

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
Special HOLC Meeting
Dated : 04.03.09

Present:		
Shri Atul Kumar Garg, CMD	:	In Chair
Shri Pawan Arora, ED	:	Member
Shri Rajendra Vijay, GM(D)	:	Member Secy.
Shri Suresh Singhal, FA	:	Member
Shri P.K.Singh, DGM(Loans)	:	Member
Shri Dharmveer Jasnani, Manager Incharge(Law)	:	Member

Shri R.P.Meena, DGM(FR-2), Shri L.K. Ajmera, DGM(DDW), Shri A.P. Mathur, DGM(FR) Shri M.R.Chinwal,DGM(ARRC), Shri H.C.Khunteta, Manager(DDW), Shri J.N.Sharma, Manager(FR-1), Shri Dinesh Mohan, Manager (FR-2), Shri P.D.Verma, Manager(FR-3), Shri Deepak Verma, Manager(ARRC), and Shri Naveen Ajmera, DM(FR) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 31.12.09 & 01.01.09.

Minutes were confirmed.

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

1. M/s Aravali Industries, Sawai Madhopur (ARRC case)

A loan of Rs.55.00 lac was sanctioned on 31-3-99 and the same was disbursed upto 22-6-2000 for setting up a cold storage and ice unit at Sawai Madhopur. The unit is in possession since 15-12-04. As on date of possession outstanding was Rs.110.44 lac (Prin. Rs.54.08lac, Intt. Rs.54.48 lacOM Rs.1.88 lac). Simple interest for the possession period upto 31-7-08 is Rs.61.05 lac.

The case was placed in the meeting of Special HOLC dt. 1-9-08 and committee decided to settle the account in a consideration of Rs.90.58 lac minus upfront amount Rs.5.58 lac i.e. net payable settlement amount of Rs.85.00 lac payable in 12 EMIs commencing from Sept'08 to Aug'09. Intt. @ 13% p.a. on simple basis is to be charged w.e.f. 1-10-08 on the unpaid amount of settlement. Amount due upto December was deposited and thereafter party requested to allow sale of collateral security so that future instalments may be deposited.

The competent authority has granted permission for sale of collateral security with the following conditions and submission before Spl.HOLC for information:

- a) Amount equivalent to sale price of MRV or collateral security whichever is higher is to be deposited before issue of consent letter for registry and the payment would be adjusted against the instalments due w.e.f. Jan'09. Cheque would be given by the purchaser in favour of RFC.
- b) Possession of the unit i.e. prime assets shall be handed over only after payment of entire amount of settlement with interest.

It is also submitted that in the months of January / February'09 Rs.33.39 lac has been deposited as sale proceeds of collateral security (part only). Sale of remaining collateral security is in process.

After detailed discussions, the committee **confirmed** the action taken by the CMD.

2. M/s. Newar Marble Ind. P.Ltd., Abu Road (ARRC Case)

Shri Nirmal Daga and Shri L.N. Muchhal representative of the company appeared before the committee. This case was placed before Spl.HOLC in its meeting held on 7-11-08, decision of the committee is reproduced below:

“A loan of Rs.27.75 lac was sanctioned on 28-3-85 and the same was disbursed upto 21.8.87 for manufacturing of mirror polished marble tiles. It was a joint finance case with RIICO.

A sum of Rs.47.58 lac was outstanding as on 1-9-08 (excluding interest for possession period). The interest for the possession period on simple basis works out to Rs.77.75 lac, as such, the outstanding inclusive of interest of possession period comes to Rs.125.33 lac as on 1-9-08. The MRV of the prime assets is Rs.86.09 lac as on 15-10-08. No collateral security and third party guarantee is available. The category of the loan a/c as on 31-3-05 was doubtful.

The unit is under possession since 8-5-92. The party approached to Hon'ble Court, Kolkata and the court ordered on 23-6-92 to maintain status-quo. Hon'ble High Court, Kolkata passed order on 8-8-08 and allowed the Corporation to auction the unit for realization of its dues.

The promoters approached for OTS and competent authority allowed to register the case by depositing 50% of upfront amount.

A sum of Rs.932920/- have been received from SDM, Mt.Abu on 20-12-07 against the compensation for land acquired by National Highway Authority of India. The amount shall be adjusted in the a/c of RFC and RIICO.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the a/c in a consideration of Rs. 93.66 lac less upfront amount of Rs.3.56 lac i.e. at the net payable settlement amount of Rs.90.10 lac but the promoters/ representatives did not accept the offer and requested to give some more time to discuss with other directors and family members, therefore, it was decided to defer the case.”

The case was again placed before Spl.HOLC in its meeting held on 31-12-08. Nobody turned up, however, message through E-mail received from the representatives of the company showing their inability to attend the meeting due to certain preoccupation. Keeping this in view, the consideration of the case was deferred.

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. 73.56 lac less upfront amount of Rs. 3.56 lac i.e. at the net payable settlement amount of Rs. 70.00 lac, but the promoters / representative did not accept the offer therefore, the case was **rejected** with the directions to Branch Office to take action for recovery of the dues.

3. M/s Manoj Granite, Behror (B.O.Neemrana)

Since no body turned up, consideration of the above case was **deferred**.

4. Oswal Fabrics, Bhilwara(DDW Case)

Shri Sushil Singhvi & Shri Gautam Chand Jain, Partners appeared before the committee.

It is a deficit case. The party has requested to waive entire penal interest since beginning to date of possession and no further interest be charged on settlement amount. The settlement amount is proposed to be deposited by the party within further six months and also requested to appropriate sale consideration against p.sum. As per policy (FR 516) the case can be settled on principal deficit plus other month plus 5% recovery charges as ROD filed. Therefore, the B.O. has forwarded the proposal for consideration of Spl.HOLC.

The competent authority has relaxed the condition of upfront amount to the extent of Rs. 58000/- as the same is adjustable in settlement amount. Five loans were sanctioned to the concern for setting up a unit to manufacture synthetic cloth, details are as below :

(Rs. in lakh)

Loans	I	II	III	IV	V	Total
Amt. Sanctioned	5.61	18.90	20.00	8.80	21.72	75.03
Date	9.3.94	13.12.94	21.3.96	18.12.97	6.4.98	
Amount disbursed	4.21	11.69	20.00	8.28	19.32	63.50
Date	9.3.94	8.8.95	11.9.96	11.2.98	6.2.99	
Deficit after appropriation of sale proceeds						
P.sum	-	4.09	12.03	6.07	14.31	36.50
Interest	-	-	-	3.48	13.85	17.33
OM	-	-	-	0.38	-	0.38
Total	-	4.09	12.03	9.92	28.16	54.21

For recovery of Corporation dues, legal action u/s 29 of SFCs Act was taken and the unit was taken over under possession on 6-3-02 and sold out the assets in a total consideration of Rs.39.79 lac on 28-8-03. For recovery of deficit amount, action u/s 32-G was taken and ROD was sent to the Collector, Bhilwara. No collateral security or third party guarantee is available.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the a/c in a consideration of Rs.38.78 lac less upfront amount of Rs.2.96 lac i.e. at the net payable settlement amount of Rs.35.82 lac.

The representative of the concern did not consent to the settlement, hence the case was **rejected** with the directions to the BO to take necessary action for recovery of Corporation dues.

5. **M/s.Jhanwar Kanwar Paper Convert, Bhilwara (DDW Case)**

Shri Bhagwati Lal Sain, promoter of the unit, appeared before the committee. It is a deficit-decreetal case. A loan of Rs.0.75 lac was sanctioned on 8-3-89 out of which Rs.0.63 lac was disbursed upto 1.12.89 for printing works.

For recovery of Corporation dues, action u/s 29 was taken and the assets of the unit were taken over under possession on 14-12-93 and sold out the assets in a consideration of Rs.58000/- on 28.9.94. For recovery of deficit amount, legal action u/s 31(i)(aa) was taken. Hon'ble court awarded decree on 10-1-03 for a sum of Rs.85483/- plus interest @ 20% from 1-8-98 till payment of the amount. Amount outstanding as on 1-12-08 was Rs.0.86 lac (p.sum Rs.0.51 lac, Intt. Rs.0.34 lac and OM Rs.0.01 lac). One of the collateral security had been sold out in a consideration of Rs.4794/- through court and credited in the loan a/c on 16-12-05. Another collateral security is not traced out as the four boundries, directions and measurement are not available. The value of the same shall not be more than Rs.5000/-.

The concern has requested for settlement of loan a/c after deducting the penal interest charged since beginning. As per the scheme, the delegation of powers is not within the branch, hence proposal is sent by B.O. for consideration of Spl.HOLC.

After detailed discussions and considering all the facts and position of the case, the committee offered **to settle** the amount in a consideration of Rs.0.52 lac less upfront amount of Rs.0.05 lac (rounded off) i.e. at the net payable settlement amount of Rs.0.47 lac, out of which Rs.0.27 lac shall be paid in March'09 and balance Rs.0.20 lac in April'09

No interest would be charged upto 31-3-09 and thereafter w.e.f. 1.4.09 interest @ 13% p.a. on simple basis shall be charged on unpaid amount of settlement.

The representative of the unit consented to the settlement.

6. **M/s.Than Singh Flour Mills, Bharatpur(DDW Case)**

Shri Bharat Singh S/o Shri Gyan Singh and Prem Singh S/o Than Singh, representative of the unit appeared before the committee. It is a decretal case. The unit is lying closed.

A loan of Rs.0.09 lac was sanctioned on 24-11-83 and the same was disbursed upto 5.1.84 for establishing a flour mill. For recovery of the dues, legal action u/s 31(i)(aa) was initiated. Hon'ble court awarded decree on 15-5-04 for Rs.49397/- plus interest @ 6% p.a. w.e.f. 1-4-03 till payment. The MRV of financed assets is Rs.0.05 lac and no collateral security or third party guarantee is available.

Shri Than Singh, original promoter had expired on 4-11-06 and relatives want to settle the case on p.sum only, therefore, the branch has forwarded the proposal for consideration of Spl.HOLC.

A sum of Rs.67214/- was outstanding on 31-12-08(p.sum Rs.8240/-, interest Rs.56962/- and OM Rs.2012/-).

This case was registered under OTS scheme on 19-4-04 and was settled in DLC meeting held on 29-4-04 for Rs.30,000/- but the promoter did not agree to the decision so the case was rejected, thereafter, court has also passed decree on 15.5.04 for Rs.49397/- plus interest @ 6% p.a. w.e.f. 1.4.03 till payment. Application for execution of decree filed in court on 27-3-06.

As per the provisions of the scheme, the cases where loan disbursed amount is upto Rs. one lac, settlement shall be on decretal amount plus OM.

After detailed discussions and considering all the facts and position of the case, the committee decided **to settle** the a/c in a consideration of Rs.0.25 lac less upfront amount of Rs.0.05 lac i.e. at the net payable settlement amount of Rs.0.20 lac upto 31.3.09.

Since the settlement is arrived at below the decretal amount + OM, the case may be placed before the Board for its consideration.

7. **Om Prakash Sharma, Alwar (DDW Case)**

Shri Suraj Bhan Sharma Son-in-law of deceased loanee Shri Om Prakash Sharma, representative of the unit appeared before the committee.

It is a deficit case. A term loan of Rs.2.67 lac and seed capital of Rs.0.535 lac, total Rs. 3.205 lac was sanctioned for purchase of transport vehicle in July'89, out of which Rs. 3.195 lac was disbursed upto 17-1-90.

For recovery of dues, action u/s 29 was taken and possession of the vehicle was taken over on 8-5-97 and sold out on 16-10-99 in a sale consideration of Rs.0.90 lac.

Amount outstanding as on 1-12-08 was Rs.6.79 lac (p.sum Rs.3.02 lac, interest Rs.3.75 lac and OM Rs.0.02 lac). Value of collateral security as per DLC rate is Rs.31.38 lac and as per MRV calculation sheet, it is Rs.11 lac. No third party guarantee or personal guarantee is available.

For recovery of deficit amount, ROD sent to the District Collector, Alwar. Loanee and one guarantor had expired. There were seven guarantors who have furnished collateral security of their houses. All the properties are situated in Village and families residing in the houses, therefore, chances of disposal of properties are rare if properties are put to sale. Legal heirs of the loanee are just surviving. The a/c is being settled by Shri Suraj Bhan Sharma, Son-in-law of the deceased promoter.

The value of collateral security is more than 200% of principal deficit, therefore, B.O. has forwarded the case for consideration of Spl.HOLC. As per the provisions of the scheme, Spl.HOLC is the competent authority to settle such cases.

After detailed discussions and considering all the facts and position of the case, the committee has decided **to settle** the a/c in a consideration of Rs.3.82 lac less upfront amount of Rs.0.32 lac i.e. at a net payable settlement amount of Rs.3.50 lac which shall be paid in March'09.

The party consented to the settlement.

8. M/s Hem Chand Panwar S/o Sh. Chhitar Lal Panwar, Kota (DDW Case)

Shri Hem Chand Panwar S/o Shri Chhitar Lal Panwar, proprietor of the concern, appeared before the committee.

It is a decretal case. The case was placed before the Spl.HOLC on 31-12-08, the decision taken was as below:

“Shri Hem Chand Panwar S/o Shri Chhitar Lal Panwar, Proprietor of the concern appeared before the committee.

A loan of Rs. 0.90 lac was sanctioned on 05.02.1982 and the same was disbursed on 31.3.82 for purchase of Matador Mini Bus.

A sum of Rs. 89.53 lac was outstanding as on 01.09.2008, (principal sum Rs.0.80 lac, interest Rs. 88.63 lac and other money/MGE Rs. 0.10 lac). Category of the loan account was “Doubtful” as on 31.03.05.

It is a decretal case and decree is under execution. The decree was awarded by Hon'ble court of law on 22-9-98 for Rs.648281/- plus interest @ 17.5% on the amount of loan disbursed from 21-1-94. Promoter and Guarantor belongs to SC. The property of guarantor (house) is in Harijan Basti and looking to the locality, property is not easily saleable. Promoter is also a Corporator in Nagar Nigam, Kota.

In view of the position narrated by the Manager (Br), the committee decided to get the MRV recalculated considering all the facts including its salability. Hence the consideration of the case was deferred.”

In compliance of decision of Spl. HOLC dt.31-12-08, the B.O. has got recalculated the MRV of the L&B at Rs.4.91 lac.

After detailed discussions and considering all the facts and position of the case, the committee decided **to settle** the a/c in a consideration of Rs.3.31 lac less upfront amount of Rs.0.09 lac i.e. at the net payable amount of Rs.3.22 lac, out of which Rs.50,000/- shall be paid in March'09 and balance in six equal monthly Instalments commencing from April,2009.

No interest would be charged upto 31.3.09 and thereafter w.e.f. 1.4.09 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.

Since the settlement is arrived at below the decretal amount + OM, the case may be placed before the Board for its consideration.

9. **M/s Modern Refractories, Jhunjhunu (DDW Case)**

Nobody turned up, hence consideration of the case was **deferred**.

10. **M/s Chouthmal Hari Prasad, Sikar (DDW Case)**

Shri Hari Prasad, partner of the unit, appeared before the committee.

It is a deficit case. The party has requested to settle the case on principal + OM. The value of the collateral security is more than 200% of the principal deficit. Therefore Spl. HOLC is the competent authority to settle the case.

A loan of Rs.3.52 lac was sanctioned on 2.7.92 for purchase of a Truck and the same was disbursed upto 26.3.93. For recovery of Corporation dues legal action u/s 29 was initiated and the assets were taken into possession on 22.8.2000 and sold out in a consideration of Rs.1.40 lac on 16.3.01. For recovery of deficit action u/s 32G was initiated and ROD was filed. Present value of the collateral security is Rs.13.78 lac. However properties of guarantors are situated in rural area (Dhani) and difficult to sell out.

After detailed discussion and considering all the facts and position of the case, the committee offered **to settle** the account in a consideration of Rs.5.51 lac less upfront Rs.0.35 lac (rounded off) i.e. net settlement amount of Rs.5.16 lac, which shall be paid as per the schedule given below:

March	April	May	June
Rs.1.00 lac	Rs.1.00 lac	Rs.1.70 lac	Rs.1.46 lac

No interest would be charged upto 31-3-09 and thereafter w.e.f. 1-4-09 interest @ 13% p.a. on simple basis shall be charged on unpaid amount of settlement.

The representative of the unit consented to the settlement.

11. **M/s Monika Traders & Engineers, Kota (DDW Case)**

Shri Kishan Kumar, Proprietor of the unit, appeared before the committee.

It is a decretal case and decree is in execution (other than deficit).

The case was earlier rejected by the HOLC in its meeting held on 22.12.04; the decision is reproduced below:

“Shri Krishna Kumar, promoter of the unit, attended the meeting. It is a small case where the corporation disbursed a loan of Rs.39800/- in the year of 1985 for engineering workshop. The unit is reported as closed.

The committee noted that the Hon'ble Court has awarded decree on 10.04.02 for Rs.372722/- alongwith interest. The MRV of the financed assets is reported to be NIL. Value of the property of third party guarantee is Rs.2.00 lac as per record. The committee noted that as per recent guidelines for OTS for settlement of decretal cases where decree was awarded after March, 2000, decretal amount plus interest is required to be recovered.

After detailed discussions, the promoter of the unit offered to pay not more than Rs.1.52 lac, therefore, settlement could not be reached, and hence, the case was rejected with the directions that BO may expedite the execution of application of the decree.”

The case was also placed before the Spl. HOLC held on 31.12.08 and following decision was taken:

“Since nobody turned, consideration of the above case was deferred”.

In compliance of the decision, the case is again submitted for consideration. It is decretal case.

A loan of Rs.42000/- was sanctioned on 4.7.84, out of which a sum of Rs.39800/- was disbursed upto 17.4.85 for setting up an engineering workshop.

For recovery of Corporation dues, legal action u/s 31(1)(aa) was initiated. The Hon'ble Court awarded decree on 10.4.02 for Rs.372722/- + further interest @ 14% p.a. The decree execution application has been filed on 21.7.03. The financed assets comprising P&M are missing. The shop which is in personal guarantee is parental property and the brother of the guarantor raised objection. The guarantor left Kota and it is very difficult to sell the property as informed by the BO.

As per the norms the case can be settled on decretal amount + OM. The party's proposal to pay Rs.250000/- less earlier upfront amount of Rs.37300/-

deposited on 23.3.04 and Rs.4000/- deposited on 17.11.08 in 12 equal monthly instalments. The present value of third party guarantee is Rs.10.00 lac, but is under dispute.

After detailed discussion and considering all the facts and position of the case, the committee offered **to settle** the account in a consideration of Rs.2.54 lac less upfront Rs.4000/- i.e. net amount of Rs.2.50 lac for which party did not consent hence the committee decided **to reject** the case.

