BO reported following outstanding in the account:-

|                       |          |
|-----------------------|----------|
| Principal             | 5.39 lac |
| Amount of subsidy     | 3.33 lac |
| Other Money           | 0.82 lac |
| (Interest on Subsidy) |          |
|                       | -----    |
| Total                 | 9.54 lac |
|                       | -----    |

After detailed discussions and considering all the facts and position of the case, the committee offered to **settle** the case for a sum of Rs.9.15 lac less total upfront amount of Rs. 2.73 lac deposited for HOLC and Special HOLC(Rs.1.35 lac for HOLC and Rs.1.38 lac for Spl. HOLC), therefore, net settlement amount would be Rs. 6.42 lac which shall be paid by the party in five equal monthly instalment commencing from Feb., 2007 to June, 2007.

No interest shall be charged upto 28.02.07 and thereafter simple interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The Director of the company consented to the settlement.

**18. M/s Morak Marbles Granites Pvt. Ltd., Banswara**

Shri Tayyab Ali, proprietor of the unit, appeared before the committee. It is a case of sale on deferred payment basis wherein deferred loan was Rs.18.76 lac. The unit is engaged in production of polished marble tiles located at Banswara. The unit is lying closed. The category of the loan account is "Doubtful". The MRV of the financed assets is Rs. 10.50 lac.

The outstanding as on 1.12.06 was Rs. 76.87 lac including principal sum Rs. 16.90 lac.

This case was earlier placed before HOLC held on 16.12.2006 wherein it was decided that the sacrifice in this case is likely more than Rs. 30.00 lac, therefore, this case would not be in the purview of HOLC committee, hence, the HOLC recommended to place the case before Special HOLC.

After detailed discussions and considering all the facts & position of the case, the committee decided to settle the case by waiving the entire penal interest charged in the loan account since beginning to date and, therefore, the amount payable as on 01.12.2006 was Rs. 62.47 lac but the promoter did not agree on the offer of the committee, therefore, no settlement could be reached and the case was **rejected**. The BO should take effective action for recovery.

**19. M/s Heena Industries, Pali**

Shri Basir Khan, proprietor of the unit, appeared before the Committee. Aggrieved with the decision of HOLC, the party registered the case as an appeal to Special HOLC. The unit is under possession since 4.7.05. The category of the loan account is "Doubtful". The outstanding as on 01.12.2006 was Rs. 6.64 lac including principal outstanding of Rs. 1.18 lac. After adding the simple interest for the possession period of Rs. 1.76 lac, the total outstanding increased to Rs. 8.40 lac. The loan was disbursed only for L&B. The MRV of the L&B is Rs. 6.48 lac. No collateral security as well as third party is available in this case.

After detailed discussions and considering all the facts & position of the case, the committee decided to settle the case on Rs. 3.93 lac **less** Rs. 0.43 lac, deposited as upfront amount for Special HOLC, therefore, net payable settlement amount would be Rs. 3.50 lac, **which shall be paid by the party in four equal monthly instalments commencing from Feb., 2007 to May, 2007.**

Interest @ 13% p.a. shall be charged on the unpaid amount of settlement from 1.03.07. The possession will be handed over to the promoter back after receiving full payment of settlement amount alongwith interest.

The proprietor consented to the settlement.

**20. M/s Manoj Granites, Behror, Distt. Alwar**

Shri Balveer Singh, proprietor of the unit, appeared before the Committee. Aggrieved with the decision of HOLC, the party registered the case as an appeal to Special HOLC. The unit is engaged in production of granite tiles and running one. The category of the loan account is "Doubtful". The

outstanding as on 01.09.2006 was Rs. 23.95 lac including principal outstanding of Rs. 4.54 lac only. The MRV of the financed assets is Rs. 11.63 lac. No collateral security as well as third party is available in this case. The case is pending with SDO, Mandawar under Section 32(G).

After detailed discussions and considering the fact that the unit is located at Industrial Area, Behror where prices of the land has been increased considerably. Therefore, the committee offered to settle the case on waiver of entire penal interest charged in the loan account since beginning but Shri Balveer Singh did not agree on the offer of the committee, hence, the case was **rejected**. The BO may take effective action for recovery as per the norms.

**21. M/s G. M. Industries, Bhartpur**

Shri Ghanshyam Das, partner and Shri Girish Kumar, partner of the unit, appeared before the Committee. It is a sub standard loan account and the disbursement was also after 31.03.2000, and the case was registered as a special case as per the orders of the competent authority by depositing 30% of principal sum outstanding as up-front amount and required registration fee. There are two loan accounts of the unit as on 01.12.06(One belongs to term loan account and second of working capital term loan), the principal outstanding was Rs.9.81 lac, interest overdues was Rs.4.99 lac and other money was Rs. 0.03 lac. The MRV of the fixed assets is Rs. 20.69 lac and value of the collateral security is Rs. 9.17 lac and net worth of the guarantor is Rs. 85.00 lac.

After detailed discussions and considering all the facts & position of the case, the committee decided to settle the case at Rs. 13.95 lac **less** Rs. 2.95 lac, deposited as upfront amount for Special HOLC, therefore, net payable settlement amount would be Rs. 11.00 lac, **which shall be paid by the party in six equal monthly instalments commencing from Feb., 2007 to July, 2007.**

Interest @ 13% p.a. shall be charged on the unpaid amount of settlement from 01.03.07 to the date of final settlement.

The proprietor consented to the settlement

**22. M/s Lumen Engineers, MIA, Jaipur**

The committee deferred the case for the next meeting.

**23. M/s Unique Industries, Bharatpur**

Shri Pankaj Kumar Singh, partner and Shri Satendra Singh, Manager of the concern, appeared before the committee. The committee noted that this is a case in which loan has been sanctioned and disbursement has been made prior to 31.03.2000, the loan account has been categorized as "Standard" on 31.03.04 (the account has been regularized by funding of overdue interest under the IRS Scheme 2003-04), classified as "Sub Standard" as on 31.03.05 and "Doubtful" as on 31.03.06. The balance outstanding in the loan account as on 01.12.2006 is Rs. 50.90 lac (Principal sum Rs. 27.10 lac, interest including Rs. 23.80), the MRV of primary assets is Rs. 36.00 lac and value of collateral security is Rs. 32.60 lac.

The committee noted that due to agitation of Sadhus, the State Government has banned the mining activities in Kaman as this stone crusher is located there and is in Brij Chourasy Kosh Parikrama, hence, the competent authority has allowed to place this case before Special HOLC as a special case by getting deposited 30% of principal sum as up-front amount and requisite registration fees. The committee also noted that earlier the partners had tried to sell it on mutual consent basis but the same could not be completed and there has been a change in partners without prior approval of the Corporation.

After detailed discussions and in view of the ban on the mining activities imposed by the State Government, the viability of the project has come to a stake, hence, it was decided to consider to settle the case at a net payable settlement amount of Rs. 36.55 lac which shall be paid by the party upto 28.02.07 without any interest. Case will be put before Board for ex-post-factor approval.

The proprietor of the unit consented to the settlement.

#### **24. M/s Mana Ram Bhura Ram, Nagaur (Transport Loan case)**

This case was placed before Special HOLC as a grievance case with the approval of CMD without insisting upon any registration fees and up-front amount. In the instant case, the BO, Nagaur fixed the monthly EMI at lower side. The party was almost in regular in paying instalments. The promoter of the concern represented before the committee that he was not at fault, as such, he should not be made liable for any further payment.

The matter was discussed at length. After considering facts of the case and listening to the promoter, the committee decided as follows:-

- a) The account may be settled by accepting principal sum plus 50% of simple interest thereon, arrived at by way of recasting of account on the basis of correct EMI. The 50% of simple interest is to be charged

from the party only upto the date when party first time made request to the Corporation for settlement of account by depositing requisite registration fees and up-front amount and any amount paid for settlement earlier which also be credited while arriving at the liability.

- b) The remaining 50% interest on simple basis upto the date when the party first time made request for settlement of account and interest to be charged thereafter till date of payment shall be recovered from the erring officials.

**GENERAL OBSERVATIONS:**

- i) If the party fails to make payment strictly as per decision of the committee, BO concerned will initiate recovery action at their level.
- ii) 5% recovery charges to be sent to Collector concerned are included in the settlement amount, where recovery is effected on account of action initiated under Section 32(G) as per provision of Circular No.FR.365 dated 3.10.2005 and dated 31.10.2005.
- iii) Court case, if any, shall be withdrawn by the party.
- iv) 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.
- v) Wherever settlement amount is to be paid in instalment, the party will produce PDCs in the BO payable on 15<sup>th</sup> of the each month or date specified by the Committee, as the case may be.

**(Purushottam Biyani)**  
**General Manager(Dev)**  
**&**  
**Member Secretary**

RAJASTHAN FINANCIAL CORPORATION  
(FR Division)

**MINUTES**  
**Special HOLC Meeting**  
Dated : 09.03.2007

|   |   |                        |
|---|---|------------------------|
| Present   |   |                        |
| Shri B.N. Sharma, IAS<br>Chairman & Managing Director   | : | In Chair               |
| Shri S.K.Agarwal, RAS<br>Executive Director             | : | Member                 |
| Shri Purushottam Biyani, RAS,<br>General Manager (Dev.) | : | Member Secretary       |
| Shri R.S. Gupta<br>GM (A/cs)/GM(Fin.)                   |   | Member                 |
| Shri K.K. Parashar,<br>DGM(Loans)                       | : | Member                 |
| Shri P.K. Singh<br>DGM(ARRC)                            | : | Member of their agenda |
| Shri S. Bhagat<br>DGM(FR)                               | : | Member of their agenda |
| Shri Dharamveer,<br>Manager (Incharge Law)              | : | Member                 |

Shri Dinesh Mohan, Manager (FR), Shri S.S.Agarwal, Manager (FR) and Shri S.K. Gupta, DM(FR) were also present.

**I Confirmation of the minutes of Special HOLC meeting held on 27.01.2007.**

Minutes were confirmed.

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

**1. M/s Vishwakarma Granites, Jalore (ARRC Case)**

Shri Babu Lal Suthar, Proprietor of the unit appeared before the committee. The unit was engaged in production of granite tiles 1'x2'. A loan of Rs. 2.93 lac was disbursed to the unit in the year 1995. The unit was taken into possession on 22.06.06. The category of the loan as on 31.03.04 was "Doubtful". The case was registered on 27.09.06 by the BO, Jalore thereafter ex-post-facto approval was granted by the competent authority i.e. CMD. The MRV of the prime assets is Rs. 6.85 lac. No collateral security and third party guarantee are available in this case. A sum of Rs. 15.27 lac was outstanding as on 01.12.2006 which includes principal sum of Rs. 2.71 lac and other money is Rs. 0.34 lac. The simple interest from the date of possession to 30.11.2006 was Rs. 1.13 lac making a total outstanding of Rs. 16.40 lac.



The committee noted that almost all the units located in RIICO Industrial Area, Bishangarh, Jalore are lying closed. Such units are located on small plots and there are very little chance of revival of such units either in the hands of original promoter or by way of sale of such units.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 6.90 lacs, Less upfront amount of Rs.0.90 lacs (Rounded off) therefore the net payable settlement amount would be Rs.6.00 lacs which will be paid in four equal monthly instalments of Rs.1.50 lacs commencing from the month of March, 2007.

No interest would be charged upto 31<sup>st</sup> March, 2007 and thereafter w.e.f. 01.04.2007 interest @ 16% p.a. on simple basis shall be charged on the unpaid settled amount.

The possession of the assets would be handed over back to the original promoter only after payment of settled amount alongwith interest.

The promoter consented to the settlement.

**2. M/s. Lumen Engineering, Jaipur(City)**

The Spl. HOLC discussed the report submitted by the committee constituted by it in its meeting held on 14.12.2006 and decided to take action as recommended by the committee.

**3. M/s. Mahesh Kumar Tripathi, Jaipur(City)**

The committee discussed the contents of the note and decided as follows :

- (a) To waive the panel interest to the tune of Rs.1.44 lac instead of Rs.1.19 lac with retrospective effect i.e. 31.01.95.
- (b) To give retrospective effect of letter dated 24.03.1995 with amendment as (a) above so that account may be squared up once for all.

**4 M/s. Bhawani Mines, Jaipur (Rural)**

Shri C.S. Sharma, representative of the guarantor, appeared before the committee. The case was registered as a special case after getting the necessary approval from the competent authority. A sum of Rs.2.76 lacs were disbursed to the unit till 27.07.1991 for setting up a unit for Grinding of Silica Quartz Sand. The unit is lying closed, the category of the loan account is doubtful. The case has been filed against the guarantor u/s 31(1)(aa). As on 01.09.2006 Principal outstanding was Rs. 2.76 lacs and interest was Rs. 42.59 lacs. The primary assets of the unit financed by the Corporation are reported to be in very poor condition, therefore, the

possession of the same is not feasible. The present value of the property of the third party guarantee is quite high i.e. Rs. 50.00 lac.

After detailed discussions by the member of the committee, Shri C.S. Sharma who appeared before the committee as representative of the guarantor have offered to settle the case in a consideration of Rs. 4.73 lac and Shri Sharma refused to increase the above offer of Rs. 4.73 lac. This offer of Shri C.S. Sharma was not acceptable to the committee, therefore, no settlement could be reached and the case was **rejected** with the advise that concerned branch should take effective steps for realization of the dues of the Corporation.

**5. M/s Som Prakash & Sons Bricks Pvt. Ltd., Hanumangarh**

Shri Arun Agarwal & Shri Kishan Agarwal, Director of the company appeared before the committee. The unit was engaged in manufacturing of bricks. The possession of the assets under Section 29 of the SFCs Act was taken on 03.01.97 and thereafter the unit was sold by the Corporation on 24.03.2003 in a consideration of Rs. 20.00 lac. After sale of the unit the original promoter had approached the Hon'ble Court and a stay was granted by the Hon'ble Court in favour of the original borrower which was got vacated and therefore the possession of the assets could be handed over to the purchaser on 28.06.05. A loan of Rs. 60.90 lac was sanctioned on 25.10.90 and Rs. 52.55 lac were disbursed to the unit. Subsidy of Rs. 8.99 lac was also disbursed on 18.10.91. During the course of AG Audit of District Industries Centre the AG Auditor have observed that the unit was not eligible for grant of subsidy therefore the same is recoverable from the unit alongwith interest.

A principal sum of Rs.52.55 lacs was outstanding as on 01.12.2006 and interest of Rs.55.26 lacs (including interest of Rs.6.81 lacs pertaining to the stay period i.e. from 23.04.2003 to 02.06.2005). A sum of Rs.0.45 lacs were incurred as legal expenses and watch and ward expenses (other money). Rs. 6.00 lacs were debited in the head of other money as per 70 : 30 policy. Subsidy of Rs.8.99 lacs were disbursed on which the interest works out to Rs.12.13 lacs. There is no collateral security available with the Corporation as well as there is no third party guarantee is available in the case. However, guarantee's of directors are available with the Corporation being a case of private limited company.

In the instant case the BO, Hanumangarh has sent ROD to DGM®, Bikaner on 23.11.2006 but after registration of the case the BO, Hanumangarh have requested DGM®, Bikaner for not to forward ROD to Collector, Hanumangarh, therefore, the recovery charges are not payable to revenue authorities.

After detailed discussion and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs.68.85 lacs, less upfront of Rs.8.85 lac(rounded off) therefore the net

payable settle amount of Rs.60.00 lacs which shall be paid in eight equal monthly instalments commencing from the month of April, 2007.

Interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement w.e.f. 1.4.2007.

The Director consented to the above decision of the committee.

**6. M/s Suraj Granites, Jalore (ARRC Case)**

Shri Bhagirath Kumar, proprietor and Shri Kishore Bansal, relative of the proprietor, appeared before the committee. The case was registered as a special case after obtaining necessary approval from the competent authority i.e. CMD. A loan of Rs. 4.10 lac was sanctioned and a sum of Rs. 3.78 lac was disbursed till 28.07.1995 . On account of non payment of dues, the unit was taken into possession on 22.06.2006. The unit was engaged in manufacturing of granite tiles size 1'x2'. Category of the loan account as on 31.03.04 was "Doubtful". As on 01.12.2006 a sum of Rs. 23.38 lac were outstanding including principal sum of Rs. 3.78 lac and other money of Rs. 0.16 lac. The simple interest for the possession period was Rs. 0.32 lac. The MRV of the primary assets is Rs. 6.76 lac. No collateral security as well as third party guarantee is available.

The committee noted that almost all the units located in RIICO Industrial Area, Bishangarh, Jalore are lying closed. Such units are located on small plots and there are very little chance of revival of such units either in the hands of original promoter or by way of sale of such units.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle in a consideration of Rs. 7.00 lac less up-front amount of Rs. 1.23 lac, therefore, the net payable settlement amount would be Rs. 5.77 lac which will be paid as follows:-

|              |  |
|--------------|--|
| Rs. 1.00 lac | March, 2007  |
| Rs. 4.77 lac | In five equal monthly instalment commencing from the month of April, 2007 to August, 2007. |
| -----        |  |

Rs. 5.77 lac  
-----

Interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement w.e.f. 1.4.2007.

The possession of the assets would be handed over back to the original promoter only after payment of settled amount alongwith interest.

The proprietor consented to the above decision of the committee.

**7. M/s Ambika Granites, Jalore**

Shri Naina Ram Choudhary, brother of the proprietor, appeared before the committee. The case was registered as a special case after obtaining

necessary approval from the competent authority i.e. CMD. A loan of Rs. 3.80 lac was sanctioned, out of a sum of Rs. 3.46 lac was disbursed till 24.06.1996 . The unit was engaged in manufacturing of granite tiles size 1'x2'. Category of the loan account was "Doubtful" as on 31.03.04. The unit is lying closed. As on 01.12.2006 a sum of Rs. 19.06 lac was outstanding including principal sum of Rs. 2.46 lac and other money of Rs. 0.15 lac. The MRV of the primary assets is Rs. 3.08 lac. No collateral security as well as third party guarantee is available.

The committee noted that almost all the units located in RIICO Industrial Area, Bishangarh, Jalore are lying closed, such units are located on small plots and there are very little chance of revival of such units either in the hands of original promoter or by way of sale of such units.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle in a consideration of Rs. 4.28 lac less up-front amount of Rs. 0.78 lac(rounded off), therefore, the net payable settlement amount would be Rs. 3.50 lac which will be paid as follows:-

|              |   |
|--------------|---|
| Rs. 0.50 lac | March, 2007   |
| Rs. 3.00 lac | In four equal monthly instalment of Rs. 0.75 lac each |
| -----        | commencing from the month of April, 07 to July, 2007. |
| Rs. 3.50 lac |   |
| -----        |   |

Interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement w.e.f. 1.4.2007.

The possession of the assets would be handed over back to the original promoter only after payment of settled amount alongwith interest.

The representative consented to the above decision of the committee.

#### **8. M/s Agrawal Granites & Marbles, Jalore**

Shri Kishore Bansal, proprietor of the unit, appeared before the committee. The case was registered as a special case after obtaining necessary approval from the competent authority i.e. CMD. A loan of Rs. 4.90 lac was sanctioned, out of Rs. 2.92 lac were disbursed till 18.07.1995. The unit was engaged in manufacturing of granite tiles size 1'x2'. Category of the loan account was "Doubtful" as on 31.03.04. The unit is lying closed. As on 01.12.2006 a sum of Rs. 23.97 lac were outstanding including principal sum of Rs. 2.92 lac and other money of Rs. 0.03 lac. The MRV of the primary assets is Rs. 2.37 lac. There is no collateral security as well as third party guarantee is available.

The committee noted that almost all the units located in RIICO Industrial Area, Bishangarh, Jalore are lying closed, such units are located on small plots and there are very little chance of revival of such units either in the hands of original promoter or by way of sale of such units.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle in a consideration of Rs. 3.89 lac less up-front amount of Rs. 0.89 lac(rounded off), therefore, the net payable settlement amount would be Rs. 3.00 lac which will be paid in three equal monthly instalments of Rs. 1.00 lac each i.e. in March, April & May, 2007.

Interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement w.e.f. 1.4.2007.

The proprietor of the unit consented to the above decision of the committee.

**9. M/s Arun Granites, RIICO Industrial Area, Bishangarh, Jalore**

Shri Shanti Lal, proprietor of the unit, appeared before the committee. The case was registered as a special case after obtaining necessary approval from the competent authority i.e. CMD. Loans of Rs. 2.27 lac(SL) and Rs. 2.03 lac (CL) was granted out of Rs. 1.75(SL) and Rs. 1.92 lac (CL) were disbursed till 31.03.1990 and 26.02.92 respectively. The unit was engaged in manufacturing of granite tiles size 1'x2'. Category of the loan account was "Doubtful" as on 31.03.04. The unit is lying closed. As on 01.12.2006 a sum of Rs. 13.09 lac were outstanding in both the loan accounts including principal sum of Rs. 2.49 lac and other money of Rs. NIL. The MRV of the primary assets is Rs. 3.61 lac. There is no collateral security as well as third party guarantee is available.

The committee noted that almost all the units located in RIICO Industrial Area, Bishangarh, Jalore are lying closed, such units are located on small plots and there are very little chance of revival of such units either in the hands of original promoter or by way of sale of such units.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle in a consideration of Rs. 4.26 lac less up-front amount of Rs. 0.76 lac, therefore, the net payable settlement amount would be Rs. 3.50 lac which will be paid as follows:-

|              |  |
|--------------|--|
| Rs. 0.50 lac | March, 2007  |
| Rs. 3.00 lac | In three equal monthly instalment of Rs. 1.00 lac each |
| -----        | commencing from the month of April, 07 to June, 07.    |
| Rs. 3.50 lac |  |
| -----        |  |

Interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement w.e.f. 1.4.2007.

The proprietor of the unit consented to the above decision of the committee.

**10. M/s Rajesh Granites, RIICO Indl. Area, Bishangarh, Jalore**

Shri Rajesh Sharma, proprietor of the unit, appeared before the committee. The case was registered as a special case after obtaining necessary approval from the competent authority i.e. CMD. A loan of Rs. 3.50 lac was granted out of Rs. 2.56 lac were disbursed till 15.12.1995 . The unit was engaged in manufacturing of granite tiles size 1'x2'. Category of the loan account was "Doubtful" as on 31.03.04. The unit is lying closed. As on 01.12.2006 a sum of Rs. 20.05 lac were outstanding including principal sum of Rs. 2.56 lac and other money of Rs. NIL. The MRV of the primary assets is Rs. 2.88 lac. There is no collateral security as well as third party guarantee is available.

The committee noted that almost all the units located in RIICO Industrial Area, Bishangarh, Jalore are lying closed, such units are located on small plots and there are very little chance of revival of such units either in the hands of original promoter or by way of sale of such units.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle in a consideration of Rs. 4.28 lac less up-front amount of Rs. 0.78 lac, therefore, the net payable settlement amount would be Rs. 3.50 lac which will be paid as follows:-

Rs. 3.00 lac            March, 2007

Rs. 0.50 lac            April, 2007

-----

Rs. 3.50 lac

-----

Interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement w.e.f. 1.4.2007.

The proprietor of the unit consented to the above decision of the committee.

**11. M/s Ganga Granites, RIICO Indl. Area, Bishangarh, Jalore(ARRC Case)**

Shri Samartha Ram Choudhary, proprietor of the unit, appeared before the committee. The case was registered as a special case after obtaining necessary approval from the competent authority i.e. CMD. A loan of Rs. 3.30 lac was sanctioned out of which a sum of Rs. 2.69 lac was disbursed till 01.01.1996. The unit was engaged in manufacturing of granite tiles size 1'x2'. Category of the loan account was "Doubtful" as on 31.03.04. On account of non payment of dues, the unit was taken into possession on 29.11.2006. As on 01.12.2006 a sum of Rs. 21.07 lac were outstanding including principal sum of Rs. 2.69 lac and other money of Rs.0.09 lac. The simple interest for the possession period is Rs. 0.02 lac. The MRV of the primary assets is Rs. 3.28 lac. No collateral security as well as third party guarantee is available.

The committee noted that almost all the units located in RIICO Industrial Area, Bishangarh, Jalore are lying closed, such units are located on small plots and there are very little chance of revival of such units either in the hands of original promoter or by way of sale of such units.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle in a consideration of Rs. 4.84 lac less up-front amount of Rs. 0.84 lac, therefore, the net payable settlement amount would be Rs. 4.00 lac which will be paid in five equal monthly instalments of Rs. 0.80 lac each commencing from the month of April, 2007 to August, 2007

Interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement w.e.f. 1.4.2007.

The proprietor of the unit consented to the above decision of the committee.

**12. M/s Mahaveer Granites, Indl. Area, Behror, Bhiwadi**

Shri Kuldeep Singh, proprietor of the unit, appeared before the committee. Aggrieved with the decision of the HOLC, the party has got registered the case as an appeal. It is a case of wheat flour mill which is lying closed. Category of the loan account was "Doubtful". Loan of Rs. 3.75 lac and Rs. 5.00 lac were granted, out of Rs. 3.75 lac and Rs. 4.09 lac were disbursed. As on 01.03.2007 a sum of Rs. 24.32 lac were outstanding in both the loan accounts including principal sum of Rs. 7.11 lac and other money of Rs. NIL. The MRV of the primary assets is Rs. 12.56 lac. There is no collateral security as well as third party guarantee is available.

The unit is located at Indl. Area, Behror having land measuring 1000 sq.mtr. The BO while calculating the MRV of the assets have considered the land rate @ 600 per sq. mtr. which in the opinion of the committee have now increased manifold.

The case was earlier placed in HOLC held on 7.7.06 wherein an offer of Rs. 12.56 lac (equal to MRV) was given to the promoter by the committee but the same was not accepted, hence the case was rejected.

After detailed discussions and considering all the facts and position of the case particularly increase in the land rate in the Behror area, the committee decided to settle in a consideration of Rs. 21.13 lac less up-front amount of Rs. 2.13 lac, therefore, the net payable settlement amount would be Rs. 19.00 lac which will be paid as follows:-

|               |  |
|---------------|--|
| Rs. 4.00 lac  | March, 2007  |
| Rs. 15.00 lac | in three equal monthly instalments of Rs.5.00 lac each commencing from April, 2007 to June, 2007 |

-----  
Rs. 19.00 lac

-----  
Interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement w.e.f. 1.4.2007.

The proprietor of the unit consented to the above decision of the committee.