12. **M/s Anurag Cotton Textile Mill (P) Ltd. (DDW Case)**

Nobody turned up. However, a fax message received showing inability to attend the meeting due to illness of loanee and requested to give one more chance. In this consideration the case was **deferred**.

13. **M/s Surgeon Products, Udaipur (DDW Case)**

Smt. Manju Chelawat, Proprietor and her husband Shri Yashwant Chelawat appeared before the committee.

It is a deficit-decreetal-written off case. The case was settled by Branch Office on 21.09.08 in consideration of Rs.661200/- i.e. on decreetal amount as per FR-516. But the party did not agree with the decision of BO and made appeal against the decision.

A loan of Rs.1.91 lac was sanctioned on 16.3.81, out of which a sum of Rs.172900/- was disbursed upto 21.10.82 for setting up a unit of surgical Pots.

Due to default in repayment of dues of the Corporation action u/s 29 was initiated and the assets were taken into possession on 28.10.89 and was sold out on 26.2.94 for a consideration of Rs.0.50 lac. After appropriation of sale proceeds, there was deficit of Rs.408132/- (Prin. Rs.165921 + interest Rs.232950 + OM Rs.9261). A decree was also awarded in this case for Rs.660984/- on 20.2.02. Besides, the account of the unit was written off in the year 1994-95 for Rs.180427/- and written back for Rs.227705/-. An execution application has been filed, but the legal heirs of the guarantor have filed objection against the decree execution. Third party guarantee is available, but no documents are available. The guarantor and his wife expired. The financed assets comprising P&M are missing, there is no collateral security available in the case.

BO has settled the case on decreetal amount with a view that as per scheme/norms deficit/decreetal cases can be settled in Principal deficit amount, if financial position of the promoter/guarantor is very poor, which means otherwise the case can be settled in decreetal amount. The BM has a view that since very poor is a relative term and can not be defined/specify the criteria of very poor they have decided/settled the case on decreetal amount to avoid audit objection.

As per branch report the branch officials have visited house of late Shri Karan Singh (third party) guarantor and found that it was a parental house and a part of house belongs to Shri Karan Singh and same is lying vacant in very bad

condition and the portion is mixed with that of other parental relatives. The copy of papers/map not available and in absence of title documents MRV cannot be assessed.

The partners Smt. Manju Chelawat and Sh.Sajjan Singh Chelawat are residing in rented house and doing job in a private shop. Smt. Manju Chelawat doing sewing job at house as informed by BO vide letter dated 16.02.09. The decree execution application is still to be decided. As per the party's proposal, it has proposed to pay Rs.1.80 lac (including both upfront deposited for BO level and Spl.HOLC for Rs.134000/-).

After detailed discussion and considering all the facts and position of the case, the committee offered **to settle** the account in a consideration of Rs.2.34 lac less upfront Rs.1.34 lac i.e. net settlement amount Rs.1.00 lac, which shall be payable in six Equal Monthly Instalments commencing from April to Sept'09 without interest.

The representative of the unit consented to the settlement verbally".

14. **M/s Mahaming Corporation, Rajsamand**

Shri Govind Lal Verma, Brother of promoter Smt Pushpa Thakur and Shri Surendra Sanadhya, representative appeared before the committee.

A loan of Rs. 4.25 lac was sanctioned on 28.2.94 out of which Rs.3.37 lac was disbursed upto 4.08.94 to the unit for purchase of mining equipments

A sum of Rs. 8.97 lac was outstanding as on 01.12.2008, (principal sum Rs.1.69 lac, interest Rs. 7.27 lac and other money Rs.0.01 lac). Financed assets (P&M) are missing. MRV of collateral security is reported Rs.3 lac. No third party guarantee is available. The category of loan A/c is doubtful on 31.3.05.

This is a case of financing of mining equipment i.e. Tractor compressor on mining lease. Mining lease measuring 10,000 sq. mtrs is not mortgaged with the Corporation. Financed assets (P&M) are missing. Branch Office has initiated legal action u/s 32(G) and sent ROD to District Collector on 27.09.2003.

Collateral security of the property (land and building) situated at Village Pipalantri, District Rajsamand was taken. MRV reported at the time of sanction was Rs. 2.50 lac and present MRV is reported to Rs. 3.00 lac. The Tehsildar vide its letter dated 5.4.08 informed that the guarantor is having house in which four members are residing and guarantor is reported to be mentally sick.

Branch Office processed the case on 18.11.2008 for lodging FIR for the missing P&M. In the meantime, representative of the promoters made request for settlement of account and got the case registered under OTS scheme.

Smt Pushpa Thakur to whom the loan was sanctioned and disbursed is now residing at Mumbai with her husband. The flat where she is living, is in a very good locality but it is in the name of her husband. The husband of the promoter is doing business in main Mumbai.

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.5.00 lac but the representatives did not accept the offer, therefore, case was **rejected** with the instructions to Branch Office to take speedy action for recovery of Corporation dues and pursue with Revenue authorities for attachment and auction of the properties. Also the Branch Office should put more efforts for tracing out more properties in the name of loanee. The Branch Office should lodge FIR for the missing P&M immediately.

15 **M/s Bhola Ram Cement Pipe & Jali Udyog, Nagaur**

Nobody turned up. However, a fax message received from the promoter of the unit showing his inability to attend the meeting due to heart attack of his father. Hence, the case was **deferred**.

16. **M/s Mangliawas Industries, Ajmer**

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

A term loan of Rs. 1.02 lac and WCTL of Rs.0.70 lac was sanctioned to the concern on 27.9.96 and 30.8.97 respectively for the purpose of manufacturing edible oil. The term loan of Rs.1.02 lac was sanctioned to the concern was fully disbursed upto 3.2.97. Out of WCTL of Rs.0.70 lac, Rs.0.56 lac were disbursed upto 30.8.97. Thus the total amount disbursed to the unit was to the tune of Rs.1.58 lac.

A sum of Rs. 7.30 lac was outstanding as on 01.12.2008, (principal sum Rs.1.58 lac and interest Rs. 5.72 lac). Financed assets (P&M) are missing. MRV of collateral security is reported Rs.3.16 lac. No third party guarantee is available. The category of loan A/c is doubtful on 31.3.05.

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. 3.67 lac less upfront amount of Rs. 0.17 lac (rounded off) i.e. at the net payable settlement amount of Rs. 3.50 lac which shall be payable in eight equal monthly instalments commencing from March, 2009.

No interest would be charged upto 31-3-09 and thereafter w.e.f. 1.4.09 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.

16. **M/s Structural Fabricators, Alwar**

Shri Harish Bansal, Proprietor of the unit appeared before the committee.

A term loan of Rs. 5.00 lac was sanctioned to the concern for setting up a unit of marble cutting (marble tiles) on 31.1.90, out of which the concern has availed Rs.4.49 lac upto 26.2.91. The concern has also purchased P&M of M/s Granite Rajasthan for a deferred payment of Rs.0.60 lac on 9.4.90 from the Corporation. The machineries so purchased are related to Granite edge cutting, polishing and slicing.

A sum of Rs. 42.72 lac (principal sum Rs.5.09 lac and interest Rs.37.63 lac) was outstanding as on 01.12.2008,

This case was placed before HOLC in the meeting held on 17.02.06. Decision taken by the committee is reproduced below:

“Shri Harish Bansal, promoter of the unit appeared before the committee. It was noticed that Shri Harish Bansal is having another sister unit in which surplus amount might be there as unit was sold by the Corporation. This issue needs to be seen by the Branch Office and report to Head Office. After detailed discussions and considering all the facts and position of the case, the committee offered to waive penal interest charged in the account but the promoter of the unit did not agree to the offer given by the committee, hence the case was rejected.”

MRV of the primary security reported at the time of HOLC was Rs.8.90 lac (land Rs.5.41 lac, Building Rs.2.74 lac, P&M Rs.0.75 lac). MRV now reported is Rs.27.55 lac (land Rs.23.59 lac, Building Rs.3.66 lac, P&M Rs.0.30 lac) Neither collateral security nor third party guarantee is available.

As per observations in the HOLC in its meeting held on 17.11.06 with regard to surplus amount in another sister unit of the promoter, the factual position sent by the Branch Office, Alwar vide its letter dated 31.12.08 is as under:

M/s Bansal Pipes Pvt.Ltd. in which Shri Harish Bansal was the promoter / director, was a financed unit by RFC. The unit was taken into possession and sold on 29.3.85 for a consideration of Rs.61.00 lac on deferred payment to M/s Shree Shankar Steels Pvt. Ltd. M/s Bansal Pipes Pvt. Ltd. was sold in surplus of Rs.18.05 lac. Since the deferred payment was not repaid by M/s Shree Shankar Steels Pvt. Ltd., therefore the surplus amount could not be refunded to Shri Harish Bansal. M/s Shree Shankar Steels Pvt. Ltd. was also taken into possession and sold by Official Liquidator for a consideration of Rs.277.00 lac in the year 2007. The sale consideration has not been received from official liquidator till date. In the case of M/s Bansal Pipes Pvt. Ltd., the competent authority has decided on 20.1.09 to refund 10% of balance outstanding (out of surplus) plus interest from the date of execution of documents of sale. Accordingly, the Branch Office, Alwar has refunded 10% of the outstanding amount with interest @ 10% p.a. from the date of execution of sale deed i.e. Rs.14.56 lac.

After detailed discussions and considering all the facts and position of the case, the committee decided to waive balance penal interest of Rs.4.18 lac and offered to settle the account in a consideration of Rs. 38.54 lac less upfront amount of Rs.0.77 lac (rounded off) i.e. at the net payable settlement amount of Rs.37.77lac but the proprietor of the unit did not accept the offer hence the case was **rejected** with the advice to Branch Office to initiate immediate suitable action for recovery as per the norms.

18. **M/s Narendra Singh, Jaisalmer**

Shri Narendra Singh, Proprietor of the unit appeared before the committee.

A term loan of Rs. 5.85 lac was sanctioned to the concern on 11.3.99 for the purpose of stone mining out of which Rs. 5.29 lac were disbursed upto 16.4.99. A sum of Rs. 22.89 lac (principal sum Rs.5.29 lac and interest Rs. 17.60 lac) was outstanding as on 01.12.2008. MRV of financed assets and collateral security is reported to Rs.1.25 lac and 8.13 lac respectively. No third party guarantee is available. The category of loan A/c is doubtful on 31.3.05.

This case was earlier placed before HOLC in its meeting held on 5.3.05. Decision taken by the HOLC is reproduced below

“Shri Narendra Singh, promoter of the unit, appeared before the committee. It is a case of mobile crane which is in partly running condition. The account falls under doubtful category. The party has registered the case in November, 2004 by depositing Rs.80,000/- MRV of the primary assets and collateral security is reported to Rs.9.43 lac.

After detailed discussions, the committee decided to settle the case for Rs.10.00 lac less Rs.80,000/- deposited as upfront amount in November, 2004. Thus, net settlement amount would be Rs.9.20 lac which shall be paid as under:

- i) 25.3.05 Rs.4.00 lac
- ii) April, 05 to Sept, 05 Rs.5.20 lac shall be paid in equal monthly instalments from April, 05 to Sept, 05.

13% interest shall be charged on the unpaid amount of the settlement after 31.03.05.

The promoter consented to the settlement.”

The party did not adhere to the decision taken by HOLC in its meeting held on 5.3.05 and made requests time and again to allow extension. Out of the net payable amount of Rs.9.20 lac, the party deposited Rs.1.00 lac in December,2007. The last extension for making payment was allowed to the party upto 30.6.08 with the condition that party shall make payment of interest @ 16% p.a. for the delayed period. The party, however, did not make the payment of settlement amount and in the meantime the Corporation launched scheme for one time settlement of NPAs 2008-09 vide FR circular No. 517 dated 02.05.08.

The party got his case registered afresh for Spl HOLC by depositing requisite registration fees of Rs.2,000/- on 8.10.08 and upfront amount in two instalments i.e. Rs.38,000/- on 8.10.08 and Rs. 43,350/- on 21.10.08. The case was registered with the approval of CMD.

Branch Manager, Jaisalmer has informed vide letter dated 06.02.09 that no case u/s 32(G) is pending with Collector, Jaisalmer as requisition of demand sent by the Branch Office on 16.1.07 was returned by the Office of Collector, Jaisalmer on 28.4.07.

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. 12.01 lac less upfront amount of Rs. 0.81 lac (rounded off) i.e. at the net payable settlement amount of Rs.11.20 lac which shall be payable in three equal monthly instalments commencing from April, 2009.

No interest would be charged upto 31.3.09 and thereafter w.e.f. 1.4.09 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 Shree Raja Industries, Udaipur

Shri Raja Loda, Partner and his relative Shri D.C.Singhvi appeared before the committee.

A term loan of Rs. 4.00 lac was sanctioned to the concern on 31.03.87 for the purpose of manufacturing Engineering Goods out of which Rs.3.72 lac were disbursed upto 30.3.90.

A sum of Rs. 7.56 lac was outstanding as on 01.12.2008, (principal sum Rs.1.21 lac and interest Rs. 6.35 lac). MRV of financed assets is reported Rs.47.00 lac. Neither any collateral security nor third party guarantee is available. The category of loan A/c is doubtful on 31.3.05.

The case of the above mentioned concern was placed before Special HOLC in its meeting held on 07.11.08. The decision taken by the committee is reproduced below

“Shri Raja Loda partner and D.C. Singhvi relative of the partner, appeared before the committee.

Earlier, the case was placed before Spl. HOLC in its meeting held on 01.09.2008. The decision of the Committee is reproduced hereunder:

“Shri Raja Lodha, partner and Shri D.C.Singhvi, Brother-in-law of partner appeared before the committee.

A loan of Rs. 4.00 lac was sanctioned on 31.3.87, out of which Rs. 3.72 lac was disbursed to the unit for setting up a unit of manufacturing of Engineering Goods.

A sum of Rs. 7.31 lac was outstanding as on 01.09.2008, (principal sum Rs. 1.21 lac, interest Rs. 6.05 lac and other money Rs. 0.05 lac) against which security available with the Corporation is Rs.47.00 lac (land Rs.37.50 lac + building Rs.8.00 lac + P&M Rs.1.50 lac). The unit is a running one. Category of the loan account was "Doubtful" as on 31.03.05. No collateral security or third party guarantee is available.

Due to default, action u/s 32(G) has been initiated. ROD is pending with Tehsildar Girwa who has issued attachment order dated 22.10.05. The party filed Writ Petition in the Hon'ble High Court at Jodhpur who in its order dated 29.10.07 has observed that the petitioner shall make an appropriate application for settlement of the account under the scheme floated by the RFC within a period of one month. The respondents are directed to settle the account of the petitioner according to the scheme for settlement within a period of one month thereafter. On the facts and in the circumstances of the case, it is ordered that the further proceedings in pursuance of Annexure 8 dated 28.10.2005 shall remain stayed till the aforesaid exercise in terms of the scheme for settlement of the account is completed.

Party did not get its case registered for OTS within the stipulated period, therefore, the BO, Udaipur initiated legal action against the concern on 27.3.08. The party then got registered its case for settlement of account on 23.5.08 and deposited requisite registration fee and upfront amount.

*After detailed discussions with the representatives of the firm and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.6.10 lac(i.e. the amount comes after waiver of penal intt. amounting to Rs.1.21 lac) **less** upfront amount of Rs. 0.20 lac, i.e. at the net payable settlement amount of Rs. 5.90 lac payable within 30 days but the representatives of the firm didnot accept the offer and raised certain issues on maintaining the account and claiming that the decision made earlier by the then DGM(R) should be taken into account. The committee, therefore, decided to **defer** the case and call the files of BO and RO for examination and thereafter to place the case again before the committee."*

During the course of discussions in the Spl HOLC held on 7.11.08, Shri Raja Lodha informed that the Corporation vide his letter dated 28.01.1997 reported net payable sum amounting Rs. 64,841/- as on 01.01.1997 after allowing rebate of penal interest under the then prevailing OTS Scheme. Shri Lodha argued that how the outstanding which was reported to Rs.64,841/- as on 01.01.1997 has been increased to Rs.1,21,065/- without any disbursement. It was explained to Shri Loda that as per the prevailing OTS scheme for the year 1996-97, the account was recalculated by giving the effect of penal interest and the balance outstanding reduced from Rs.1,38,897/- to Rs.64841/- as on 01.01.1997. Since this amount of Rs.64,841/- as per the prevailing OTS Scheme for the year 1996-97 was not deposited within the stipulated period, the balance outstanding in the loan account as on 01.01.1997 was Rs.1,38,897/- (inclusive of Rs.1,21,065/- as Principal outstanding and Rs.17,832/- as interest outstanding). As per the prevailing OTS scheme for the year 1996-97, the party did not deposit the amount of Rs.64,841/-, therefore, the benefit of waivement of penal interest could not be given.

After detailed discussions with the representatives of the firm and considering the all the facts and Hon'ble court order, the Committee offered to settle the account in a consideration of Rs. 6.10 lakh (after waiving of balance penal interest amounting to Rs. 1.21 lakh) less upfront amount of Rs. 0.20 lakh i.e. at the net payable amount of Rs. 5.90 lakh but the party did not agree and offer to settle the account by paying principal outstanding of Rs. 121065/- as on

01.01.1997 alongwith simple interest till date. After discussions, the Committee decided that the offer of the party may be examined in the light of prevailing OTS Scheme and the case may again be placed in the next meeting.”

In pursuance of the decision taken by Spl HOLC, the relevant files were called from the field offices and the matter was examined in depth and the case was placed before Spl HOLC in its meeting held on 31.12.08 but the case was deferred as Shri Raja Lodha, Partner of the unit submitted an application dated 31.12.08 for granting leave of absence and providing him an opportunity to appear before the committee in the next meeting.

After detailed discussions and considering all the facts and position of the case and also in light of the Hon'ble High Court order dated 29.10.07, the committee in its meeting held on 04.03.09 offered **to settle** the account in a consideration of Rs.3.33 lac less upfront amount of Rs. 0.20 lac i.e. at the net payable settlement amount of Rs. 3.13 lac which shall be payable in eight equal monthly instalments commencing from March, 2009. No interest would be charged upto 31.3.09 and thereafter w.e.f. 1.4.09 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The party consented to the settlement.

20. M/s Panchu Ram s/o Shri Pema Ram, Makrana

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

A term loan of Rs.2.00 lac was sanctioned to the concern on 16.10.95 out of which Rs. 1.28 lac was disbursed upto 1.3.96 for manufacturing of Chuna.

A sum of Rs. 5.63 lac (principal sum Rs.1.28 lac and interest Rs. 4.35 lac) was outstanding as on 01.12.2008. MRV of financed assets reported to Rs.0.84 lac. Neither collateral security nor third party guarantee is available. The category of loan A/c is doubtful on 31.3.05.

It is an abandoned project. This lime kiln unit never started production.