**13. M/s Ajanta Polypack Industries, Indl. Area, Ratangarh, Churu**

Shri Babu Lal Mahrish, partner of the unit, appeared before the committee. Aggrieved with the decision of the HOLC, the party has got registered the case as an appeal. A loan of Rs. 3.70 lac was granted out of Rs. 3.32 lac were disbursed till 20.01.1997. It is a unit of HDPE/PP Bags which is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. As on 01.12.2006 a sum of Rs. 19.21 lac were outstanding including principal sum of Rs. 3.08 lac and other money of Rs. NIL. The MRV of the primary assets is Rs. 3.72 lac as on 6.3.07. There is no collateral security available. The value of the third party guarantees at the time of documentation was Rs. 6.00 lac(as per certificate issued by SDM, Churu). The same has now been valued by the Branch Office, Churu as Rs. 10.00 lac.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle in a consideration of Rs. 7.93 lac less up-front amount of Rs. 0.93 lac(rounded off), therefore, the net payable settlement amount would be Rs. 7.00 lac which will be paid in seven equal monthly instalments of Rs. 1.00 lac each commencing from the month of March, 2007 to September, 2007.

Interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement w.e.f. 1.4.2007.

The proprietor of the unit consented to the above decision of the committee.

**14. M/s Laxmi Udyog, Makrana**

The committee granted the ex-post-facto approval for the action of CMD regarding extension of time granted for payment of settled amount.

**15. M/s Bajrang Oil & Flour Mill, Makrana**

Since nobody attended the meeting, therefore, the case was deferred for the next meeting.

**16. M/s Jagat Granites, I.A. Bishangarh, Jalore (ARRC Case)**

Shri Dudha Ram Choudhary, proprietor of the unit, appeared before the committee. The case was registered as a special case after obtaining necessary approval from the competent authority i.e. CMD. A loan of Rs.



4.30 lac was sanctioned and out of it, a sum of Rs. 3.66 lac was disbursed till 15.01.1996. The unit was engaged in manufacturing of granite tiles size 1'x2'. Category of the loan account was "Doubtful" as on 31.03.04. On account of non payment of dues, the unit was taken into possession on 04.01.2007. As on 01.12.2006 a sum of Rs. 17.34 lac were outstanding including principal sum of Rs. 3.30 lac and other money of Rs.NIL. The MRV of the primary assets is Rs. 3.78 lac. No collateral security as well as third party guarantee is available.

The committee noted that almost all the units located in RIICO Industrial Area, Bishangarh, Jalore are lying closed, such units are located on small plots and there are very little chance of revival of such units either in the hands of original promoter or by way of sale of such units.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle in a consideration of Rs. 5.53 lac less up-front amount of Rs. 1.03 lac, therefore, the net payable settlement amount would be Rs. 4.50 lac which will be paid as follows:-

|              |  |
|--------------|--|
| Rs. 1.50 lac | March, 2007  |
| Rs. 3.00 lac | In three equal monthly installments of Rs. 1.00 lac each |
| -----        | commencing from the month of April, 2007 to June, 2007   |
| Rs.4.50 lac  |  |
| -----        |  |

Interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement w.e.f. 1.4.2007.

The proprietor of the unit consented to the above decision of the committee.

**17. M/s Karunodaya Industries, Bishangarh, Jalore (ARRC Case)**

Shri Vikram Bohra, proprietor of the unit, appeared before the committee. The case was registered as an appeal case after obtaining necessary approval from the competent authority i.e. CMD. A loan of Rs. 3.50 lac was sanctioned. Out of it, a sum of Rs. 2.87 lac was disbursed. The unit was engaged in manufacturing of granite tiles size 1'x2'. Category of the loan account was "Doubtful" as on 31.03.04. On account of non payment of dues, the unit was taken into possession on 28.10.2006. The P&M of the unit were already sold on 22.11.06 in a consideration of Rs. 0.45 lac. The sale proceed were credited in the loan account of the unit. As on 01.03.2007 a sum of Rs. 20.85 lac was outstanding including principal sum of Rs. 2.87 lac and other money of Rs.0.04 lac. The simple interest for the possession period is Rs. 1.30 lac. The MRV of the primary assets is Rs. 2.70 lac (L&B). No collateral security as well as third party guarantee is available. As per the 70:30 policy of State Government, a sum of Rs. 4,248/- towards PHED dues is payable by RFC.

The committee noted that almost all the units located in RIICO Industrial Area, Bishangarh, Jalore are lying closed, such units are located on small plots and there are very little chance of revival of such units either in the hands of original promoter or by way of sale of such units.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle in a consideration of Rs. 4.93 lac less up-front amount of Rs. 0.93 lac, therefore, the net payable settlement amount would be Rs. 4.00 lac which will be paid as follows:-

Rs. 0.50 lac    March, 2007 (by 25.03.2007)  
Rs. 3.50 lac    in four equal monthly instalments commencing from the  
-----       month of April, 2007 to July, 2007  
Rs. 4.00 lac  
-----

Interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement w.e.f. 1.4.2007.

The possession of the assets would be handed over back to the original promoter only after payment of settled amount alongwith interest.

The proprietor of the unit consented to the above decision of the committee.

**18. M/s Durga Namak Udyog, Makrana (ARRC Case)**

Since nobody attended the meeting, therefore, the case was deferred for the next meeting.

**19. M/s Nemi Chand Bhanwar Lal Textile Inds., Pali**

The committee noted that this is a textile processing unit of Shri Bhanwar Lal son of Shri Nemi Chand, sole proprietor to which two loans of Rs. 3.00 lac and Rs. 1.00 lac were sanctioned on 7.12.83 and 07.12.86 respectively, out of which a sum of Rs. 2.94 lac and Rs. 1.00 lac was disbursed. The balance outstanding in both the loan accounts is Rs. 7.67 lac as on 01.12.2006. MRV of primary assets is Rs. 15.50 lac (Land Rs. 12.50 lac, Building Rs. 2.50 lac and P&M Rs. 0.50 lac). The committee also noted that this concern has rented out some portion to M/s Jai Jeerawala Finishing Works which was promoted by Shri Nemi Chand, Shri Hans Mukh Ram and Shri Mohan Lal as partners. The said firm M/s Jai Jeerawala Finishing Works had also availed loan of Rs. 1.29 lac against the sanctioned amount of Rs. 1.36 lac. M/s Jai Jeerawala Finishing Works had disposed off the P&M without permission of the Corporation but no FIR has yet been lodged. In view of the orders of the Hon'ble ADJ Court, Pali, the Corporation has to take a view for both the concerns separately, therefore, the case of M/s Jai Jeera Wala Finishing Works has not been clubbed up while taking a view for settlement as per court orders.

After detailed discussions, the committee decided to settle the loan account for a sum of Rs. 7.25 lac (i.e. net settlement amount) on which the party consented to the settlement. The settlement amount of Rs. 7.25 lac will be paid as follows:-

50% of settlement amount in March, 2007

25% of settlement amount in April, 2007

25% of settlement amount in May, 2007

Interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement w.e.f. 1.4.2007.

**20. M/s Jai Jeera Wala Finishing Works, Pali**

Nobody turned up. However, the son of Shri Nemichand, who is one of the partner of the firm, Shri Bhanwar Lal who represented his case of M/s Nemi Chand Bhanwar Lal Textile was present and he was advised to settle this loan account but he mentioned that this unit was promoted by his father and was set up in a portion rented out of the premises of his firm but he is not concerned with this loan account as he is residing separately. However, he promised to pursue his father and other partners of M/s Jai Jeerawala Finishing Works to get the loan account settled. The committee clearly indicated to Shri Bhanwar Lal that in case no response is received within 7 days then the Corporation will go ahead for lodging FIR against the partners of the firm for missing P&M as well as action under Section 32(G).

**21. M/s T.G. Electromelt (P) Ltd., VKIA, Jaipur**

Shri Tajendra Garg, Director, attended the meeting. The committee noted that this is a deficit case having deficit amount of Rs. 19.83 lac. Action under Section 32(G) has been initiated and earlier the party had deposited a sum of Rs. 6.01 lac on account of up-front payment for placing his case before HOLC and SLC on different dates. The MRV of third party guarantee is reported to Rs. 9.50 lac and besides this there is a collateral security of Plot No. 83, Jawahar Nagar Colony, Sawaimadhopur.

After detailed discussions, the committee decided to settle the loan account on a further lumpsum payment of Rs. 15.00 lac to be paid by the party by 31.03.07 positively on which the party given its consent.

**22. M/s Chemical Salt, Makrana**

Shri Sohan Lal, guarantor, appeared before the committee. The case was registered as a special case after obtaining necessary approval from the competent authority i.e. CMD. Loan of Rs. 2.41 lac and Rs. 2.00 lac were granted in both the loan accounts, out of Rs. 2.31 lac and Rs. 1.26 lac were disbursed. The unit was engaged in manufacturing of common salt. Category of the loan account was "Doubtful" as on 31.03.04. The unit was lying closed since long time as the brine water is of low degree. As on 01.12.2006 a sum of Rs. 44.43 lac were outstanding including principal

sum of Rs. 3.57 lac in both the accounts. MRV of the primary assets is Rs. 3.67 lac. There is no collateral security as well as third party guarantee is available. ROD has been issued for recovery of dues under Section 32(G). The promoter of the unit is a SC candidate.

After detailed discussions and considering all the facts of the case decided to settle in a consideration of Rs. 4.58 lac less up-front amount of Rs. 1.08 lac, therefore, the net payable settlement amount would be Rs. 3.50 lac which will be paid in four equal monthly instalment commencing from the month of March, 2007 to June, 2007.

Interest @ 16% p.a. on simple basis shall be charged on the unpaid settlement amount w.e.f. 1.4.2007.

The proprietor of the unit consented to the above decision of the committee.

**23. M/s Ramjas Porwal S/o Shri Kanhiya Lal Porwal, Bhilwara (Transport loan case)**

The committee confirmed the action taken by CMD regarding extension in time for payment of settled amount.

**Rate of interest to be charged in settled cases**

The matter with regards to charging rate of interest in cases settled by Empowered Settlement Committees was also discussed and it was noted by the committee that on account of increased rate of interest on borrowings the cost of funds become more costlier, therefore, the Corporation have already decided to hike its rate of interest in the month of Jan., 2007 on various loan schemes.

The committee has also noted that at present the Corporation is charging 13% rate of interest that too on simple basis(without compounding and without any penal interest), on the settled as well as defaulted amount of settlement which may be misused by the loanee concerns to delay payments.

Owing to the above situation the committee decided that in the cases to be settled now onwards, 16% rate of interest on simple basis instead of 13% would be charged if the settlement amounts is proposed to be paid in instalments. Likewise, if in the earlier settled cases, the party defaults as per schedule then extension/regularization after 01.04.07 will be done by charging interest @ 16%. A circular to all the field offices will be issued separately.

**GENERAL OBSERVATIONS:**

- i) If the party fails to make payment strictly as per decision of the committee, BO concerned will initiate recovery action at their level.

- ii) 5% recovery charges to be sent to Collector concerned are included in the settlement amount, where recovery is effected on account of action initiated under Section 32(G) as per provision of Circular No.FR.365 dated 3.10.2005 and dated 31.10.2005.
- iii) Court case, if any, shall be withdrawn by the party.
- iv) Actual other money not debited so far is to be recovered over & above the settlement amount. Branch Office will let it be known to the party about amount of other money, if any, within a month from the issue of this order.
- v) Wherever settlement amount is to be paid in instalment, the party will produce PDCs in the BO payable on 15<sup>th</sup> of the each month or date specified by the Committee, as the case may be.

**(Purushottam Biyani)**  
**General Manager(Dev)**  
**&**  
**Member Secretary**

RAJASTHAN FINANCIAL CORPORATION  
(FR Division)

**MINUTES**  
**Special HOLC Meeting**  
Dated : 28.03.2007

|   |   |                        |
|---|---|------------------------|
| Present   |   |                        |
| Shri B.N. Sharma, IAS<br>Chairman & Managing Director   | : | In Chair               |
| Shri S.K. Agarwal, RAS<br>Executive Director            | : | Member                 |
| Shri Purushottam Biyani, RAS,<br>General Manager (Dev.) | : | Member Secretary       |
| Shri R.S. Gupta<br>GM (A/cs)/GM(Fin.)                   |   | Member                 |
| Shri K.K. Parashar,<br>DGM(Loans)                       | : | Member                 |
| Shri P.K. Singh<br>DGM(ARRC)                            | : | Member of their agenda |
| Shri S. Bhagat<br>DGM(FR)                               | : | Member of their agenda |
| Shri Dharamveer,<br>Manager (Incharge Law)              | : | Member                 |

Shri Dinesh Mohan, Manager (FR), Shri S.S. Agarwal, Manager (FR) and Shri Naveen Ajmera, DM(FR) were also present.

**I Confirmation of the minutes of Special HOLC meeting held on 09.03.2007.**

Minutes were confirmed.

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

**1. M/s Bajrang Oil & Flour Mill, Makrana**

Smt. Bhanwari Devi, Proprietor alongwith Shri Bansi Lal, Brother-in-law of the proprietor of the unit appeared before the committee. The case was registered as a special case by obtaining permission from the competent authority i.e. CMD. The unit was engaged in production of Oil & Flour mill. The unit is lying closed. Term loan of Rs. 1.40 lac was granted on 28.05.92, out of which Rs. 1.18 lac were disbursed. Working capital loan of Rs. 0.80 lac was also granted which was fully disbursed. The outstanding in both the loan accounts of the unit as on 01.03.07 was Rs. 17.88 lac out of which Rs. 1.98 lac as principal sum and Rs. 15.90 lac is interest . The category of the account as on 31.03.04 was "Doubtful". The MRV of the prime assets are only Rs. 0.96 lac and value of the collateral security is Rs. 1.64 lac.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 4.60 lacs, less upfront amount of Rs.0.60 lacs (Rounded off) therefore the net payable settlement amount would be Rs.4.00 lacs which will be paid as under:-

Rs. 0.50 lac in the month of March, 2007  
Rs. 3.50 lac in three equal monthly instalments commencing  
\_\_\_\_\_ from April, 2007 to June, 2007  
Rs. 4.00 lac  
\_\_\_\_\_

No interest would be charged upto 30<sup>th</sup> April, 2007 and thereafter w.e.f. 01.05.2007 interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The committee has also noted that while forwarding the case, the BO has not mentioned the MRV of the P&M as well as its where-about. It was also felt by the committee that there might be some procedural irregularities committed at the time of sanction of the case and the concerned DGM® should, therefore, conduct an enquiry about any procedural lapse and then send his report to HO with the name of erring officials by 15<sup>th</sup> April, 2007.

The promoter consented to the settlement.

## **2. M/s Anil Enterprises, Jhalawar**

Since nobody turned up, consideration of the case was deferred.

## **3. M/s Durga Namak Udyog, Makrana (ARRC Case)**

Shri S.K. Pareek, proprietor of the unit, appeared before the committee. The case was registered as a special case on approval of competent authority on payment of upfront @ 30% of principal plus other monies outstanding. Due to non payment of Corporation dues, the unit was taken into possession on 18.12.2006. The unit was engaged in production of common salt. The category of the loan account was "Doubtful" as on 31.03.04. As on 01.03.2007 a sum of Rs. 12.07 lac was outstanding against the unit and a sum of Rs. 0.39 lac was interest for the possession period. The MRV of the assets is Rs. 2.75 lac and the value of the collateral security Rs. 3.45 lac.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 6.33 lacs, Less upfront amount of Rs.0.83 lacs, therefore, the net payable settlement amount would be Rs.5.50 lacs which will be paid as under:-

Rs. 0.50 lac in the month of March, 2007  
Rs. 5.00 lac in five equal monthly instalments commencing  
\_\_\_\_\_ from April, 2007 to August, 2007

Rs. 5.50 lac

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No interest would be charged upto 30<sup>th</sup> April, 2007 and thereafter w.e.f. 01.05.2007 interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter consented to the settlement.

**4. M/s Anil Poly Packers, Churu**

Shri Hari Prakash Indoria, proprietor of the unit, appeared before the committee. This case was earlier rejected by HOLC in its meeting held on 25.10.05. Aggrieved with the decision of the HOLC, the promoter made an appeal to the competent authority i.e. CMD and CMD has granted necessary permission for condonation of delay in making appeal. The unit is engaged in producing LLDP/HDPE granules. The category of the loan account was "Doubtful" as on 31.03.04. There are two loan accounts of the unit, account 1st represents term loan and second account represents loan against subsidy. A sum of Rs. 35.45 lac were outstanding in both the loan accounts of the unit as on 01.03.2007 out of which Rs. 3.96 lac is principal outstanding. ROD has already been issued. The revised MRV communicated by the branch of the prime assets is Rs. 4.75 lac (old MRV was Rs. 3.46 lac). The value of the third party guarantee is Rs. 4.91 lac.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 9.20 lacs, Less upfront amount of Rs.1.20 lacs, therefore, the net payable settlement amount would be Rs.8.00 lacs which will be paid as under:-

Rs. 0.50 lac in the month of March, 2007

Rs. 7.50 lac in seven equal monthly instalments commencing  
\_\_\_\_\_ from April, 2007 to Oct., 2007

Rs. 8.00 lac

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No interest would be charged upto 30<sup>th</sup> April, 2007 and thereafter w.e.f. 01.05.2007 interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter consented to the settlement.

**5. M/s Shri Pawan Kumar Purchaser of M/s Yogesh Kumar Gupta/  
M/s SRL Automotive (P) Ltd., Bhiwadi (ARRC Case) (Note)**

The grievance of Shri Pawan Kumar, son of Shri Vijay Singh, purchaser of M/s Yogesh Kumar Gupta/M/s SRL Automotive (P) Ltd. was placed before the committee without asking any registration as well as up-front amount and party was also not called.



After detailed discussions the committee noted that there was a stay during the period from 1.5.06 to 13.09.06 and therefore, the committee has decided to waive the interest charged in the loan account from 1.5.06 to 19.09.06 however, the interest is to be charged for the period beyond the stay period subject to terms and conditions of sale letter.

**6. M/s M/s Gahlot Granites, Jalore (ARRC Case)**

Shri Mohan Lal, partner of the unit, appeared before the committee. The case was registered as a special case on approval of competent authority on payment of upfront @ 30% of principal plus other outstanding monies. Due to non payment of Corporation dues, the unit was taken into possession on 18.10.2006. The unit was engaged in production of granite tile size 1'x2'. The category of the loan account was "Doubtful" as on 31.03.04. As on 01.03.2007, a sum of Rs. 12.88 lac was outstanding against the unit and a sum of Rs. 0.91 lac was the simple interest for the possession period. The principal outstanding is Rs. 2.26 lac and other money outstanding Rs. 0.35 lac. The MRV of the assets is Rs. 4.25 lac and there is no collateral security as well as third party personal guarantee.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 4.25 lacs, less upfront amount of Rs.0.75 lacs, therefore, the net payable settlement amount Rs. 3.50 lac, would be paid in seven equal monthly instalments of Rs. 0.50 lac each commencing from the month of April, 2007 to October, 2007.

No interest would be charged upto 30<sup>th</sup> April, 2007 and thereafter w.e.f. 01.05.2007 interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter consented to the settlement.

**7. M/s Maa Bhawani Salt Udyog, Sikar**

Shri Hari Krishan Sharma, proprietor of the unit, appeared before the committee. This case was registered as a special case after approval of competent authority i.e. CMD on payment of @ 30% of principal plus other money outstanding. The unit is engaged in production of common salt. The unit is lying closed for very long time and it is one of the cases of closed salt units of Rewasa Distt. Sikar. The category of the loan account was "Doubtful". A sum of Rs. 13.94 lac were outstanding in both the loan accounts of the unit as on 01.03.2007 out of which Rs. 1.50 lac is principal outstanding and other money is Rs. 0.01 lac. ROD has already been issued. The MRV of the financed assets is Rs. 2.01 lac. There is no collateral security as well as no third party personal guarantee.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 3.45 lacs, less upfront amount of Rs.0.45 lacs, therefore, the net payable

settlement amount of Rs. 3.00 lac would be paid in six equal monthly instalments of Rs. 0.50 lac each commencing from the month of April, 2007 to September, 2007

No interest would be charged upto 30<sup>th</sup> April, 2007 and thereafter w.e.f. 01.05.2007 interest @ 16% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter consented to the settlement.

#### **8. M/s M/s Jankinath Namak Udyog, Sikar**

Shri Bhupendra Singh, proprietor and Shri Hardayal Singh, relative of the proprietor of the unit, appeared before the committee. This case was registered as a special case after approval of competent authority i.e. CMD on payment of @ 30% of principal plus other money outstanding. The unit is engaged in production of common salt. The unit is lying closed for a very long time and it is one of the cases of closed salt units of Rewasa Distt. Sikar. The category of the loan account was "Doubtful". A sum of Rs. 40.75 lac was outstanding in both the loan accounts of the unit as on 01.03.2007 out of which Rs. 3.65 lac is principal outstanding. ROD has already been issued. The MRV of the financed assets is Rs. 4.27 lac. The value of the collateral security is Rs. 4.50 lac.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 8.60 lacs, Less upfront amount of Rs.1.10 lacs, therefore, the net payable settlement amount would be Rs. 7.50 lac which was not accepted by the promoter, hence no settlement could be reached and the case was **rejected** with the advise that branch should pursue the matter with the Collector for recovery under Section 32(G).

#### **9. M/s Famida Fabricators, Bhilwara**

Shri Nasrudeen, proprietor, Shri Sizzaudin, son of proprietor and Shri Ayaz Ahmed, relative of the proprietor of the unit, appeared before the committee. This case was registered as a special case after seeking ex-post-facto approval of competent authority i.e. CMD. The unit is engaged in fabrication and erection work. The unit is lying closed since very long time and it is a very old case and sanctioned case of 1982. In this case, the L&B had been sold long back in December, 1987 and plant & machinery lying in scrap condition, therefore, no MRV of the same was calculated. The category of the loan account was "Doubtful" as on 31.03.04. A sum of Rs. 14.09 lac was outstanding in the loan account of the unit as on 01.12.2006, out of which Rs. 0.93 lac is principal outstanding. ROD has already been issued. The proprietor had deposited a sum of Rs. 1.69 lac as up-front amount on 16.01.2007 which was more than required. The promoter of the unit is a paralytic person and is also suffering from many chronic diseases.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 3.19 lacs, less upfront amount of Rs.1.69 lacs, therefore, the net payable settlement amount would be Rs. 1.50 lac which shall be paid in the month of April, 2007 without any interest.

Though the son of promoter has given consent to the above settlement instantly, there-after he changed his mind and came with a request that he has already deposited up-front fee, which is more than what was required and he is a paralytic person, therefore, the above decision of the committee is not acceptable to him. In view of this new development the case was treated as rejected.

**10. M/s Sangam Oil Mills, Nagaur**

Since nobody turned up, consideration of the case was deferred.

**11. M/s Dashmesh Mineral, Chittorgarh**

Shri Phoolwant Singh, proprietor, Shri N.N. Jindal, President of Industries Association, Chittorgarh, appeared before the committee. Though the health code category of the loan account was Sub Standard as on 31.03.04, this case was registered as a special case on humanitarian ground as the entire family of the promoter died in a road accident way back in July, 2001. The promoter himself suffered multiple fractures and injuries. The District Industries Association, Chittorgarh, has come forward to help the promoter for One Time Settlement of his loan account with RFC. The up-front amount was deposited by the unit @ 30% of principal sum plus other monies outstanding.

The concern has two loan accounts (term loan). Apart from it, an investment subsidy of Rs. 1,16,600/- was also disbursed to the concern under State Subsidy Scheme, 1990 which is recoverable alongwith interest as the unit did not commence production within the stipulated period. The AG has also raised an objection on disbursement of investment subsidy. The loanee unit has filed a writ petition in the Hon'ble High Court, Jodhpur and has obtained stay against recovery of subsidy. DG Set subsidy of Rs. 98250/- was also given by DIC under DG Set subsidy scheme and that has also been called back by DIC alongwith interest as the unit did not remain in production for five years.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 12.70 lacs, less upfront amount of Rs.2.70 lacs, therefore, the net payable settlement amount would be Rs. 10.00 lac, which shall be paid in ten equal monthly instalments commencing from April, 2007 alongwith interest @ 16% p.a. on the unpaid amount of settlement w.e.f. 01.05.2007. The documents will be released after disposal of the court case.

The promoter consented to the settlement.

**12. M/s Sita Organics Ltd, Udaipur**

Shri R.C. Garg and Shri Dinesh Kothari, Directors of the company, appeared before the committee. Aggrieved of the decision of the HOLC, the party registered the case as an appeal before Special HOLC. Earlier this case was placed in HOLC meeting held on 3.8.06 wherein an offer of Rs. 42.00 lac less Rs. 8.00 lac( up-front amount and paid thereafter) net settlement amount of Rs. 34.00 lac but the company did not agree to the offer of the committee, therefore, the case was rejected. It is a deficit case where principal deficit of Rs. 40.00 lac (rounded off) and after adding 5% amount to be paid to the revenue authorities the total deficit comes to Rs. 42.00 lac

After detailed discussions and considering all the facts and position of the case, the committee upheld the decision of HOLC and decided to settle the case in a consideration of Rs. 42.00 lacs, less upfront amount and the amount paid by the company which amounts to Rs.20.00 lac, therefore, the net payable settlement amount would be Rs. 22.00 lac which shall be paid in two instalments of Rs. 11.00 lac each-one in the month of March, 2007 and second in the month of April, 2007, without any interest.

The directors of the company consented to the settlement.

**13. M/s Mana Ram Bhura Ram, Nagaur (Note)**

A note was placed before the committee but the same could not be discussed due to paucity of time, therefore, it was decided that the same would be placed in the next meeting.

**14. M/s M/s Joshi Industries, Beawar**

Shri P.N. Joshi, proprietor of the unit, appeared before the committee. The category of the loan account as on 31.03.04 was "Sub Standard". Therefore, the case was registered as a special case on approval of competent authority i.e. CMD and on payment of upfront equal to 30% of principal plus other monies outstanding. The assets of sick unit were sold to the above unit. The unit is engaged in production of Mill Board/Card Board. The unit is lying closed. It has also been brought to the notice of the BO that the promoter has entered into an agreement at his level for selling of the unit and a public notice was published in the daily "Dainik Bhasker" on 25.02.07. A sum of Rs. 7.77 lac was outstanding as on 01.12.2006 against the unit which includes principal of Rs. 3.36 lac and other money is Rs. 0.06 lac. MRV of the financed assets is Rs. 9.03 lac. There is no collateral security as well as personal guarantee available in this case.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 7.78 lacs, Less upfront amount of Rs.1.02 lacs, therefore, the net payable settlement amount would be Rs.6.76 lacs which will be paid as under:-

Rs. 2.50 lac in five equal monthly instalments of Rs. 0.50 lac each  
commencing from April, 2007 to August, 2007  
Rs.4.26 lac in the month of September, 2007

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Rs.6.76 lac

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No interest would be charged upto 30<sup>th</sup> April, 2007 and thereafter w.e.f. 01.05.2007 interest @ 16% p.a. on simple basis shall be charged on the unpaid settled amount.

On account of some urgent work, the promoter left the meeting without furnishing consent in writing, though, verbally he had agreed to the above decision therefore, it was decided that the promoter be asked to furnish his consent in writing to the BO, Beawar if he furnishes consent by 10<sup>th</sup> April, 2007 case would be treated as settled.

**15. M/s Choudhary Salt, Rewasa, Sikar**

Shri Mangal Chand, proprietor, Shri B.L. Sharma, President of Union of Rewasa Salt units, appeared before the committee. The case was registered as a special case on approval of the competent authority i.e. CMD and after deposition of upfront @ 30% of principal sum plus other money outstanding. The unit is engaged in production of common salt at Village-Rewasa, Distt. Sikar. The unit is lying closed since long time. Not only this unit but also almost all the units located at Rewasa, Distt. Sikar engaged in production of common salt are lying closed. Category of the account as on 31.03.04 is "Doubtful". The MRV of the fixed assets is Rs. 2.50 lac. There is no collateral security as well as personal guarantee available. ROD has already been issued.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the case in a consideration of Rs. 7.01 lacs, less upfront amount of Rs.0.76 lacs, therefore, the net payable settlement amount would be Rs.6.25 lacs but the promoter did not agree to the offer of the committee, therefore, no settlement could be reached and the case was **rejected** with the advise the BO to pursue the case with Collector for recovery of dues under Section 32(G).

**16. M/s RRK Polythene Bags, Sikar**

Shri Ramavtar Kumawat, partner and Shri Basant Lal Morwal, relative of the partner of the unit, appeared before the committee. This case was earlier placed in HOLC meeting dt. 25.03.06 wherein the case was rejected. The BO, Sikar has wrongly registered the case under the scheme for waiver of penal interest on 6.2.07 thereafter on representation by the party, the competent authority allowed the case to be placed before Special HOLC. Accordingly, the case was registered. The unit is engaged in production of polythene bags and lying closed. In fact it is an abandoned

project wherein loan was disbursed only against L&B and no disbursement was made against P&M as the party did not procure the P&M. Category of the loan account as on 1.03.07 is "Doubtful". A sum of Rs. 16.36 lac is outstanding as on 01.03.07, out of which Rs. 1.84 lac is principal sum. The MRV of the financed assets is Rs. 12.37 lac. There is no collateral security as well as personal guarantee available in this case.

The committee offered to settle the loan account by waiver of penal interest but the party mentioned that at the time of getting the case registered the BO had given them an understanding that entire interest and penal interest will be waived as they had only availed a loan of Rs. 1.84 lac and project was abandoned, hence entire interest should be waived.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 11.10 lacs, less upfront amount of Rs.2.10 lacs, therefore, the net payable settlement amount would be Rs.9.00 lacs which will be paid by 31.03.07 without any interest.

The partner consented to the settlement.

**17. M/s Shiv Stones, Rewasa, Sikar**

Shri Neeraj Meharia, son of late Shri Santosh Meharia (proprietor) and Shri Prem Singh, relative of the proprietor of the unit, appeared before the committee. This case was registered as a special case on payment of upfront @ 30% of the principal sum and other money outstanding. Category of the loan account as on 31.03.04 is "Doubtful". This was a stone crushing unit. The unit is lying closed. ROD has already been issued. A sum of Rs.27.62 lac is outstanding as on 01.03.2007 which includes principal of Rs. 4.25 lac. The MRV of the fixed assets is Rs. 4.00 lac. There is no collateral security as well as personal guarantee is available in this case.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 6.78 lacs, less upfront amount of Rs.1.28 lac, therefore, the net payable settlement amount would be Rs.5.50 lacs which will be paid by 30.04.07 without any interest.

The son of the proprietor consented to the settlement.

**18. M/s Manmohani Granites (P) Ltd., Shahpura, Jaipur(Rural)**

Shri Anil Pareek, Director and Shri Ashish, Brother of the Director of the company, appeared before the committee. This case was registered as a special case on payment of upfront @ 30% of the principal sum and other money outstanding. Category of the loan account as on 31.03.04 was "Doubtful". The unit is engaged in granite tiles size 1'x2'. The unit is lying closed. A sum of Rs.72.04 lac is outstanding as on 01.03.2007 which

includes principal sum of Rs. 6.42 lac and other monies of Rs. 0.03 lac. The MRV of the fixed assets is Rs. 15.85 lac. There is no collateral security as well as personal guarantee available in this case.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 13.94 lacs, less upfront amount of Rs.1.94 lac(rounded off), therefore, the net payable settlement amount would be Rs.12.00 lacs which shall be paid as under:-

Rs. 5.00 lac in the month of March, 2007

Rs.7.00 lac in seven equal monthly instalments of Rs. 1.00 lac each commencing from April, 2007 to October, 2007

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Rs.12.00 lac

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No interest would be charged upto 30<sup>th</sup> April, 2007 and thereafter w.e.f. 01.05.2007 interest @ 16% p.a. on simple basis shall be charged on the unpaid settled amount.

The Director consented to the settlement.

**GENERAL OBSERVATIONS:**

- i) If the party fails to make payment strictly as per decision of the committee, BO concerned will initiate recovery action at their level.
- ii) 5% recovery charges to be sent to Collector concerned are included in the settlement amount, where recovery is effected on account of action initiated under Section 32(G) as per provision of Circular No.FR.365 dated 3.10.2005 and dated 31.10.2005.
- iii) Court case, if any, shall be withdrawn by the party.
- iv) Actual other monies not debited so far are to be recovered over & above the settlement amount. Branch Office will let it be known to the party about amount of other money, if any, within a month from the issue of this order.
- v) Wherever settlement amount is to be paid in instalments, the party will produce PDCs in the BO payable on 15<sup>th</sup> of the each month or date specified by the Committee, as the case may be.

**(Purushottam Biyani)**  
**General Manager(Dev)**  
**&**  
**Member Secretary**

RAJASTHAN FINANCIAL CORPORATION  
(FR Division)

**MINUTES**  
**Special HOLC Meeting**  
Date : 29.05.2007

|   |   |                        |
|---|---|------------------------|
| Present   |   |                        |
| Shri B.N. Sharma, IAS<br>Chairman & Managing Director   | : | In Chair               |
| Shri S.K.Agarwal, RAS<br>Executive Director             | : | Member                 |
| Shri Purushottam Biyani, RAS,<br>General Manager (Dev.) | : | Member Secretary       |
| Shri R. S. Gupta<br>General Manager(Fin.&A/cs)          | : | Member                 |
| Shri K.K. Parashar,<br>DGM(oans)                        | : | Member                 |
| Shri P.K. Singh,<br>DGM(ARRC)                           | : | Member of their Agenda |
| Shri S. Bhagat,<br>DGM(FR)                              | : | Member of their Agenda |
| Shri Dharamveer,<br>Manager (Incharge Law)              | : | Member                 |

Shri Dinesh Mohan, Manager (FR), Shri S.S.Agarwal, Manager (FR), Shri S.K. Gupta, DM(FR) and Shri Naveen Ajmera, DM(FR) were also present.

Shri Purushottam Biyani, GM(D) left the meeting at 12.00 noon due to emergency assignment of State Government in connection with disturbance in Law & Order position in the State(Reservation matter of Gurjars). Therefore, he was present only when first 3 agendas were discussed/decided.

**I Confirmation of the minutes of Spl. HOLC meeting held on 28.03.07.**

Minutes were confirmed.

**II. List of Default cases**

As per direction of Board the position of cases settled by Special HOLC in the FY. 2006-07 where promoters committed default was placed for the review of the committee and after reviewing the performance, the committee appreciated the efforts made by FR/ARRC Cell for reducing the incidence of default in various settled cases.

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



**1. M/s Sobhagya Lime (P) Ltd., Sojat, Distt. Pali (ARRC Case)**

Shri Ashok Singh, Director of the company, appeared before the committee. It is a case of hydrated lime and assets of unit are lying under possession of the Corporation since 15.09.2000. Two loans of Rs. 37.00 lac and Rs. 3.00 lac were sanctioned on 21.12.92 and 20.10.94, out of which Rs. 25.53 lac and Rs. 3.00 lac respectively was disbursed. MRV of the fixed assets is reported to Rs. 18.00 lac. On 1.3.07 a sum of Rs. 93.27 lac including interest up to date of possession was outstanding, out of which Rs. 28.53 lac and Rs. 2.85 lac are principal and other money respectively. Neither collateral security nor third party guarantee is available. The accounts of the unit were under "Doubtful" category on 31.03.04.

In the instant case, party filed writ before Hon'ble High Court (SBCWP 1757/05) and Hon'ble High Court on 5.9.06 passed orders as under:-

"Regarding escalation of payment and interest, the petitioner may make representation which shall be considered by the respondents sympathetically "

The competent authority i.e. CMD has granted permission to register the case for settlement under OTS.

After detailed discussions with the director of the company and considering all the facts and present position of the case, the committee offered to settle the account by waiving of penal interest of Rs. 9.67 lac and also not to charge interest for the possession period i.e. in a consideration of Rs. 83.60 lac **less** up-front amount of Rs. 9.55 lac, therefore, net settlement amount would be Rs. 74.05 lac but this offer of the committee was not accepted by the director of the company, therefore, the committee decided to **reject** the case with the direction that necessary further action for disposal of fixed assets may be initiated immediately by the BO.

**2. M/s Sangam Oil Mill, Merta Road, Nagaur**

Shri Prakash Sharma, proprietor of the unit, appeared before the committee. It is a case of edible oil mill. A loan of Rs. 9.48 lac was sanctioned on 29.11.94 under Single Window Scheme of the Corporation (Rs. 5.98 lac for fixed assets and Rs. 3.50 lac for Working Capital) Out of the sanctioned amount a sum of Rs. 3.45 lac and Rs. 2.79 lac was disbursed for creation of fixed assets and working capital respectively. The factory of the unit is lying closed and loan account of the unit was "Doubtful" on 31.03.04. MRV of the fixed assets as reported to Rs. 6.50 lac. The value of collateral security has been reported to Rs. 0.82 lac. For recovery of the dues, Corporation has

initiated action under Section 32(G) and ROD has already been sent to District Collector, Nagaur as reported by the BO. The case was registered for settlement as a special case after obtaining approval of the competent authority i.e. CMD.

On 01.03.07, a sum of Rs. 47.39 lac was outstanding in both the loan accounts (TLS and WC) which includes a sum of Rs. 6.24 lac as principal outstanding.

After detailed discussions with the proprietor of the unit and considering all the facts and present position of the case, the committee offered to settle the account in a consideration of Rs. 9.87 lac **less** up-front amount of Rs. 1.87 lac, therefore, net settlement amount would be Rs. 8.00 lac but this offer of the committee was not accepted by the proprietor of the unit, therefore, the committee has decided to **reject** the case with the direction that necessary further action for recovery of dues may be initiated. In the instant case working capital loan of Rs. 3.50 lac was granted and Rs. 2.79 lac was disbursed whereas the value of collateral security is only Rs.0.82 lac only. Normally Corporation has been asking the 100%-150% collateral security for financing of working capital and the value of collateral security appreciate by lapse of time but in this case the present value of collateral security is only Rs.0.82 lacs. Hence. the committee also decided that a departmental enquiry may be conducted for any lapses in sanctioning/execution/disbursement of the loan. The case be processed by Vigilance Cell in ten days.

### **3. M/s Anil Enterprises, Jhalawar**

Shri Anil Jain, proprietor of the unit, appeared before the committee. It is an appeal case. A loan of Rs. 4.21 lac was sanctioned to the unit on 10.07.90 for setting up a Kota Stone Splitting unit. Out of which, Rs. 3.00 lac was disbursed. On 01.03.07, a sum of Rs. 4.56 lac is outstanding including principal of Rs. 1.23 lac. MRV of the fixed assets is Rs. 10.28 lac. Neither collateral security nor third party guarantee is available. The factory of the unit is lying closed. Category of the loan account on 31.03.04 was "Doubtful"

Earlier this case was placed in HOLC meeting on 28.6.06 but the case was closed as nobody on behalf of the unit was appearing before the committee inspite of giving three opportunities. The committee also decided that BO to initiate necessary action as per norms. In compliance of the same the BO has initiated action under Section 32(G) on 26.02.07. The delay in making appeal has been condoned by the competent authority i.e. CMD.

After detailed discussions with the proprietor of the unit and considering all the facts and present position of the case, the committee offered to settle the account in a consideration of Rs. 3.38 lac less total upfront amount of Rs. 0.56 lac(rounded off) deposited by

the unit for HOLC and Special HOLC(Rs. 18,500 on 28.02.06 for HOLC and Rs. 37,000 on 9.3.07 for Special HOLC), which is to be paid in the month of June, 2007 without interest.

Shri Anil Jain has verbally agreed/consented to the above offer of the committee but later on instead of agreeing in writing he has submitted a representation that he case may be settled in a consideration of Rs. 2.82 lac less upfront amount of Rs. 0.55 lac deposited for HOLC hence, net payable amount should be Rs. 2.27 lac whereas the committee finally offer to settle in a **net payable** settlement amount of Rs.2.82 lac.

In view of the above, the unit may be asked to furnish their consent to the offer/decision of the committee at our BO, Jhalawar within a period of 15 days and to deposit the entire settled amount within the month of June otherwise the case will be treated as rejected.

**4. M/s Veer Teja Plaster Udyog, Makrana**

Shri Kishna Ram Jat, proprietor of the unit and Shri Bansi Lal Beniwal, relative of the proprietor, appeared before the committee. It is a case of Plaster of Paris manufacturing unit which is presently lying closed. A loan of Rs. 4.80 lac was sanctioned to the unit on 29.03.94. Out of which, Rs. 3.95 lac was disbursed. On 01.03.07, a sum of Rs. 27.88 lac is outstanding including principal of Rs. 3.95 lac. MRV of the fixed assets is Rs. 2.65 lac and value of collateral security has been reported to Rs. 6.00 lac. Category of the loan account as on 31.03.04 was "Doubtful". The sanctioned amount is above Rs. 2.00 lac, therefore, the case has been registered in the month of March, 07 as a special case after obtaining permission from the competent authority i.e. CMD.

After detailed discussions with the proprietor of the unit and considering all the facts and present position of the case, the committee decided to settle the account in a consideration of Rs. 8.19 lac less upfront amount of Rs. 1.19 lac, therefore, net settlement amount would be Rs. 7.00 lac, which would be paid by the unit in nine equal monthly instalment commencing from June, 2007 to Feb., 2008.

No interest would be charged upto 30.06.07 and thereafter w.e.f. 01.07.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor consented to the settlement.

**5. M/s Rathore Crushing Company, Jodhpur**

Since nobody turned up, consideration of the case was deferred.

**6. M/s Bhati Forgings, Nagaur**

Shri Birdi Chand Bhati, partner of the unit and Shri Mishri Lal Sankhla, relative of the partner, appeared before the committee. It is a case of Hand Tools manufacturing unit which is presently lying closed. Four loans of Rs. 10.63 lac on various dates were sanctioned to the unit, out of which, Rs. 8.15 lac was disbursed. On 01.03.07, a sum of Rs. 58.11 lac is outstanding in all the four accounts which includes Rs. 8.15 lac and Rs. 0.09 lac as principal and other money respectively. MRV of the fixed assets is Rs. 6.50 lac and value of collateral security has been reported to Rs. 6.13 lac. BO has reported that P&M financed for second loan are not available only one Skelton spring hammer is lying in very bad condition. Category of all the four loan accounts on 31.03.04 was "Doubtful".

For recovery of Corporation dues, earlier the Corporation initiated action under Section 31(1)(aa) but the same has been withdrawn on 27.02.07 and legal notice under Section 32(G) was issued on 16.03.07 but ROD has not been forwarded to RO. The case has been registered for settlement after obtaining permission from the competent authority i.e. CMD

After detailed discussions with the partner and considering all the facts and present position of the case, the committee decided to settle the account in a consideration of Rs. 15.10 lac **less** upfront amount of Rs. 2.47 lac, therefore, net settlement amount would be Rs. 12.63 lac, which would be paid by the unit in nine equal monthly instalment commencing from June, 2007 to Feb., 2008.

No interest would be charged upto 30.06.07 and thereafter w.e.f. 01.07.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The partner consented to the settlement.

#### **7. M/s Shree Balaji Pashu Ahar Udyog, Pali (ARRC Case)**

Shri Ashok Upadhaya, partner of the unit and Shri Om Prakash, relative of the partner, appeared before the committee. It is a case of Cattle Feed manufacturing unit and lying under possession of the Corporation since 4.7.05. A loan of Rs. 2.45 lac was sanctioned to the unit on 17.11.98, out of which, Rs. 1.65 lac was disbursed.

On 01.03.07, a sum of Rs. 3.40 lac(interest upto date of possession) is outstanding which included Rs. 1.65 lac and Rs. 0.74 lac as principal and other money respectively. P&M are missing and FIR has been lodged on 28.12.2005. MRV of the fixed assets taken into possession has been worked out to Rs. 3.20 lac. Neither collateral

security nor personal guarantee is available. Category of loan account on 31.03.04 was "Doubtful". The BO has registered the case for settlement in March, 2007 and the competent authority i.e. CMD has accorded ex-post-facto approval to the same.

After detailed discussions with the partner and considering all the facts and merits of the case, the committee decided to settle the account in a consideration of Rs. 2.72 lac **less** upfront amount of Rs. 0.72 lac, therefore, net settlement amount would be Rs. 2.00 lac, which would be paid by 30.06.2007 without interest.

The partner consented to the settlement.

- 8. **M/s Mana Ram Bhura Ram, Nagaur**
- 9. **M/s Jai Ispat Factory, Churu**

The notes regarding above cases could not be discussed due to paucity of time.

- 10. **M/s Mahip Salt Industries, Sikar**

Shri Natwar Lal Dhoot, proprietor of the unit and Shri Ajit Khan, friend of the proprietor, appeared before the committee. It is one of the case of salt unit at Rewasa, Distt. Sikar which is lying closed. A loan of Rs. 2.24 lac was sanctioned to the unit on 08.04.91, out of which Rs. 2.05 lac was disbursed. On 01.03.07, a sum of Rs. 19.78 lac is outstanding which includes Rs. 2.05 lac and Rs. 0.01 lac as principal and other money respectively. MRV of the fixed assets has been reported as Rs. 3.18 lac. Neither collateral security nor personal guarantee is available. Category of loan account on 31.03.04 was "Doubtful". For recovery of dues, the Corporation has initiated action under Section 32(G) and ROD filed by the Corporation is pending with Collector. Being hard and deserving case, permission to register the case as a special case was granted by the competent authority i.e. CMD.

After detailed discussions with the proprietor and considering all the facts and present position of the case, the committee decided to settle the account in a consideration of Rs. 3.00 lac **less** upfront amount of Rs. 0.61 lac, therefore, net settlement amount would be Rs. 2.39 lac, which would be paid by the party upto 31.07.2007.

No interest would be charged upto 30.06.07 and thereafter w.e.f. 01.07.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

- 11. **M/s Vikram Dall Mill, Chirawa, Jhunjhunu**

Shri Jai Singh, proprietor of the unit, appeared before the committee. It is a case of Dall manufacturing unit at I.A., Chirawa, Distt. Jhunjhunu which is lying closed. A loan of Rs. 2.43 lac was sanctioned to the unit on 01.07.81, out of which Rs. 1.89 lac was disbursed. On 01.12.06, a sum of Rs. 46.67 lac is outstanding which includes Rs. 1.63 lac and Rs. 0.14 lac as principal and other money respectively. MRV of the fixed assets has been reported as Rs. 6.26 lac. P&M is missing. Neither collateral security nor personal guarantee is available. Category of loan account on 31.03.04 was "Doubtful". For recovery of dues, the Corporation has initiated action under Section 32(G) and ROD has been sent to DGM®. Being hard and deserving case, permission to register the case as a special case was granted by the CMD.

After detailed discussions with the proprietor and considering all the facts and present position of the case, the committee decided to settle the account in a consideration of Rs. 5.53 lac **less** upfront amount of Rs. 0.53 lac, therefore, net settlement amount would be Rs. 5.00 lac, which would be paid by the party in three equal monthly instalments commencing from June, 2007 to August, 2007.

No interest would be charged upto 30.06.07 and thereafter w.e.f. 01.07.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

12. **M/s Mahesh Chand Sharma, Churu**
13. **M/s Narayan Lal Banswal, Kota**
14. **M/s Rajkamal Stone Industries, Kota**
15. **M/s Ambika Fine Arts, Kota**
16. **M/s Geeta Printers, Kota**

The notes regarding above cases could not be discussed due to paucity of time.

17. **M/s Binod Marbles, Dungarpur**

Shri Roop Narain Meena, proprietor of the unit, appeared before the committee. It is a case of Mining unit at Dungarpur and reported closed. A loan of Rs. 7.38 lac was sanctioned to the unit on 30.03.96, out of which Rs. 1.40 lac was disbursed. On 01.03.07, a sum of Rs. 7.54 lac is outstanding which includes principal of Rs.1.40 lac. MRV of the fixed assets has been reported as Rs. 0.50 lac. The value of collateral security is Rs. 6.00 lac. Category of loan account on 31.03.05 and 31.03.06 was "Doubtful". For recovery of dues, the Corporation has initiated action under Section 32(G) and case is pending with the Collector, Dungapur. Being hard and deserving case, permission to register the case as a special case was granted by the competent authority i.e. CMD.

After detailed discussions with the proprietor and considering all the facts and present position of the case, the committee decided to settle the account in a consideration of Rs. 5.42 lac **less** upfront amount of Rs. 0.42 lac, therefore, net settlement amount would be Rs. 5.00 lac, which would be paid by the party in four equal monthly instalments of Rs. 1.25 lac each commencing from June, 2007 to September, 2007.

No interest would be charged upto 30.06.07 and thereafter w.e.f. 01.07.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

**18. M/s Samariya Bus Service, Jodhpur**

Shri Lal Chand Ramani, proprietor, and Smt. Bhagwati Devi, his relative, appeared before the committee. It is a deficit, decretal and written off case. A loan of Rs. 2.35 lakh was sanctioned on 6.6.81 and the same was disbursed. It was a transport loan. The vehicle financed by the Corporation was sold in a consideration of Rs. 1.40 lac leaving a deficit of Rs. 340426/- (Principal sum Rs. 222110/- and interest Rs. 118316/-). The Corporation also written off a sum of Rs. 222113/- and written back Rs. 172521/- in 1994-95.. For recovery of deficit, the Corporation initiated action under Section 31 on 12.04.89 and obtained a decree for Rs. 3.94 lac on 16.04.94 alongwith interest @ 15% p.a. from the date of filing of suit to the date of payment. The Corporation also filed execution application, the Hon'ble Court has attached the properties and the same are being auctioned. The case has been registered as a special case for consideration by Special HOLC with the approval of CMD.

After detailed discussions with the promoter and considering all the facts and present position of the case, the committee decided to settle the account in a consideration of Rs. 3.94 lac **less** upfront amount of Rs. 0.73 lac, therefore, net settlement amount would be Rs. 3.21 lac, which would be paid by the party in nine equal monthly instalments commencing from June, 2007 to Feb., 2008.

No interest would be charged upto 30.06.07 and thereafter w.e.f. 01.07.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

**19. M/s Ganesh Cold Storage & Ice Factory, Phalodi, Jodhpur**

Shri Moti Lal Purohit, partner of the unit and Shri Dinesh, relative of the partner, appeared before the committee. It is a case of salt grinding/ Iodized salt manufacturing unit at Phalodi, Distt. Jodhpur

and reported closed. Four loans of Rs. 9.88 lac were sanctioned to the unit, out of which Rs. 8.80 lac were disbursed. All sanctions are related with revival and rehabilitation of sick unit. On 01.03.07, a sum of Rs. 64.61 lac is total outstanding in all the four accounts which includes principal of Rs.6.94 lac. MRV of the fixed assets has been reported as Rs. 11,05 lac. The value of collateral security is Rs. 7.77 lac. Category of loan accounts on 31.03.04 was "Doubtful". The case is registered as a special case for consideration by Special HOLC with the approval of CMD.

After detailed discussions with the proprietor and considering all the facts and present position of the case, the committee decided to settle the account in a consideration of Rs. 14.08 lac **less** upfront amount of Rs. 2.08 lac, therefore, net settlement amount would be Rs. 12.00 lac, which would be paid by the party in nine equal monthly instalments commencing from June, 2007 to Feb., 2008.

No interest would be charged upto 30.06.07 and thereafter w.e.f. 01.07.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The partner of the unit consented to the settlement.

## **20. M/s Raj Oil Mills, Jhunjhunu**

Shri Sunil Pandey, son of the proprietor of the unit and Shri Shyam Sunder, relative, appeared before the committee. It is a case of Oil mill at Jhunjhunu which is reported to be closed. A loan of Rs. 2.89 lac (Rs. 1.70 lac for Term Loan and Rs. 1.19 lac for Working Capital) was sanctioned on 30.10.93 to the unit under Single Window Scheme, out of which Rs. 2.09 lac was disbursed (Rs. 1.61 lac against TL and Rs. 0.48 lac against WC). On 01.03.07, a sum of Rs. 6.12 lac is outstanding in both the accounts which includes principal of Rs.2.09 lac. MRV of the fixed assets has been reported as Rs. 2.60 lac. The value of collateral security is Rs. 3.50 lac. Category of loan account on 31.03.04 was "Doubtful". For recovery of dues, the Corporation has initiated action under Section 32(G) and case is pending with the Collector.

It is a appeal case as earlier it was placed before HOLC in its meeting held on 27.03.01 and the committee rejected the case. The case has been registered as a hard and deserving case after obtaining approval of CMD.

After detailed discussions with the proprietor and considering all the facts and present position of the case, the committee decided to settle the account in a consideration of Rs. 5.13 lac **less** upfront amount of Rs. 0.63 lac, therefore, net settlement amount would be Rs. 4.50 lac, which would be paid by the party in five equal monthly instalments commencing from June, 2007 to October, 2007.



No interest would be charged upto 30.06.07 and thereafter w.e.f. 01.07.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The son of the proprietor of the unit consented to the settlement.

**21. M/s Jai Shiv Soap Factory, Rajsamand**

Shri Ramesh Chand Sharma, proprietor of the unit and Dr. Jagdish Chand Sharma, father of proprietor and guarantor, appeared before the committee. It is a deficit, decretal and written off case. It is a old case of small loan sanctioned upto Rs.25,000 in the year 1984(sanctioned amount Rs. 19,000 and disbursed amount Rs. 14,700. The possession of the financed assets was taken over on 28.04.89 and sold in a consideration of Rs. 0.03 lac leaving a deficit of Rs. 0.52 lac. The amount was written off in the year 1993-94. For recovery of deficit, the Corporation initiated action under Section 31 and obtained a decree on 31.03.98 for Rs. 63012.86 plus interest @ 12% p.a. w.e.f. 31.03.94 The Corporation also filed execution application in the Court. The case has been registered as a special case for consideration by Special HOLC with the approval of CMD.