The action u/s 29 of SFC's Act.,1951 was not initiated by B.O. against the unit because the M.R.V. of unit was less than the outstanding amount and also not saleable.

Case has already been filed u/s 32 (G) on 6.12.2005 by Branch Office.

Agriculture land measuring 79.18 bighas were kurked by the Revenue Authorities. The auction of agriculture land of promoter of unit measuring to 79.18 bighas located at vill Baren & Kaletra was fixed on 25.09.08 but the promoter of the unit registered the case for settlement of loan account on 22.09.2008. The MRV of the land is estimated to Rs.10-15 lac (approx) which is not calculated by Inspecting Team .

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. 4.00 lac less

upfront amount of Rs. 0.19 lac (rounded off) i.e. at the net payable settlement amount of Rs. 3.81 lac but the proprietor did not accept the offer hence the case was **rejected** with the instructions to Branch Office to pursue the case with Revenue officials for early disposal of the property so attached by them.

21. **M/s Movni Extrusions Pvt. Ltd., Udaipur**

Since no body turned up, consideration of the above case was **deferred**.

22. **M/s Rajat Iron Pvt. Ltd., Pali**

Shri Ashok Raj Mehta, Director and Shri Hridesh Ramawat, relative of the director appeared before the committee.

This case was earlier placed before Spl HOLC in its meeting held on 31.12.08. Since nobody turned-up, consideration of the case was deferred.

A term loan of Rs.59.00 lac was sanctioned to the concern on 30.12.97 for the purpose of setting up a unit of MS Steel Rolling mill, out of which Rs.54.60 lac were disbursed upto 21.3.2000.

A sum of Rs. 283.27 lac (principal sum Rs.54.60 lac, interest Rs. 198.62 lac and other money Rs.0.05 lac) was outstanding as on 01.12.2008. MRV of financed assets reported to Rs.53.81 lac. Neither collateral security nor third party guarantee is available. The category of loan A/c is doubtful on 31.3.05.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the account by considering waiver of penal interest to the tune of Rs.30.55 lac but the party did not agree to the offer given by the committee hence the case was **rejected**.

23 **M/s Tip Top Printers, Jaipur**

Shri I.U. Qureshi, proprietor appeared before the committee.

A term loan of Rs.15.80 lac was sanctioned to the concern on 26.06.95 for setting up a offset printing press and the concern has availed Rs.15,57,800/- upto 06.03.96.

A sum of Rs. 222.21 lac (principal sum Rs.15.58 lac, interest Rs. 206.49 lac and other money Rs.0.14 lac) was outstanding as on 01.12.2008. MRV of financed assets and collateral security is reported to Rs.4.25 lac and 24.30 lac respectively. No third party guarantee is available. The category of loan A/c is doubtful on 31.3.05.

The proposal of the concern for settlement was placed before HOLC in its meeting held on 09.03.2000. The decision of the committee was as under:

“Shri I.S.Qureshi, Proprietor of the concern represented the case. He proposed to pay principal outstanding which was not acceptable to the committee and hence the case was rejected.”

As on 1.1.2000 the total outstanding was Rs.33.33 lac including principal outstanding Rs.15.58 lac.

The case was placed before the SLC in its meeting held on 19.09.2000 wherein the following decision was taken:

“Shri I.U.Qureshi appeared before the committee. He informed the committee that the unit is lying in an extreme Muslim basti of Jaipur and he has not been able to run the unit and he has left no alternative but to dispose off the unit. He requested that his case may be considered sympathetically given due weighage to the fact that inspite of his best efforts it was not possible to run the industry and realisable value of the machinery financed by the Corporation is far less then what has been assessed by the branch and he is residing in the same prequal monthly instalmenteses which were offered in collateral security.

Shri S.S.Saxena, the then DGM(R), Jaipur-I, who had inspected the unit was also called during discussions. The committee noted that the unit is located in a remote Muslim basti in which the family members of the promoter are also residing and the possibility of takeover of the collateral security and its disposal are remote keeping in view the location. The committee further noted that in this background, it is in the common interest of the Corporation if we can recover the principal sum with some interest by settling the account finally otherwise it will further jeopardise the commercial interest of the Corporation.

Keeping all these facts and background of the case, the committee decided to negotiate with the promoter to settle the account and to increase the settlement amount suitably. After negotiations, Shri Qureshi agreed to settle the account in a final amount of Rs.17.50 lac payable by December, 2000. It was however, agreed by the committee that as and when suitable buyers are brought for sale of machinery in part / full, RFC would permit sale with the condition of deposition of sale proceeds with the Corporation.”

Multiple court cases filed by sons and wife of the promoter. Earlier Court granted stay against attachment of collateral security in court case filed by Smt Ikram Fatia v/s K.K. Qureshi (Case No. 105/06). Also as per order passed by Court dated 20.9.99 in case No. 34/98 of Nasimuden v/s Takudin, the promoter Shri I.U. Qureshi has only one fourth portion of this house given in collateral security i.e. son of promoter objected for attachment of property. The case filed by Smt Iqram Fatima against I.U. Qureshi and others has been dismissed by Hon'ble Court vide order dated 12.3.08. Although the party has filed restoration application before the court but so far court has not passed any order. As such, there is no stay against recovery of dues from the assets of the loanee.

Since party did not fulfil its commitment, ROD u/s 32(G) was filed on 24.12.05. The court granted stay against attachment of collateral security as property is in joint name. Stay vacated on 12.3.08 thereafter Addl. District Collector (Recovery) was persuaded to take stringent action for attachment of the property for recovery of Corporation dues vide letter dated 22.5.08.

The concern submitted a request dated 26.11.08 to the then CMD to consider their case by accepting 5% upfront amount and registration fee. The then CMD permitted on 1.12.08 to register the case by accepting 5% upfront amount instead of 20%. Accordingly, the concern got its case registered for settlement of account by depositing registration fee Rs.4000/- and upfront amount Rs.78,000/- (5% of principal outstanding) on 18.12.08.

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. 24.50 lac less upfront amount of Rs. 0.78 lac i.e. at the net payable settlement amount of Rs. 23.72 lac, which was not accepted by the party hence the case was **rejected**.

24 **M/s Gajendra Industries, Deeg, Bharatpur**

Smt Raj Kumar wife of the partner and Shri Kumar Sen, son of the partner of the unit appeared before the committee.

A term loan of Rs.1.17 lac was sanctioned to the concern on 08.07.77 for the purpose of setting up a unit of processing of Gram Dal, out of which Rs.1,05,750/- were disbursed upto 07.06.1978.

When the loan was sanctioned, the firm was consisting of two partners viz. Shri Nathi Singh and Shri Gajendra Singh of which Shri Nathi Singh has expired on 12.12.07. Shri Kunwar Singh, son of Shri Nathi Singh has got the case registered for settlement.

A sum of Rs. 76.88 lac (principal sum Rs.1.06 lac, interest Rs. 75.70 lac and other money Rs.0.12 lac) was outstanding as on 01.12.2008. MRV of financed assets is reported to Rs.18.50 lac. Neither collateral security nor third party guarantee is available. The category of loan A/c is doubtful as on 31.3.05.

The unit is lying closed since 31.03.1992.

Due to non payment of Corporation dues, the possession was fixed for take over of fixed assets u/s 29 on 22.9.2000 and 06.02.01 but the same could not be taken over as reported by BO, Bharatpur. The BO has reported that the family of deceased Shri Nathi Singh has been residing in the left portion of the building of the unit. They were persuaded to vacate the prequal monthly instalments but they did not vacate and behaved very rudely and not allowed to enter in the unit prequal monthly instalments. Police force could not be available at the time of possession.

The concern appealed in ADJ Court, Deeg against action u/s 29 but Hon'ble Court dismissed the appeal on 29.08.01. The concern filed appeal No. 980/01 against the decision of ADJ Court, Deeg in Hon'ble High Court which has been dismissed on 21.01.08.

After detailed discussions and considering all the facts and position of the case, the committee observed that the Branch Office should make efforts to identify the properties owned by the partner of the unit. The committee decided that the case may again be placed for consideration with such details.

24 **M/s Marudhar Industries, Sirohi**

Smt Manisha Jain, Proprietor and Shri Poonam Chand Yati, Brother of the Proprietor appeared before the committee.

A term loan of Rs.10.00 lac was sanctioned to the concern on 07.11.2000 for the purpose of manufacturing mineral powder, out of which Rs.9.39 lac were disbursed upto 13.12.2001.

A sum of Rs. 23.56 lac (principal sum Rs.9.39 lac, interest Rs. 14.14 lac and other money Rs.0.03 lac) was outstanding as on 01.12.2008. MRV of financed assets and collateral security is reported to Rs.11.79 lac and Rs.4.59 lac respectively. Shri Ashok Kumar Jain furnished personal guarantee for security of the loan amount but details of the property were not made available. Networth of third party guarantee is reported to Rs.0.90 lac. The category of loan A/c as on 31.3.04 is sub standard and on 31.3.05 is doubtful.

This is a case of Mineral powder unit. Party got his case registered for OTS by depositing registration fees of Rs.2000 on 11.3.05 and upfront amount of Rs.228750/- on 29.3.05 at Sub Office Sirohi. DGM(R) Jodhpur sent the OTS proposal to HO vide letter dated 28.11.05

The OTS proposal sent by the RO, Jodhpur was examined at the Hqrs. It was observed that this case falls within the purview of restricted clause of the OTS scheme issued vide FR circular No.313 dated 6.9.04 as the last disbursement was made on 13.12.01.

Considering the provisions of Restrictive clause of OTS scheme as above, it was decided on 13.12.05 that this case may not be registered for settlement of account.

The Incharge, Sub Office, Sirohi sent communication to the party that her case has not been found eligible for registration under prevailing OTS scheme and she is advised to make the payment of Corporation dues immediately failing which the Corporation has left with no alternative except to initiate legal action for recovery.

The party did not deposit the amount, as such legal notice u/s 30 of the SFCs Act, 1951 was issued on 8.3.06 calling back the entire loan outstanding.

Aggrieved with the legal action, party filed SB civil Writ Petition No. 2876 /2006 in the Hon'ble High court at Jodhpur. The case was decided against the Corporation. The operative part of the decision pronounced by the Hon'ble High Court on 28.04.08 is reproduced below:

"The reasons supplied by the learned counsel for the respondents at the time of arguments by way of circular No. 370 dated 30.11.05 cannot be applied to the case of the petitioner since it would amount to putting a condition in the case of the petitioner with retrospective effect, which cannot be done. When the respondent – RFC accepted the upfront amount on 29.3.05 from the petitioner, it bound itself in law to consider the case of the petitioner under OTS scheme then prevailing. Any adverse condition subsequently imposed by the RFC cannot be a ground for rejecting the case of the petitioner. Accordingly, this writ petition is allowed and the respondent RFC is directed to consider the case of the

petitioner under the OTS Scheme as it existed on 29.3.05 without the condition of circular dated 30.11.05 being made hurdle in the way of the petitioner. Such decision should be taken by the respondent RFC after giving an opportunity of hearing to the petitioner within a period of three months from today. If the petitioner is aggrieved by the decision of the respondent RFC in this regard, he will be free to approach this Court by way of a fresh writ petition.:

RFC against the decision of Single Bench filed DB Civil Special appeal (W) No. 688/08 in the Hon'ble High Court. The decision pronounced by the Hon'ble High Court on 26.11.08 is reproduced below:

“By the order impugned, the writ application was disposed with the direction to respondent RFC to consider the case of the writ petitioner under OTS Scheme, as existed on 29.3.05 without the condition of circular dated 30.11.05. Such decision was to be rendered after giving an opportunity of hearing to the petitioner within a period of three months from the date of the order.

In view of the directions issued by this court, the appellant RFC was required to reconsider the matter under OTS Scheme, as directed. But, in no manner, this appeal could have been filed when no positive direction was issued by this court allowing OTS to the writ petitioner.

For the reasons stated aforesaid, therefore, we find no merit in this appeal, this appeal accordingly is dismissed.”

Though, this case is not eligible for registration for OTS under the scheme issued vide FR circular No.313 dated 06.09.04 for the year 2004-05, the Sub Office Sirohi registered this case for OTS in light of decision pronounced by the Hon'ble High Court on 26.11.08 in DB Civil Special appeal (W) No. 688/08. No further registration fees and upfront amount has been obtained by the SO Sirohi while registering the case for OTS.

After detailed discussions and considering all the facts and position of the case and the decision of Hon'ble High Court dated 26.11.2008, the committee decided to settle the account in a consideration of Rs.16.29 lac less upfront amount of Rs. 2.29 lac (rounded off) i.e. at the net payable settlement amount of Rs. 14.00 lac. The party made request to allow her 15 days time for giving the consent on the offer given by the committee. The committee considered the request of the party. The committee also decided that in case no consent is received from the party within a period of 15 days, the case may be treated as **rejected**.

25 **M/s Shree Ganpati PVC Pipes (India) Pvt. Ltd., Kanota Jaipur**

Nobody turned up. However, a letter dated 4.3.09 was received from authorized signatory of the company mentioning that the director of the company Shri Virendra Rajpal is out of station and unable to attend the meeting. Hence, the case was **deferred**.

26. **M/s Famous Plastics P.Ltd., Rajsamand**

Shri Sohan Lal Kachara, Shri Ram Chandra Bai Prajapati, directors and Shri H.R.Jain, brother of another director namely Smt.Sushila Devi, representatives of the unit, appeared before the committee.

It is a deficit as well as appeal case. After persuasion, party registered the case under on going OTS scheme on 26.12.08. The case was settled by DLC on 16.01.09 in a consideration of Rs.10,07,179/- (including RoD charges) less upfront amount of Rs.95150/- i.e. 912029/- or say Rs.912100/- + legal expenses (to be debited). The settlement amount shall be deposited in 12 monthly instalments commencing from 1.2.09. Party has made appeal against the decision of BO level committee by depositing upfront amount of Rs.95150/- + registration fee at HO.

A loan of Rs.15.00 lac was sanctioned on 30.10.95, out of which a sum of Rs.1246500/- was disbursed upto 31.8.96 for setting up a unit of plastic articles.

On default in repayment of dues of the Corpn. action u/s 29 was initiated and the assets were taken into possession on 23.3.2000 and sold for a consideration of Rs.13.46 lac on different dates (Rs.1.40 lac on 6.10.01, Rs.4.85 lac on 20.11.02 and Rs.7.21 lac on 22.8.03). After appropriation of sale proceeds, there was deficit of Rs.943408/- (Prin. Rs.865971/-, Govt.dues Rs.77437/-). Outstanding as on date is Rs.959330/- (Prin. Rs.943408/- and OM debited after sale Rs.5922/-).

For recovery of deficit amount RoD was sent to the Collector, Mallad (Maharashtra) on 7.3.05. The party has filed appeal against the action u/s 32G in the Court of ACJM, Rajsamand. A team of two officers visited Mumbai and contacted the party for settlement as well as to persuade the RoD. The party has not given any specific proposal for settlement. There is no collateral security nor any third party guarantee.

After detailed discussion and considering all the facts and position of the case, the committee offered **to settle** the account in a consideration of Rs.9.60 lac less upfront amount of Rs.95150/-, Rs.47575/- & Rs.47575/- deposited on 9.1.09, 18.2.09 & 3.2.09 respectively, the net settlement amount is Rs.7.70 lac, out of which 50% of the settlement amount i.e Rs.3.85 lac in March'09 and the balance settlement amount Rs.3.85 lac in three Equal Monthly Instalments commencing from April to June'09 without interest.

The party consented to the settlement.

27. **M/s Khawaja Stone Factory, Jhalawar (DDW Case)**

Shri Zahid Hussain, representative of the unit, appeared before the committee.

It is a deficit case and RoD is yet to be filed. Two loans of Rs.5.00 lac and Rs.1.70 lac were sanctioned to the unit on 25.5.2000 and 16.11.2000 respectively and disbursed Rs.387900/- and Rs.1.36 lac upto 16.2.01.

On default in repayment of dues of the Corpn. action u/s 29 was initiated and the assets were taken into possession on 8.8.06 and was sold for a consideration of

Rs.6.26 lac on 14.5.07. After appropriation of sale proceeds, there was deficit of Rs.265632/- being principal component. .

One partner Shri Abid Hussain has expired and his brother is ready to settle the case on principal deficit + OM. Less upfront amount, balance settlement amount to pay before March, 2009. The value of available collateral security is Rs.15.50 lac, which is more than 200% of principal deficit, therefore BO has forwarded the case to HO to place before Spl. HOLC for taking decision on the settlement.

As per the policy, the cases where security available is more than 200% of principal deficit amount and involving principal deficit amount more than Rs.1.00 lac, such cases will be placed before Spl. HOLC for taking decision for settlement.

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.3.75 lac less upfront amount Rs.27000/-, net payable settlement amount Rs.3.48 lac, out of which 50% i.e. Rs.1.74 lac would be payable in March,2009 and balance in 3 Equal Monthly Instalments commencing from April to June'09.

No interest would be charged upto 31-3-09 and thereafter w.e.f. 1-4-09 interest @ 13% p.a. on simple basis shall be charged on unpaid amount of settlement.

The party consented to the settlement.

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 15th of the each month or date specified by the Committee, as the case may be. BO has to ensure that PDCs are invariably taken in such cases.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

General Manager (Dev.)
MEMBER SECRETARY

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

Minutes of the Special HOLC meeting held on 18.09.2009 at 3.00 P.M. under the chairmanship of Shri A.K.Garg, IAS, CMD.

Following were present:

Shri Suresh Singhal, Financial Advisor	:	Member
Shri V.K. Jain, Manager (Law) (in place of Manager I/c Law)	:	Member
Shri K.K. Parashar, GM (D)	:	Member Secretary

Shri R.P.Meena, DGM(FR-1), Shri L.K.Ajmera, DGM(DDW), Shri M..R. Chhinwal, DGM(ARRC), Shri H.C. Khunteta, Manager (DDW), Shri P.D.Verma Manager(FR-3) Shri Deepak Verma, Manager (ARRC), Shri M.S. Meena, Manager (FR-4) and Shri Naveen Ajmera, Dy. Manager (FR) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 07.08.09

Minutes were confirmed.

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

1 M/s Intex Containers (P) Ltd., Bhiwadi (DDW Case):

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

2. M/s Dhane Singh S/o Shri Ishwar Singh, Sikar (DDW Case)

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

3. M/s Modern Refractories, Jhunjhunu (DDW Case):

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

4. **M/s Manish Industrial Sulphate Pvt.Ltd., Udaipur (DDW Case):**

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

5. **M/s Mintech Granite (P) Ltd., Neemrana (DDW Case):**

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

6. **M/s Gupta Processors Pvt.Ltd., Udaipur (DDW Case)**

Shri S.L.Babel appeared before the committee.