After detailed discussions with the proprietor and his father and guarantor and considering all the facts and present position of the case, the committee decided to settle the account in a consideration of Rs. 0.65 lac **less** upfront amount of Rs. 0.15 lac, therefore, net settlement amount would be Rs. 0.50 lac, which would be paid by the party in nine equal monthly instalments commencing from June, 2007 to Feb., 2008.

No interest would be charged upto 30.06.07 and thereafter w.e.f. 01.07.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The father of the proprietor and guarantor of the unit consented to the settlement.

**22. M/s Rathi Industries, Kishangarh (Note)**

Shri J.N. Rathi and Shri R.K. Rathi, partners of the unit, appeared before the committee. It is a deficit case. A loan of Rs. 3.24 lac was sanctioned on 28.02.80 to the unit, out of which Rs. 3.03 lac was disbursed Beside term loan seed capital assistance of Rs. 0.50 lac was also sanctioned and Rs. 0.47 lac was disbursed. Due to non payment, the unit was taken over on 25.05.92 and sold in a consideration of Rs. 3.37 lac leaving a deficit of Rs. 4.18 lac. For recovery of deficit amount, action under Section 32(G) was initiated and a claim was sent. As reported by BO, SDM, Nasirabad identified the properties of the partners and taking suitable action.

In December, 2006 party approached the Corporation and registered the case for settlement under the prevailing scheme for settlement of deficit cases. The BO decided to settle the term loan account in a consideration of Rs. 1.90 lac less upfront amount of Rs. 0.35 lac. The BO also advised the party to pay the entire seed capital alongwith interest upto 30.11.06 which has been worked out to Rs. 11.38 lac. The BO also asked the party to pay 5% motivational charges to be paid to revenue authorities.

Aggrieved to the above decision, the party approached the BO as well as HO in March, 2007 with the request that no interest should be charged on the deficit amount remained in seed capital account and settlement done by the Corporation is not correct and also not in the spirit of FR-ARRC Circular NO. 124 and 137. The loanee also requested that only 1% is payable on seed capital account whereas branch charged interest which is applicable to the term loan which is also not correct. On this request, the competent authority has decided to place the case before Special HOLC.

The Corporation has also introduced a scheme for settlement of deficit, decretal and written off cases for the year 2007-08 vide FR Circular NO. 451 dated 01.05.07 wherein it has been laid down that deficit in seed capital account shall also be eligible for settlement under the scheme.

After detailed discussions with the partners and considering all the facts and present position of the case, the committee decided to settle the account on a further payment of Rs. 2.50 lac, which would be paid by the party by 30.06.07 without interest.

The partners of the unit consented to the settlement.

**23. M/s Sanjay Kapda Udyog, Bharatpur (Note)**

Shri Sanjay Kumar Jain, proprietor of the unit and Shri Ajay Kumar Jain, brother of proprietor, appeared before the committee. It is a decretal case. A loan of Rs. 3.16 lac (for P&M Rs. 1.26 lac and for WC Rs. 1.80 lac) was sanctioned on 28.10.93, out of which Rs. 2.67 lac was disbursed. The unit was set up in rented premises and house of Shri Panna Lal Jain, father of the promoter was kept in collateral security. On non payment of dues of the Corporation, action under Section 31(1)(aa) was initiated and Corporation filed a case before Hon'ble Court on 17.04.01. The Hon'ble Court awarded a decree for a sum of Rs. 5.30 lac alongwith interest as per agreement till recovery of the dues. Against this decision the loanee party filed an appeal before Hon'ble High Court, Jaipur which has been dismissed by the Hon'ble High Court on 01.03.07.

In the meanwhile, the party also registered its case on 31.07.06 for settlement under the prevailing settlement scheme of the Corporation for the year 2006-07 and on 19.10.06 the BO decided to settle the case at decreed amount plus other expenses i.e. Rs. 5, 40,500/- and allowed the party to deposit the settlement amount in 12 monthly installments commencing from 15.11.06 to 15.10.07. In compliance of this decision, the party also deposited two installment of Rs. 38,375/- each on 20.11.06 and 16.12.06. The decision taken by the BO to settle the account in a consideration of RS. 5.40 lac was not in accordance with the provisions contained in Circular No. FR-406 dated 9.10.06 as per which interest as stipulated in court order upto date of decision was to be charged and in this case the Hon'ble Court allowed interest as per agreement and decision was announced on 12.05.06 accordingly if interest is charged upto 12.05.06 then the account could be settled in a consideration of Rs. 14.96 lac.

After passing two months the BO vide its letter dated 22.12.06 informed the party that the settlement amount will be Rs. 14.96 lac which should be paid in 10 monthly instalments alongwith interest @ 13% w.e.f. 1.1.07. Aggrieved upon this decision of BO, the party submitted a representation at HO on 22.4.07 and requested to abide by the decision of settlement at Rs. 5.40 lac.

After detailed discussions with the proprietor and his brother and considering all the facts and present position of the case, the committee decided to settle the account in a consideration of Rs.6.00 lac **less** total amount of Rs. 1.57 lac (upfront amount of Rs.0.80 lac and Rs. 0.77 lac deposited in two instalments), therefore, net settlement amount would be Rs. 4.43 lac, which would be paid by the party in remaining ten instalment commencing from June, 2007. Nine instalments shall be of Rs. 38,375/- each and last i.e. tenth installment shall be of Rs. 98,375/-.

Interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement as per their earlier settlement done by BO.

The proprietor of the unit consented to the settlement.

#### **24. M/s Annapurna Bricks Udyog, Bagar, Jhunjhunu**

Shri Vikram Singh Shekhawat, proprietor of the unit, appeared before the committee. It is a case of bricks manufacturing unit which has been reported lying closed. A loan of Rs. 3.82 lac under Single Window Scheme (Rs. 1.97 lac for TL and Rs. 1.85 lac for WC) was sanctioned on 29.11.91, out of which Rs. 3.30 lac (Rs. 1.45 lac for TL and Rs. 1.85 lac for WC) was disbursed. On 1.3.07, a sum of Rs. 40.50 lac is outstanding in both the accounts which includes principal outstanding of Rs. 3.30 lac. MRV of the fixed assets (as re-calculated) is Rs. 2.50 lac and value of collateral security is Rs. 1.74 lac. Category of the loan account on 31.03.04 was Doubtful.

Earlier this case was considered by HOLC in its meeting held on 3.8.06 and the case was rejected as the offer given by HOLC to settle the account in a consideration of Rs. 8.00 lac less upfront amount of Rs. 0.50 lac was not accepted by the proprietor.

The competent authority i.e. CMD allowed the party to make an appeal and accordingly party registered the case on 30.03.07 for consideration of Special HOLC.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 4.24 lac **less** upfront amount of Rs. 1.48 lac (Rs. 0.50 lac deposited for HOLC on 27.02.06 and Rs. 0.99 lac deposited for Special HOLC on 30.03.07), therefore, net settlement amount would be Rs. 2.76 lac, which would be paid by the party by 31.07.07.

No interest would be charged upto 30.06.07 and thereafter w.e.f. 01.07.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

**25. M/s Magan Roller Flour Mill (P) Ltd., Kaladera, Jaipur**

This case has been registered as a grievance case with the permission of competent authority i.e. CMD for placing the matter before the Special HOLC for redressal of grievances. The company's main grievances are crediting the prepayment charges and not reverting back the rebate of timely repayment. Besides these grievances, the company has also raised other issues like charging lower rate of penal interest, credit of interest due to in action of RFC in getting FDR encashed, waiver of penal interest and recasting of loan account since beginning

After discussions, the committee decided to get the grievances examined in detail on file for taking suitable decision, therefore, the representative of the company were not heard by the committee. Though, Shri Raj Kumar Lodha, Director and Shri N.K. Agrawal GM of the company visited HO to appear before the committee.

**GENERAL OBSERVATIONS:**

- 1) If the party fails to make payment strictly as per decision of the committee, BO concerned will initiate recovery action at their level.
- 2) 5% recovery charges to be sent to Collector concerned are included in the settlement amount, where recovery is effected on account of action initiated under Section 32(G) as per provision of Circular No.FR.365 dated 3.10.2005 and dated 31.10.2005.
- 3) Court case, if any, shall be withdrawn by the party.

- 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) Wherever settlement amount is to be paid in instalment, the party will produce PDCs in the BO payable on 15<sup>th</sup> of the each month or date specified by the Committee, as the case may be.

**(Purushottam Biyani)**  
**General Manager(D)**  
**&**  
**Member Secretary**

RAJASTHAN FINANCIAL CORPORATION  
(FR Division)

**MINUTES**  
**Special HOLC Meeting**  
Date : 06.07.2007

|   |   |                        |
|---|---|------------------------|
| Present   |   |                        |
| Shri B.N. Sharma, IAS<br>Chairman & Managing Director   | : | In Chair               |
| Shri S.K. Agarwal, RAS<br>Executive Director            | : | Member                 |
| Shri Purushottam Biyani, RAS,<br>General Manager (Dev.) | : | Member Secretary       |
| Shri R. S. Gupta<br>General Manager(Fin.&A/cs)          | : | Member                 |
| Shri K.K. Parashar,<br>DGM(Loans)                       | : | Member                 |
| Shri P.K. Singh,<br>DGM(ARRC)                           | : | Member of their Agenda |
| Shri S. Bhagat,<br>DGM(FR)                              | : | Member of their Agenda |
| Shri Dharamveer,<br>Manager (Incharge Law)              | : | Member                 |

Shri Dinesh Mohan, Manager (FR), Shri S.S. Agarwal, Manager (FR), Shri S.K. Gupta, DM(FR) and Shri Naveen Ajmera, DM(FR) were also present.

**I Confirmation of the minutes of Spl. HOLC meeting held on 29.05.07.**

Minutes were confirmed.

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

**1. M/s Rathore Crushing Company, Jodhpur**

Shri Ummed Singh Rathore, partner of the unit, appeared before the committee. The case was registered directly for Special HOLC after approval of CMD. It is a case of Stone Crusher where P&M was sold by the promoter without seeking permission from RFC. A loan of Rs. 3.52 lac was sanctioned on 3.06.89 and disbursed on 17.01.90. The account of the unit was under "Doubtful" category on 31.03.04. The unit is lying closed since a long time. A sum of Rs. 4.33 lac were outstanding against the unit as on 31.03.07 including principal sum of Rs. 0.86 lac. MRV of the primary assets is NIL because of the fact that P&M has been sold by the

promoter himself as scrap without seeking any approval from the Corporation. Present value of collateral security is Rs. 1.74 lac.

After detailed discussions with the partner and considering all the facts and present position of the case, the committee decided to settle the account in a consideration of Rs. 3.17 lac **less** upfront amount of Rs. 0.27 lac, therefore, net settlement amount would be Rs. 2.90 lac, which would be paid upto 31.07.07

Shri Ummed Singh Rathore agreed before the committee for the above settlement but he did not give his consent in writing to the above settlement amount. In writing he requested to settle the account for net payable amount of Rs. 2.25 lac which is not according to the offer of settlement, hence, the case was rejected. BO should initiate recovery action as per norms.

## **2. M/s Rajesh Solvex Ltd., Abu Road (ARRC Case-BIFR )**

Shri Pukhraj Jain, Director of the Company, appeared before the committee. Being a BIFR and joint financed case, the case was registered directly for Special HOLC after approval of CMD. A loan of Rs. 45.00 lac was sanctioned on 31.03.94 for solvent extraction plant RIICO Industrial Area, Sheoganj, Abu Road. The unit is running. The accounts of the unit were under "Doubtful" category on 31.03.04. The entire sanctioned amount of Rs. 45.00 lac was disbursed to the unit out of which a sum of Rs. 31.50 lac was disbursed within the validity of the refinance and balance Rs. 13.50 lac was disbursed after the validity of refinance but refinance was not drawn by RFC so a higher rate of interest was charged, therefore, two different loan accounts are being maintained. A total sum of Rs. 154.75 lac was outstanding in both the loan accounts as on 01.03.07 including principal sum of Rs. 25.11 lac. The unit has always been representing for charging one rate of interest i.e. concessional rate of interest for entire loan availed by them instead of higher rate of interest on the portion amounting to Rs. 13.50 lac.

It is a joint finance case where RIICO is the lead institution . The company is registered with BIFR and has been declared as a sick unit by BIFR under SIICA Act, 1985 and SBBJ has been appointed as an operating agency. RIICO have already settled their dues with the company once for all. RFC has already decided to take recovery action under SARFAESI Act.

The MRV of the financed assets is Rs. 166.98 lac. Neither collateral security nor third party guarantee is available in this case. The Branch has recast/recalculated the outstanding balance in both the loan account by charging 14% rate of interest in both the loan account which is

applicable presuming that refinance has been received for the entire loan and a sum of Rs. 66.84 lac(including quantum of penal interest amounting to Rs,. 10.18 lac) works out to be recoverable as per revised calculations. Refinance was sanctioned for the entire loan and loan was disbursed within the validity period, therefore, the revised calculation was considered for OTS.

After detailed discussions with the Director of the company and considering all the facts including that the case of the company has already been declared sick by the BIFR, the committee offered to settle the account in a consideration of Rs. 56.60 lac **less** upfront amount of Rs. 7.60 lac i.e. at the net payable settlement amount of Rs. 49.00 lac, which shall be paid as follows:--

In 8 equal monthly instalments commencing from August, 2007 to March, 2008.

No interest would be charged upto 31.07.07 and thereafter w.e.f. 01.08.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The Director of the company consented to the settlement.

### **3. M/s Marudhara Dyes & Chemicals , Jaisalmer (ARRC Case)**

Shri Ashok Kumar Paliwal, Managing partner of the unit, appeared before the committee. The case has been registered directly as per the approval of CMD. The committee noted that a loan of Rs. 5.00 lac was sanctioned on 28.12.84, out of which a sum of Rs. 4.97 lac was disbursed, the health code category as on 31.03.04 is "Doubtful". The MRV is Rs. 12.32 lac (of L&B) and the assessed value of P&M at the time of disbursement was Rs. 5.75 lac(the MRV of P&M could not be assessed by BO as the unit is in possession of Sales-tax Department). The balance outstanding as on 31.03.07 is Rs. 42.45 lac(p.sum. Rs. 4.98 lac and interest Rs. 37.47 lac including OM of Rs. 0.06 lac ).

After detailed discussions with the promoter and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 17.56 lac **less** upfront amount of Rs. 1.56 lac i.e. at the net payable settlement amount of Rs. 16.00 lac, but the promoter did not agree, hence the case was rejected with the direction that BO should go ahead for taking up the matter with Sales-tax Department and early recovery of the entire dues as per the norms.



4. **M/s Agrawal Plywood Inds. (ARRC Case)**

Shri Bhupendra Jain, partner of the unit, appeared before the committee. The committee noted that the fixed assets of this unit are under possession since 4.8.05. Auctions have been attempted on 22.08.05 and 20.09.05 in which highest offer of Rs. 41.00 lac was received which was submitted for approval of Hon'ble High Court as per order dated 20.09.05 but the High Court did not confirm the sale. The MRV of assets is Rs. 32.28 lac and present value of collateral security is Rs. 20.35 lac thus, aggregating to Rs. 52.63 lac. The balance outstanding is Rs. 63.37 lac (p.sum Rs. 28.18 lac, interest upto date of possession Rs. 20.97 lac, interest for possession period Rs. 13.29 lac and OM Rs. 0.93 lac). The committee also noted that the Hon'ble High Court in its order dated 16.03.07 has directed the party to deposit 25% of balance outstanding as on date of possession alongwith 5% of the outstanding as on date as per the norms within one month and on such deposit the Corporation will consider the revival scheme submitted by the party. In compliance of the said order the party has deposited Rs. 13.90 lac and during discussions on the revival proposal the party requested for OTS. The committee noted that this is a sub standard case as on 31.03.04 but it was decided by the CMD as a special case to place the proposal for OTS before the Empowered Settlement Committee.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 43.90 lac less amount of Rs. 13.90 lac (deposited in compliance of Hon'ble High Court order dated 16.03.07) i.e. at the net payable settlement amount of Rs. 30.00 lac, which shall be paid by the party as follows:-

1. In eight equal monthly instalments w.e.f. August, 2007 to 15.03.08
2. Interest on the unpaid amount of settlement will be paid by the party @ 13% p.a. w.e.f. 1.8.07.
3. On deposition of Rs. 15.00 lac (i.e. 50% of the net settlement amount) possession of the unit will be handed over.
4. Entire expenses/other money shall be payable by the party.

The promoter of the unit consented to the settlement.

5. **M/s Mana Ram Bhura Ram, Nagaur (Note)**

This case was earlier placed in the Special HOLC meeting held on 27.01.07 and the decision of the committee is reproduced below:-

*“This case was placed before Special HOLC as a grievance case with the approval of CMD without insisting upon any registration fees and up-front amount. In the instant case, the BO, Nagaur fixed the monthly EMI at lower side. The party was almost in regular in paying instalments. The promoter of the concern represented before the committee that he was not at fault, as such, he should not be made liable for any further payment.*

*The matter was discussed at length. After considering facts of the case and listening to the promoter, the committee decided as follows:-*

- a) The account may be settled by accepting principal sum plus 50% of simple interest thereon, arrived at by way of recasting of account on the basis of correct EMI. The 50% of simple interest is to be charged from the party only upto the date when party first time made request to the Corporation for settlement of account by depositing requisite registration fees and up-front amount and any amount paid for settlement earlier which also be credited while arriving at the liability.*
- b) The remaining 50% interest on simple basis upto the date when the party first time made request for settlement of account and interest to be charged thereafter till date of payment shall be recovered from the erring officials.”*

The case was earlier registered and settled as a grievance case. After the decision of the Spl. HOLC, the case could not be settled till date because of the following matters:-

- i) Whether 5% charges towards ROD is to be charged separately from the unit.
- ii) What accounting treatment is to be given for recovery of seed capital account.
- iii) Certain payment (Rs. 27,000) made by the proprietor after expiry of LDR were not credited by the BO while arriving at the liability.
- iv) In the earlier meeting a word as on LDR at line No. 3 of sub para (a) after the word of EMI in the minutes of Special HOLC was not inserted.

The case was represented by Shri Kana Ram Choudhary, guarantor and Shri R.P. Choudhary, brother-in-law.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee has decided as follows:-

- a) Party to pay 5% recovery charges separately to be paid by the

Revenue authorities.

- b) The same treatment is to be given for Seed capital account which is given to term loan account as per earlier decision of Special HOLC dt. 27.01.07.
- c) In the minutes at line No. 3 of sub para (a) after the word of EMI the word as on LDR is inserted.
- d) Credit is to be given by the BO for amount paid by the promoter after expiry of LDR. The BO, Nagaur will arrive at the liability and convey to the promoter who will deposit the same within a period of 30 days failing which settlement would liable to be cancelled.

**6. M/s Jai Ispat Factory, Churu (Note)**

Deferred.

**7. M/s Mahesh Chandra Sharma, Churu (Note)**

Deferred.

**8. M/s Geeta Printers, Kota (Note)**

Deferred.

**9. M/s Ambika Fine Arts, Kota (Note)**

Deferred.

**10. M/s Narayan Lal Banswal, Kota (Note)**

Deferred.

**11. M/s Rajkamal Stone Inds., Kota (Note)**

Deferred.

**12. M/s Gopal Krishna S/o Shri Daramji, Sirohi**

Shri Dharma Ramjj father of the proprietor, Shri R.B. Gupta and Shri M.S. Mathur, friend appeared before the committee. The case is registered as an appeal against the decision of the HOLC. It is a deferred sale case. Category of the loan account is "Doubtful" as on 31.03.04. The unit is lying closed. The MRV of the financed assets is Rs. 7.59 lac. Neither collateral security nor third party guarantee is available in this case. A sum of Rs 4.73 lac was outstanding as on 1.3.07 including p.sum of Rs. 2.26 lac and other money of Rs. 0.01 lac.

After detailed discussions with the proprietor of the unit and considering all the facts The committee offered to settle the account in a consideration of Rs. 4.18 lac **less** upfront amount of Rs. 0.82 lac i.e. at the net payable settlement amount of Rs. 3.36 lac, which shall be paid by the party within 30 days without interest. Otherwise interest @ 13% p.a. on simple basis will be charged on the unpaid amount w.e.f. 01.08.07 and in that case the entire settlement amount will have to be paid within a period of three months alongwith interest.

The representative of the unit consented to the settlement.

**13. M/s Ghanshyam Das Jaman Das, Bhilwara(Note)**

Deferred.

**14. M/s Suraj Granites, Alwar(Note)**

Deferred.

**15 M/s Shankar Lal Shri Ram Bus Service, Alwar(Note)**

Deferred.

**16. M/s Laxmi Chemicals, Kishangarh**

**17. M/s Laxmi Engineering Works, Kishangarh**

Since nobody turned up, consideration of the above cases were deferred.

**18. M/s OMP Industries, Bhilwara (Note)**

Deferred.

**19. M/s Magan Roller Flour Mills Pvt. Ltd., Jaipur**

Shri Raj Kumar Lodha and Shri Sanjay Kumar Lodha, appeared on behalf of the company and requested to credit back the amount debited by the Corporation on account of pre-payment premium, allow the credit of Rs. 9.00 lac on account of delay in encashment of FDRs as they had applied for encashment of the FDRs on 14.07.04 whereas the FDRs were encashed on 11.11.04, the Corporation should also reduce the rate of penal interest from 5.25% to 3.00% .

The committee noted that the pre-payment premium has been charged as per norms of the Corporation and after having consent of the party before encashment of the FDRs and as regards the delay in encashment the

committee noted that the delay can not be attributed to RFC as RFC has decided to encash the FDRs as a special case and in view of all these facts the committee could not find any justification for allowing any benefit on account of pre-payment premium as well as on account of delay in encashment of FDRs. The committee noted that a request of the party for crediting back the timely payment rebate has already been considered by the CMD.

The party was heard by the committee and it was decided to regret the request of the party for crediting back the pre-payment premium as well as for allowing benefit on account of delay in encashment of FDRs. As regards rate of penal interest it has been decided that necessary action may be taken by BO as per norms.

**20. M/s Sheonanda, Churu (Note)**

Deferred.

**GENERAL OBSERVATIONS:**

- 1) If the party fails to make payment strictly as per decision of the committee, BO concerned will initiate recovery action at their level.
- 2) 5% recovery charges to be sent to Collector concerned are included in the settlement amount, where recovery is effected on account of action initiated under Section 32(G) as per provision of Circular No.FR.365 dated 3.10.2005 and dated 31.10.2005.
- 3) Court case, if any, shall be withdrawn by the party.
- 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) Wherever settlement amount is to be paid in instalment, the party will produce PDCs in the BO payable on 15<sup>th</sup> 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.

**(Purushottam Biyani)**  
**General Manager(D)**  
&  
**Member Secretary**

RAJASTHAN FINANCIAL CORPORATION  
(FR Division)

**MINUTES**  
**Special HOLC Meeting**  
Date : 02.08.2007

|   |   |                  |
|---|---|------------------|
| Present   |   |                  |
| Shri B.N. Sharma, IAS<br>Chairman & Managing Director   | : | In Chair         |
| Shri S.K.Agarwal, RAS<br>Executive Director             | : | Member           |
| Shri Purushottam Biyani, RAS,<br>General Manager (Dev.) | : | Member Secretary |
| Shri R.P. Meena ,<br>DGM(Loans)                         | : | Member           |
| Shri Dharamveer,<br>Manager (Incharge Law)              | : | Member           |

Shri S.Bhagat, DGM(FR), Shri K.K. Parashar, DGM(ARRC), Shri Dinesh Mohan, Manager (FR), Shri S.S. Agarwal, Manager (FR), Shri S.K. Gupta, DM(FR) and Shri Naveen Ajmera, DM(FR) were also present.

**I Confirmation of the minutes of Spl. HOLC meeting held on 06.07.07.**

Minutes were confirmed.

**II Deficit, decretal and write off cases settled by the different branches**

**AGENDA ITEM NO. 1,2,4,5,6,7,10,11,12 & 13 ARE COVERED UNDER THIS HEAD**

The last Special HOLC meeting was held on 06.07.07 wherein these notes were placed for the consideration of the committee but on account of paucity of time these agenda items could not be discussed, therefore, it was decided in the meeting to convene a separate meeting of Special HOLC for consideration of all notes. No representative of the unit was invited in the meeting which took place on 2.8.07 wherein the following cases were considered:-

The Corporation have launched a scheme in the last financial year 2006-07 for settlement of deficit, decretal and write off cases which was circulated to all branches vide Circular No. ARRC-124 dated 21.03.06. Initially the settlement was linked with security available but later on vide Circular No. ARRC-137 dated 12.07.06 the linkage with security was dispensed with and it was clarified that:-

*“Decretal cases may be settled on Decretal amount plus other money.”*

Few branches have settled the decretal cases as per provisions of Circular No. 124 dated 21.03.06 and Circular No.FR-137 dated 12.07.06 by asking the parties to pay

the decretal amount plus other money. The following cases have been settled on the above principle :

| Sl.No. | Agenda Item No. | Name of the case          | Name of BO |
|--------|-----------------|---------------------------|------------|
| 1.     | 1.              | M/s Jai Ispat Factory     | Churu      |
| 2.     | 2.              | M/s Mahesh Chandra Sharma | Churu      |
| 3.     | 4.              | M/s Narayan Lal Banswal   | Kota       |
| 4.     | 5.              | M/s Rajkamal Stone Inds.  | Kota       |
| 5.     | 6.              | M/s Geeta Printer         | Kota       |
| 6.     | 7.              | M/s Ambika Fine Arts      | Kota       |
| 7.     | 10.             | M/s Shri Gopal Oil Mill   | Churu      |
| 8.     | 11.             | M/s N.K. Iron Industries  | Churu      |
| 9.     | 12.             | M/s Annapurna Dal Mill    | Churu      |
| 10.    | 13.             | M/s Subh Ram Swami        | Churu      |

Subsequently references were received from the field offices in regard to definition of "Decretal amount" that shall be obtained from the loanee party while settling the account.

The Board in this regard has decided that the decretal amount shall be the amount that has been mentioned by Court in its judgement and if court has included interest amount in their judgement then interest upto date of decision or amount specifically mentioned by the court is to be considered as decretal amount and no further interest is to be added while calculating decretal amount for the purpose of settlement. Cases will be covered whether the decree was obtained after disposal of assets or without disposal of assets.

This circular was issued to the branches on 9.10.06 and after issue of the above circular, there was no ambiguity about the decretal amount and accordingly in decretal amount the interest up to the date of the decision of the court was also required to be added by the branches while settling the decretal cases.

But few branches have settled the cases by accepting the decretal amount plus other money only, without adding any interest as was asked vide Circular No. FR-406 dated 9.10.06 which has resulted in settlement of certain decretal cases at a lesser amount than they should have been settled as per the provisions of FR Circular No. 406 dt. 9.10.06.

Vide Circular No. FR-438 dated 28.03.07 the BOs were advised to send the details of the cases settled in deviation of Circular No. FR-406 dt. 09.10.06 and accordingly information has been received from BO, Churu and Kota. From rest of BOs information is being collected and will be put up in Special HOLC.

The following cases of BO, Churu & Kota were settled less than the amount required as per definition of Decretal amount defined vide FR-406 dt. 09.10.06.

- a) Cases settled by BOs prior to issue of Circular NO. 406

| Agenda Sl.No. | Name of the unit          | Date of settlement | Amount settled | Settlement amount as per Circular No. 406 |
|---------------|---------------------------|--------------------|----------------|---|
| 1.            | M/s Jai Ispat Factory     | 07.06.05           | 34,413         | 86,373                                    |
| 2.            | M/s Mahesh Chandra Sharma | 04.10.06           | 2,68,186       | 3,95,979                                  |
| 4             | M/s Narayan Lal Banswal   | 23.05.06           | 37,000         | 56,857                                    |
| 5             | M/s Raj Kamal Stone Inds. | 12.06.06           | 28,000         | 52,503                                    |
| 6             | M./s Geeta Printers       | 19.08.06           | 62,550         | 86,971                                    |
| 7             | M/s Ambika Fine Arts      | 24.07.06           | 41,000         | 60,522                                    |

b) Cases settled by BOs after issue of Circular NO. 406

| Agenda Sl.No. | Name of the unit        | Date of settlement | Amount settled | Settlement amount as per Circular No. 406 |
|---------------|-------------------------|--------------------|----------------|---|
| 10            | M/s Shri Gopal Oil Mill | 09.03.07           | 1,79,296       | 2,75,568                                  |
| 11            | M/s N.K. Iron Inds.     | 16.10.06           | 1,02,841       | 1,51,299                                  |
| 12            | M/s Annapuran Dal Mill  | 16.10.06           | 48,009         | 93,877                                    |
| 13            | M/s Subh Ram Swami      | 16.10.06           | 3,91,187       | 4,81,299                                  |

The compromise decretal cases were prohibited to be settled vide Circular No. 136 dated 30.06.06 but the BO, Churu in case of M/s Jai Ispat Factory have settled the case which was a compromise decreetal case.

The committee noted that the cases settled by the BO, Kota as well as Churu prior to issue of Circular No. 406 dated 9.10.06 and these cases were considered to be hard cases indeed, therefore, the committee confirmed the action taken by the BO.

However, the committee noted that in four cases settled by the BO, Churu even after the issue of circular No. FR-406, in these cases report from DGM® was taken in which he stated that three accounts were pertaining to deficit and these cases were of hard nature. Few promoters are belonging to BPL family, in one case the required amount shall be paid by others by collecting donation, considering the fact that the Corporation has been settling the deficit cases merely on principal deficit outsourcing. Therefore, the committee decided to confirm the action taken by the BO, Churu with the note that a letter to the concerned BM may be issued to be more careful in future



while settling the cases by complying with the directions of HO issued through various circular from time to time.

### **3. M/s Sheonanda, Churu (Note)**

CMD on file has permitted the BO, Churu to accept the payment from the unit as may be worked out after implementing the decision of HOLC dated 15.03.00 along with interest @ 15% p.a. for the delayed period. The committee have confirmed the above decision of CMD.

### **8. M/s OMP Industries, Bhilwara (Note)**

This case was settled by BO, Bhilwara at a consideration of Rs. 1,26,800/- which was to be deposited by the party upto 28.02.07 but the promoter approached to the District Consumer Forum who have directed to settle the case at Rs. 62,295/-The Competent authority i.e. CMD on file have decided not to go for an appeal on account of small case and other factors pertaining to the case, to the order of District Consumer Forum and to treat the case as settled at a amount directed by District Consumer Forum with the direction to get the confirmation from Special HOLC for the above action.

The above directions were followed and case was settled. However, thereafter a notice of the advocate of the party was also received by the Corporation asking for refund of registration as well as up-front deposited by the promoter for settlement of their case under OTS Scheme launched by the Corporation. This request was examined and it has also been decided that the registration fees as well as up-front amount paid by the promoter is not to be refunded and the same is the income of the Corporation.

The committee have confirmed the action taken by the CMD.

### **9. M/s Ghanshyam Das Jaman Das, Bhilwara(Note)**

This case was settled by HOLC held on 28.06.06 in a net payable settlement amount of Rs. 0.98 lac which was to be paid by the party in six equal monthly instalment commencing from July, 2006 to December, 2006. While drafting the minutes the interest clause was not inserted in the decision as to from which date interest is to be charged. However, in the consent of the party the month from which interest was to be charged was mentioned accordingly the BO, Bhilwara was directed to recover the interest from the unit. The promoter's request for condonation of delay was also considered by the competent authority i.e. CMD. The settlement amount alongwith interest has already been recovered and NOC has already been issued on 16.06.07.

The committee confirmed the action taken by CMD on file regarding interest as well as extension in time.

### **14. M/s Shankar Lal Shri Ram Bus Service, Alwar(Note)**

The committee confirmed the decision taken by the CMD on file regarding condonation of delay in deposition of settlement amount.

**15. M/s Suraj Granites, Alwar(Note)**

The committee confirmed the decision taken by the CMD on file regarding condonation of delay in deposition of settlement amount.

**GENERAL OBSERVATIONS:**

- 1) If the party fails to make payment strictly as per decision of the committee, BO concerned will initiate recovery action at their level.
- 2) 5% recovery charges to be sent to Collector concerned are included in the settlement amount, where recovery is effected on account of action initiated under Section 32(G) as per provision of Circular No.FR.365 dated 3.10.2005 and dated 31.10.2005.
- 3) Court case, if any, shall be withdrawn by the party.
- 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) Wherever settlement amount is to be paid in instalment, the party will produce PDCs in the BO payable on 15<sup>th</sup> 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.

**(Purushottam Biyani)**  
**General Manager(D)**  
**&**  
**Member Secretary**

**RAJASTHAN FINANCIAL CORPORATION  
(FR Division)**

**MINUTES  
Special HOLC Meeting  
Date : 31.08.2007**

|   |   |                  |
|---|---|------------------|
| Present   |   |                  |
| Shri B.N. Sharma, IAS<br>Chairman & Managing Director   | : | In Chair         |
| Shri S.K. Agarwal, RAS<br>Executive Director            | : | Member           |
| Shri Purushottam Biyani, RAS,<br>General Manager (Dev.) | : | Member Secretary |
| Shri R. S. Gupta<br>General Manager (Fin. & A/cs)       | : | Member           |
| Shri R.P. Meena,<br>DGM (Loans)                         | : | Member           |
| Shri Dharamveer,<br>Manager (Incharge Law)              | : | Member           |

Shri S.K. Malhotra, DGM(FR), Shri L.K. Ajmera, DGM(DDW), Shri N.K. Jain, Manager(FR-1), Shri B.L. Pareek, Manager(DDW), Shri Dinesh Mohan, Manager (FR-2), Shri S.S. Agarwal, Manager (FR-3), Shri Deepak Verma, Manager(ARRC), Shri S.K. Gupta, DM(FR) and Shri Naveen Ajmera, DM(FR) were also present.

**I Confirmation of the minutes of Spl. HOLC meeting held on 02.08.07.**

Minutes were confirmed.

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

**3. M/s Luxmi Chemicals, Nagaur**

Shri Ved Prakash Pitti, one of the partner of the firm, appeared before the committee.

It is a grievance case which has been registered on the approval of the competent authority without taking any upfront amount.

A loan of Rs. 15.00 lac was sanctioned on 15.06.81 for setting up a unit for manufacturing of bleaching powder and hydrated lime. Rs. 8.84 lac

could be disbursed and balance was cancelled. The project was, however, implemented fully by the unit from their own resources. The unit did not worked well since beginning and suffered losses. The unit had approached Corporation for waiver of penal interest and Corporation had agreed to waive penal interest for the period from 1981 to 1989 amounting to Rs. 1.89 lac in the year 1995-96. with the condition that remaining balance outstanding would be cleared by the unit within a period of 30 days. The unit did not deposit the balance outstanding within the stipulated period and disputed the figure of penal interest of Rs. 1.89 lac. The BO, Nagaur then checked up the account and informed that penal interest was Rs. 2.59 lac instead of Rs. 1.89 lac.

However, later on the BO, Nagaur have calculated the amount of penal interest by giving cumulative effect of penal interest waived Rs. 1.89 lakh and ask the unit to deposit balance left out amount in the account of the unit amounting to Rs. 1,96,550/-. Accordingly, the party has deposited Rs. 1,96,550/- vide receipt dated 06.08.1996 and then the Nagaur BO has issued No Outstanding Certificate to the unit. Simultaneously, the BO have sent the matter for confirmation and HO directed the branch office to waive only Rs. 1.89 lakhs only instead of Rs. 4.25 lakh waived by the Branch giving retrospective/cumulative effect.

Since the party has deposited entire balance outstanding as was demanded by the BO therefore, time and again the unit has been requesting the Corporation for releasing of their documents. But as the matter was disputed therefore, documents were not released aggrieved with the action of the Corporation, the party approached the Hon'ble High Court, Jodhpur and filed a writ petition in the year 2000 and have obtained stay against the Corporation which is still continuing.

After detailed discussions with Shri Pithi, partner of the firm the committee asked Shri Pithi to offer the amount which he wanted to pay now towards settlement but Shri Pithi mentioned that since he has already paid the outstanding of the Corporation therefore, he is not supposed to pay any further amount. Therefore, no settlement could be reached and case was rejected.

#### **4. M/s Asha Granites, Jalore**

Shri Gangauri Lal, proprietor of the unit, Shri Radhey Shyam, father of the proprietor and Shri Dharm Narain Agrawal, Uncle of the proprietor, appeared before the committee.

A loan of Rs. 5.50 lac was sanctioned on 18.10.95, out of which Rs. 5.33 lac were disbursed for setting up a granite tile manufacturing unit size 1'x2' at Sirohi Road, Jalore. The category of the loan account was 'Doubtful' as on

31.03.04. The unit is lying closed. A sum of Rs. 31.10 lac were outstanding as on 01.06.2007, Out of which Rs. 5.33 lac towards principal and Rs. 0.01 lac towards other money. The MRV of the prime assets is Rs. 4.85 lac and there is no collateral security as well as third party guarantee is available.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 6.55 lac **less** upfront amount of Rs. 1.55 lac (rounded off), hence net payable settlement amount of Rs. 5.00 lac, which shall be paid by the unit in five equal monthly instalment of Rs. 1.00 lac each commencing from the month of September, 2007 to Jan., 2008

No interest would be charged upto 30.09.07 and thereafter w.e.f. 01.10.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

### **3. M/s Gajendra Oil Mill, Bharatpur**

Shri Gajendra Singh, proprietor of the unit alongwith Shri Mohan Singh, father of the proprietor, appeared before the committee.

A loan of Rs. 5.20 lac was sanctioned on 31.01.94 under SWS for establishing an oil mill, out of which Rs. 2.35 lac were disbursed only for term loan. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. A sum of Rs. 21.00 lac were outstanding as on 01.03.2007. Out of which Rs. 2.35 lac were towards principal and Rs. 0.01 lac towards other money. The MRV of the financed assets is Rs. 10.79 lac and MRV of the collateral security is Rs. 3.07 lac. There is no third party guarantee is available. Action u/s 32(G) has been initiated and ROD has been sent to concerned Collector.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 10.71 lac **less** upfront amount of Rs. 0.71 lac (rounded off), net payable settlement amount would be of Rs. 10.00 lac, which shall be paid as follows:-

Rs. 4.00 lac upto 30<sup>th</sup> September, 2007  
Rs. 3.00 lac upto 31<sup>st</sup> October, 2007  
Rs. 3.00 lac upto 30<sup>th</sup> November, 2007

No interest would be charged upto 30.09.07 and thereafter w.e.f. 01.10.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

#### **4. M/s Shree Plastic Industries, Suthala, Jodhpur(Decreeal case)**

Party was not called for attending the meeting, only a note was placed in the meeting. It is a decreeal case where decree was awarded by the Hon'ble Court for Rs. 30,052/- alongwith interest and legal expenses of Rs. 1,619/-. The branch have settled the case on 15.06.06 in a consideration of Rs. 41,000/- less upfront amount under the provisions of FR Circular No. 124 and letter to the party was accordingly issued by the branch for making payment of Rs. 41,000/- upto 31.07.06. However, party could not deposit the settlement amount within the prescribed time and extension was granted by HO upto June, 2007. Finally the payment was made by the unit upto 16.07.07.

Later on in the month of October, 2006 HO has issued a Circular No.406 dated 09.10.06 whereby it was made clear that decreeal amount shall also include interest as per condition stipulated by the Hon'ble Court i.e. decreeal amount plus interest at specific rate from the date of filing of civil suit to the date of decision. Under this formula the amount works out to be more than the amount on which case was settled.

Since the case was settled by the BO prior to issue of Circular No. FR-406 similar view was taken by the committee which was taken in other cases also, therefore, the committee decided to confirm the action taken by the BO besides this the condonation of delay in making payment of settled amount was also approved by the committee.

#### **5. M/s Jai Singh Shyam Marble, Rajsamand**

Since nobody turned up, hence consideration of the above cases was deferred.

#### **6. M/s Wraps Hygenic India (P) Ltd., Bhiwadi**

Shri C.S. Ahluwalia, Director of the company, appeared before the committee.

The case was registered directly for Special HOLC. It is a deferred sale case where assets of a sick unit was sold to M/s Wraps Hygenic India (P)Ltd. on 18.05.96 in a consideration of Rs. 50.00 lac, out of which Rs. 12.50 lac was deposited as initial payment leaving a deferred loan of Rs. 37.50 lac. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is engaged in producing Sanitary Napkins. However, unit is lying closed. A sum of Rs. 236.93 lac were outstanding as on 01.03.2007. Out of which Rs. 37.50 lac are towards principal and Rs. 0.04 lac are towards other money. The MRV

of the prime assets is Rs. 81.07 lac there is no collateral security as well as third party guarantee is available.

After detailed discussions with the Director and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 1.00 crore **less** upfront amount of Rs. 11.25 lac (rounded off), therefore, net payable settlement amount would be Rs. 88.75 lac but the above offer of the committee was not accepted by the Director, therefore, the settlement could not be reached, hence, the case was **rejected** with the advise that BO should initiate action for recovery of dues.

## **7. M/s Renwal Industries, Kishangarh Renwal, Jaipur (ARRC Case)**

Shri Ravindra Pal Singh, proprietor of the unit, appeared before the committee.

The case was directly registered for Special HOLC. A loan of Rs. 10.00 lac was sanctioned on 29.03.96 for setting up a unit for manufacturing adhesive tape at I.A., Kishangarh Renwal, out of the sanctioned loan Rs.8.80 lac could be disbursed. On account of non payment of dues, the unit was taken into possession on 14.06.07. The category of the loan account was 'Doubtful' as on 31.03.04. Action under Section 32(G) has already been initiated by sending ROD to concerned Collector on 26.03.03. A sum of Rs. 53.66 lac were outstanding as on 31.03.2007. Out of which Rs. 8.80 lac are towards principal and Rs. 0.04 lac are towards other money. The MRV of the financed assets is Rs. 9.40 lac and no collateral security as well as third party guarantee is available.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 19.65 lac **less** upfront amount of Rs. 2.65 lac, therefore, net payable settlement amount would be Rs. 17.00 lac, which shall be paid as follows:-

- a) First five equal monthly instalment of Rs. 3.00 lac each commencing from the month of September, 2007 upto Jan., 2008
- b) Last sixth instalment of Rs. 2.00 lac upto Feb., 2008 alongwith interest.

The possession of the assets shall be handed over only after receipt of entire payment of settlement alongwith interest.

No interest would be charged upto 30.09.07 and thereafter w.e.f. 01.10.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

#### **8. M/s Mourya Enterprises, Jaipur (ARRC Case)**

Shri Ramesh Kumar Mourya, Proprietor of the unit alongwith Shri Mangi Lal, father of proprietor, appeared before the committee.

Aggrieved with the decision of HOLC dated 19.11.05 the unit had made an appeal. The competent authority i.e. CMD has granted necessary permission to register the case as an appeal case. A loan of Rs. 5.00 lac was sanctioned on 11.03.96 for setting up a unit for manufacturing of mosaic tiles, at I.A. Bassi., out of the sanctioned loan Rs.4.56 lac could be disbursed. On account of non payment of dues, the unit was taken into possession on 7.03.05. Since then the assets of the unit was under possession. The party has also approached the Hon'ble High Court and obtained stay against the sale of his unit which has now been vacated and now stay is not in operation. The category of the loan account was 'Doubtful' as on 31.03.04. A sum of Rs. 15.35 lac were outstanding as on 01.06.2007 and after adding interest for the possession period amounting to Rs. 4.07 lac the total outstanding of Rs. 19.42 lac. Out of which Rs. 4.56 lac towards principal and Rs. 0.49 lac towards other money. The MRV of the financed assets is Rs. 13.51 lac and no collateral security as well as third party guarantee is available.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 13.51 lac **less** upftont amount of Rs. 1.51 lac, therefore, net payable settlement amount would be Rs. 12.00 lac, which shall be paid in six equal monthly instalment of Rs. 2.00 lac each commencing from the month of September, 2007 to Feb., 2008.

No interest would be charged upto 30.09.07 and thereafter w.e.f. 01.10.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

#### **9. M/s Laxmi Engineering Works, Kishangarh**

Shri Mohan Lal Sharma, Proprietor of the unit, appeared before the committee.

Aggrieved with the decision of HOLC dated 31.01.06 the unit had made an appeal. The competent authority i.e. CMD has granted necessary permission for condonation of delay in making appeal. The decision taken by the HOLC in its meeting held on 31.01.06 is reproduced below:-



*“Shri Mohan Lal Sharma, proprietor of the concern, appeared before the committee. It is a deferred sale case. The promoter brought to the notice of the committee that the Corporation had not handed over some electric motors at the time of handing over possession to him inspite of assurance by the BO.*

*After discussion and consideration of the case, the committee decided to settle the case by waiving part amount of penal interest i.e. Rs. 60,000/- only out of his both the loan accounts i.e. term loan and deferred sale account with the condition that the party to make the entire remaining payment less upfront amount of Rs. 50,000/- by 31.03.06. In addition to above, the party will clear the entire outstanding lying in the IFL account as per the legal agreement.*

*The proprietor consented to the settlement.”*

The promoter did not deposit the dues as per above decision and knock the door of “Lok Adalat” where his prayer has been dismissed in December, 2006.

Looking to the fact that the MRV of the assets is quite high, dismissal of the case of the unit by “Lok Adalat” and there are no new facts come in the committee have upheld the above decision of the HOLC accordingly, the branch will calculate the liability of the unit and inform to party, the unit will pay the same within a period of 30 days otherwise the suitable recovery action be initiated.

#### **10. M/s Kisan Pipe Industries, Jodhpur**

Shri Gopal Singh Rajput, Partner of the unit, appeared before the committee.

The case was registered directly for Special HOLC. A loan of Rs. 4.87 lac was granted to the unit on 31.07.93, out of which Rs. 1.69 lac were disbursed for setting up a unit at Village- Tinwari, The. Osian, Distt. Jodhpur for manufacturing of Cement Pipe. The unit is lying closed. The category of the loan account was ‘Doubtful’ as on 31.03.04. The MRV of the prime assets is Rs. 1.69 lac and there is no collateral security as well as third party guarantee is available. L/N under Section 32(G) was issued on 2.2.07. A sum of Rs. 19.86 lac were outstanding as on 01.03.07, out of which Rs. 1.69 lac are towards principal sum and Rs. 0.01 lac towards other money.

After detailed discussions with the partner and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 5.75 lac **less** upfront amount of Rs. 0.52 lac, hence net payable settlement amount of Rs. 5.23 lac but the above offer of the committee was not accepted by the partner, therefore, the settlement could not be reached, hence, the case was **rejected** with the advise that BO should initiate action for recovery of dues.

## **11. M/s Ganpati Marbles, Udaipur**

Shri Niranjn Vyas, Son of proprietor of the unit alongwith Shri Anand Swaroop Vyas, Brother of proprietor, appeared before the committee.

The case was registered directly for Special HOLC. A loan of Rs. 10.00 lac was granted to the unit on 30.05.94, out of which Rs. 1.49 lac were disbursed. It is a mining marble unit. The unit is lying closed. The category of the loan account was 'Doubtful' as on 31.03.04. The MRV of the prime assets has not been calculated as the same are reported to be not traceable. The value of the mortgaged guarantor is Rs. 29.42 lac. The ROD has already been sent to Collector, Udaipur as well as Bhilwara on 30.08.05 and 29.09.05. A sum of Rs. 5.90 lac were outstanding as on 01.03.07, out of which Rs. 0.77 lac towards principal sum and Rs. 0.02 lac towards other money.

After detailed discussions with the representative of the unit and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 5.25 lac less upfront amount of Rs. 0.25 lac, therefore, net payable settlement amount would be Rs. 5.00 lac

But the representative has sought time of 15 days for giving their consent for the above offer of the committee, therefore, committee has decided to accord time of 15 days to the representatives for furnishing their consent in writing at our concerned BO, Udaipur. Since the consent was pending, therefore, time schedule for payment of the net payable settlement amount could not be finalized, however, in case the representative furnishes consent in writing then a time of 5 months for payment of settlement amount be given, according the unit may be asked to pay the net settlement amount in five equal monthly instalment of Rs. 1.00 each commencing from the month of October, 2007 to Feb., 08 .

No interest would be charged upto 31.9.07 and thereafter w.e.f. 01.10.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

In case consent is not received then the case will be treated as rejected.

## **12. M/s Om Enterprises, Kota**

It was a HOLC settled case where settlement amount was to be paid upto 31.03.07. On the request of the promoter, the competent authority i.e. CMD has granted extension for payment of balance settlement amount upto 30<sup>th</sup> September, 2007.

The committee confirmed the action of the CMD.

### **13. M/s Ajanta Stone Industries, Kota**

Shri Abdul Vahid, son of proprietor of the unit alongwith Shri Abdul Salam relative of the proprietor, appeared before the committee.

A loan of Rs. 4.40 lac was sanctioned as term loan and working capital term loan of Rs. 0.59 lac was also granted for setting up a stone splitting unit at Dara, Kota, out of the sanctioned loan Rs.2.83 lac could be disbursed. The case of the unit have settled by DLC for a sum of Rs. 9.02 lac under the scheme for waiver of penal interest announced in the last FY. 2006-07 but party has not deposited the settlement amount except upfront amount. The case has been filed under Section 32(G). The MRV of the fixed assets is Rs. 2.37 lac and value of collateral security is Rs. 3.19 lac. The category of the loan account was 'Doubtful' as on 31.03.04. A sum of Rs. 10.64 lac were outstanding as on 01.06.2007 Out of which Rs. 2.83 lac are towards principal and rest is towards interest.

After detailed discussions with the representative and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 5.35 lac less upfront amount of Rs. 0.85 lac(rounded off), therefore, net payable settlement amount would be Rs. 4.50 lac, which shall be paid upto 30.09.2007 without interest.

Subsidy, if recoverable shall be recovered as per norms.

The representative of the unit consented to the settlement.

### **14. M/s. Swastik Threads Ltd., Bhilwara**

Shri Subhash Baheria, one of the directors, appeared before the committee.

The case was registered as a grievance case on approval of the competent authority i.e. CMD because there was certain discrepancies in maintenance of the accounts of the company.

The company purchased a sick unit on deferred payment basis in a consideration of Rs.38 lac out of which Rs.9.50 lac were deposited as initial payment and balance of Rs.28.50 lac was a deferred loan a/c(A/c I No.I-5806) thereafter further loan of Rs.119 lac was also granted on 27.10.95 against which a sum of Rs.89.24 lac were disbursed (A/c II No.5842), therefore, there are two loan accounts were maintained by the BO, Bhilwara. The company has repaid the balance outstanding of loan A/c I 5806 in the year 2001 but no dues certificate was not issued and later on, on reconciliation of the loan account, it was found that interest was charged short and after conducting manual calculations, the short interest so charged was debited in a new loan account which was opened for the purpose as the earlier loan account was showing nil balance.

In loan A/c- II No.5842, disbursement was made from HO on various dates but debit advice for the same were sent at a later date by HO to BO, therefore, the interest in this account was debited by the BO only on 1.10.96 whereas in fact the interest should have been due for payment on 1.7.96. Thus, there was a difference in between the computer books as well as manual calculation. Therefore, after reconciliation of the accounts the BO has debited and accordingly interest as well as penal interest was also charged the differential interest on the debit balance which was accumulated to the tune of Rs.3.96 lac as on 1.6.07. The difference on account of short interest was debited by the BO on 1.10.06.

On the contrary, the company have been representing their case that RFC have debited their accounts at a much later date i.e. even after issue of NIL balance in computer account statement, therefore, they are not responsible for payment of any amount at this juncture as they were not at fault at any point of time

The position of loan accounts as on 1.6.07 as intimated by BO was as follows :

|               | <b>A/c No. 5806</b> | <b>A/c No. 5842</b> | <b>Total</b> |
|---------------|---------------------|---------------------|--------------|
| Principal sum | 1.83                | 0.21                | 2.04         |
| Interest      | 2.15                | 0.55                | 2.70         |
| Total         | 3.98                | 0.76                | 4.74         |

After detailed discussions with the director of the company, the committee noted that when computer account statement furnished to the company were showing NIL balance, therefore, it is unjustified to debit the loan a/c of the company after lapse of a considerable time of 5-6 years. Therefore, the committee, decided to settle the case in a consideration of Rs.2.04 lac less upfront of Rs.0.61 lac and penal interest Rs.1.35 lac which have been paid by the company, as informed by the Director Shri Baheria (i.e. Rs. 0.61 lac + Rs./ 1.35 lac= Rs. 1.96 lac) therefore, the net settlement amount would be Rs.0.08 lac which shall be paid by the company immediately upto 30.9.07. The case would be placed before the Board for confirmation of the decision of the committee.

The committee also decided to conduct a PE/DE to fix the responsibility of the officer who has not calculated the correct liabilities of the unit and also not checked the account in the year 2001 when the balance outstanding was shown NIL in the computer statement of account. The PE is to be conducted by DGM(A&I), Ajmer who will submit his report within 10 days.

**15. M/s Ganesha Ram S/o Sh.Nathu Ram , Sriganaganagar (Decretal case)**

Shri Moti Singh, second guarantor, appeared before the committee.