It is a deficit-decreetal-written off case. Shri Chandra Shekhar Gupta purchased Land & Building of M/s. Mahaveer Marble on deferred sale amount of Rs.57,750/- on 25.04.88. Shri Chandra S. Gupta and Shri Manish Babel founded the above company i.e. M/s. Gupta Processors Pvt. Ltd. and got sanctioned term loan of Rs.48.40 lac in the year 1989. The loan was guaranteed by Shri Kashmirilal and Shri Shanti Lal Babel and out of the loan sanctioned, Rs.44.28 lac was disbursed for setting up a unit for manufacture of Zinc from Brass Ash. Further loan of Rs.6.63 lac was sanctioned but no disbursement was made.

The company defaulted in repayment therefore possession of the unit was taken on 01.03.93 and unit sold u/s 29 on 20.01.95 for Rs. 34.75 lac leaving deficit of Rs.12.66 lac and OM Rs.0.17 lac total Rs.12.83 lac.

An application u/s 31(1)(aa) was filed and an ex-parte order dated 26.10.02 was passed by court for Rs.2372654/- with interest @ 18.25% p.a. from 01.07.98. BO proceeded for execution of Court order against Shri Kashmiri Lal Gupta (guarantor) but during execution it was brought to notice of BO that property in question has already been sold in the year 1997. Thereafter BO proceeded to get the decree execution against Shri Shanti Lal another guarantor after vacation of stay which Shri Manish Babel and Shri S L Babel had obtained in suit No.9/03. Third party guarantee worth MRV of the house of Shri S.L.Babel of Hiran Magri, Udaipur is Rs.45 lac.

Vide order dated 02.02.09 court of ADJ vacated the ex-parte decree passed against Shri Manish Babel and Shri S L Babel. Against the orders dated 02.02.09, the Corporation moved in appeal to High Court. The appeal is pending at High Court.

During the course of discussion with representative of the unit it was informed to the committee that Shri Kashmiri Lal Gupta is residing at Sriram Bhawan, Gur Mandi, PO: Samalkha, Distt.Panipat (Haryana) and Shri K.L.More, Son-in-law of Shri Kashmiri Lal Gupta is working in Hindustan Zinc, Debari. Further details can be enquired from him also.

After discussions and considering all the facts and position of the case, the committee decided as follows:

1. Shri S.L.Babel and Shri Manish Babel would pay sum of Rs.12.83 lac (principal deficit Rs.12.66 lac + OM Rs.0.17 lac) in six equal monthly instalments. No interest shall be charged upto 31.10.09 and thereafter @ 13% p.a. on the unpaid amount of settlement.
2. On payment of above amount Rs.12.83 lac, Shri S.L.Babel and Shri Manish Babel shall stand absolved of their guarantee and court case filed by the Corporation against them shall be withdrawn and amended execution application shall be filed accordingly.
3. On recovery of above settlement amount, for recovery of balance decretal amount as per norms, BO shall initiate recovery action against the remaining guarantors including Shri Kashmiri Lal Gupta as per norms.

Shri S.L.Babel consented to the settlement.

7. M/s Bhola Ram Cement Pipe and Jali Udyog, Nagaur. (FR case)

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

A term loan of Rs. 4.07 lac was sanctioned on 17.08.93 under Single Window Scheme (Rs. 3.34 lac for fixed assets and Rs. 0.73 for working capital) to the concern for manufacturing of Cement pipe.

The concern availed Rs.2.95 lac upto 21.10.94. The MRV of the prime assets is estimated at Rs.3.63 lac and value of collateral security is Rs.15.25 lac. The unit has been reported to be lying closed since 2000. The category of account as on 31.3.05 is doubtful. The collateral security of the guarantor is situated in Village – Gaju, near Kuchera (Nagaur) wherein six families are residing and they are relatives. On account of location in rural area, chances of sale, if taken in possession are remote. Action u/s 32G has been initiated. ROD was sent in June,2007.

A sum of Rs. 55.93 lac is outstanding as on 1.9.2009 (principal sum Rs. 2.94 lac, interest Rs. 52.97 lac, other money Rs. 0.02 lac).

The case was earlier placed before the Spl. HOLC in its meeting held on 25.9.08 where nobody turned up therefore, the case was deferred. Again the case was placed before Spl. HOLC in its meeting held on 7.11.08 and 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.9.23 lac (arrived at as per simple interest) less upfront amount of Rs. 0.45 lac (rounded off) i.e. at the net payable settlement of Rs. 8.78 lac. The Proprietor requested in writing to give him another opportunity for

giving consent, since his father (guarantor), was hospitalized and proprietor was not in a position to take decision of the settlement. The case was therefore, again deferred.

In accordance with the decision taken in the meeting held on 07.11.2008, the case was again placed before Spl. HOLC meeting dated 31.12.2008 and 04.03.2009 but the case was again deferred as nobody turned up in the meeting.

The case was again placed before Spl. HOLC in its meeting held on 18.3.2009 and the Committee decided to close the case as this time also nobody turned up on behalf of the unit to appear before the Committee.

Shri Kailash Ram, Proprietor of the unit, approached at Head Office and submitted a letter dated 3.7.2009 requesting to allow him to appear again before Spl. HOLC and settle his loan account by considering waiver of interest. After examining the matter, it was decided by the competent authority to settle the case on the following terms and conditions:

1. Promoter of the unit will deposit net settlement amount of Rs.8.78 lac as decided in Spl. HOLC meeting held on 7.11.08 alongwith interest @ 16% p.a. for the delayed period from the date of decision of Spl. HOLC meeting dated 7.11.08 within a period of one month.
2. Promoter will deposit 25% of the said settlement amount immediately. After the settlement amount with interest @ 16% p.a. for delayed period is deposited, the same shall be informed to the committee.

After conveying the above decision to the unit, the Promoter approached at Head Office and requested for placing his case again before Spl. HOLC. The competent authority allowed to place his case before the meeting of Spl. HOLC.

After detailed discussions and considering all the facts and position of the case, the committee reiterated its earlier decision taken in the meeting held on 7.11.2008. i.e. at net payable settlement amount of Rs. 8.78 lac but the Proprietor of the unit did not agree to the decision of the Committee, hence, the case was rejected with the advice to the Branch to initiate legal action immediately so as to effect the recovery of Corporation dues.

8. M/s.Agarwal Flour & Dall Mill, Bundi. (FR case)

Shri Hanuman Lal Jain, Proprietor of the unit and his father Shri Paras Kumar Jain, appeared before the committee.

A term loan of Rs. 2.66 lac and WCTL of Rs. 0.97 lac was sanctioned to the concern on 28.12.91 under single window scheme, out of which disbursement of Rs. 1.65 lac and Rs. 0.60 lac was made respectively. The

loan was sanctioned/ disbursed for setting up a unit for manufacturing of Dal and Oil.

Outstanding in the loan account is Rs.9.05 (principal Rs.1.26 lac and interest Rs.7.79 lac) as on 1.9.09. MRV of prime security is Rs.4.29 lac. Plant & Machinery is reported to be missing. No collateral security/third party guarantee is available.

This case was earlier placed before HOLC in its meeting held on 20.2.2003 and following decision was taken:

“Shri Hanuman Lal Jain, Proprietor, appeared before the Committee. After detailed discussions, the Committee decided to settle the account in lump sum payment of Rs. 1.50 lac payable from March, 2003 to June, 2003 in equal monthly instalments. In any case the account is required to be settled by September, 2003 alongwith interest @ 15% on the balance amount from 1.4.2003 failing which the settlement will be treated as withdrawn. The party consented to the settlement.”

The party did not make the payment of entire settlement amount as per decision taken by the HOLC and deposited Rs. 85,000/- only. He again got the case registered for OTS by depositing requisite upfront amount on 19.3.2009.

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.1,62,500/- less upfront amount Rs.12,500/-, i.e. net payable settlement amount of Rs. 1.50 lac which shall be paid by the concern upto March, 2010 in equal monthly instalments commencing from October,09.

No interest would be charged upto 31.10.09 and thereafter w.e.f. 01.11.09 interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The party consented to the settlement.

9. **M/s. Nilesh Yadav, Sikar (FR case)**

Shri N.S. Yadav, Father of Proprietor of the unit appeared before the committee.

This is a deferred sale case. The Proprietor of the unit purchased fixed assets of M/s. Lalit Granites, Indl. Area, Srimadhapur, Sikar, in a sale consideration of Rs. 2.65 lac on 30.10.2002 on deferred payment basis. Deferred loan was of Rs. 1,98,750/- vide agreement to sale executed on 30.10.2002.

The loan account was classified under standard category as on 31.3.05. Case was registered under the OTS scheme with the approval of competent authority. Outstanding in the loan account is Rs. 2.13 lac as on

1.9.2009. Value of prime security is Rs. 4.56 lac. No collateral security or third party guarantee is available.

This unit was sold by the Corporation with the terms and conditions that IPI dues of RIICO will be paid by the purchaser. Accordingly, the purchaser paid. Rs.10814/- but confusion sustained as to who will pay the dues of water charges. Ultimately, it was made clear that purchaser will pay the same. Thereafter, purchaser made the payment of the dues which were amounting to Rs. 7658/- as on 8.2.05. The Proprietor of the unit has represented that on account of not making payment of water dues, RIICO did not issue the NOC, power connection was not released and unit could not commence the production. The unit is lying closed at present.

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.1.84 lac less upfront amount Rs.14,000/-, i.e. net payable settlement amount of Rs. 1.70 lac which shall be paid by the concern upto 31.12.2009.

No interest would be charged upto 31.10.09 and thereafter w.e.f. 01.11.09 interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The party consented to the settlement.

10 **M/s Sanjay Oil Mill, Jaipur (Rural) (FR Case)**

Shri M.R. Agarwal, Partner of the unit appeared before the committee.

This is a case of deferred sale of the year 1989. Deferred loan was of Rs. 74,900/- vide agreement to sale executed on 30.8.1989. A further loan of Rs. 1.37 lac was sanctioned on 28.10.89 for setting up a unit of Oil and flour mill, out of which Rs. 63,800/- were disbursed upto 3.3.90.

Outstanding in both the loan accounts of the concern is aggregated to Rs. 3.15 lac as on 1.9.09. MRV of prime security is Rs. 29.00 lac. No collateral security is available.

The party remained irregular in making payment of Corporation dues since beginning. When possession of the unit was fixed for, he obtained stay from the Hon'ble Court on 21.10.05. After obtaining opinion from the panel Advocate that no stay exists in this case, legal notice was issued by the Branch on 24.7.2009. As a result of initiation of legal action, party got his case registered for OTS under the settlement scheme. The unit is reported to have been given on rent to some other person and production activities are going on.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in further lumpsum payment of Rs. 1.76 lac. The partner of the unit did not agree to the offer given by the Committee, hence the case was rejected.

11. **M/s Meena Tyre Retraders, Dausa**

No body appeared before the Committee, hence consideration of the case was deferred.

12. **M/s Global Syntex (Bhilwara) Ltd., Bhilwara**

Shri B.S. Ranka appeared before the committee. It is a case registered with BIFR since 2002.

It is a joint finance case and RIICO is lead institution. Financial assistance of Rs. 100.00 lac was sanctioned on 22.12.98 under WCTL scheme of Good Borrowers Division. The company availed sanctioned WCTL upto 31.1.2000.

The company approached BIFR, the reference was registered vide registration No. 228/2002. The company is not making payment and unit is lying closed. Rs. 486.82 lac is outstanding against the company (Principal Rs. 89.81 lac, Interest 377.08 lac and Other Money Rs. 19.93 lac). Outstanding dues of Central Excise are Rs. 521.84 la (Excise duty Rs. 241.19 lac, penal Rs. 279.25 lac and PF Rs. 1.40 lac).

A meeting of secured creditors was held in Feb., 2007 wherein it was decided to initiate action for recovery under SARFAESI Act and accordingly RIICO gave its consent in favour of RFC for initiating action under SARFAESI Act. The matter could not proceed further because SBBJ did not grant its required consent under SARFAESI Act to RFC being secured creditor and demanded its share out of sale proceeds. RIICO has so far not agreed to share sale proceeds with Bank.

BIFR in its hearing held on 20.8.09 directed that "*Chairman, RIICO and Chairman RFC to take a decision on the company's OTS proposal within one month, failing which the Bench may consider taking action u/s 33 & 34 of SICA against them*". The party did not approach for registration under OTS alongwith requisite upfront amount and registration fee. However, in view of BIFR direction the case was registered without depositing required upfront amount.

The case was discussed in detail with the promoters but promoters did not agree to pay more than principal sum outstanding therefore the committee decided to reject the case.

13. **M/s Bhilwara Refinery Solvent Plant Pvt. Ltd. (Now known as M/s Madhuram Vanaspati Soya Product Pvt. Ltd.) Bhilwara.**

Shri Manohar Lal Agarwal, director appeared before the committee. Term loan of Rs. 33.00 lac was sanctioned on 31.3.87. Out of which Rs. 32.75 lac was disbursed. Further loan of Rs. 24.50 lac was sanctioned on 19.12.91. Rs. 47.81 lac was disbursed upto 31.3.94.

Rs. 1658.59 lac is outstanding against the company (Principal Rs. 46.84 lac, Interest 1611.06 lac and Other Money Rs. 0.69 lac).

BIFR vide order dated 6.7.99 issued orders for winding up of the company and forwarded the matter to Hon'ble High Court for further action. Corporation has already filed application to remain outside winding up proceedings and to allow us to sale the unit. However, the matter is pending at High Court, Jodhpur.

Shri Manohar Lal Agarwal, director offered Rs. 30.00 lac for final settlement of Corporation dues. Since the offer of Shri Manohar Lal Agarwal was below principal sum of Rs. 46.84 lac therefore committee decided to place the request of Shri Manohar Lal Agarwal before the Board for appropriate decision. Revised calculations as per ARRC circular No.168 dated 15.9.09 will also be placed before Board.

14. **M/s Taj Ice Cream Industries, Kota (DDW Case):**

Nobody appeared before the committee; hence consideration of the case was 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) 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).
- 3) The party shall withdraw Court case, if any, before issue of no dues certificate.
- 4) Actual other money not debited and not considered at the time of settlement 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 15th of the each month or date specified by the Committee, as the case may be. BO has to ensure that PDC's are invariably taken in such cases.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

**General Manager (Dev.)
MEMBER SECRETARY**

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

Minutes of the Special HOLC meeting held on 21.10.2009 at 11.30 am under the chairmanship of Shri A.K.Garg, IAS, CMD.

Following were present:

Dr. Mohan Lal Yadav, ED	:	Member
Shri Suresh Singhal, Financial Advisor	:	Member
Shri P.K.Singh, DGM(Loans)	:	Member
Shri Dharamveer, Manager (I/c Law)	:	Member
Shri Sukhveer Saini, GM(D)	:	Member Secretary

Shri R.P.Meena, DGM(FR-1), Shri L.K.Ajmera, DGM(DDW), Shri A.P.Mathur, DGM(FR-2), Shri M..R. Chhinwal, DGM(ARRC), Shri H.C. Khunteta, Manager (DDW), Shri P.D.Verma Manager(FR-3) Shri Deepak Verma, Manager (ARRC), Shri M.S. Meena, Manager (FR-4) and Shri Naveen Ajmera, Dy. Manager (FR) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 18.09.09

Minutes were confirmed.

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

1 M/s Intex Containers (P) Ltd., Bhiwadi (DDW Case):

Nobody appeared before the committee. The committee observed that despite of giving three opportunities to the promoter of the unit for appearing before the committee, nobody appeared in the meeting of Spl.HOLC. Therefore, the committee decided to defer the consideration of the agenda, but at the same time the promoter may be advised to appear before the committee in the next meeting as a matter of last opportunity.

2. M/s Dhaney Singh S/o Shri Ishwar Singh, Sikar (DDW Case)

Nobody appeared before the committee. The committee observed that despite of giving five opportunities to the promoter of the unit for appearing before the committee nobody appeared before the committee. Therefore, the committee decided to defer the consideration of the agenda, but at the same time the promoter may be advised to appear before the committee in the next meeting as a matter of last opportunity.

3. **M/s Modern Refractories, Jhunjhunu (DDW Case):**

Nobody appeared before the committee. The committee observed that despite of giving seven opportunities to the promoter of the unit for appearing before the committee, but nobody appeared before the committee. Therefore, the committee decided to defer the consideration of the agenda, but at the same time the promoter may be advised to appear before the committee in the next meeting as a matter of last opportunity.

4. **M/s Manish Industrial Sulphate Pvt.Ltd., Udaipur (DDW Case):**

“Mr.Manish Jhaveri son of Shri K.N.Javeri appeared before the committee.

It is a deficit-decreetal-written off case. The case was settled by BO on decreed amount i.e. Rs.2.64 lac on 3.6.09. Aggrieved with the decision of Branch, the party made appeal before the Spl.HOLC.

A loan of Rs.10.00 lac was sanctioned on 4.9.84, out of which Rs.741800/- was disbursed upto 25.1.86 for setting up a copper sulphate unit.

On default in repayment of dues, the Corporation took possession of the unit on 21.12.87 and sold on 30.8.89 for a consideration of Rs.6.11 lac. After appropriation of sale proceeds, deficit as on date of sale (without adjusting upfront) works out to Rs.193291/- (principal component). Decree was obtained on 18.2.98 for Rs.263497/- + legal expenses Rs.17800/- + interest @ 20% on quarterly basis from 1.4.91 till repayment. Account was also written off in the year 1989-90 for Rs.1.93 lac and written back at Rs.58000/-.

Three directors expired and one director Shri Kapoor obtained stay from High Court against decree execution. As per BO report the property (a shop) belongs to Smt.Radha Kapoor W/o Shri A.P.Kapoor. A team of officers visited Mumbai and identified properties at Mumbai. Accordingly MRV of other properties of promoter/guarantor works out at Rs.15.00 lac for two flats one at Boriwali and another at Dombiwali. After discussions, the representative Mr.Manish Javeri informed that the flat at Boriwali is in dilapidated condition and the flat at Dombiwali is on rent. He also produced photos of the flats as well as documents indicating that I.T. return of Mr.Amit Javeri shows income below taxable limit. The I.T. return of Manish for the year 2007-08 also shows income below the taxable limit. Non payment of society dues at the residence of Boriwali shows society dues of Rs.48848/-. He also stated that they don't have any vehicle (two wheeler or four wheeler) or any Club house membership. Therefore, they requested to waive all the interest and to settle the account at principal sum.

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. 2.25 lac **less** upfront amount of Rs. 0.54 lac deposited on 30.3.09 and 30.6.09 i.e. at the net payable settlement amount of Rs.1.71 lac, payable in five equal monthly instalments commencing from November, 2009 to 20.3.2010. Interest @ 13% p.a. shall be charged from 1.11.2009 on unpaid amount of settlement.

The representative of the unit **consented** to the settlement”.

5. **M/s Mintech Granite (P) Ltd., Neemrana (DDW Case):**

Shri Sunil Agrawal and Shri Mahesh Goyal, directors of the company appeared before the committee.

The case was earlier placed before Spl.HOLC on 7.8.09 and following decision was taken:

Mr. Sunil Agarwal, director of the company appeared before the committee.

It is a deficit as well as appeal case. The case was settled at BO level in a consideration of net Rs.55.02 lac. Aggrieved with the decision of DLC, party made an appeal for Spl.HOLC.

A loan of Rs.69.66 lac was sanctioned on 3.3.92 for setting up a granite unit, out of which a sum of Rs.56.30 lac was disbursed upto 3.4.93.

On default in repayment of Corporation's dues, the assets were taken into possession on 16.9.98 and sold on 11.6.03 and 29.3.04 for Rs.43.87 lac. After appropriation of sale proceeds, deficit worked out as on date of sale to the order of Rs.65.27 lac (principal Rs.58.99 lac including Rs.2.69 lac towards Govt.dues, interest Rs.6.28 lac). ROD filed on 23.3.09. Value of other properties of the promoters as per BO report is in crores of rupees, as all the promoters are having good immovable properties at Delhi and Khanna (Punjab), but MRV of the same has not been worked out. MRV of industrial plot situated at Indl.Area, Behror has been assessed at Rs.38.77 lac. However details of identified properties of promoters are enclosed with proposal. It is further reported by the Branch that all the promoters are belonging to rich families and all are in position to clear the Corporation's dues.

After discussions and considering all the facts and position of the case, the committee offered to settle the case in a consideration of Rs.61.00 lac less upfront deposited Rs.8.94 lac (Rs.5.99 lac on 30.3.09 and Rs.2.95 lac on 29.6.09). The party sought time for giving its consent; hence consideration of the case was deferred.

After discussions, Mr.Agarwal requested to give some more time to consider the proposal, hence the committee deferred the case for the next meeting.

6. **M/s Taj Ice Cream Industries, Kota (DDW Case):**

Shri Mohd Hussain, proprietor and Shri Mohd Rafiq Chouhan, his friend, appeared before the committee.

It is a decretal case and the financed assets comprising of P&M are missing. The guarantor expired.

A loan of Rs.0.60 lac was sanctioned on 31.3.87 and disbursed upto 27.6.87 for setting up a Ice Cream unit.

On default in repayment of Corporation's dues, decree was obtained on 26.5.03 for Rs.373024/- + interest @ 14% from 1.1.2001. The amount of decree as per circular FR-406 works out to Rs.524841/-. The outstanding as on 1.6.09 without adjusting upfront amount is Rs.1167770/- (principal Rs.60000/-, interest Rs.1101367/- and OM Rs.6403/-). There is collateral security comprising house of father of Shri Mohd Hussain valuing at Rs.10.00 lac approx.

Decree execution u/s 31(1)(aa) filed on 29.08.03. Auction of property was scheduled on 6th & 7th August, 2009. Borrower and other legal heirs have submitted OTS proposal, hence auction was deferred.

After discussions and considering all the facts and position of the case, since the promoter did not offer any acceptable amount for settlement, the committee rejected case and directed the Branch Manager to initiate recovery action immediately including auction of the property, which is under execution for recovery of corporation dues.

7. **M/s Jeevan Raksha Hospital, Dungarpur (DDW Case)**

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

8. **M/s Gemini Cement (P) Ltd., Alwar (DDW Case)**

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

9. **M/s Mukhtiyar Singh, Neemrana (DDW Case)**

Shri Mukhtiyar Singh, proprietor and Smt.Santara Devi wife of the proprietor appeared before the committee.

It is a Deficit case. A loan of Rs.2.51 lac was sanctioned on 3.7.92 and disbursed to the promoter for purchase of Tata Truck-608 under SEMFEX Scheme of transport in 1992-93.

On default in repayment of Corporation's dues, the assets were taken into possession on 5.3.98 and sold on 2.7.98 for Rs.0.56 lac. After appropriation of sale proceeds, deficit worked out as on date of sale to the order of Rs.6.00 lac (principal Rs.1.88 lac interest Rs.4.08 lac OM Rs.4000/-) ROD u/s 32G filed on 11.12.06 and is pending with SDO, Behror.

Present value of collateral security in the case comprising house of Shri Abey Singh, Shri Mukhtiyar Singh and Captan Hari Singh is at Rs.10.07 lac. Shri Mukhtiyar Singh is in service in a private school for driving the school bus. The financial position of Shri Mukhtiyar Singh is poor as reported by visiting team.

After discussions and considering all the facts and position of the case, the committee decided to settle the case in a further consideration of Rs.1.92 lac payable in 3 equal monthly instalments commencing from November,09 to January, 2010. Interest @ 13% p.a. shall be payable from December,09 on the unpaid amount of settlement.

The party consented to the settlement.

10. **M/s Shri Birdhi Lal Meena S/o Sh.D.L.Meena, Kota (DDW Case)**

Shri Birdhi Lal Meena, proprietor appeared before the committee.

It is a Transport Decreeal-deficit case. The account was earlier settled by HO empowered settlement committee in a consideration of Rs.60000/- on 27.03.2000, but party could not deposit the settlement amount.

A loan of Rs.1.76 lac was sanctioned on 3.1.84 and disbursed Rs.1.72 upto 26.3.84 for purchase of transport vehicle.

On default in repayment of Corporation's dues, the assets were taken into possession on 16.12.94 and sold on 20.9.95 for Rs.0.78 lac. After appropriation of sale proceeds, deficit worked out as on date of sale to the order of Rs.204617/- (principal Rs.156829/- interest 47788/-).

Decree was obtained on 1.12.2000 for Rs.286011/- + interest @ 13% from 1.4.98. Decree execution is under process before the Court. Amount of decree as per circular FR-406 is at Rs.3.97 lac. Amount outstanding as on 1.6.09 is Rs.218528/-. MRV of the properties other than mortgaged to the Corporation comprising of residential house of the promoter at Hanudmanth Kheda and guarantor's property works out to Rs.2.50 lac and Rs.3.50 lac respectively. The party belongs to ST category and property of guarantor is situated in the village Hanumanth Kheda, therefore sale of property through Court of law seems to be difficult and will take more time. The financial position of the party is not sound.

After discussions and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs.2.01 lac less upfront Rs.0.30 lac i.e. net payable settlement amount Rs.1.71 lac payable in equal monthly instalments commencing from November,09 to 20.4.2010.

The promoter did not consent to the committee's offer, hence the case was rejected and the Branch Manager is directed to pursue recovery proceedings under decree execution so as to expedite the recovery of dues of the Corporation.

11. **M/s Mangi Lal Khatik, Rajsamand (DDW Case)**

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

12. **M/s Subhash Stainless Steel, Sikar (DDW Case)**

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

13. **M/s Dhan Laxmi Psyllium Processing P.Ltd., Jalore (DDW Case)**

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

14. **M/s Manglam Electricals, Churu (DDW Case)**

Shri Harish Ojha, Partner of the unit appeared before the committee.

It is a Deficit/written off case. The case was earlier settled at BO level for Rs.2.00 lac less upfront Rs.19100/- on 31.3.09. Aggrieved with the decision of the branch, the party made appeal before the Spl.HOLC.

A loan of Rs.1.90 lac and WCTL of Rs.0.90 lac on 25.11.89 were sanctioned under single window scheme, out of which Rs.1.55 lac and Rs.63400/- were disbursed upto 31.8.09 & 25.5.90 respectively for setting up a unit of Voltage stabilizer.

On default the Corporation took possession of the unit on 23.4.94 and sold on 27.3.98 for a sum of Rs.1.91 lac. Deficit after appropriation of sale proceeds works out at Rs.244128/- (principal Rs.182884/-, interest Rs.53509/- and OM Rs.7735/-). One account was written off in the year 2006-07 for Rs.119484/-. Present value of third party guarantee is of the order of Rs.8.00 lac. ROD has been filed on 22.3.06 and is pending with Tehsildar, Ratangarh.

After discussions and considering all the facts and position of the case, the committee decided to settle the case at Rs.2.16 lac less upfront Rs.38100/- i.e. net payable settlement amount Rs.1.78 lac payable in five equal monthly instalments commencing from November,09 to 20.3.2010. Interest @ 13% shall be payable from 1.12.2009 on unpaid amount of settlement.

The party consented to the settlement".

15. **M/s Meena Tyre Retraders, Mahuwa, Distt: Dausa**

Shri Heera Lal representative of the borrower appeared before the committee.

It is a deferred sale case. Assets of M/s Modern Cold Tyre Retrading, Mahuwa were sold on deferred payment basis to M/s Meena Tyre Retraders on 19.1.01. Rs. 3.75 lac was deferred sale amount.

Due to non payment of Corporation dues, possession of the unit was taken over on 22.09.04. A sum of Rs.7.68 lac was outstanding as on 1.6.09 (principal sum Rs. 3.75 lac, interest Rs.2.76 lac and other money Rs.1.17 lac). If interest for the possession period on simple basis is included amounting to Rs.2.54 lac than outstanding becomes Rs. 10.22 lac. Recent (revised) MRV of financed assets is Rs. 19.40 lac as on 6.8.09. No Collateral security and third party guarantee is available in the case. Category of loan account is doubtful as on 31.3.05.

The Committee noted that highest offer of Rs. 11.71 lac for sale of assets of the unit was received in the open auction held on 10.2.09 which was rejected, as it was found inadequate.

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.11.00 lac less upfront amount of Rs.0.74.00 lac i. e. at net payable settlement amount of Rs.10.26 lac

The representative of the concern did not give consent to the settlement; hence, the case was rejected and it was decided to put the unit for auction.

16. Basir Khan s/o Masti Khan, Nagaur (FR case)

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

17. M/s Gupta Processors Pvt.Ltd., Udaipur (DDW Case)

The case was placed in the Spl.HOLC meeting held on 18.9.09 and the decision of the committee is reproduced here below:

“Shri S.L.Babel appeared before the committee.

It is a deficit-decreetal-written off case. Shri Chandra Shekhar Gupta purchased Land & Building of M/s. Mahaveer Marble on deferred sale amount of Rs.57750/- on 25.04.88. Shri Chandra S. Gupta and Shri Manish Babel founded the above company i.e. M/s. Gupta Processors Pvt. Ltd. and got sanctioned term loan of Rs.48.40 lac in the year 1989. The loan was guaranteed by Shri Kashmirilal and Shri Shanti Lal Babel and out of the loan sanctioned, Rs.44.28 lac was disbursed for setting up a unit for manufacture of Zinc from Brass Ash. Further loan of Rs.6.63 lac was sanctioned but no disbursement was made.

The company defaulted in repayment therefore possession of the unit was taken on 01.03.93 and unit sold u/s 29 on 20.01.95 for Rs. 34.75 lac leaving deficit of Rs.12.66 lac and OM Rs.0.17 lac total Rs.12.83 lac.

An application u/s 31(1)(aa) was filed and an ex-parte order dated 26.10.02 was passed by court for Rs.2372654/- with interest @ 18.25% p.a. from 01.07.98. BO proceeded for execution of Court order against Shri Kashmiri Lal Gupta (guarantor) but during execution it was brought to notice of BO that property in question has already been sold in the year 1997. Thereafter BO proceeded to get the decree execution against Shri Shanti Lal another guarantor after vacation of stay which Shri Manish Babel and Shri S L Babel had obtained in suit No.9/03. Third party guarantee worth MRV of the house of Shri S.L.Babel of Hiran Magri, Udaipur is Rs.45 lac.

Vide order dated 02.02.09 court of ADJ vacated the ex-parte decree passed against Shri Manish Babel and Shri S L Babel. Against the orders dated 02.02.09, the Corporation moved in appeal to High Court. The appeal is pending at High Court.

During the course of discussion with representative of the unit it was informed to the committee that Shri Kashmiri Lal Gupta is residing at Sriram Bhawan, Gur Mandi, PO: Samalkha, Distt.Panipat (Haryana) and Shri K.L.More, Son-in-law of Shri Kashmiri Lal Gupta is working in Hindustan Zinc, Debari. Further details can be enquired from him also.

After discussions and considering all the facts and position of the case, the committee decided as follows:

1. Shri S.L.Babel and Shri Manish Babel would pay sum of Rs.12.83 lac (principal deficit Rs.12.66 lac + OM Rs.0.17 lac) in six equal monthly instalments. No interest shall be charged upto 31.10.09 and thereafter @ 13% p.a. on the unpaid amount of settlement.
2. On payment of above amount Rs.12.83 lac, Shri S.L.Babel and Shri Manish Babel shall stand absolved of their guarantee and court case filed by the Corporation against them shall be withdrawn and amended execution application shall be filed accordingly.
3. On recovery of above settlement amount, for recovery of balance decretal amount as per norms, BO shall initiate recovery action against the remaining guarantors including Shri Kashmiri Lal Gupta as per norms.

Shri S.L.Babel consented to the settlement.

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) 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).
- 3) The party shall withdraw Court case, if any, before issue of no dues certificate.
- 4) Actual other money not debited and not considered at the time of settlement 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 15th of the each month or date specified by the Committee, as the case may be. BO has to ensure that PDC's are invariably taken in such cases.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

On conveying the above decision to the party vide our letter dated 5.10.09, Mr.Shanti Lal Babel vide his fax message dated 9.10.09 (copy enclosed) has raised certain points for clarification on the decision of the Spl.HOLC dated 18.9.09 as stated above. The points for clarification are submitted here below:

1. To clarify point of general observations so as to indicate other liabilities, if any, likely to be borne by them besides deficit amount of Rs.12.83 lac.

In this regard it is submitted that the settlement has been arrived at with Mr.S.L.Babel and Mr.Manish Babel for Rs.12.83 lac so as to absolve their guarantee and to recover balance decretal amount from the remaining guarantors including Shri K.L.Gupta, a view may be taken on its applicability of the clause general observations.

2. Shri S.L.Babel has mentioned that out of the total deficit amount of Rs.12.83 lac he has deposited Rs.64,150/- with BO on 20.7.09.

In this regard it is submitted that as per consent letter dt. 18.9.09 of Shri S.L.Babel (copy enclosed), he has requested to allow them to deposit lump-sum amount Rs.1282992/- before completion of a period of six instalments, therefore a view needs to be taken on considering the deposition of upfront amount of Rs.64,150/- deposited on 20.7.09 against the settlement amount Rs.12.83 lac thereby workout the net payable settlement amount Rs.12.19 lac.

3. Shri Babel has further mentioned that 30 days period of no interest would be counted from the date the Corporation gives clarification to them.

Since the case was settled at Rs.12.83 lac by Spl.HOLC in its meeting held on 18.9.09 so as to absolve the guarantee of Shri Babel and to recover balance decretal amount from the remaining guarantors including Shri K.L.Gupta. Hence applicability of the general observations is to the exclusion of the decision. Therefore the above guarantors are to pay Rs.12.83 lac as per the decision. A sum of Rs.64150/- was deposited by Shri S.L.Babel on 20.7.09 as upfront and hence net settlement amount is further clarified at Rs.12.83 lac less upfront amount, net settlement amount Rs.12.19 lac payable in six equal monthly instalments as per earlier decision. Interest would be charged after 31.10.09 as per the earlier decision @ 13% on the unpaid settlement amount.

In view of the above decision, the Branch Manager may be advised to take needful action accordingly also the party be advised”.

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 immediately.

- 2) 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).
- 3) The party shall withdraw Court case, if any, before issue of no dues certificate.
- 4) Actual other money not debited and not considered at the time of settlement 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 15th of the each month or date specified by the Committee, as the case may be. BO has to ensure that PDC's are necessarily taken in such cases.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

General Manager (Dev.)
MEMBER SECRETARY

**RAJASTHAN FINANCIAL CORPORATION
(FR Division)**

Minutes of the Special HOLC held on 26.11.2009 at 3.00 pm under the Chairmanship of Shri A.K.Garg, IAS, CMD.

Following were present :

Dr Mohan Lal Yadav, Executive Director	:	Member
Shri Suresh Singhal FA/GM(A/c)	:	Member
Shri Dharamveer, Manager (I/c Law)	:	Member
Shri Sukhaveer Saini, GM(D)	:	Member Secretary

Shri L.K.Ajmera, DGM(DDW), Shri A.Dixit, DGM(FR-1), Shri Omkar Mal, DGM(FR-2) Shri M.R.Chhinwal, DGM(ARRC), Shri H.C. Khunteta, Manager (DDW), Shri P.D.Verma, Manager(FR-3), Shri Deepak Verma, Manager (ARRC), Shri M.S.Meena, Manager (FR-4) and Shri Omkar Sharma, AM(FR) were also present.

I. Confirmation of the minutes of Spl HOLC meeting held on 21.10.2009.

Minutes were confirmed.

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

1 M/s Intex Containers (P) Ltd., Bhiwadi (DDW Case):

Shri P.R.Mehta, director of the company and Shri P.K.Singhvi, friend of the director appeared before the committee.

It is a deficit as well as appeal case. Aggrieved to the branch decision for settlement at Rs.12,16,800/- after adjustment of upfront amount of Rs.1.29 lac and including incentive to Revenue authority on 31.3.09, the party filed appeal and registered for the Spl. HOLC.

A loan of Rs.20.90 lac on 21.5.88 and a Seed Capital loan of Rs.2.00 lac on 19.2.88 were sanctioned, out of which Rs.20.89 lac and Rs.2.00 lac were disbursed upto 29.12.89 for setting up an Automobile Battery Containers unit.

On default in repayment of dues, the assets of the unit were taken over into possession on 9.9.92 and sold out on 29.7.99 in a consideration of Rs.23.00 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.14.08 lac (principal Rs.12.81 lac, Interest Rs.1.26 lac and OM Rs.0.01 lac). Action u/s 32G has been taken and ROD filed before the Dy. Commissioner (South), Delhi on 13.4.07.

After discussions and considering the facts and position of the case, the committee decided to settle the loan account at Rs.13.47 lac **less** upfront amount Rs. 2.58 lac deposited (Rs. 1.29 lac on 30.4.09 and Rs.1.29 lac on 12.5.09) i.e. the net payable settlement amount Rs.10.89 lac, payable in 24 equal monthly instalments commencing from December, 2009. First 12 monthly instalments upto Nov.,2010 will be subject to interest @ 13% p.a. on unpaid amount of settlement and thereafter @ 16% p.a. w.e.f. 01.12.2010. The party is advised to give consent to the settlement within 15 days upto 15.12.09 else the case shall be rejected.

2. **M/s Dhaney Singh S/o Shri Ishwar Singh, Sikar (DDW Case)**

Nobody appeared before the committee. The committee observed that in view of 6 attempts having given to the promoter of the unit, nobody appeared before the committee as yet and therefore, it was decided to **defer** the case.