It is an appeal case and aggrieved with the decision of the BO, the second guarantor made an appeal. The case was earlier settled by the BO on decretal amount plus OM on 14.3.07 in a consideration of Rs.5.78 lac. The decree was awarded by Hon'ble court on 3.7.2000 according to which the decretal amount of Rs.5.60 lac and interest thereon works out to Rs.2.56 lac, the total comes to Rs. 8.16 lac. The present value of third party guarantee is Rs.4.92 lac. Both the guarantors are in old age.

After detailed discussions with the guarantors, the committee decided to settle the case in a consideration of Rs.5.61 lac **minus** upfront amount as well as amount deposited after awarding decree amounting to Rs.1.61 lac (i.e. Rs.0.74 lac upfront amount + 0.87 lac), deposited after awarding decree), therefore net settlement amount would be Rs.4.00 lac, which would be paid by the guarantors within the month of September, 2007.

Party has not given his consent and, therefore, the committee allowed a time of 7 days for giving consent at BO otherwise the case shall be treated as rejected.

#### **16. M/s Rajasthan Spinning Mills, Ganganagar (DDW)**

Shri Narendra Singh, Patner and Shri H.S. Randhwa son of partner of the unit, appeared before the Committee. Aggrieved with the decision taken by Branch Office under ongoing settlement scheme 2006-07, the promoters have made appeal, therefore, it is an appeal case. It is a deficit case having two accounts of the unit wherein the principal deficit after adjustment of sale consideration was arised Rs. 1.07 lakh and Rs. 9.06 lac respectively in both the loan accounts as on 31.03.07. The Other Money was also outstanding in the account i.e. Rs. 1.09 lakh. No collateral security as well as third party guarantee is available.

After detailed discussions with the partner of the unit the Committee decided to settle the deficit accounts on principal deficit amount plus other money minus amount deposited by the partners as upfront or otherwise after sale plus 5% motivational charges payable to revenue authorities, which works out to Rs. 6.38 lakh i.e. (principal deficit Rs. 10.13 lac + Other Money 1.09 lakh=Rs. 11.22 lakh – amount paid by the promoters Rs. 5.14 lakh =Rs. 6.08 lakh + ROD Charges @5% Rs. 0.30 lakh =6.38 lakh). The net payable settlement amount of Rs. 6.38 lakh shall be paid in 12 equal monthly instalments, the first instalment shall fall due in the month of September, 2007 and last in August, 2008.

No interest would be charged upto Dec., 07 thereafter w.e.f. 1<sup>st</sup> Jan., 08 interest @ 13% p.a. will be charged till final payment.

The partners of the unit consented to the settlement.

#### **17. M/s Bhanwar Lal Vishnoi Flour Mills, Distt. Jodhpur (Write off case) (DDW)**

Party was not called for attending the meeting.

In the instant case since the security available is more than 200% as compared to outstanding therefore, the BO have sent the case for settlement by Special HOLC. It is a written off case where write off amount was Rs. 7,700/- which was written in the financial year 1994-95. As on date. the other money outstanding is Rs. 315/- and 5% ROD charges works out of Rs. 401/- hence, a total outstanding works out of Rs. 8,420/-. The Committee decided to settle the case in a consideration of Rs. 8,420/- as recommended by the BO. In case the unit had deposited the above settled amount then case be treated as settled.

### **18. M/s Giriya Prasad Om Prakash, Alwar (Written of Account) (DDW)**

Shri Om Prakash S/o of the partner of the firm appeared before the Committee.

It is a written off case where the Corporation have write off a sum of Rs. 4,342/- and also write back Rs. 11,372/- in the FY 1995-96. The value of collateral security is available with the Corporation of Rs. 1.50 lakh, prime assets are found to be missing and no third party guarantee is available. Since the security available is more than 200%, than outstanding therefore, the BO have forwarded the case for settlement at HO by Spl. HOLC.

After considering all the facts of the case the committee decided to settle the case in a consideration of Rs. 9,000/- less (amount of Rs. 1500/- deposited as upfront amount), therefore, the net payable settlement amount would be Rs. 7,500/- which is payable in the month of Sept., 07.

The representative consented to the above settlement.

### **19. M/s Shyam Singh Flour Mills, Iraniya, Distt.Alwar (Written off case)**

The party was not called for discussions.

It is written off case where the Corporation have write off a sum of Rs. 8,900/- and written back Rs. 10,088/-. In the FY 1993-94, ROD has already been sent on 25.08.06. The other money outstanding is Rs. 30/- only. The MRV of prime assets is nil as the assets are reported to missing, however, value of the collateral security is 20,000/- no third party guarantee is available.

Since the available security is more than 200% than write off amount therefore, the Branch have forwarded the case at HO to be settled by Spl. HOLC.

The BO have recommended to settle the case in a consideration of Rs. 17,800/- (i.e. double of the write off amount) plus 5% ROD charges minus upfront of Rs.

2,000/-. The Committee have accepted the above recommendations of the BO for settlement of the case.

## **20. M/s Saroj Industries, Bhiwadi**

Shri Iswar Agarwal one of the partner and Smt. Saroj wife of the partner appeared before the Committee.

It is an appeal case and aggrieved with the decision of the SLC dated 23.03.01 the promoter had made an appeal for which the competent authority has granted the necessary permission.

Earlier this case was placed in SLC meeting held on 23.03.01 wherein the Committee offered to settle the case by charging simple interest on the principal outstanding which works out to Rs. 25.00 lakh approx. but since the partner did not agree to the above said proposal, therefore, the case was rejected.

The unit is located at Industrial Area, Bhiwadi and engaged in manufacturing of Tin containers. The unit is lying closed since long time. The Corporation has also considered Rehabilitation assistance to the unit in the year 1996 but the unit could not come out of the clutches of sickness. The category of loan account is 'Doubtful' as on 31.03.04. At present, the Corporation is maintaining four different accounts i.e. Rs. 102.98 lac term loan, Rehabilitation Assistance Loan and Funded Interest accounts. As on 01.03.07 a total sum of Rs. 16.79 lakh were outstanding towards principal & Rs. 86.16 lakh towards interest and Rs. 0.03 lakh towards other money making a total outstanding of Rs. 2.98 lakh the MRV of the financial assets is Rs. 79.34 lakh and value of the collateral security is Rs. 10.00 lakh. No personal/third party guarantee is available in this case.

After detailed discussions and considering all the facts, the Committee decided to settle the case in a consideration of Rs. 80.05 lakh less upfront amount of Rs. 5.05 lakh, therefore, net payable settlement amount of Rs. 75.00 lakh which shall be paid by the unit in six equal monthly instalments of Rs. 12.50 lakh each commencing from the month Sept., 07 to Feb., 08. The instalments shall be paid upto the end of respective month.

No interest would be charged upto Dec., 07 and thereafter w.e.f. 01.01.08 interest @ 13% p.a. on simple basis would be charged till the final payment.

## **21. M/s Suvish Drugs Marble (P) Ltd., Udaipur**

Shri Sunil Agarwal, Director and Shri Vijay Saraf, Accountant of the company appeared before the Committee.

This case was registered as grievance case without depositing upfront amount on the approval of the competent authority. In the instant case, a loan of Rs.

37.78 lakh was granted on 13.08.90 out of which Rs. 37.70 lakh was disbursed. The loan documents were executed on 14.11.90. The BO have charged the interest at the lower side and the discrepancy was came into the notice to the BO in March, 02. Accordingly, effect of enhance rate of interest was given in the loan account retrospectively w.e.f. 01.01.02 and a sum of Rs. 7,74,220/- were debited in the loan account on 01.01.02.

Earlier this case was placed before HOLC in its meeting held on 29.03.05 wherein the Committee decided to settle the case by waiving of entire penal interest charged but the company did not agreed with the above settlement hence, the case was rejected.

The case of the company is also pending in DRT. The company have also filed a writ petition in the Hon'ble High Court, Jaipur which stands disposed off.

As on 01.03.07, a sum of Rs. 0.95 lakh towards principal Rs. 17.85 lakh towards interest and Rs. 0.05 lakh towards other money are outstanding making a total outstanding of Rs. 18.85 lakh in the loan account of the company. The MRV of the financed assets is Rs. 78.67 lakh.

After detailed discussions with the Director of the Company and considering the fact that the Corporation have debited a huge sum of Rs. 7.74 lakh after a lapse of a considerable time towards differential interest and involved litigation, the Committee decided to settle the case in a net payable settlement amount of Rs. 4.00 lakh which is payable upto Sept., 07 by the Company.

The Director consented to the above decision.

## **22. M/s Baldev Singh, Sriganganger (Deficit case) (DDW)**

Shri Amer Jeet Singh S/o Baldev Singh, appeared before the committee.

It is a deficit/decreetal case where assets were sold by the Corporation on 18.03.97. As on date of sale, a sum of Rs. 3,85,414/- were outstanding as deficit. The Hon'ble Court have awarded a decree for a sum of Rs. 6,15,913/- and after adding the interest as per Circular No. FR-406 for the period from 01.03.00 to 15.03.07 amounting to Rs. 8,56,879/-, the total recoverable amount works out to Rs. 14,72,792/-.

The value of available Collateral Security to the tune of Rs. 2.50 lakh and the value of the third party guarantee is Rs. 21.00 lakh .

After detailed discussions with Shri Amar Jeet Singh, the Committee offered to settle the case in a consideration of Rs. 6.16 lac less upfront of Rs. 0.53 lakh hence, net payable settlement amount of Rs. 5.63 lakh but the offer was not



acceptable to the party hence, the case was rejected. The BO to take necessary action for recovery as per norms.

### **23. M/s Sarswati Sangarmermer, Banswara**

Since nobody turned up to attend the meeting therefore, the consideration of the case was deferred.

### **24. M/s Laxmi Rice Mill, Bansara (Decreetal case)**

It is a deficit/Decreetal case where the competent court had awarded a Decree of Rs. 85,630.46 on 06.09.2000. The BO have settled the case in a decreetal amount of Rs. 89,430/- which includes Decreetal amount plus other money on 09.10.06 under the provisions of Circular No. ARRC -124 dated 21.03.06 whereas according to circular no. 406 dated 0910.06 the case should have been settled on Rs. 1,59,805/- (Decreetal amount Rs. 85,630/- interest w.e.f. 23.11.92 to 06.09.92 @ 9% Rs. 74,175/-) therefore, the BO have settled the case without adding interest from the date of filing court case to the date of decision i.e. 23.11.92 to 06.09.06.

The Committee have noted that not only this branch few other branches have settled the cases without applying the provisions of FR-Circular 406 dated 09.10.06 which were regularized by the committee, however, in the instant case, incidentally case has been settled on the very same day of the date of circular (before reaching the circular at BO), therefore, the Committee have confirmed the action taken by the BO

### **25. M/s Pankaj Oil Mill, Banswara**

It is a decreetal case where decree was awarded by the Hon'ble Court for Rs. 2,49,839.25 alongwith interest. The branch have settled the case on 13.07.06 in a consideration of Rs. 2,71,000/-(Decree + Other Money + Mortgaged Expenses) less upfront amount under the provisions of FR Circular No. 124.

Later on in the month of October, 2006 HO has issued a Circular No.406 dated 09.10.06 whereby it was made clear that decreetal amount shall also include interest as per condition stipulated by the Hon'ble Court i.e. decreetal amount plus interest at specific rate from the date of filing of civil suit to the date of decision. Under this formula the amount works out to be more than the amount on which case was settled.

Since the case was settled by the BO prior to issue of Circular No. FR-406 and a similar view was taken by the committee in other cases also, therefore, the committee decided to confirm the action taken by the BO.

### **GENERAL OBSERVATIONS:**

- 1) If the party fails to make payment strictly as per decision of the committee, BO concerned will initiate recovery action at their level.
- 2) 5% recovery charges to be sent to Collector concerned are included in the settlement amount, where recovery is effected on account of action initiated under Section 32(G) as per provision of Circular No.FR.365 dated 3.10.2005 and dated 31.10.2005.
- 3) Court case, if any, shall be withdrawn by the party.
- 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) Wherever settlement amount is to be paid in instalment, the party will produce PDCs in the BO payable on 15<sup>th</sup> 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.

**DY.GENERAL MANAGER(FR)**

**RAJASTHAN FINANCIAL CORPORATION  
(FR Division)**

**MINUTES  
Special HOLC Meeting  
Date : 29.09.2007**

|   |   |                  |
|---|---|------------------|
| Present   |   |                  |
| Shri B.N. Sharma, IAS<br>Chairman & Managing Director   | : | In Chair         |
| Shri S.K. Agarwal, RAS<br>Executive Director            | : | Member           |
| Shri Purushottam Biyani, RAS,<br>General Manager (Dev.) | : | Member Secretary |
| Shri R.P. Meena,<br>DGM(Loans)                          | : | Member           |
| Shri Dharamveer,<br>Manager (Incharge Law)              | : | Member           |

Shri K.K. Parashar, DGM(ARRC), Shri S.K. Malhotra, DGM(FR), Shri L.K. Ajmera, DGM(DDW), Shri N.K. Jain, Manager(FR-1), Shri Dinesh Mohan, Manager (FR-2), Shri M.C. Agrawal, Manager(DDW), Shri S.S. Agarwal, Manager (FR-3), Shri S.K. Gupta, DM(FR) and Shri Naveen Ajmera, DM(FR) were also present.

**I Confirmation of the minutes of Spl. HOLC meeting held on 31.08.07.**

Minutes were confirmed.

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

**1. M/s Anand Oil Mills, Kishangarh**

Shri Susheel Jain , Shri Prakash Chand Jain, Brothers of the proprietor of the unit, appeared before the committee.

A loan of Rs. 1.48 lac was sanctioned on 28.06.93, out of which Rs. 1.14 lac could be disbursed for setting up an oil mill. The unit was established in the rented premises, therefore, the third party guarantee was obtained. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. A sum of Rs. 6.09 lac were outstanding as on 01.09.2007, out of which Rs. 1.00 lac towards principal and Rs. 5.09 lac towards interest. A subsidy of Rs. 0.30 lakh has also disbursed to the concern. The MRV of the financed assets is Rs. 0.25 lac and there is no collateral security. In this case

personal guarantee was taken but the guarantor is reported to have sold the property as has been enquired from the BO from the neighbors of the promoter, therefore, the value of the personal guarantee is NIL. The branch has already initiated action under Section 32(G) by sending ROD on 24.12.2005 to the Collector, Ajmer.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account alongwith subsidy account in a consideration of Rs.1.36 lac including principal amount of subsidy disbursement **less** upfront amount of Rs. 0.30 lac (rounded off), hence net payable settlement amount of Rs. 1.06 lac, which shall be paid by the unit in three equal monthly instalment commencing from the month of October, 2007 to December, 2007.

No interest would be charged upto 31.10.07 and thereafter w.e.f. 01.11.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The brother of the proprietor of the unit consented to the settlement.

## **2. M/s Sarneshwar Granites, Jalore( ARRC Case)**

Shri Narpat Raj Parmar, proprietor of the unit, appeared before the committee.

A loan of Rs. 5.40 lac was sanctioned on 30.01.96, out of which Rs. 4.80 lac was disbursed upto 14.08.1996. It is a case of granite tiling unit 1'x2' size. The category of the loan account was 'Doubtful' as on 31.03.04. On account of nonpayment of dues of the Corporation, the unit was taken into possession on 23.06.2006. A sum of Rs. 33.25 lac is outstanding as on 01.09.2007 excluding simple interest for Rs. 7.71 lac for the possession period upto 31.08.07, therefore, the total outstanding against the unit as on 01.09.07 was Rs. 40.96 lac which includes principal of Rs. 4.80 lac and other money Rs. 0.28 lac. The MRV of the financed assets(L&B) is Rs. 3.43 lac and there is no collateral security and third party guarantee. Part P&M were found missing at the time of taking possession(having MRV of Rs. 0.55 lac), remaining P&M have already been sold on 5.12.2006 in a consideration of Rs. 0.60.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 5.50 lac **less** upfront amount of Rs.1.78 lac, i.e. as the net payable settlement amount of Rs. 3.72 lac, which shall be paid by the unit as under:-

- a) Rs. 1.00 lac in the month of October, 2007

b) Rs. 2.72 lac in five equal monthly instalments commencing from November, 2007 to March, 2008.

Possession of the assets would be handed over only after clearance of entire settlement amount alongwith interest thereon.

No interest would be charged upto 31.10.07 and thereafter w.e.f. 01.11.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

### **3. M/s Asha Stone Industries, Sawaimadhopur**

Smt. Motiya Devi, widow of the proprietor alongwith Shri Rajendra, Son-in-law of the proprietor of the unit, appeared before the committee.

Aggrieved with the decision of DLC, the party made an appeal for Special HOLC. This case was earlier placed in the DLC on 28.01.05 and case was settled by the BO in a consideration of Rs. 1.63 lac(rounded off) - on double of principal sum + 5% recovery charges, but widow of loanee did not deposit the settlement amount except upfront amount. Promoter expired on 8.6.01. Widow of the loanee and five children are residing in a room in the factory premises. The widow is a daily wages worker and in BPL category. A loan of Rs. 1.00 lac was sanctioned on 11.02.93, out of which Rs. 0.81 lac was disbursed. It is a case of stone cutting unit. The category of the loan account was 'Doubtful' as on 31.03.04. A sum of Rs. 4.13 lac was outstanding as on 01.06.2007, out of which Rs. 0.81 lac towards principal and Rs. 3.32 lac towards interest. The MRV of the financed assets is Rs. 1.15 lac and there is no collateral security and third party guarantee.

After detailed discussions with the representative of the unit alongwith widow and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.0.86 lac less upfront amount of Rs.0.24 lac (rounded off), hence net payable settlement amount of Rs. 0.62 lac, which shall be paid by the unit upto October, 2007.

The widow of the promoter of the unit consented to the settlement.

### **4. M/s Shanti Steel Industries, Jodhpur**

Since nobody turned up, hence, consideration of the above case was deferred.

## **5. M/s Manohar Lime Company, Pali (ARRC Case)**

Shri Hapuram, proprietor of the unit, appeared before the committee.

Aggrieved with the decision of HOLC, the party has made an appeal. The case was rejected by HOLC on 7.12.2004. The competent authority i.e. CMD has granted permission for condonation of delay in making appeal.

On account of non payment, the assets of the unit were taken into possession on 31.01.07. Since then the assets are lying into the possession of the Corporation. The promoter had also availed loan from BO, Beawar in the name of M/s Fine Minerals & Marble, the assets of which has been sold leaving deficit of Rs.39.81 lac.

A loan of Rs. 5.80 lac was sanctioned on 30.03.89, out of which Rs. 2.61 lac was disbursed. It is a case of quick lime unit. The category of the loan account was 'Doubtful' as on 31.03.04. A sum of Rs. 3.92 lac were outstanding as on 01.09.2007 which includes principal of Rs. 0.73 lac and interest of Rs. 2.92 lac and other money Rs. 0.27 lac. Interest for the possession period is Rs. 0.34 lac which is not included in the outstanding balance. The MRV of the financed assets is Rs. 12.25 lac and there is no collateral security and third party guarantee.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.3.66 lac less upfront amount of Rs.0.22 lac, hence net payable settlement amount of Rs.3.44 lac, which shall be paid by the unit in three equal monthly instalments commencing from the month of October, 2007 to December., 2007.

The committee also decided that the assets of this unit which are mortgaged with the Corporation shall not be released till the clearance of promoter's another loan account in the name of M/s Fine Minerals & Marbles with the BO, Beawar.

No interest would be charged upto 31.10.07 and thereafter w.e.f. 01.11.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

## **6. M/s Shree Balaji Pashu Aahar Udyog, Pali (Note) (ARRC Case)**

This case was settled in the Special HOLC meeting held on 29.05.07 in a consideration of Rs.2.72 lac less upfront amount of Rs. 0.72 lac, net payable

settlement amount of Rs. 2.00 lac which was payable upto 30.06.07 and the same were paid by the unit within the stipulated time besides this the other money of Rs. 0.16 lac debited after settlement was also deposited by the promoter.

While forwarding the proposal by the BO for OTS it was mentioned that there is no collateral security and it was mentioned as "N.A." whereas in fact there was a collateral security available in the case and BO, Pali vide their letter dated 25.05.07 informed the HO about the availability of collateral security . This letter of the branch could reach to HO on 31.05.07 i.e. after the date of the meeting of Special HOLC. Obviously, the case was settled by the committee without considering the value of the collateral security As per BO, Pali fax dated 28.09.07, the value of collateral security at the time of execution related to share of Shri Babu Ram Gujar was around Rs. 1.67 lac now the value of this collateral security is Rs. 4.00 lac. Owing to this reason, it has been decided to place the case again before the Special HOLC for decision for any review of the settlement decision in view of the collateral security.

After detailed discussions the committee noted that the fact regarding availability of collateral security must have been brought into the notice of HO well in time so that the committee would have taken the decision on the settlement amount accordingly. It was, therefore, decided that an enquiry may be conducted by Vigilance Cell against Shri N.C. Boyat, the then Branch Manager, Pali who has forwarded the proposal for one time settlement without mentioning the fact regarding availability of the collateral security and this fact was also not brought into the notice of HO at the time of sending proposal for settlement. It was also decided by the committee that since the promoter have already deposited the settlement amount, therefore, it would not be fair now to revise the settlement amount, hence, the committee have upheld the decision taken in its meeting held on 29.05.2007.

#### **7. M/s Jai Singh Shyam Marbles, Rajsamand**

Shri Ram Chandra Luhar, husband of the proprietor alongwith Shri Abdul Rahman, friend, appeared before the committee.

The case has been registered for Special HOLC. It is a mining lease case. The mine is running one. Category of the loan account as on 31.03.04 is "Doubtful". A loan of Rs. 10.00 lac was granted to the unit, out of which Rs. 9.37 lac were disbursed. The branch has already filed case u/s 32(G). MRV of the prime assets is Rs. 3.50 lac and value of the collateral security is Rs. 11.90 lac. No third party guarantee is available. As on 01.09.07 a sum of Rs. 13.77 lac were outstanding out of which Rs. 7.61 lac were towards principal and rest is interest. No other money is outstanding.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.11.50 lac **less** upfront amount of Rs.2.50 lac, hence net payable settlement amount of Rs.9.00 lac, which shall be paid by the unit as under:-

- a) Rs. 3.00 lac in the month of October, 2007
- b) Rs. 6.00 lac in five equal monthly instalment commencing from the month of November, 2007 to March, 2008

No interest would be charged upto 31.10.07 and thereafter w.e.f. 01.11.07 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

#### **8. M/s Saraswati Sangmermer Udyog, Banswara**

Since nobody turned up, hence, consideration of the above case was deferred.

#### **9. M/s Narayan Das Choona & Gypsum Udyog, Nagaur**

In the instant case extension in time for payment of settlement amount was granted by CMD. As per the provisions of FR Circular No. 408 dated 13.10.06 the ex-post-facto approval is required to be obtained. Accordingly, committee have granted ex-post-facto approval for the decision taken by CMD in respect of condonation of delay.

#### **10. M/s Akansha Rubber Product, VKIA, Jaipur(DDW)**

A loan of Rs. 1.50 lac on 16.11.77 and a sum of Rs. 1.47 lac was disbursed to the unit. The unit was sold on 24.12.86 amounting to Rs. 2.70 lac. Outstanding as on date of sale (i.e. 24.12.86) was Rs. 4,38,367. Decree was awarded on 11.01.95 amounting to Rs. 1,68,367 +interest+ other money. A sum of Rs. 21,633/- were debited as other money. The branch has settled this case at Rs. 1.90 lac minus upfront amount Rs. 0.29 lac, hence net payable settlement amount is Rs. 1.61 lac which has already been paid by the promoters. The case was settled by BO on 26.09.06.

As per the provisions of Circular No. 406 issued on 9.10.2006 the case should have been settled at Rs. 2.71 lac instead of Rs. 1.90 lac as the branch has not added interest from 20.01.88 upto the date of decision (i.e. 11.01.95) on the decretal amount as per the order of the Hon'ble Court.



Since the case was settled by the BO prior to issue of clarification regarding decretal amount as contained in FR Circular No. 406 dated 09.10.06 and also the committee have also taken a view for regularization of such cases settled by few other branches accordingly in this case also the committee have taken the same view and have decided to regularize the action taken by the branch.

#### **11. M/s Pathan Ice Cream, Kota (DDW)**

Shri Abdul Latif, son of guarantor of the unit, appeared before the committee.

It is a deficit case which has been registered directly for Special HOLC.

A loan of Rs. 30,000/- was sanctioned on 28.02.86, out of which Rs. 26,200/- was disbursed. The unit was taken into possession on 26.11.88 and was sold on 18.04.91 in a consideration of Rs. 14,000/-. Corporation has filed application u/s 31(1)(aa) of SFCs Act against the guarantor for invocation his guarantee (case is still pending before Hon'ble Court for evidence). Value of collateral security is Rs. 3.10 lac and value of third party guarantor is NIL. Deficit as on date of sale after appropriation of sale price i.e. 18.04.91 was Rs. 50,185/- which includes principal deficit of Rs. 26,200/- and other money Rs. 10,236/-.

After detailed discussions with the legal heirs of the guarantor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.0.46 lac less upfront amount of Rs.0.06 lac (rounded off), hence net payable settlement amount of Rs. 0.40 lac, which shall be paid by the unit upto October, 2007.

The son of the guarantor of the unit consented to the settlement.

#### **12. M/s Kajod Mal Laghu Charam Udyog, Sawaimadhapur(DDW)**

Shri Kajor Mal, proprietor of the unit, appeared before the committee.

It is a written off case. A loan of Rs. 5,000/- was sanctioned to the unit for WCTL on 27.12.86, out of which Rs. 4,000/- was disbursed. The account has been written off Rs. 4,000/- and written back Rs. 3,000/- in the financial year 1995-96. The case was earlier settled by BO. MRV of the collateral security is Rs. 1.44 lac which is more than 200% of the written off amount. Value of third party guarantee is NIL.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 4,200/- (including 5% incentive payable to the Revenue

Authorities) **less** upfront amount of Rs.600/-, hence net payable settlement amount of Rs.3,600/-, which shall be paid by the unit upto 31.10.07.

The proprietor of the unit consented to the settlement.

### **13. M/s Inland Wood Products Pvt. Ltd., Bhilwara(DDW)**

Shri Kalyan Mal, Director of the unit alongwith Shri Satya Narayan, son of Director, appeared before the committee.

It is a deficit case which has been registered directly for Special HOLC. A loan of Rs. 67.00 lac was granted on 29.07.99 for setting up a unit at Village-Lambia Kalan, Distt. Bhilwara for manufacturing of Kathha, out of sanctioned loan Rs. 57.56 lac were disbursed. Unit was taken into possession on 22.05.04 and P&M were sold at Rs. 30.01 lac on cash down basis and L&B was sold on Rs. 41.13 lac on deferred payment basis. Deficit as on date of sale was Rs. 2,44,854/-. As per the 70:30 policy a sum of Rs. 80,415/- was paid on 22.02.07.