3. **M/s Modern Refractories, Jhunjhunu (DDW Case):**

Shri Surendra Singh Shekhawat, partner of the unit appeared before the committee. The case was earlier placed before the Spl.HOLC in its meeting held on 7.8.09 and following decision was taken:

“Mr.Surendra Singh Shekhawat, Partner of the unit appeared before the committee. It is a deficit case as well as appeal case.

The case was decided/settled by DLC on 15.12.08 in a consideration of Rs.1164669/- less upfront Rs.117000/-, net payable amount Rs.1047669/-, but party has made appeal against the decision of DLC.

Loans of Rs.6.65 lac and Rs.5.00 lac were sanctioned respectively on 28.1.81 and 24.3.89 for setting up a Fire Bricks unit, out of which the sum of Rs.663900/- and Rs.5.00 lac were disbursed upto 6.7.84 and 29.4.91 respectively.

On default in repayment of Corporation's dues, the assets were taken into possession on 6.1.98 and sold in a consideration of Rs.7.01 lac on 25.3.2000. After appropriation of sale proceeds, deficit as on date of sale worked out of the order of Rs.6427408/- (prin.Rs.1163900, interest Rs.5262739 and OM Rs.769/-). There is third party guarantee worth Rs.5.67 lac. Notice u/s 32G issued on 19.3.02. RoD filed but returned by the District Collector for want of property.

The party has requested to settle the account after adjusting the entire sale proceeds and amount deposited by them against the principal sum as they were wrongly involved in murder case in 1983 and the case was settled in their favour in 2006-07

After discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.11.65 lac less upfront of Rs.2.39 lac (Rs.1.17 lac on 15.12.08 and Rs.1.22 lac on

15.1.09). The representative sought time; therefore consideration of the case was deferred for the next meeting”.

In view of above decision, the committee considered to revive the offer given earlier to the party by the Spl.HOLC in its meeting held on 7.8.09 in a consideration of Rs.11.65 lac less upfront of Rs.2.39 lac. The party has not consented to the settlement, therefore the case was rejected with the advise to the BM to initiate appropriate recovery action against the unit with immediate effect as per norms for recovery of corporation dues.

4. **M/s Mintech Granite (P) Ltd., Neemrana (DDW Case):**

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

5. **M/s Jeevan Raksha Hospital, Dungarpur (DDW Case):**

Dr. H.M.Dhuvad, power of attorney holder from guarantor/partner appeared before the committee.

It is a deficit case. A loan of Rs.11.00 lac was sanctioned on 14.12.99 and disbursed Rs.9.32 lac upto 11.4.2000 for setting up a Hospital.

On default in repayment of dues, the assets of the unit were taken over into possession on 11.1.08 and sold out on 29.9.08 in a consideration of Rs.1.75 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.32.27 lac (principal Rs.9.32 lac, Interest Rs.22.95 lac).

Net worth of Dr.Keshi Nath Das and Dr.Chirag H.Dhuvad at the time of sanction was Rs.5.50 lac and Rs.19.95 lac respectively. There is a collateral security having MRV to the tune of Rs.20.90 lac. Legal notice has been issued to the party on 24.12.02 u/s 32G and ROD filed on 11.3.03. Court case filed in Gujarat by the party against 32G action, but there is no stay. As per affidavit submitted by Dr.Kashi Nath, his father has sold the property in the year 2004 where he had 1/4th share in the property situated at Delhi.

After discussions and considering the facts and position of the case, the committee decided to settle the loan account at Rs.10.00 lac **less** upfront amount Rs.0.93 lac deposited on 30.3.09 i.e. the net payable settlement amount Rs.9.07 lac, payable in 3 equal monthly instalments commencing from December, 2009. No Interest would be charged upto 31.12.09 and thereafter interest @ 13% p.a. shall be charged w.e.f. 1.1.2010 on unpaid settlement amount.

The party **consented** to the settlement”.

6. M/s Gemini Cement (P) Ltd., Alwar (DDW Case)

Shri Shivaji Panjwani, director appeared before the committee.

It is a deficit-decreetal as well as appeal case. The case was earlier registered for settlement on 4.5.09, but no settlement could be arrived at. Therefore by deposition of 50% upfront amount as per the orders of CMD, the case was registered for appeal.

A loan of Rs.79.00 lac was sanctioned on 7.2.92 and disbursed Rs.68.03 lac upto 27.1.95 for setting up a cement unit.

On default in repayment of dues, the assets of the unit were taken over into possession on 10.12.97 and sold out P&M on 30.3.02 in a consideration of Rs.11.47 lac and land & building on 25.1.06 for Rs.46.53 lac, thereby totaling Rs.58.00 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.35,67,823/- (principal component including govt.dues Rs.5.25 lac).

Value of property other than mortgaged to RFC comprise flat of Smt.Sunita Panjwani W/o late Ashok Panjwani having MRV of Rs.25 to 27 lac.

After discussions and considering the facts and position of the case, the committee offered to settle the loan account at Rs.35.89 lac less upfront amount Rs.5.21 lac deposited (Rs.1.62 lac on 11.8.09 and Rs.3.59 lac on 4.5.09) i.e. the net payable settlement amount Rs.30.68 lac, but the party sought time, hence consideration of the case was deferred.

7. M/s Mangi Lal Khatik, Rajsamand (DDW Case)

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

8. M/s Subhash Stainless Steel, Sikar (DDW Case)

Shri Om Prakash Sharma, partner, appeared before the committee.

It is a deficit-decreetal case as well as appeal case filed by the party against the branch decision taken on 27.7.09 for settlement at Rs.547358/- less upfront Rs.52000/- i.e. net payable amount Rs.495358/-.

Two loans of Rs.21.55 lac on 19.5.81 and Rs.0.12 lac on 22.7.82 were sanctioned and disbursed Rs.2.39 lac and Rs.0.12 lac upto 2.12.82 for setting up a stainless steel unit.

On default in repayment of dues, the assets of the unit were taken over into possession on 22.9.89 and sold out on 1.6.92 in a consideration of Rs.3.00 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.4,72,243/- (principal Rs.250700/-, interest Rs.221543/-). Decree has also been obtained on 28.9.04 for Rs.517552/- + interest @ 12.5% quarterly from 1.10.92. Execution application has also been filed on 15.9.05. After sale of assets other money of Rs.0.30 lac has also been

debited to the loan account. There is collateral security having MRV of Rs.1.62 lac. Besides value of properties other than mortgaged to the Corpn. comprising house of partners and legal heirs is of the order of Rs.3.15 lac. However, the party is reportedly appeared to be disputed and not marketable.

After discussions and considering the facts and position of the case, the committee offered to settle the loan account at Rs.3.11 lac **less** upfront amount Rs.0.78 lac deposited (Rs.0.52 lac on 31.3.09 and Rs.0.26 lac on 25.8.09) i.e. the net payable settlement amount Rs.2.33 lac, payable upto 15.3.2010 in 3 equal monthly instalments commencing from Jan.,2010 to 15.3.2010. No Interest would be charged upto 31.12.09 and thereafter interest @ 13% p.a. shall be charged w.e.f. 1.1.2010 on unpaid settlement amount.

The party consented to the settlement”.

9. **M/s Dhan Laxmi Psyllium Processing P. Ltd., Jalore (DDW Case)**

Shri Ghewar Chand Jain and Shri Alpesh Bhai Patel, Directors, appeared before the committee.

The case was earlier placed before the Spl.HOLC in its meeting held on 7.8.09 and following decision was taken:

Mr.Ghever Chand Jain, director of the company appeared before the committee.

The case was placed before Spl. HOLC held on 31.03.09 and following decision was taken:

“Shri Ghewar Chand Jain, promoter director of the unit appeared before the committee. It is a deficit case.

The unit was established for manufacturing of Psyllium (Isab gol), but due to non availability of required raw material in the area, as well as change in Directors of the company, the unit, as stated by Shri Jain could not properly run and the Corporation took possession of the unit. At the time of take over there were missing assets for which FIR was also lodged but police authority filed FR in the case. Some P&M were taken in possession by the police in FIR case from Gujarat and same are still lying under the custody of police station, Bhinmal. Branch has issued notice to the company and its guarantors for payment of deficit amount. Reportedly one guarantor has expired and one guarantor settled in London. Shri Ghewar Chand Jain has submitted the request for settlement on behalf of all the guarantor.

A loan of Rs.90.00 lac was sanctioned to the unit on 28.3.92, out of which Rs.81.39 lac was disbursed upto 29.3.94 for setting up a Psyllium unit.

On default in repayment of Corporation’s dues, the assets were taken into possession on 4.3.03 and sold on 31.3.06 for Rs.15.21 (P&M) and on 12.3.08 for Rs.60.00 lac (L&B) thereby totaling Rs.75.21 lac. After appropriation of sale proceeds, deficit worked out as on date of sale to the

order of Rs.372.38 lac (principal Rs.79.30 lac, interest Rs.293.05 lac, O.M. Rs.0.03 lac). Primary assets have already been sold. Guarantee of directors taken at the time of execution of loan agreement, but value is not available.

After discussions and considering all the facts and position of the case, it was observed that there has been change in directors as well as value of the assets of the guarantor is also not reported. In this light, the case was deferred with the direction to the Branch Manager to examine the case and send complete facts with regard to change in directors, property identification in the name of new directors, value of the guarantee of the director before the next meeting.

Accordingly, the case was **deferred.**”

As per direction of Spl. HOLC the information regarding change in Directors and value of assets of guarantors is collected from BO, Jalore and FR-HO as under:

The Company was promoted by following promoter / Directors:

- a) Shri Ghewar Chand Jain
- b) Shri Naresh Jain S/o Shri Ghewar Chand Jain
- c) Shri Rajnikant Patel
- d) Shri Nitin Kumar A. Patel

Time and again the company had requested for approval of change of management / Directors. But the same had not been considered by corporation as the proposed incoming Director has not deposited the 25% of outstanding amount as per norms, demanded by corporation hence change was not considered.

Further the opinion of law section has been called whether the new / incoming Director as per ROC record can be held liable for payment of deficit amount irrespective of the fact whether the corporation has granted permission for induction of new director and executed the Agreement / Guarantee Deed or not.

As per provision of law “a person who is the Director of the company can not be held responsible to repay the dues of RFC unless and until he has entered into an agreement with the RFC or unless he has executed a Deed of Guarantee in favour of the corporation.

As reported by BO one promoter Director Shri Rajnikant Patel has been expired and Shri Nitin Kumar A. Patel shifted out of country and settled in U.K.

Shri Ghewar Chand Jain and his son Shri Naresh Jain are living Director of the company and both are the guarantors.

Shri Ghewar Chand Jain has submitted the request for settlement of loan on behalf of all the promoter guarantors.

MRV of the assets of the directors/guarantors received from BO is reproduced below:

- | | |
|--|--------------------------------------|
| 1) Ghewar Chand Jain
Residential house at Jalore (Already sold on 12.05.08) | Rs.10.00 lac
(sale consideration) |
| 2) Shri Naresh C. Jain S/o Shri Ghewar Chand Jain
Residential flat at Mumbai (sold in year 97-98) | Rs.18.00 lac |
| 3) Shri Rajnikant Patel (expired) S/o Sh.Apabhai Patel
Indl.unit at Mehsana, Gujrat (sold by partner on 10.10.94) | Rs.85.00 lac |
| 4) Legal heir: Shri Alphes Patel S/o Shri Rajni Patel
(50% share) Indl.unit M/s. Jyoti Overseas Pvt. Ltd., Abu Rd | Rs.350 – 400 lac |
| 5) Shri Nitin Bhai S/o Shri Amril Bhai Patel
Residential Unjha, Gujarat (Already sold)
Settled in U K. | Rs.10.00 lac |

After discussions and considering all the facts and position of the case, in the light of the request of the representative, the committee decided that the branch may be advised to process/pursue the legal heirs of late Shri Alphes Patel S/o Rajni Patel alongwith other remaining directors for settlement. Notice u/s 32G be issued to the legal heirs, if not issued earlier by the BO. Accordingly the progress of the case may be forwarded and in view of the request of the representative consideration of the case was deferred for one month.

As per directions of Spl. HOLC, Branch Manager was advised to pursue legal heir Shri Alpesh R. Patel S/o Shri Rajni Patel (Director) alongwith other remaining Directors for settlement and to issue legal notice u/s 32-G to the legal heirs, if not issued by BO.

The BM, Jalore vide his letter dated 10.08.09 informed that the BO has issued legal notice u/s 32-G to Shri Alpesh R. Patel legal heir of Shri Rajni Kant Patel on 11.08.08 and also issued letters for taking interest for OTS on 22.09.08, 24.10.08.

Further, BO vide its letter dated 10.08.09 again advised Shri Alpesh (legal heir of Shri R.K.Patel) to settle the account under OTS.

In response, BO has received a letter dated 12.08.09 from Shri Alpesh R. Patel for settlement of loan account. He informed that Shri Ghewar Chand Jain is representing for all the directors of the company and he is making all correspondence required in this matter.

On our request Shri Shyam Agarwal, Company Secretary, Chairman, Jaipur Chapter of NIRC, The Institution of Company Secretaries of India, Jaipur has conducted search of the record of ROC, Rajasthan, Jaipur in the said case. A copy of the search report was also received from Shri Shyam Agarwal.

After discussions and considering the facts and position of the case, the committee offered to settle the loan account at Rs.80 lac **less** upfront amount Rs.7.99 lac deposited on 19.3.09 i.e. the net payable settlement amount Rs.72.01 lac, payable in 3 equal monthly instalments from Jan.,2010 to 15.3.2010. No Interest would be charged upto 31.12.09 and thereafter interest @ 13% p.a. shall be charged w.e.f. 1.1.2010 on unpaid settlement amount. PDCs will also be deposited by the party at BO.

The party consented to the settlement”.

10. **M/s Krishna Grit Crusher, Bundi (Kota) (DDW Case)**

Shri Bhanu Dubey, grand son of guarantor and Shri Narendra Dhakad, friend of Mr.Bhanu Dubey, appeared before the committee.

The Assets of M/s Anna Grit Crusher were transferred to M/s Krishna Grit Crusher on mutual sale basis on outstanding balance of Rs.4.07 lac less initial deposit Rs.1.35 lac, net Rs.2.72 lac on 14.06.1999. After getting the assets transferred on mutual transfer basis no amount has been deposited except upfront amount Rs.25570/- on 9.9.09 for OTS.

On default in repayment of dues, the assets of the unit were taken over into possession on 4.1.01 and sold out on 5.12.01 in a consideration of Rs.1.80 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.255771/- (principal component) and other money debited after sale is Rs.0.08 lac. There is collateral security obtained from the guarantor Shri Dharni Dhar Sharma for the property situated at 61/37, Mansarovar, Jaipur having MRV of Rs.13.27 lac.

After discussions and considering the facts and position of the case, the committee offered to settle the loan account at Rs.2.78 lac **less** upfront amount Rs.0.26 lac deposited on 9.9.09 i.e. the net payable settlement amount Rs.2.52 lac. The party sought time for arriving at the settlement, hence consideration of the case was deferred.

11. **M/s Arjun Bakery, Kota (DDW Case)**

Shri Kailash Chand, proprietor of the unit, appeared before the committee.

It is a decretal case.

A loan of Rs.0.42 lac was sanctioned on 31.8.88 and disbursed upto 23.5.89 for setting up a bakery. P&M is missing in this case. For recovery of dues a decree was obtained on 27.5.04 for Rs.135985/- + interest @ 10.5% from 1.2.2001 till payment plus cost of litigation. There is third party guarantee having value of Rs.1.25 lac. The financial background of the loanee is poor and he belongs to SC category and there is no property in the name of the loanee; guarantor is also poor. Decree execution has been filed in the court of ADJ, Ramganjmandi on 31.05.06 which is pending for issue of kurkee warrants for attachment of immovable property.

After discussions and considering all the facts and position of the case, the committee decided to settle the case at Rs.0.70 lac less upfront Rs.0.14 lac

i.e. net payable settlement amount Rs.0.56 lac payable in 3 equal monthly instalments commencing from Dec,09 to Feb.,2010. Interest @ 13% p.a. shall be payable from 1.1.2010 on unpaid amount of settlement.

The party consented to the settlement”.

12. **M/s Sujata Marbles & Granite Processing (P) Ltd., Jaipur-Rural (DDW Case)**

Shri Anoop Saraf and Shri Atul Saraf, directors of the company, appeared before the committee.

It is a deficit as well as appeal case filed by the party against the branch settlement decision taken on 15.9.09 for Rs.7986100/- less upfront amount of Rs.399000/- i.e. net payable settlement amount was Rs.7587100/- which shall be paid in equal monthly instalments from October, 09 to March, 2010. Aggrieved with the decision, the party made the appeal.

A loan of Rs.74.24 lac was sanctioned on 5.6.92 and disbursed Rs.72.63 lac upto 30.3.96 for setting up a granite and marble slabs unit.

On default in repayment of dues, the assets of the unit were taken over into possession on 5.5.05 and sold out on 22.11.05 in a consideration of Rs.57.21 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.494.62 lac (principal Rs.83.21 lac, interest Rs.411.33 lac and OM Rs.0.08 lac).

RoD has been filed u/s 32G on 22.1.07 and pending with Dy.Commissioner (S), Delhi. MRV of parental house i.e. identified property situated at 34-G, Ashoka Avenue, Mehroli Zone, Village Khirki Sanik Farms, New Delhi reported by DM (I/C) sharing of both the directors in property to the tune of Rs.71.20 lac vide letter no. 345 dated 22.09.09 Total value of the property is Rs.127.15 lac. At the time of sanction of loan as per Net Worth investible statement of Directors details of property are as under:

Anup Kumar Saraf	Free hold residential Beinik 2 Bigha Farm situated at Khasra 4 Biswa No. 414 (2.4) village Nabsarai Tehsil Mehroli, New Delhi	Rs.33.00 lac
Atul Saraf	Agriculture land at Khasra 20 Acre No. 66/127 village Kot Haryana	Rs.10.00 lac

After discussions and considering all the facts and position of the case, since no acceptable offer was given by the directors of the company, the case was rejected. However, the directors were also advised to file appeal to SLC and also produce complete reports with regard to Jamabandi title papers in relation to the net worth property declared at the time of sanction of the loan.

13. M/s Shree Desk Top, Kota (DDW Case)

Shri Bahadur Singh, relative of guarantor and Shri Jaspal Singh son of guarantor, appeared before the committee.

It is a deficit-decreetal case. A loan of Rs.2.00 lac was sanctioned on 5.7.88 and disbursed Rs.199500/- upto 6.12.88 for setting up a Lesser Printing & Publishing unit.

On default in repayment of dues, the assets of the unit were taken over into possession on 16.1.95 and sold out on 31.3.01 in a consideration of Rs.3500/-. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.5.60 lac (principal Rs.1.93 lac, interest Rs.3.44 lac and OM Rs.0.24 lac). Mortgage expenses has also been debited to the loan account to the tune of Rs.0.04 lac. A decree has also been obtained on 13.2.01 for Rs.517134/- + interest @ 13.5% p.a. w.e.f. 1.10.95. Action u/s 32G has been initiated on 21.5.09. Personal guarantor Shri Chanchal Singh is expired years back. Decree execution could not be filed for want of details of property. Legal heirs of the guarantor are interested to settle the loan account on principal + OM i.e. Rs.2.21 lac. MRV of agriculture land belong to Shri Prithvi Pal Singh S/o late Chanchal Singh situated at khasra No.57 in village Devnagar, Patwar Circle, Girdharpura, Tehsil: Ladpura, Kota is to the tune of Rs.126 lac and another agriculture land at khasra No.64 in village Nandana, Badgaon, Tehsil Ladpura, Kota is Rs.110.95 lac.

After discussions and considering all the facts and position of the case, the committee decided to settle the case at Rs.3.72 lac less upfront Rs.0.52 lac deposited on 22.7.09 i.e. net payable settlement amount Rs.3.20 lac payable upto 15.4.2010 in equal monthly instalments. Interest @ 13% p.a. shall be payable from 1.1.2010 on unpaid amount of settlement.

The party consented to the settlement.

14. M/s Automax Auto (P) Ltd., Jaipur-Rural (DDW Case)

Shri Sunil Shah, director of the company, appeared before the committee.

It is a deficit as well as appeal case filed by the party against branch decision taken for settlement in a consideration of Rs.18.50 lac less upfront amount Rs.0.97 lac i.e. net payable settlement amount of Rs.17.53 lac payable in 5 equal monthly instalments from Nov.,09 to March,2010. The party appealed against the branch decision and the competent authority allowed to accept the appeal by depositing 50% of the upfront amount.

On default in repayment of dues, the assets of the unit were taken over into possession on 9.4.03 and sold out on 8.3.04 in a consideration of Rs.8.51 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.22.02 lac (principal Rs.15.01 lac, interest Rs.7.01 lac). There is no collateral security. The amount paid since beginning including upfront in the case is Rs.24.94 lac. Mr. G.P.Agarwal, partner of the unit is presently working with Samsung India and hardly getting Rs.6000/- per month as per

the visit report. There is no third party guarantee nor any other property identified in the name of the promoter/guarantor.

After discussions and considering all the facts and position of the case, the committee recommended to settle the case at Rs.8.00 lac less upfront Rs.1.85 lac deposited (Rs.0.97 lac on 17.9.09, Rs.0.49 lac on 30.10.09 and Rs.0.39 lac on 6.11.09) i.e. net payable settlement amount Rs.6.15 lac payable in 12 equal monthly instalments from Dec.,09 to Nov.,10. Interest @ 13% p.a. shall be payable from 1.1.2010 on unpaid amount of settlement.

The party consented to the settlement”.

Since the settlement arrived at is below the principal amount, the committee decided to place the case before the Board for its consideration.

15. M/s Kishan Oil Industries, Jalore (DDW Case)

Shri Harak Chand Jain, partner of the unit, appeared before the committee.

It is a deficit case and no collateral security is available.

A loan of Rs.4.70 lac was sanctioned on 31.12.87 and disbursed Rs.4.60 lac upto 14.6.88 for setting up an edible oil unit.

On default in repayment of dues, the assets of the unit were taken over into possession on 20.9.99 and sold out on 26.3.04 in a consideration of Rs.2.95 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.5.42 lac (principal Rs.3.65 lac, interest Rs.1.75 lac, OM Rs.0.03 lac). Govt. dues to the order of Rs.0.88 lac was also debited to the loan account and accordingly principal amount works out to Rs.4.54 lac

Action u/s 32G was also initiated and ROD sent to the Distt.Collector, Jalore on 31.10.09 and the same is pending with SDM, Sanchore, Jalore. There are two partners in the firm. One Shri Moti Lal Pooran Chand aged 84 years having 50% share suffering from paralysis and another partner Shri Harak Chand having 50% share is reportedly unemployed, hence requested to settle the account in Rs.2.00 lac i.e. below principal deficit.

After discussions and considering all the facts and position of the case, the committee recommended to settle the case at Rs2.96 lac less upfront Rs.0.46 lac deposited on 4.11.09) i.e. further net payable settlement amount Rs.2.50 lac payable in 12 equal monthly instalments. Interest @ 13% p.a. shall be payable from 1.1.2010 on unpaid amount of settlement.

The party consented to the settlement”.

Since the committee recommended for settlement at Rs.2.96 lac i.e. below the principal deficit amount, the committee decided to place the case before the Board for its consideration.

16. M/s Desai Oil & Allied Inds., Jalore (DDW Case)

Shri Harak Chand Jain, partner of the unit, appeared before the committee.

It is a deficit case.

A loan of Rs.5.00 lac was sanctioned on 31.1.90 and disbursed Rs.481500/- upto 18.7.90 for setting up an oil Mill.

On default in repayment of dues, the assets of the unit were taken over into possession on 20.9.99 and sold out on 17.3.04 in a consideration of Rs.3.66 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.1.78 lac (principal Rs.1.75 lac + OM Rs.0.03 lac). Govt. dues to the order of Rs.1.10 lac (on account of 30:70 policy) was also debited to the loan account and accordingly principal amount works out to Rs.2.85 lac.

Action u/s 32G was also initiated and ROD sent to the Distt.Collector, Jalore on 31.10.06 and the same is pending with SDM, Sanchore, Jalore. No collateral security is available. There were three partners. One of them Shri Chaggan Lal Moti Lal having 45% share expired in the year 2008 and another partner Shri Paras Mal Moti Lal having 45% share reportedly Cancer patient and third are Shri Harak Chand Moti Lal having 10% share and wants to settle account on Rs.1.00 lac i.e. less than principal deficit amount.

After discussions and considering all the facts and position of the case, the committee recommended to settle the case at Rs.2.88 lac less upfront Rs.0.29 lac deposited on 4.11.09 i.e. net payable settlement amount Rs.2.59 lac payable in 12 equal monthly instalments. The party did not consent to the settlement, hence the case was rejected with the advise to the BM to initiate appropriate recovery action against the promoters immediately as per norms.

17. M/s Jagetia Paper Mills Pvt.Ltd., Bhilwara (DDW Case)

Shri Gulab Chand Jagetia, director of the company, appeared before the committee.

The case was earlier placed before the Spl.HOLC in its meeting held on 26.3.09 and the following decision was taken:

Shri Gulab Chand Jagetia, Promoter / Director of the company appeared before the committee.

This is a joint financed case with RIICO.

Due to non payment of dues, possession of the unit was taken over on 06.12.86. Plant & Machinery sold out on 18.03.96 in consideration of Rs.52.00 lac and Land & Building in Rs.31.00 lac on 31.03.04.

After crediting the sale price and debiting the RIICOs liabilities the P.sum deficit made out to Rs.1589666/-. The dues of the AVVNL demanded by concerned company was Rs.793315/-, so the deficit worked out to Rs.2383179/- as on date of sale.

For recovery of above dues action u/s 32-G taken by issue of notices to the party.

Aggrieved with this, Shri Jagetia has filed a writ petition no. 232/2008 before the Hon'ble High Court, Jaipur

Later on this petition was withdrawn by the party, the said petition was disposed off / dismissed by the Hon'ble High Court, Jaipur with certain directions to plaintiff and respondent (RFC) (Copy of HO order dated 11.01.08 enclosed). It is expected from the concerned authorities that necessary exercise for settlement would be taken within a period of three months from the date of receipt of certified copy of this order. It is further made clear that looking to the readiness of the petitioner to pay Rs.5.00 lac which he is ready to pay within a period of four weeks from today, it is expected that no coercive steps should be taken against.

Accordingly, the plaintiff remitted Rs.5.00 lac on 12.02.08 at HO. Further as per directions vide HO letter dated 05.03.08 (copy enclosed). BO was advised for taking necessary action for consideration of settlement.

On the representation of the party correspondence made with UCO Bank and AVVNL officials, UCO bank Bhilwara vide its letter dated 05.02.08 made it clear that AVVNL (earlier RSEB) had not invoked the Bank Guarantee on the other side no response from any of the office of AVVNL is received. From this prima facie it was cleared that certain lapses remained at the level of RSEB/AVVNL that is not advisable to impose on party and RFC should not be held responsible for payment. Party has requested to waive the entire penal charges since beginning.

For waiver of penal interest, the guidelines referred to in party's representation are no more in practice.

Keeping in all above and facts of the case the DLC (BO Level committee) decided the settlement in consideration with Rs.23.84 lac (-) Rs.7.93 lac (AVVNL dues) = Rs.15.91 lac inclusive of payments of Rs.5.00 lac made by the party in Feb., 08 to show the readiness for settlement. Net payable amount comes to Rs.10.91 lac with following stipulation:

- i) The NOC would be issued only when the party will submit No Dues Certificate from AVVNL.
- ii) Other money, if any debited henceforth will payable over and above the settlement amount.
- iii) If the party fails in obtaining no dues certificate from AVVNL and it is made the liability of RFC to pay then this will be payable by the party over and above the settlement amount, as above.
- iv) NOC would be issued after withdrawal of court case, if any.

But Shri Jagetia disagreed with the offer and did not give the consent for settlement as above. Hence settlement could not be reached and the case was rejected with the advise to file an appeal before Higher Committee within a period of 30 days in prescribed manner vide BO letter dated 24.03.08.

Thereafter, Mr. Gulab Chand Jagetia made various representations dated 26.03.08, 07.04.08 & 30.01.09. Mr. Gulab chand Jagetia, Director of the company vide his representation dated 30.01.09 (copy enclosed) raised following three issues regarding settlement in pursuance to the order dated 11.01.08 of Hon'ble High Court in SB Civil writ petition no.238/2008 :

- i) Dispute of RSEB dues of Rs.7.91 lac should not be recovered by RFC, as RSEB dues are backed by the Bank guarantee.
- ii) O.M. (Office expenses) to be recovered from the company be reduced to Rs.2.88 lac in view of the fact that the voucher of only Rs.34000/- available with corporation.
- iii) Penal interest of Rs.3.17 lac be waived in the light of guidelines of the corporation.

In view of the said representations, as well as looking to the Hon'ble High Courts directions it has been allowed to place the case before Spl. HOLC for settlement without upfront amount so that no chance is given to the party to plea that the corporation has not seriously tried to settle the case amicably

Property identified. Approx. 153 bighas agriculture land. RoD yet not filed by BO.

Details of other money debited since date of possession to 31.03.04 (vide BO letter dated 17.09.08 copy enclosed).

i)	Advertisement	Rs.	329555/-
ii)	Wages	Rs.	470961/-
iii)	Legal etc.	Rs.	<u>12010/-</u>
	Total	Rs.	812526/-
	Further legal expenses	Rs.	<u>809/-</u>
	Total	Rs.	<u>813335/-</u>

The matter was placed before Spl HOLC with a view to provide one more opportunity to the party, in light of the orders of Hon'ble High Court.

The matter was discussed with Mr Jagetia at length. After detailed discussions and considering all the facts of the case, the committee offered to settle the account in a consideration of Rs.19.94 lac less Rs.5.00 lac deposited as per orders of Hon'ble High Court and Rs.7.93 lac towards provisions made for other Government Department dues including AVVNL with the condition that no dues will be issued only after submission of NOC from AVVNL i.e. net payable settlement amount of Rs.7.01 lac. The offer given by the committee was not consented by the party but sought time. Therefore, the case was **deferred**.

The party has yet not given its consent, hence the case was deferred again”.

The party has not yet given his consent to the offer given by the committee. The case was again discussed with the director of the unit, the committee offered to revive its earlier offer given to the party in its meeting held on 26.9.09, but the promoter did not consent to the offer, hence case was rejected with the advise to the BM to initiate appropriate action for recovery of the Corporation dues as per norms.

17. **M/s Basir Khan s/o Masti Khan, Nagaur**

Nobody turned up. The committee decided to defer the case for next meeting giving last chance.

18. **M/s Champa Lal Soni, Chhapar, Churu**

Nobody turned up. The committee decided to defer the case for next meeting giving last chance.

19. **M/s Meca Quilts Ltd., Bhiwadi**

The case was discussed in detail. Committee noted that it is a case of joint finance case of RFC & RIICO. In last BIFR hearing held on 29.10.09 Bench of BIFR directed that RIICO & RFC should consider the offer of OTS given by the company and convey its decision to the Board within one month.

The unit is in possession of RIICO since 9.5.2000. Company offered to settle dues in 55% of principal outstanding – Rs. 30.00 lac (Principal sum outstanding is Rs. 57.85 lac and total outstanding including interest upto date of possession is Rs 147.15 lac). It was noted that earlier company offered Rs. 160.00 lac for settlement of the dues of RIICO & RFC jointly but the same has not been accepted as per summery record of proceeding of hearing dated 29.10.09 of BIFR. In the same proceeding it is mentioned that party approached to RIICO with an OTS offer, and it has been advised that the company may settle RFC first, and RIICO will consider the offer on the same lines as accepted by RFC. It is further mention that accordingly, company has submitted an offer to RFC for an amount of Rs. 57.85 lac which is the principal outstanding.

Against the actual offer of Rs. 30.00 lac for settlement of RFC dues the committee negotiated keeping in view of earlier offer of Rs. 160.00 lac jointly for RIICO & RFC. On the basis of outstanding of RIICO & RFC as on date of possession the ratio for distribution of proceeds comes to 60:40. Hence offer of Rs. 65.00 lac less upfront fee Rs. 580500/- net payable settlement amount of Rs. 5919500/- was given and the same was accepted by the party. It was also decided that the amount shall be paid by 15th March, 2010 with applicable interest i.e. @ 13% p.a. w.e.f. 26.12.09 on unpaid amount.

20. **M/s Mukut Bihari & Sons Pvt. Ltd., Bhiwadi**

This is a case of unit purchased in open auction. The committee noted that there was some dispute in the land mentioned in approval letter and actual land in possession. Hence there was delay of about 20 days in execution of sale documents. The issue of sale price as per actual land had already been decided by us as per decision of HOLC dated 28.6.08. Party also requested to waive interest for delay period of 20 days i.e. Rs. 8732/- as on 16.3.96.

Since main issue of revision in sale price (on the basis of prorate for 755 Sq.mtrs. instead of 795 Sq.mtrs.) had already been decided in favour of party, the committee also decided to waive interest charged for delay period i.e. Rs. 8732/- as on 16.3.96 with further interest charged on this amount.

GENERAL OBSERVATIONS:

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

**General Manager (Dev.)
MEMBER SECRETARY**

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
Special HOLC Meeting
Dated : 18..03.09

Present:		
Shri Atul Kumar Garg, CMD	:	In Chair
Shri Rajendra Vijay, GM(D)	:	Member Secy.
Shri Suresh Singhal, FA	:	Member
Shri Dharmveer Jasnani, Manager Incharge(Law)	:	Member

Shri R.P.Meena, DGM(FR-2), Shri L.K. Ajmera, DGM(DDW), Shri A.P. Mathur, DGM(FR) Shri M.R.Chhinwal,DGM(ARRC), Shri J.N.Sharma, Manager(FR-1), Shri Dinesh Mohan, Manager (FR-2), Shri P.D.Verma, Manager(FR-3), Shri Deepak Verma, Manager(ARRC), and Shri Naveen Ajmera, DM(FR) were also present.

I **Confirmation of the minutes of Spl. HOLC meeting held on 04.03.09**

Minutes were confirmed.

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

1. **M/s Manoj Granite, Behror, Neemrana (ARRC case)**

Nobody turned up, hence consideration of the case was **deferred**.

2. **M/s. Vicky Bricks, Chittorgarh (DDW case)**

Shri Ghanshyam Singh Ranawat, Husband of proprietor of the unit appeared before the committee.

It is a decretal case. The assets (Land, Building and P&M) of M/s. Ajay Bricks Udyog were sold to M/s. Vicky Bricks in a consideration of Rs.1.70 lac on dated 12.01.96 out of which the concern has remitted Rs.42500/- as initial amount. Agreement to sell was executed on 12.01.96 for Rs. 127500/-. Tenure of lease deed was valid for 5 years i.e. upto 15.11.93. The purchaser has approached to the corporation as well as to the Collector for renewal of lease deed alongwith requisite fees but the lease deed of the land sold by the Corporation not yet for renewed, therefore, no payment made by the purchaser except initial amount.

The Branch Office filed an application u/s 31(1) (aa) for recovery of corporation dues against the guarantor. The Hon'ble court vide order dated 12.11.05 passed a decree against the guarantor for Rs.211173/- + interest @ 9% from the date of

filing of case to date of decision. The BO has filed an execution application in the court on 02.02.06 and made efforts for OTS.

After persuasion, purchaser turned up for settlement of account.

The BO level committee settled the case in consideration of Rs.3.79 lac on 14.01.09 at BO level committee. The purchaser did not agree with above decision and made appeal against the decision of BO level committee by depositing registration fee of Rs.5000/- and upfront amount of Rs.33000/-.

Details of MRV of Primary Assets:

(i) Land : 4 hect. Or say 18.507 bigha situated in Arazi 902, Village Khatodiya, Distt.Chittorgarh (DLC rate is Rs.3969 per acre, 1 bigha = 21.6 acre)	Rs.15.87 lac
(ii) Building	Rs. 1.03 lac
Total	<u>Rs.16.90 lac</u>

Other Aspects:

1. There are more than 100 trees
2. High tension line passes through the land.

- (i) The lease of bricks Bhatta was for 5 years i.e. upto 15.12.93.
- (ii) The Corpn. has sold the assets on 5.10.95 in a consideration of Rs.1.70 lac.
- (iii) There is no progress at site after purchase.
- (iv) As per record available there is dispute about ownership of above 18.50 bigha land.
Looking to the above aspects the MRV as per opinion of BO team is less than Rs.10 lac as under:
Land - Rs.9.00 lac, Building Rs. 1.00 lac: Total Rs.10.00 lac
Subject to renewal of lease deed of 0.4 hectare land.

After discussions and considering all the facts including the material fact that the tenure of the lease deed was valid only upto 15.11.93 whereas the Corporation had sold the assets of M/s Ajay Brick Udyog on 05.10.95 to M/s Vicky Bricks in consideration of Rs.1.70 lac and the lease deed of the land in question has not yet been renewed by the Revenue authorities, the committee decided **to settle** the account in a consideration of Rs.3.55 lac less upfront amount Rs.0.55 lac deposited (Rs.0.22 lac on 19.12.08 for DLC and Rs.0.33 lac on 24.1.09 for Spl.HOLC) i.e. net payable settlement amount at Rs.3.00 lac payable in following manner:

- i) Rs.2.00 lac in March, 2009
- ii) Rs.0.50 lac in April, 2009
- iii) Rs.0.25 lac in May, 2009
- iv) Rs.0.25 lac in June, 2009

No interest shall be charged upto 15.4.2009 and w.e.f. 16.04.09 interest shall be charged @ 13% p.a. on simple basis on the unpaid settlement amount.