MRV of the financed assets is NIL(already sold). Value of the collateral security is Rs. 22.00 lac and no third party guarantee is available.

After detailed discussions with the Director and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.5.49 lac **less** upfront amount of Rs. 0.49 lac, hence net payable settlement amount of Rs.5.00 lac but the above offer of the committee was not accepted by director of the company , therefore, no settlement could be reached and the case was **rejected** with the advise that BO should initiate action for recovery of dues.

### **14. M/s Dhakar Flour Mill, Chittorgarh (DDW)**

Since nobody turned up, hence, consideration of the above case was deferred.

### **15. M/s Golden Enterprises, Nagaur**

In the instant case the proprietor of the unit filed a writ petition before Hon'ble High Court, Jodhpur regarding extending benefits which are available to a sick unit which mainly includes waiver of entire penal interest charged by the Corporation. The Hon'ble High Court, Jodhpur have decided the writ petition and directed vide order dated 4.7.07 that:

*“the petitioner may submit his additional grounds within a period of one month from today. The respondent RFC will decide the petitioner’s representation within two months after affording an opportunity of hearing tor the petitioner*

*and the petitioner shall be bound by the decision given by the RFC. It is made clear that RFC should not treat it as an order for granting any concession which is not permissible within their norms.”*

In compliance of above court order the case was registered without asking any registration and upfront amount and placed in the Special HOLC meeting dated 29.09.07. The notice of the meeting was also served personally (by hand delivery) by the officials of BO, Nagaur to the promoter of the unit vide BO letter No.RFC/NGR/2522 dated 24<sup>th</sup> September, 2007.

This case was earlier placed in the HOLC meeting held on 21.07.03 wherein Shri Abid Hussain, promoter attended the meeting and committee found that there is sufficient MRV, hence, the case do not deserve for any relief & concessions.

A loan of Rs. 2.80 lac was sanctioned on 6.10.89 for setting up a unit for producing hand tools at Nagaur. The category of the loan account was 'Doubtful' as on 31.03.04. A sum of Rs. 0.82 lac were outstanding as on 01.09.2007 out of which Rs. 0.77 lac towards principal and Rs. 0.05 lac towards interest. The MRV of the financed assets is Rs. 4.50 lac and there is no collateral security and third party guarantee is available. The case was also covered under IRS Scheme 2004-05 and penal interest of Rs. 0.64 lac were waived out of the total penal interest of Rs. 1.30 lac.

Despite of servicing of notice to the promoter personally on 24.09.07 nobody turned up to attend the meeting till the end of the meeting.

A sum of Rs. 77,000/- is outstanding against principal and Rs. 5,000/- is outstanding against the interest as on 01.09.2007 in the loan account of the unit. As per the guidelines of the Board and present policy of the Corporation, no settlement could taken place below principal loan outstanding in the account of assisted unit. Keeping in view these guidelines/norms, the committee have decided to exempt/waive the interest outstanding in the loan account of the unit amounting to Rs. 5,000/- provided the proprietor makes the payment of principal outstanding within a period of one month.

However, Shri Abid Hussain, proprietor of the unit appeared when meeting got over and he was made aware about the policy/norms of the Corporation that no settlement can be done below principal loan outstanding. Shri Abid Hussain have not furnished any consent for the above decision. Decision of the Committee may be communicated to proprietor.

**GENERAL OBSERVATIONS:**

- 1) If the party fails to make payment strictly as per decision of the committee, BO concerned will initiate recovery action at their level.

- 2) 5% recovery charges to be sent to Collector concerned are included in the settlement amount, where recovery is effected on account of action initiated under Section 32(G) as per provision of Circular No.FR.365 dated 3.10.2005 and dated 31.10.2005.
- 3) Court case, if any, shall be withdrawn by the party.
- 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) Wherever settlement amount is to be paid in instalment, the party will produce PDCs in the BO payable on 15<sup>th</sup> 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.

**DY.GENERAL MANAGER(FR)**

**RAJASTHAN FINANCIAL CORPORATION  
(FR Division)**

**MINUTES  
Special HOLC Meeting  
Dated : 17.12.2007**

|   |   |                  |
|---|---|------------------|
| Present   |   |                  |
| Shri B.N. Sharma, IAS<br>Chairman & Managing Director | : | In Chair         |
| Shri Pawan Arora, RAS<br>Executive Director           | : | Member           |
| Shri Suman Kumar Vig, RAS,<br>General Manager (Dev.)  | : | Member Secretary |
| Shri R.S. Gupta<br>Financial Advisor                  | : | Member           |
| Shri R.P. Meena,<br>DGM(Loans)                        | : | Member           |

Shri K.K. Parashar, DGM(ARRC), Shri S.K. Malhotra, DGM(FR), Shri L.K. Ajmera, DGM(DDW), Shri N.K. Jain, Manager(FR-1), Shri Dinesh Mohan, Manager (FR-2), Shri M.C. Agrawal, Manager(DDW), Shri S.S. Agarwal, Manager (FR-3), Shri Deepak Verma, Manager(ARRC), Shri H.S. Mehra, DM(ARRC), Shri A.K. Sood, DM(Law) were also present.

**I Confirmation of the minutes of Spl. HOLC meeting held on 29.09.07.**

Minutes were confirmed.

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

**1. M/s Raj Plaster Inds., Nagaur**

Shri Rajendra Prasad Rankawat, proprietor of the unit and his father Shri Satya Narayan Rankawat, appeared before the committee.

A loan of Rs. 3.86 lac was sanctioned on 23.01.93 and a sum of Rs. 2.63 lac was disbursed for setting up a Gypsum Bhatta. The category of the loan account was 'Doubtful' as on 31.03.04. BM has reported that Bhatta has been damaged. A sum of Rs. 42.78 lac is outstanding as on 01.12.2007(Principal sum Rs. 2.63 lac, Interest Rs. 40.12 lac and Other money Rs. 0.03 lac. The MRV of the financed assets is Rs. 2.78 lac and there is no collateral security and no third party guarantee. It is reported that some P&M is missing. Action

under Section 32(G) has been initiated by sending ROD on 28.02.2007 to the Collector concerned.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 3.60 lac **less** upfront amount of Rs. 0.80 lac, i.e. at the net payable settlement amount of Rs. 2.80 lac, which shall be paid by the unit upto 25<sup>th</sup> December, 2007 without interest.

The promoter of the unit consented to the settlement.

## **2. M/s Kailash Granites, Bhilwara**

Shri Both Mal Nai, proprietor of the unit and his relative, Shri Rakesh Sisodia appeared before the committee.

A loan of Rs. 4.75 lac was sanctioned on 16.02.91, and a sum of Rs. 2.52 lac was disbursed for setting up Granites Tiles size 6"x12" which has become unviable. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed since inception. The unit is located in remote area. A sum of Rs. 25.51 lac is outstanding as on 01.09.2007, out of which Rs. 2.52 lac towards principal, Rs. 22.97 lac towards interest and Rs. 0.02 lac towards other money. The MRV of the financed assets is Rs. 2.27 lac and there is no collateral security. The value of the third party guarantee is NIL. Action under Section 32(G) has been initiated. The possibility of disposal of financed assets is also dim.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 3.76 lac **less** upfront amount of Rs. 0.76 lac (rounded off), i.e. at the net payable settlement amount of Rs. 3.00 lac, which shall be paid by the unit upto 29<sup>th</sup> Feb., 2008

No interest would be charged upto 31.12.07 and thereafter w.e.f. 01.01.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

## **3. M/s Choudhary Gypsum Udyog, Nagaur**

Shri Ram Chandra, proprietor of the unit, appeared before the committee.

A loan of Rs. 1.13 lac was sanctioned on 6.09.89 as term loan and Rs. 0.57 lac as WCSW was sanctioned on 6.09.89, out of which Rs. 0.71 lac and Rs. 0.57 lac could be disbursed respectively. The unit was engaged in production

of Plaster of Paris. The unit is lying closed. The category of the loan account was 'Doubtful' as on 31.03.04. A sum of Rs. 10.91 lac were outstanding as on 01.12.2007, out of which Rs. 1.20 lac towards principal, Rs. 9.69 lac towards interest and Rs. 0.02 lac towards other money. The MRV of the financed assets is Rs. 2.32 lac. The Bhatta has also been damaged. Though the collateral security was obtained for working capital term loan and a patta of Shri Shabu son of Shri Jai Ram was taken but no details about the property is available. No valuation was reported to have been carried out. Further details of collateral security is also not available, therefore, the valuation of the same could not be carried out and the value of the collateral security has been shown as NIL. As per the terms of sanction letter personal guarantee was also to be obtained for working capital term loan but in fact no third party guarantee was obtained. ROD has already was sent to Collector on 28.02.2007.

State subsidy was also disbursed to the unit amounting to Rs. 13,628/- which is also recoverable as there is a AG audit para.

State subsidy is recoverable separately as per norms.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.3.37 lac **less** upfront amount of Rs. 0.37 lac, i.e. at the net payable settlement amount of Rs. 3.00 lac but the above offer of the committee was not accepted by the promoter of the unit, therefore, no settlement could be reached and the case was **rejected** with the advise that BO should initiate action for recovery of dues.

The committee have noted that the prescribed procedure for sanction, valuation, disbursement and lodging FIR for missing assets has not been properly followed by the BO, therefore, it has been decided that a Preliminary Enquiry may be conducted by DGM(A&I), Ajmer for pinpointing the irregularities in sanction, valuation, disbursement and lodging FIR for missing assets alongwith name of the responsible officials. He will furnish a report within 7 days to Vigilance Section.

#### **4. M/s S.K. Granites & Marble Tiles, Bhilwara**

Shri Dungar Singh Sisodia, proprietor of the unit and his relative Shri Shanti Lal Khanther, appeared before the committee.

A loan of Rs. 8.47 lac was sanctioned on 16.02.91, out of which Rs. 2.73 lac could be disbursed for setting up Granite tiles size 6"x12" which has become unviable. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed since inception. A sum of Rs. 29.99 lac were outstanding as on 01.09.2007, out of which Rs. 2.73 lac towards principal, Rs. 27.24 lac towards interest and Rs. 0.02 lac towards other money. The

MRV of the financed assets is Rs. 2.09 lac and there is no collateral security and no third party guarantee is available. The unit is situated in remote area. The possibility of disposal of financed assets is also very dim. Action under Section 32(G) has been initiated.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 4.33 lac **less** upfront amount of Rs.0.83 lac (rounded off), i.e. at the net payable settlement amount of Rs.3.50 lac, which shall be paid by the unit upto 31<sup>st</sup> Jan., 2008 without any interest.

The proprietor of the unit consented to the settlement.

#### **5. M/s Satyog Marble Products & Suppliers, Sikar**

Since nobody turned up to attend the meeting, therefore, the consideration of the case was deferred by the committee.

#### **6. M/s Lalit Industries, Nagaur**

Shri Bhanwar Lal, promoter of the unit, appeared before the committee.

The promoter purchased P&M in Rs. 1.50 lac on deferred payment basis in the year 1992. Further on 25.11.92 Rs. 1.40 lac was also sanctioned for construction of building for setting up PVC pipe manufacturing unit, out of which Rs. 1.32 lac could be disbursed. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. A sum of Rs. 27.41 lac were outstanding as on 01.12.2007 in both the a/cs, out of which Rs. 2.27 lac towards principal and Rs. 25.44 lac towards interest. The MRV of the financed assets is Rs. 3.20 lac and the value of collateral security is Rs. 0.70 lac. There is no third party guarantee is available. The P&M became obsolete and reported to be disposed off by borrower in Rs. 25,500/- which were deposited with the Corporation. Action u/s 32(G) has already been initiated.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs5.18 lac **less** upfront amount of Rs.0.68 lac (rounded off), i.e. at the net payable settlement amount of Rs.4.50 lac, which shall be paid by the unit 29.02.2008.

No interest would be charged upto 31.01.08 and thereafter w.e.f. 01.02.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.



## **7. M/s Hasan Hand Tools Inds., Nagaur**

This case was settled in HOLC meeting held on 12.05.05 and the settlement amount was to be paid latest by Feb., 2006 alongwith interest but the promoter could not make the payment of entire settlement amount within the stipulated time. On the request of party time period extended upto 31.03.07 even after extension of time period promoter could deposited only principal settlement amount. Promoter expired on 28.05.07. Brother of deceased promoter had deposited remaining interest amount. Finally as informed by the branch that party has deposited the entire settlement amount alongwith interest for the delayed payment on 30.06.2007. On the recommendation of the branch the delay in making payment of settlement amount alongwith interest was condoned by the competent authority i.e. CMD.

In pursuant of provisions of Circular No. FR-408 dated 30.10.06 such cases are need to be got approved from Special HOLC The committee, therefore, granted ex-post-facto approval.

## **8. M/s Bhati Industries, Sikar**

Since nobody turned up to attend the meeting, therefore, the consideration of the case was deferred by the committee.

## **9. M/s Sharma Oil Mill, Jaipur**

Shri Vishnu Kumar Sharma, proprietor of the unit and his father, appeared before the committee.

A loan of Rs.1.45 lac was sanctioned on 29.10.97 for setting up an Oil Mill at Village-Karansar. Out of sanctioned loan Rs. 1.05 lac was disbursed. The category of the loan account was 'Doubtful' as on 31.03.04. Unit could not run due to market competition. The unit is lying closed. A sum of Rs. 3.74 lac were outstanding as on 01.09.2007, out of which Rs. 1.05 lac towards principal and Rs. 2.69 lac towards interest. The MRV of the financed assets(P&M) is Rs. 0.32 lac and the value of collateral security is Rs. 4.02 lac. There is no third party guarantee is available. ROD was also sent but returned by H.O.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 3.07 lac **less** upfront amount of Rs. 0.32 lac (rounded off), i.e. at the net payable settlement amount of Rs. 2.75 lac, which shall be paid by the unit upto 29<sup>th</sup> Feb., 2008.

No interest would be charged upto 31.01.08 and thereafter w.e.f. 01.02.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

Though the representative who attended the meeting agreed in the meeting on the above settlement but he did not give the consent in writing, therefore, it has been decided that party to give consent at BO, Jaipur(Rural) upto 31.12.2007 otherwise the settlement made will automatically be cancelled.

**10 & 11. M/s Him Designer, Jodhpur & M/s Khema Printofast, Jodhpur**

**Agenda Item No. 10**

Smt.Aruna Diwakar, promoter of the unit and her father, appeared before the committee.

This case has been registered with the approval of CMD as an special case as the category of the loan account was "Sub Standard" as on 31.03.04. Two loans of Rs.3.94 lac were sanctioned ( I Rs. 1.94 lac and II Rs. 2.00 lac) on 17.09.97 and 30.3.98 respectively for job work of computer. Out of which Rs. 3.94 lac was disbursed in both the accounts. The unit is lying closed. A sum of Rs. 6.55 lac were outstanding as on 01.09.2007 in both the a/cs, out of which Rs. 3.79 lac towards principal and Rs. 2.76 lac towards interest. The MRV of the financed assets is NIL as the loan was provided for computers which were became obsolete and the value of collateral security is Rs. 4.06 lac. There is no third party guarantee is available. There is another loan account in the name & style of M/s Khema Printofast, Jodhpur in which husband of Mrs. Aruna Diwakar is the proprietor wherein a loan of Rs. 1.93 lac was disbursed upto 6.4.95. The collateral security, present value of which is Rs. 4.06 lac is the common collateral security for the loans provided to both these units. The another case is also registered for OTS.

**Agenda Item No. 11**

Smt. Aruna Diwakar, widow of promoter of the unit and her father, appeared before the committee.

This case has been registered with the approval of CMD as an special case. A loan of Rs.1.93 lac was sanctioned on 30.07.94 for job work of computer. This was a sole proprietorship concern of Shri Anil Diwakar who has committed suicide. Out of which Rs. 1.93 lac was disbursed. The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. A sum of Rs.0. 61 lac were outstanding as on 01.09.2007, out of which Rs. 0.46 lac towards principal and Rs. 0.15 lac towards interest. The MRV of the financed assets is NIL as the loan was provided for computers which have become obsolete and the value of collateral security is Rs. 4.06 lac. There is no third party guarantee is available. There is another loan account in the name & style of M/s Him Designer, Jodhpur in which wife of the promoter of this unit is the proprietor wherein a loan of Rs. 3.94 lac was disbursed upto 25.4.98. One

collateral security value of which is Rs. 4.06 lac is the common collateral security for both the different loan accounts of the same promoter. The another case is also registered for OTS.

After detailed discussions with the representative, looking to the facts that the man behind both these projects Shri Anil Diwakar has committed suicide and considering all the facts and position of the cases, the committee decided to settle all the accounts of both the units in a total consideration of Rs. 4.47 lac (equal to principal outstanding of Rs. 3.79 lac in loan account of M/s Him Designer + principal outstanding of Rs. 0.46 lac of M/s Khema Printofast + 5% ROD charges Rs. 0.22 lac) **less** upfront amount of Rs. 1.27 lac (rounded off), i.e. at the net payable settlement amount of Rs.3.20 lac, which shall be paid by the unit upto 31<sup>st</sup> Jan., 2008 without any interest.

The representative of the unit consented to the settlement.

## **12. M/s Aquatech Beverage, Sikar**

Shri Rakesh Kumar, promoter of the unit, appeared before the committee.

This case has been registered with the prior approval of CMD as a special case as in the instant case the last date of disbursement is beyond 31.03.2000 (i.e. 18.09.2000) with the condition that the case will be put up for ex-post-facto approval from the Board. A loan of Rs.20.00 lac was sanctioned on 22.04.2000 for Mineral Water. Out of which Rs. 19.94 lac was disbursed. The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. A sum of Rs.66.69 lac were outstanding as on 01.09.2007, out of which Rs. 19.94 lac towards principal and Rs. 46.72 lac towards interest and Rs. 0.03 lac towards other money. The MRV of the financed assets is Rs. 23.68 lac and the value of collateral security is Rs. 14.60 lac. There is no third party guarantee is available. Action u/s 32(G) has been initiated by the BO. Unit auctioned by Tehsildar for which highest offer of Rs.3.05 lakh was received but not finalized.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 39.00 lac **less** upfront amount of Rs. 6.00 lac, i.e. at the net payable settlement amount of Rs. 33.00 lac, which shall be paid by the unit upto 31<sup>st</sup> Jan., 2008 without any interest.

The promoter of the unit consented to the settlement.

## **13. M/s Sh. Ram Deo S/o Sh. Mansa Regar, Nagaur (DDW Case)**

Since nobody turned up to attend the meeting, therefore, the consideration of the case was deferred by the committee.

#### **14. M/s Jai Shree Granites & Marbles, Bhilwara**

Shri Rameshwar Lal Sharma, promoter of the unit and his brother Shri Tonu, appeared before the committee.

A loan of Rs. 4.75 lac was sanctioned on 16.02.91, out of which Rs. 2.47 lac could be disbursed for manufacturing of Granite tiles size 6"x12" at Raipur Distt. Bhilwara. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed since inception. A sum of Rs. 25.76 lac were outstanding as on 01.09.2007, out of which Rs. 2.47 lac towards principal, Rs. 23.27 lac towards interest and Rs. 0.02 lac towards other money. The MRV of the financed assets(L&B) is Rs. 2.18 lac and there is no collateral security as well as third party guarantee is available. The unit is situated in remote area. The possibility of disposal of financed assets is also very dim. Action under Section 32(G) has been initiated.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.4.00 lac **less** upfront amount of Rs. 0.75 lac, i.e. at the net payable settlement amount of Rs. 3.25 lac, which shall be paid by the unit upto 29<sup>th</sup> Feb., 2008.

No interest would be charged upto 31.01.08 and thereafter w.e.f. 01.02.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

#### **15. M/s Vimal Marble & Tiles, Bhilwara**

Shri Suresh Chand, promoter of the unit, appeared before the committee.

It is a DLC rejected case. A loan of Rs. 2.80 lac was sanctioned on 29.07.98, out of which Rs. 1.54 lac could be disbursed for setting up Marble tiles at Raipur Distt. Bhilwara. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. A sum of Rs. 2.14 lac were outstanding as on 01.09.2007, out of which Rs. 1.24 lac towards principal, Rs. 0.88 lac towards interest and Rs. 0.02 lac towards other money. The MRV of the financed assets is Rs. 1.86 lac and there is no collateral security as well as third party guarantee is available. The unit is situated in remote area. The prime assets of the unit are not marketable. Action under Section 32(G) has been initiated.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a

consideration of Rs.1.78 lac **less** upfront amount of Rs. 0.38 lac (rounded off), i.e. at the net payable settlement amount of Rs.1.40 lac, which shall be paid by the unit upto 29<sup>th</sup> Feb.,2008.

No interest would be charged upto 31.01.08 and thereafter w.e.f. 01.02.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

#### **16. M/s Goyal Green Coal Inds., Bharatpur**

Smt. Meena Goyal, partner of the unit, Shri Man Mohan Goyal and Shri Anil Goyal, guarantors, appeared before the committee.

A loan of Rs.13.50 lac was sanctioned and Rs. 9.07 lakh was disbursed for setting up a unit to manufacture Bio-Coal(Briquette) at Indl. Area, Deeg Distt. Bharatpur. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. There are two loan accounts of the unit, one is term loan and second is funded interest account. A sum of Rs. 38.48 lac is outstanding as on 01.12.2007 in both the a/cs, out of which Rs. 13.26 lac towards principal and Rs. 25.22 lac towards interest. The MRV of the financed assets(P&M) is Rs. 6.63 lac and the value of collateral security is Rs. 28.92 lac. There is no third party guarantee is available. The ROD has already been sent to the Collector.

After detailed discussions with the partner/guarantors and considering all the facts and position of the case, the committee decided to settle the loan account in a consideration of Rs.32.03 lac **less** upfront amount of Rs. 4.03 lac (rounded off), i.e. at the net payable settlement amount of Rs. 28.00 lac, which shall be paid by the unit in six equal monthly instalments commencing from Jan., 2008 to June, 2008.

No interest would be charged upto 31.01.08 and thereafter w.e.f. 01.02.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The partner and guarantors of the unit consented to the settlement.

#### **17. M/s Akash Ganga Transformers & Electricals, Sawaimadhopur**

Shri P.C. Bhargava, proprietor of the unit, appeared before the committee.

The case has been registered as an special case by accepting 50% of required upfront amount. It is a deferred sale case where assets of a sick unit

were sold on 20.12.1995 in a consideration of Rs. 2.31 lac on 50% deferred payment basis, therefore, the deferred loan was Rs. 1.16 lac.

The agreement to sell was executed on 11.07.1996 and the possession of the assets was handed over on "as is where is basis". The working capital to the erstwhile was provided by BOB, therefore, the material of the unit was stored in store rooms/ godown, possession of which was with the BOB which could be got vacated and handed over to the purchaser on 6.09.2000. The promoter is claiming that no interest should be charged from them till 6.09.2000 i.e. the date on which full possession was handed over to them. The promoter have also gone into the court and the Hon'ble Court have also directed RFC to not charge any interest till 6.9.2000. The RFC have gone in appeal for the above decision which is still pending.

Earlier this case was placed in HOLC meeting held on 13.02.2001 but the case could not be settled because of adamancy of promoter to pay only principal sum.

The unit had submitted a cheque worth of Rs. 72,000 dt. 14.10.2000 at BO, SWM with the clear stipulation that this cheque should be got encashed only when Corporation is prepared for waiving of entire interest on the balance sale proceed of Rs. 1,15,500/- till 6.9.2000. However, the BO, Sawaimadhopur has got encashed the aforesaid cheque on 29.03.2001.

The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. A sum of Rs. 3.61 lac were outstanding as on 01.09.2007, out of which Rs. 1.16 lac towards principal, Rs. 2.43 lac towards interest and Rs. 0.02 lac towards other money. The MRV of the financed assets is Rs. 8.49 lac and the value of collateral security is NIL. There is no third party guarantee available.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.2.18 lac less upfront amount of Rs. 0.18 lac, i.e. at the net payable settlement amount of Rs.2.00 lac, which shall be paid by the unit upto 31<sup>st</sup> Jan., 2008 without any interest.

The proprietor of the unit consented to the settlement.

#### **18. M/s Shekhawati Salt Industries, Rewasa, Sikar**

Shri Ramavtar Meel, partner of the unit, appeared before the committee.

A loan of Rs.3.46 lac was sanctioned on 30.07.93 for manufacturing of salt, out of which Rs. 3.36 lac was disbursed. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. A sum of Rs. 47.51 lac

were outstanding as on 01.09.2007, out of which Rs. 3.31 lac towards principal, Rs. 44.17 lac towards interest and Rs. 0.03 lac towards other money. The MRV of the financed assets (Land) is Rs. 3.26 lac. The value of collateral security as well as third party guarantee is NIL. ROD is pending with Tehsildar.

After detailed discussions with the partner and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 5.40 lac **less** upfront amount of Rs. 1.00 lac (rounded off), i.e. at the net payable settlement amount would be Rs.4.40 lac, which shall be paid by the unit upto 29<sup>th</sup> Feb., 2008.

No interest would be charged upto 31.01.08 and thereafter w.e.f. 01.02.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The partner of the unit consented to the settlement.

#### **19. M/s Jai Hanuman Oil Mill, Jhunjhunu**

Shri Bhoj Raj Saini, promoter of the unit, appeared before the committee.

A loan of Rs.1.86 lac was sanctioned on 27.03.93 and Rs. 1.54 lakh was disbursed for setting up an Edible Oil unit. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. A sum of Rs. 10.14 lac were outstanding as on 01.09.2007, out of which Rs. 1.54 lac towards principal and Rs. 8.60 lac towards interest. The MRV of the financed assets is Rs. 3.28 lac. The value of collateral security as well as third party guarantee is NIL.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.3.21 lac **less** upfront amount of Rs. 0.46 lac (rounded off), i.e. at the net payable settlement amount would be Rs. 2.75 lac, which shall be paid by the unit upto 31<sup>st</sup> Jan., 2008 without any interest.

The promoter of the unit consented to the settlement.

#### **20. M/s Shanti Steel Industries, Jodhpur**

Shri Rajesh Daga, partner of the unit and relative Shri Paras Mal Jain, appeared before the committee.

This case was earlier placed before the Special HOLC in its meeting held on 29.09.2007. Since nobody appeared before the committee, therefore, the case was deferred. A loan of Rs.22.70 lac was sanctioned on 31.03.95 for

setting up S.S. Sheets manufacturing unit, out of which Rs. 17.01 lac was disbursed. The category of the loan account was 'Sub Standard' as on 31.03.04. The case was registered with the approval of competent authority i.e. CMD with the condition that ex-post-facto approval for relaxation will be taken from Board. The unit is running. A sum of Rs. 53.32 lac is outstanding as on 01.12.2007, out of which Rs. 17.01 lac towards principal and Rs. 36.31 lac towards interest. The MRV of the financed assets is Rs. 75.51 lac. As on date there is stay on possession. The main promoter of the unit Shri Johari Mal Daga had expired. The unit could not run profitably, hence doing only job work.

After detailed discussions with the partner and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 47.11 lac **less** upfront amount of Rs. 5.11 lac (rounded off), i.e. at the net payable settlement amount of Rs.42.00 lac, which shall be paid by the unit upto 31<sup>st</sup> December, 2007 without any interest. The party will have to withdraw the court case before issue of No Dues Certificate/release of documents.

The partner of the unit consented to the settlement.

## **21. M/s Saraswati Sangmarmar Udyog, Banswara**

Since nobody turned up to attend the meeting, therefore, the consideration of the case was deferred by the committee.

## **22. M/s Sikhwal Salt Industries, Rewasa, Sikar**

Shri Jeev Raj Sharma, promoter of the unit and relative Shri Sanwar Mal Pandit, appeared before the committee.

This case was rejected by HOLC in its meeting held on 28.08.04. A loan of Rs.2.96 lac was sanctioned on 25.03.92 for setting up a salt unit, out of which Rs. 2.73 lac was disbursed. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. A sum of Rs. 34.15 lac is outstanding as on 01.09.2007, out of which Rs. 2.47 lac towards principal and Rs. 31.68 lac towards interest. The MRV of the assets (Land) is Rs. 2.48 lac. The value of collateral security as well as third party guarantee is NIL. ROD sent to Collector is pending with Tehsildar.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs 4.74. lac **less** upfront amount of Rs. 0.74 lac (rounded off), i.e. at the net payable settlement amount of Rs. 4.00 lac, which shall be paid by the unit upto 31<sup>st</sup> Jan., 2008 without any interest.



The promoter of the unit consented to the settlement.

### **23. M/s Datar Ara & Flour Udyog, Bhilwara(DDW Case)**

It is a written off/written back case. Therefore, inspite of absence of promoter, the committee consider the case. A loan of Rs. 0.25 lac was sanctioned on 28.04.83 for setting up an Ara Machine & Flour Mills. Out of which Rs. 0.25 lac was disbursed. The amount of Rs. 24,926/- has been written off and Rs. 26,499/- has been written back during the year 1994-95. MRV of the prime assets is Rs. 7.61 lac. There is no collateral security as well as third party guarantee is available.

After detailed discussions and considering all the facts and position of the case, the committee considered the recommendation of the Branch Manager and decided to settle the account in a consideration of Rs 51,425/- **less** upfront amount of Rs. 25,000/-, i.e. at the net payable settlement amount of Rs. 26,425/-, which shall be paid by the unit upto 31<sup>st</sup> Jan., 2008 without any interest.

### **24. M/s Bansi Paharpur Stone (P) Ltd., Bharatpur (DDW Case)**

Shri Dharamveer Singh, Director of the company, appeared before the committee.

It is a deficit case. A loan of Rs.27.50 lac was sanctioned on 25.03.98 and Rs. 22.03 lakh was disbursed for setting up Gangsaw unit. On account of non payment of dues, the Corporation has taken over the assets into possession on 16.5.02 and sold on 28.08.02 in a consideration of Rs. 26.62 lac. In the instant case the deficit amount arises only on account of payment made and to be made to other Govt. Deptt. as per 70:30 policy. A sum of Rs. 143216/- and Rs. 56434/- has been remitted to JVVNL and Sales Tax Department respectively further a sum of Rs. 116057/- and Rs. 45731/- are yet to be paid to JVVNL and Sales Tax Deptt. respectively. In this manner, the total payment of Rs. 3,61,438/- paid or to be paid to Government Departments. ROD sent to Collector. The Corporation is having collateral security of Rs. 15.85 lac.

Since the security available is more than 200%, therefore, the branch has forwarded the case to HO.

After detailed discussions with the director and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.4.59 lac **less** upfront amount of Rs.0.59 lac (rounded off), i.e. at the net payable settlement amount of Rs. 4.00 lac, which shall be paid by the unit upto 29<sup>th</sup> Feb., 2008.

No interest would be charged upto 31.01.08 and thereafter w.e.f. 01.02.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

Though the representative who attended the meeting agreed in the meeting on the above settlement but he did not give the consent in writing, therefore, it has been decided that party to give consent at Branch Office upto 31.12.2007, otherwise the settlement will be automatically cancelled.

#### **25. M/s Sukh Ram Umrao Singh Flour Mill, Alwar(DDW Case)**

It is a written off/written back case. Therefore, inspite of absence of promoter the committee considered the case. A loan of Rs. 0.11 lac was sanctioned on 30.11.82 for setting up Flour Mill. Out of which Rs. 0.07 lac was disbursed. This case has been written off in the year 2001-02. Amount written off is Rs. 7,000/- and written back Rs. 22,532/-. MRV of the prime assets is NIL which is reported to be missing. The value of collateral security is Rs. 30,000/- and third party guarantee is NIL. ROD sent on 14.05.07.

Since the security available is more than 200%, therefore, the branch have forwarded the case to HO as per the scheme for settlement of Deficit/Decretal & Written Off cases.

After detailed discussions and considering all the facts and position of the case, the committee considered the recommendations of the Branch Manager and decided to settle the account in a consideration of Rs.14,000/- less upfront amount of Rs. 1,100/- (as was recommended by the Branch Office, Alwar), i.e. at the net payable settlement amount of Rs. 12,900/-, which shall be paid by the unit upto 31<sup>st</sup> Jan., 2008 without any interest.

#### **26. M/s Sugna Ram Dhaka, Bikaner(DDW Case)**

Shri Sugna Ram Dhaka, promoter of the unit, appeared before the committee.

It is a deficit case. A loan of Rs. 3.27 lac was sanctioned and disbursed in the year 1992. Being SEMFEX case seed capital of Rs. 0.65 lac was also disbursed to the unit for purchase of vehicle. The vehicle has already been sold out in the year 1999. After appropriation of sale proceeds towards seed capital and term loan, a sum of Rs. 5.62 lac remain in deficit (Principal sum Rs. 3.25 lac, Interest Rs. 2.34 lac and other money of Rs. 0.03 lac). MRV of the assets is NIL. The value of collateral security is Rs. 16.08 lac and third party guarantee is NIL. Action u/s 32(G) has been initiated by the BO.

Since the security available is more than 200%, therefore, the branch have forwarded the case to HO as per the scheme for settlement of Deficit/Decretal & Written Off cases.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 4.50. lac less upfront amount of Rs.0.50 lac, i.e. at the net payable settlement amount of Rs. 4.00 lac, which shall be paid by the unit upto 31<sup>st</sup> Jan., 2008 without any interest.

The promoter of the unit consented to the settlement.

### **27. M/s Dhakar Flour Mill, Chittorgarh (DDW Case)**

Since nobody turned up to attend the meeting, therefore, the consideration of the case was deferred by the committee.

### **28. M/s Navjeevan Surgical Cotton Inds., Churu (DDW Case)**

Shri Ram Gopal, partner of the unit, appeared before the committee.

It is a deficit case as well as appeal case. A loan of Rs. 14.50 lac was sanctioned on 13.01.87 for manufacturing of Surgical Cotton unit, out of the sanctioned loan, a sum of Rs. 10.22 lac was disbursed. As on date of sale i.e. 13.01.07 deficit amount was Rs. 13.40 lac (Principal sum Rs. 9.51 lac, Interest Rs. 3.83 lac and other money of Rs. 0.06 lac. MRV of the assets is NIL. The value of collateral security and third party guarantee is NIL. ROD was sent to Collector, Churu on 16.01.07 which was returned to Collector, Jhunjhunu on 21.07.07.

After detailed discussions with the partner and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 10.08 lac less upfront amount of Rs. 2.95 lac (i.e Rs. 1.50 lac + Rs. 1.45 lac), i.e. at the net payable settlement amount of Rs. 7.13 lac, which shall be paid by the unit upto 31<sup>st</sup> March, 2008.

No interest would be charged upto 31.01.08 and thereafter w.e.f. 01.02.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The partner of the unit consented to the settlement.

### **29. M/s Mansuri Laghu Udyog, Gulabpura, Bhilwara(DDW Case)**

Smt. Mehrunisa, daughter of proprietor alongwith her husband Shri Allauddin, appeared before the committee.

It is a written off/written back case. A loan of Rs. 0.36 lac was sanctioned on 14.11.83 for setting up Varding unit. Out of the sanctioned loan a sum of Rs.

0.29 lac was disbursed. This case has been written off in the year 1994-95. Amount written off is Rs. 29,198/- and written back Rs. 1,70,703/- total of Rs. 1,99,901. Present value of the property of partner reported as Rs. 3.24 lac but it is a joint property where another member of partner is residing. Prime assets are missing and promoter expired.

Since the security/guarantee available is more than 200%, therefore, the branch have forwarded the case to HO as per the scheme for settlement of Deficit/Decretal & Written Off cases.

After detailed discussions with the representative and recommendation of Branch Manager i.e. double of written off amount , the committee decided to settle the account in a consideration of Rs. 60,000/- **less** upfront amount of Rs. 30,000/-, i.e. at the net payable settlement amount of Rs. 30,000/-, which shall be paid by the unit upto 31<sup>st</sup> Jan., 2008 without any interest.

The representative of the unit consented to the settlement.

### **30.M/s Karni Salt Inds, Teh. Nawa, BO, Makrana**

Shri Baksa Ram, Husband of proprietor of the unit and Shri Ram Chandra, son of proprietor, appeared before the committee.

A loan of Rs. 3.15 lac was sanctioned on 29.08.92 and a sum of Rs. 1.19 lac was disbursed for setting up of a common salt unit. The category of the loan account was 'Doubtful' as on 31.03.04. A sum of Rs. 20.62 lac is outstanding as on 01.09.2007(Principal sum Rs. 1.19 lac, Interest Rs. 19.42 lac and Other money Rs. 0.01 lac. The MRV of the financed assets is Rs. 5.40 lac. No collateral and third party guarantee is available. Action under Section 32(G) has been initiated by sending ROD to the Collector, concerned.

After detailed discussions with the representative and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 5.26 lac **less** upfront amount of Rs. 0.36 lac, i.e. at the net payable settlement amount of Rs. 4.90 lac, which shall be paid by the unit in six equal monthly instalments commencing from Jan., 2008 to June, 2008.

No interest would be charged in case the promoter make the payment of full settlement amount upto 29.02.08. Otherwise interest would be charged @ 13% p.a. on simple basis w.e.f. 01.02.2008 on the unpaid amount of settlement.

The representative of the unit consented to the settlement.

### **31. M/s Mukesh Enterprises, Kishangarh**

Shri Ramesh Kumar Bansal, Husband of proprietor of the unit, appeared before the committee.

A loan of Rs. 2.00 lac was sanctioned on 04.06.91 and a sum of Rs. 1.95 lac was disbursed for setting up Power loom cloth unit. The category of the loan account was 'Doubtful' as on 31.03.04. A sum of Rs. 8.87 lac is outstanding as on 01.09.2007(Principal sum Rs. 1.53 lac, Interest Rs. 7.34 lac). The unit was set up in a rented premises. The P&M is reportedly removed. Being a woman entrepreneur case third party guarantee was obtained. The value of the third party guarantee is Rs. 10.52 lac. Action under Section 32(G) has been initiated by sending ROD on 09.03.05 to the concerned Collector .

After detailed discussions with the representative and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.2.56 lac less upfront amount of Rs. 0.46 lac, i.e. at the net payable settlement amount of Rs. 2.10 lac, which shall be paid by the unit upto 29<sup>th</sup> Feb., 2008.

No interest would be charged upto 31.01.08 and thereafter w.e.f. 01.02.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

A subsidy of Rs. 0.46 lac was also disbursed to the unit which may also be recovered from the unit separately if recoverable as per norms.

The representative of the unit consented to the settlement.

### **32. Settlement of Deficit and written off cases of BO, Jaipur(Rural) and Shilpbari Cases of BO, Sikar**

#### **BO, Jaipur(Rural)**

The BO, Jaipur(Rural) has forwarded 24 deficit written off cases for settlement by Special HOLC because of the fact that available security in such cases is more than 200% then the principal sum. The detail of such cases alongwith recommendation of BO, Jaipur(Rural) is as detailed below:-

| Sl. No | Name of the unit    | Year of Write off | Write off amount | Write back amount | Recommendation of BM/amount settled |
|--------|---------------------|-------------------|------------------|-------------------|-------------------------------------|
| 1.     | Sharma Soap Factory | 1995-96           | 5775             | 3541              | 5775                                |

|    |                                |         |        |       |       |
|----|--------------------------------|---------|--------|-------|-------|
| 2  | Chanda Lal Charm Udyog         | 1995-96 | 20857  | 36784 | 20900 |
| 3  | Ram Karan S/o Narayan Raigar   | 1995-96 | 21000  | 39058 | 21000 |
| 4  | Gordhan Mangla Ram Charm Udyog | 1995-96 | 19501  | 40548 | 19501 |
| 5  | Narsi Charm Udyog              | 1995-96 | 14500  | 20186 | 14500 |
| 6  | Bholu Ram Ladu Ram Bunker      | 1995-96 | 27608  | 15242 | 27700 |
| 7  | Mohan Lal Charm Udyog          | 1995-96 | 21111  | 38540 | 21200 |
| 8  | Sheoji Ram Charm Udyog         | 1995-96 | 19564  | 36555 | 19600 |
| 9  | Balu Ram Mangu Ram Charm Ud.   | 1995-96 | 19525  | 37339 | 19525 |
| 10 | Nola Ram Charm Udyog           | 1995-96 | 25000  | 16589 | 25000 |
| 11 | Harbux Charm Udyog             | 1996-97 | 1197   | 9170  | 1200  |
| 12 | Shri Kishan Charm Udyog        | 1995-96 | 24025  | 62065 | 24025 |
| 13 | Jodha Ram Charm Udyog          | 1995-96 | 20953  | 39073 | 21000 |
| 14 | Charm Udyog                    | 1995-96 | 20147  | 34426 | 20200 |
| 15 | Govind Ram Raigar Charm Udyog  | 1994-95 | 12630  | 15675 | 12650 |
| 16 | Ram Chandra Charm Udyog        | 1995-96 | 245200 | 17989 | 24600 |
| 17 | Heera Lal Charm Udyog          | 1995-96 | 20947  | 38153 | 20950 |
| 18 | Ganga Sahai Charm Udyog        | 1994-95 | 19200  | 20261 | 19200 |
| 19 | Babu Lal Mangu Ram Charm Udyog | 1995-96 | 19435  | 38607 | 19500 |
| 20 | Daya Chand Charm Udyog         | 1995-96 | 18759  | 24105 | 18800 |
| 21 | Bhanwar Lal Charm Udyog        | 1995-96 | 10909  | 45445 | 10910 |
| 22 | Ghasi Ram Charm Udyog          | 1995-96 | 6000   | 5160  | 6000  |
| 23 | Hanuman Charm Udyog            | 1994-95 | 6772   | 4047  | 7000  |
| 24 | Gauri Shanker Suthari Udyog    | 1995-96 | 7000   | 9661  | 7000  |

After detailed discussions and considering all the facts and position of the cases, the committee decided to settle all the above accounts as recommended by the BO, Jaipur(Rural).

The payment has to be received by the BO latest by March, 2008(i.e. within the current financial year).

### **BO, Sikar**

The BO, Sikar has forwarded 4 deficit written off cases (Shilpbari cases) for settlement by Special HOLC because of the fact that available security in such cases is more than 200% then the principal sum. The detail of such cases alongwith recommendation of BO, Sikar is as detailed below:-

| Sl. No | Name of the unit                 | Year of Write off | Write off amount | Write back amount | Recommendation of BM/ settled amount |
|--------|----------------------------------|-------------------|------------------|-------------------|--------------------------------------|
| 25     | Bhiwa Ram Udyog                  | 1994-95           | 8999             | 7749              | 8999                                 |
| 26     | Dhukal Ram Udyog                 | 1994-95           | 18000            | 10709             | 18000                                |
| 27     | Lichama W/o Ramu Ram Luhar Udyog | 1994-95           | 14050            | 12000             | 14050                                |
| 28     | Prahlad Udyog                    | 1994-95           | 13000            | 13287             | 13000                                |

After detailed discussions and considering all the facts and position of the cases, the committee decided to settle all the above accounts as recommended by the BO, Sikar.

The payment has to be received by the BO latest by March, 2008 (i.e. within the current financial year).

### **33. M/s Ramveer Highway Hotel, Abu Road (ARRC Case)**

Shri Ranchod Lal Rawal, proprietor of the unit and Shri Rakesh Rawal, brother of proprietor, appeared before the committee.

It is an appeal case. A loan of Rs. 15.00 lac was sanctioned on 11.06.97 and a sum of Rs. 9.47 lac was disbursed for setting up a Hotel. The category of the loan account was 'Doubtful' as on 31.03.04. The competent authority i.e. CMD has condoned the delay in making appeal to Special HOLC. On account of non payment of dues, the hotel was taken into possession on 29.07.2005. Since then the unit is under possession of the Corporation. A sum of Rs. 35.38 lac is outstanding as on 01.12.2007(Principal sum Rs. 9.47 lac, Interest

Rs. 24.76 lac and other money Rs. 01.15 lac). The simple interest for the possession period is Rs. 4.02 lac, hence, the total outstanding was Rs. 39.40 lac. MRV of the prime assets is Rs. 10.28 lac. There is neither collateral security nor third party guarantee is available.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.21.59 lac less upfront amount of Rs.1.59 lac (rounded off), i.e. at the net payable settlement amount of Rs. 20.00 lac but the above offer of the committee was not accepted by the promoter of the unit, therefore, no settlement could be reached and the case was rejected with the advise that BO should initiate action for recovery of dues.

### **34. M/s Bharat Chemicals & Fertilizers Ltd., Alwar (ARRC Case)**

Shri Atul Gulati and Shri Om Prakash Gulati, Directors of the company, appeared before the committee.

It is a joint finance case where IDBI, SBI and RIICO had also joined hands. A loan of Rs. 30.00 lac was sanctioned on 04.04.77 and a sum of Rs. 30.00 lac was disbursed for setting up a unit of Acid, Allum & Super Phophaste at MIA, Alwar. The company could not do well and by appreciating difficulties a reschedulement was granted by the Corporation in the year 1983 whereby modifying the rate of interest from 10% to 15.5% after expiry of original LDR. The company went in liquidation and O.L. was appointed by the Hon'ble High Court and assets were taken into possession by OL on 12.04.01. The P&M of the unit were sold by the office of Official Liquidator. In pursuance of directions of Hon'ble High Court, Delhi on 28.09.2006 the assets were taken over by RFC on 01.11.06 since then the unit is under the possession of Corporation. The category of the loan account was 'Doubtful' as on 31.03.04. The case has been registered directly for Special HOLC. The liability of the company has been arrived at as per the terms of reschedulement granted by the Corporation on 30.03.83 accordingly a sum of Rs. 335.03 lac were outstanding as on 01.12.2007 including principal sum of Rs. 26.25 lac and interest for the possession period Rs. 43.50 lac and other money of Rs. 0.42 lac. Besides above, dues of other participating institutions are as under:-

|       |   |
|-------|---|
| IDBI  | Rs. 359.87 lac (Vide IDBI's letter dt. 11.12.07)                            |
| SBI   | Rs.2030.00 lac( Vide SBI letter dt. 01.12.07 addressed to the co.)          |
| RIICO | Rs. 11.41 lac (Vide RIICO's letter dt. 07.12.2007)                          |
| RIICO | Rs. 36.47 lac (IFSTL - Vide RIICO's letter dt. 10 <sup>th</sup> Sept. 2007) |

Party has also informed dues of State Bank of Patiyala(amount Rs. 75.97 lac) & HSBC (amount Rs. 61.70 lac) but these are not related to Joint financing.



The case was earlier placed before PC&CC in its meeting held on 23.03.07 and the committee decided to waive entire penal interest of Rs. 31.72 lac with the condition that the party will have to clear remaining balance outstanding by 31.03.07 with interest till the date of final payment but the company failed to pay the dues as above, therefore, the account could not be settled.

MRV of the prime assets is Rs. 714.12 lac. There is neither collateral security nor third party guarantee.

After detailed discussions with the directors and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 245.60 lac **less** upfront amount of Rs. 5.60 lac (rounded off), i.e. at the net payable settlement amount of Rs. 240.00 lac, which shall be paid by the unit in four equal monthly instalments of Rs. 60.00 lac each commencing from Jan., 2008 to April, 2008.

No interest would be charged upto 31.01.08 and thereafter w.e.f. 01.02.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The directors of the company consented to the settlement.

### **35. M/s J.K. Industries, Ajmer (DDW )**

Shri Raj Kumar and Smt. Yogesh Bahel, partners of the unit, appeared before the committee.

It is a deficit/written off/decreetal case. It is an appeal case. A loan of Rs. 2.85 lac was sanctioned on 01.11.80 and a sum of Rs. 2.64 lac was disbursed for engineering work shop. The prime assets were sold on 30.07.87 in a consideration of Rs. 2.35 lac leaving deficit of Rs. 133,847/-. The account was also written off in the year 1993-94 and the amount written off was Rs. 1,45,399/-. Decree was awarded by the Hon'ble Court on 13.01.99 for Rs. 1,33,847/- alongwith future interest @ 18.5% till date of recovery of dues. There is no primary assets as the same has already been sold. There is neither collateral security nor third party guarantee is available. The other money reported to Rs. 18,502/-.

After detailed discussions with the partners and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs 2.94 lac **less** upfront amount of Rs. 0.44 lac, i.e. at the net payable settlement amount of Rs. 2.50 lac, which shall be paid by the unit upto 31<sup>st</sup> Jan., 2008 without any interest.

The partner of the unit consented to the settlement.

### **36. M/s Legha Udyog, Bikaner (DDW case)**

Shri Arjun Ram Legha, partner of the unit and Shri Jitendra Singh, relative, appeared before the committee.

It is a deficit case. Party filed an appeal against the decision of BO level committee. A loan of Rs. 4.54 lac was sanctioned on 12.12.88 and was fully disbursed for manufacturing of oil & oil cake. Due to non payment of dues, the assets has been taken over and sold in a consideration of Rs. 5.65 lac on 17.02.05 leaving principal deficit of Rs. 97,090/-. Further Rs. 1,28,862/- paid or to be paid to the State Government under 70:30 policy and also Rs. 10,395/- has been debited in the account as other money. ROD has been sent to Collector. Value of prime assets is NIL as the same has already been sold and there is neither collateral security nor third party guarantee is available.

After detailed discussions with the partner and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.2,48,165/- less upfront amount of Rs. 70,500/-(Rs. 35,250/- deposited vide cash receipt No. 380453 dt. 29.09.07 and Rs. 35,250/- vide cash receipt No. 380674 dt. 21.11.07), i.e. at the net payable settlement amount of Rs. 1,77,665/-, which shall be paid by the unit upto 29<sup>th</sup> Feb., 2008.

No interest would be charged upto 31.01.08 and thereafter w.e.f. 01.02.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The partner of the unit consented to the settlement.

### **37. M/s Marudhar Sonography, Jodhpur(DDW Case)**

Shri Jaber Singh, guarantor of the unit and Shri C.S. Bhati, relative, appeared before the committee.

It is a deficit case. A loan of Rs. 5.64 lac was sanctioned on 01.06.91 and a sum of Rs. 5.28 lac was disbursed for purchase of sonography machine. On account of non payment of Corporation dues the assets was taken over on 21.10.96 and sold in a consideration of Rs. 30,000/- leaving deficit of Rs. 10.47 lac(Principal sum Rs. 5.28 lac and interest Rs. 5.19 lac) For recovery of deficit amount the case was filed with Collector, Jodhpur u/s 32(G) and Kurki warrants issued, as a result the guarantor namely Shri Jabbar Singh has approached Corporation for settling the account. MRV of the primary assets is NIL as the same has already been sold by the Corporation. The value of

collateral security is Rs. 6.87 lac and value of third party guarantors is Rs. 17.43 lac.

After detailed discussions with the guarantor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs 6.30 lac **less** upfront amount of Rs. 0.80 lac, i.e. at the net payable settlement amount of Rs.5.50 lac, which shall be paid by the unit upto 15.01.2008 without any interest.

The guarantor of the unit consented to the settlement.

### **38. M/s Ganesh Polythene Product, Bikaner (ARRC Case)**

Shri D.P. Taparia, Shri Mahip Kumar, partners of the unit and Shri Amrit Lal, brother of partner, appeared before the committee.

A loan of Rs. 2.00 lac was sanctioned on 01.08.81 and a sum of Rs. 1.42 lac was disbursed for setting up unit of Polythene Bags. On account of non payment of dues, the assets of the unit was taken into possession on 16.07.1997. The P&M of the unit was sold on 22.09.04 in a consideration of Rs. 0.41 lac. Sale of L&B was approved in a consideration of Rs. 5.02 lac on cash down basis on 26.12.06 but the purchaser party did not deposit the balance sale consideration. Meanwhile, the original promoter got stay on 22.01.07 against sale from Hon'ble DJ Court, Bikaner, hence, the sale could not be materialized. Due to dispute raised by the promoter in amount payable to Corporation litigation was going on since 1989 in different courts i.e. ADJ, DJ, High Court, Jodhpur and there is still status quo against sale of L&B since 22.01.2007. The category of the loan account was 'Doubtful' as on 31.03.04. A sum of Rs. 3.12 lac is outstanding as on 01.12.2007(Principal sum Rs. 0.36 lac. Interest Rs. 1.39 lac and other money Rs. 01.37 lac). The simple interest for the possession period is Rs. 3.35 lac, therefore, the total outstanding is Rs. 6.47 lac. MRV of the prime assets is Rs. 6.78 lac. There is neither collateral security nor third party guarantee.

After detailed discussions with the partners and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.5.29 lac **less** upfront amount of Rs.0.54 lac, i.e. at the net payable settlement amount of Rs. 4.75 lac, which shall be paid by the unit upto 20.12.2007 without any interest.

The partner consented to the settlement.

### **39. M/s Hotel Barkha, Abu Road (ARRC Case)**

Since nobody turned up to attend the meeting, therefore, the consideration of the case was deferred by the committee.

**GENERAL OBSERVATIONS:**

- 1) If the party fails to make payment strictly as per decision of the committee, BO concerned will initiate recovery action at their level.
- 2) 5% recovery charges to be paid to Collector concerned are included in the settlement amount, where recovery is effected on account of action initiated under Section 32(G) as per provision of Circular No.FR.365 dated 3.10.2005 and dated 31.10.2005.
- 3) Court case, if any, shall be withdrawn by the party.
- 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) Wherever settlement amount is to be paid in instalment, the party will produce PDCs in the BO payable on 15<sup>th</sup> 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.

**GENERAL MANAGER(DEV.)**