The representative of the unit consented to the settlement.

Since the settlement reached below the decretal amount, the case may be placed before Board for consideration.

3. **Hi Gen Plastic Industries, Kota (DDW case)**

Shri Sanjay Fatehpuria, brother of the partner Shri Kishan Kumar Fatehpuria appeared before the committee.

It is a deficit case. No guarantee is available. No property is available in the name of parties / partners.

Case filed u/s 32-G against Shri Krishan Kumar Fatehpuria (one of the partners) and property in question is parental and occupied by the relatives. It is very difficult to identify the portion / share of Shri Krishan Kumar for auction by SDO.

RoD pending with SDO (under attachment of parental house). Date of auction fixed by SDO for 26.07.2008 but auction could not be held for want of clear cut identification of the share of the promoter.

After discussions and considering all the facts of the case especially that it is a deficit case, no guarantee/collateral security is available, no property is available in the names of parties / partners and no results surfaced even after action taken u/s 32(G) including attempts for auction of the properties attached, the committee decided **to settle** the account in a consideration of Rs.5.65 lac less upfront amount Rs.0.65 lac deposited on 6.3.09 i.e. net payable settlement amount of Rs.5.00 lac payable in six equal monthly instalments commencing from March, 09.

No interest shall be charged upto 15.4.2009 and w.e.f. 16.04.09 interest shall be charged @ 13% p.a. on simple basis on the unpaid settlement amount.

The representative of the unit consented to the settlement.

Since the settlement reached below the principal deficit amount, the case may be placed before Board for consideration.

4. **M/s.Jagetia Paper Mills Pvt. Ltd., Bhilwara (DDW Case)**

Shri Gulab Chand Jagetia, Promoter / Director of the company appeared before the committee.

This is a joint financed case with RIICO.

Due to non payment of dues, possession of the unit was taken over on 06.12.86. Plant & Machinery sold out on 18.03.96 in consideration of Rs.52.00 lac and Land & Building in Rs.31.00 lac on 31.03.04.

After crediting the sale price and debiting the RIICOs liabilities the P.sum deficit made out to Rs.1589666/-. The dues of the AVVNL demanded by concerned company was Rs.793315/-, so the deficit worked out to Rs.2383179/- as on date of sale.

For recovery of above dues action u/s 32-G taken by issue of notices to the party.

Aggrieved with this, Shri Jagetia has filed a writ petition no. 232/2008 before the Hon'ble High Court, Jaipur

Later on this petition was withdrawn by the party, the said petition was disposed off / dismissed by the Hon'ble High Court, Jaipur with certain directions to plaintiff and respondent (RFC) (Copy of HO order dated 11.01.08 enclosed). It is expected from the concerned authorities that necessary exercise for settlement would be taken within a period of three months from the date of receipt of certified copy of this order. It is further made clear that looking to the readiness of the petitioner to pay Rs.5.00 lac which he is ready to pay within a period of four weeks from today, it is expected that no coercive steps should be taken against.

Accordingly, the plaintiff remitted Rs.5.00 lac on 12.02.08 at HO. Further as per directions vide HO letter dated 05.03.08 (copy enclosed). BO was advised for taking necessary action for consideration of settlement.

On the representation of the party correspondence made with UCO Bank and AVVNL officials, UCO bank Bhilwara vide its letter dated 05.02.08 made it clear that AVVNL (earlier RSEB) had not invoked the Bank Guarantee on the other side no response from any of the office of AVVNL is received. From this prima facie it was cleared that certain lapses remained at the level of RSEB/AVVNL that is not advisable to impose on party and RFC should not be held responsible for payment. Party has requested to waive the entire penal charges since beginning.

For waiver of penal interest, the guidelines referred to in party's representation are no more in practice.

Keeping in all above and facts of the case the DLC (BO Level committee) decided the settlement in consideration with Rs.23.84 lac (-) Rs.7.93lac (AVVNL dues) = Rs.15.91 lac inclusive of payments of Rs.5.00 lac made by the party in Feb., 08 to show the readiness for settlement. Net payable amount comes to Rs.10.91 lac with following stipulation:

- i) The NOC would be issued only when the party will submit No Dues Certificate from AVVNL.
- ii) Other money, if any debited henceforth will payable over and above the settlement amount.
- iii) If the party fails in obtaining no dues certificate from AVVNL and it is made the liability of RFC to pay then this will be payable by the party over and above the settlement amount, as above.
- iv) NOC would be issued after withdrawal of court case, if any.

But Shri Jagetia disagreed with the offer and did not give the consent for settlement as above. Hence settlement could not be reached and the case was rejected with the advise to file an appeal before Higher Committee within a period of 30 days in prescribed manner vide BO letter dated 24.03.08.

Thereafter, Mr. Gulab Chand Jagetia made various representations dated 26.03.08, 07.04.08 & 30.01.09. Mr. Gulab chand Jagetia, Director of the company vide his representation dated 30.01.09 (copy enclosed) raised following three issues regarding settlement in pursuance to the order dated 11.01.08 of Hon'ble High Court in SB Civil writ petition no.238/2008 :

- i) Dispute of RSEB dues of Rs.7.91 lac should not be recovered by RFC, as RSEB dues are backed by the Bank guarantee.
- ii) O.M. (Office expenses) to be recovered from the company be reduced to Rs.2.88 lac in view of the fact that the voucher of only Rs.34000/- available with corporation.
- iii) Penal interest of Rs.3.17 lac be waived in the light of guidelines of the corporation.

In view of the said representations, as well as looking to the Hon'ble High Courts directions it has been allowed to place the case before Spl. HOLC for settlement without upfront amount so that no chance is given to the party to plea that the corporation has not seriously tried to settle the case amicably

Property identified. Approx. 153 bighas agriculture land. RoD yet not filed by BO.

Details of other money debited since date of possession to 31.03.04 (vide BO letter dated 17.09.08 copy enclosed).

i)	Advertisement	Rs.	329555/-
ii)	Wages	Rs.	470961/-
iii)	Legal etc.	Rs.	<u>12010/-</u>
	Total	Rs.	812526/-
	Further legal expenses	Rs.	<u>809/-</u>
	Total	Rs.	<u>813335/-</u>

The matter was placed before Spl HOLC with a view to provide one more opportunity to the party, in light of the orders of Hon'ble High Court.

The matter was discussed with Mr Jagetia at length. After detailed discussions and considering all the facts of the case, the committee offered to settle the account in a consideration of Rs.19.94 lac less Rs.5.00 lac deposited as per orders of Hon'ble High Court and Rs.7.93 lac towards provisions made for other Government Department dues including AVVNL with the condition that no dues will be issued only after submission of NOC from AVVNL i.e. net payable settlement amount of Rs.7.01 lac. The offer given by the committee was not consented by the party but sought time. Therefore, the case was **deferred**.

5. **M/s Modern Refractories, Jhunjhunu (DDW Case)**

Nobody turned up, hence consideration of the case was **deferred**.

6. **M/s Vishwakarma Salt Industries, Makrana (FR Case)**

Shri B.L. Jangid, representative of the concern appeared before the committee.

A loan of Rs. 2.91 lac was sanctioned on 02.03.90 which was disbursed upto 01.08.90 to the unit for manufacturing of Salt.

A sum of Rs. 0.62 lac was outstanding as on 01.12.2008, (principal sum Rs.0.11lac and interest Rs. 0.51 lac). MRV assessed by Branch Office on 27.11.08 of the assets of the unit is Rs.17.08 lac. The category of loan account was doubtful as on 31.03.2005.

The unit is reported to running. The loan account of the unit had already been closed on 31.3.94 and so original documents have also been released on 22.12.1997 by the Branch Office. The dues shown in the proposal is due to accounting error. A sum of Rs.11,000/- was wrongly credited in the account of unit on 3.9.91 which has been debited (reversed) in the account and therefore debit entry arised in the loan account and dues accumulated to Rs.0.62 lac as on 1.12.08.

After detailed discussions and considering all the facts and position of the case, the committee decided **to settle** the a/c in a consideration of Rs.0.11 lac plus interest from 03.09.91 to 31.03.94 at documented rate less upfront amount of Rs.3,500/- deposited on 27.11.2008 which shall be paid within the month of March, 2009.

The party consented to the settlement.

The committee observed that there is prima facie a lapse on the part of concerned officials which resulted into financial loss to the Corporation. As such the matter may be got enquired into and disciplinary action be initiated against the erring officials.

7. **M/s Sailani Stones, Chittorgarh (FR Case)**

Nobody turned up. However a letter dated 17.03.09 has been received through fax from representative of the concern mentioning that the person who shall appear before the committee has gone to Mumbai, hence, consideration of the case was **deferred**.

8. **M/s Mangala Kilan Works, Jhunjhunu (FR Case)**

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

A term loan of Rs. 2.89 lac was sanctioned to the concern on 19.3.91 for manufacturing of bricks. Out of the loan sanctioned, a sum of Rs.1.61 lac were disbursed upto 14.09.1992.

A sum of Rs. 5.52 lac was outstanding as on 01.03.2009, (principal sum Rs.0.58 lac and interest Rs. 4.94 lac). MRV of financed assets and collateral security is reported to Rs.13.65 lac and Rs.10.99 lac respectively. No third party guarantee is available. Category of loan account is doubtful as on 31.3.05.

The lease of land was granted for five years from 29.12.90. There is no report for extension of lease period as reported by Branch Office.

The case was placed before HOLC in its meeting held on 30.12.00. The committee offered to waive the penal interest but not accepted by the party therefore, the case was rejected.

The case was settled on 28.12.06 by Branch Manager in a consideration of Rs.3,32,153/-after waivment of penal interest of Rs.48,533/- as per FR circular No.397 dated 29.7.2006. As per settlement, the concern was to deposit Rs.1,66,077/- by Jan,07 and remaining settlement amount by Feb,07 but the party did not deposit the settlement amount.

Action was initiated u/s 32(G) on 02.05.02 and ROD was issued on 30.12.05.

No recovery has been effected inspite of so many auctions conducted by Revenue authorities on 21.08.07, 27.10.07, 18.03.08, 26.08.08 and 22.10.08. During these auctions no bidder turned up.

The said case was earlier settled on 28.12.06 by Branch Manager as per FR circular No.397 dated 29.7.2006 and therefore, the case comes under restrictive clause 5(C) of the NPA settlement scheme 2008-09. The same was relaxed by the competent authority on 11.2.09 for registering the case afresh for OTS.

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. 5.52 lac plus 0.30 lac (5% ROD charges) less Rs.0.67 lac (penal interest) less upfront amount of Rs. 6,500/- i.e. at the net payable settlement amount of Rs. 5.09 lac. The committee decided that in case the party does not give his consent for the offer given by the committee upto 20.03.09, the case may be treated as rejected with the directions to Branch Office to take necessary action for recovery of Corporation of dues.

9. **M/s Shree Ganpati PVC Pipe (I) Pvt Ltd., Jaipur Rural (FR Case)**

Nobody turned up. However, a letter dated 18.03.09 has been received from representative of the company mentioning that the Director Shri Virendra Rajpal is presently at Kolkata and he will be back on 25.3.09 to Jaipur, hence, consideration of the case was **deferred**.

10. **M/s Bhola Ram Cement Pipe & Jali Udyog, Nagaur (FR Case)**

Nobody turned up. The committee observed that this case was earlier placed before Spl.HOLC on four occasions i.e. 25.9.08, 07.11.08, 31.12.08 and 04.03.09 and nobody turned up. This time also, nobody turned up. Hence the committee decided **to close** the case.

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 15th of the each month or date specified by the Committee, as the case may be. BO has to ensure that PDCs are invariably taken in such cases.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

**General Manager (Dev.)
MEMBER SECRETARY**

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
Special HOLC Meeting
Dated : 26.03.09

Present:		
Shri Atul Kumar Garg, CMD	:	In Chair
Shri Pawan Arora, ED	:	Member
Shri Rajendra Vijay, GM(D)	:	Member Secy.
Shri Suresh Singhal, FA	:	Member

Shri R.P.Meena, DGM(FR-2), Shri L.K. Ajmera, DGM(DDW), Shri A.P. Mathur, DGM(FR) Shri J.N.Sharma, Manager(FR-1), Shri P.D.Verma, Manager(FR-3), Shri Deepak Verma, Manager(ARRC), Shri A.K.Sood, Manager(Law) and Shri Naveen Ajmera, DM(FR) were also present.

I **Confirmation of the minutes of Spl. HOLC meeting held on 18.03.09**

Minutes were confirmed.

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

1. **M/s Manoj Granite, Behror, Neemrana (ARRC case)**

Nobody turned up, hence consideration of the case was **deferred**.

2. **M/s. Nirmal Stone Industries, Kota (DDW case)**

Shri Ghanshyam Singh Ranawat, Husband of proprietor of the unit appeared before the committee.

Shri Kamal Jain, son of deceased proprietor of the unit appeared before the committee.

It is a deficit-decreetal case. A loan of Rs.6.49 lac was sanctioned on 7.12.92 out of which a sum of Rs.5.38 lac was disbursed upto 9.3.93 for Kota stone cutting & polishing unit.

On default in repayment of the Corporation's dues, the assets of the unit were taken into possession on 30.1.97 and sold on 3.6.98 in a consideration of Rs.4.21 lac. After appropriation of sale proceeds, deficit as on date of sale works out at Rs.5,62,575/- (principal Rs.443770/-, Interest Rs.118805/-). For recovery of deficit amount, a decree was awarded by the Hon'ble Court for Rs.562575/- on 10.1.2001. The mortgagor guarantor filed a case in High Court against decree

and as per the High Court Order dated 25.11.08 the mortgagor guarantor shall submit details of property of deceased loanee.

Decree execution application was filed on 28.05.03 and property of the mortgagor guarantor and deceased loanee has been attached by ADJ Court, Ramganj Mandi and auction was fixed for 19/20th March, 2009. The present value of collateral security is Rs.7.10 lac and present value of third party guarantee is Rs.6.90 lac. The party's proposal is to settle the account at principal sum + OM.

After detailed discussions and considering all the facts of the case, the committee offered to settle the account in a consideration of Rs.9.58 lac less upfront Rs.0.58 lac deposited on 9.3.09. The net payable settlement amount is Rs.9.00 lac and 7 day's time was granted to the party for giving consent, else recovery action will be continued as per norms.

3. **M/s Modern Refractories, Jhunjhunu (DDW case)**

In view of the party's request dated 25.3.09 for its inability to attend the meeting and to allow one more opportunity for a date in May,2009, consideration of the case was **deferred**.

4. **M/s.Jagetia Paper Mills Pvt. Ltd., Bhilwara (DDW Case)**

The case was placed before Spl.HOLC held on 18.3.09 and following decision was taken:

Shri Gulab Chand Jagetia, Promoter / Director of the company appeared before the committee.

This is a joint financed case with RIICO.

Due to non payment of dues, possession of the unit was taken over on 06.12.86. Plant & Machinery was sold out on 18.03.96 in consideration of Rs.52.00 lac and Land & Building for Rs.31.00 lac on 31.03.04.

After crediting the sale price and debiting the RIICO's liabilities, the P.sum deficit made out to Rs.1589666/-. The dues of the AVVNL demanded by concerned company was Rs.793315/-, so the deficit works out to Rs.2383179/- as on date of sale.

For recovery of above dues, action u/s 32-G was taken by issue of notices to the party.

Aggrieved with this, Shri Jagetia filed a writ petition no. 232/2008 before the Hon'ble High Court, Jaipur

Lateron this petition was withdrawn by the party, the said petition was disposed / dismissed by the Hon'ble High Court, Jaipur with certain directions to plaintiff and respondent (RFC) (Copy of HO order dated 11.01.08 enclosed). It is

expected from the concerned authorities that necessary exercise for settlement would be taken within a period of three months from the date of receipt of certified copy of this order. It is further made clear that looking to the readiness of the petitioner to pay Rs.5.00 lac within a period of four weeks from today, it is desirable that no coercive steps should be taken against.

Accordingly, the plaintiff remitted Rs.5.00 lac on 12.02.08 at HO. Further as per directions vide HO letter dated 05.03.08, BO was advised for taking necessary action for consideration of settlement.

On the representation of the party, correspondence made with UCO Bank and AVVNL officials, UCO Bank Bhilwara vide its letter dated 05.02.08 made it clear that AVVNL (earlier RSEB) had not invoked the Bank Guarantee on the other side no response from any of the office of AVVNL is received. From this prima facie it was cleared that certain lapses remained at the level of RSEB/AVVNL that is not advisable to impose on party and RFC should not be held responsible for payment. Party has requested to waive the entire penal charges since beginning.

For waiver of penal interest, the guidelines referred to in party's representation are no more in practice.

Keeping in view the above facts of the case, the DLC (BO Level committee) decided the settlement in consideration of Rs.23.84 lac (-) Rs.7.93lac (AVVNL dues) = Rs.15.91 lac inclusive of payments of Rs.5.00 lac made by the party in Feb., 08 to show the readiness for settlement. Net payable amount comes to Rs.10.91 lac with following stipulation:

- i) The NOC would be issued only when the party will submit No Dues Certificate from AVVNL.
- ii) Other money, if any debited henceforth will also be payable over and above the settlement amount.
- iii) If the party fails in obtaining no dues certificate from AVVNL and RFC is made to pay the liability then this will be payable by the party over and above the settlement amount, as above.
- iv) NOC would be issued after withdrawal of court case, if any.

But Shri Jagetia disagreed with the offer and did not give consent for settlement as above. Hence settlement could not be reached and the case was rejected with the advice to file an appeal before Higher Committee within a period of 30 days in a prescribed manner vide BO letter dated 24.03.08.

Thereafter, Shri Gulab Chand Jagetia made various representations dated 26.03.08, 07.04.08 & 30.01.09. Shri Gulab Chand Jagetia, Director of the company vide his representation dated 30.01.09 raised following three issues regarding settlement in pursuance to the order dated 11.01.08 of Hon'ble High Court in SB Civil writ petition no.238/2008 :

- i) Dispute of RSEB dues of Rs.7.91 lac should not be recovered by RFC, as RSEB dues are backed by the Bank guarantee.
- ii) O.M. (Office expenses) to be recovered from the company be reduced to Rs.2.88 lac in view of the fact that the voucher of only Rs.34000/- is available with Corporation.
- iii) Penal interest of Rs.3.17 lac be waived in the light of guidelines of the corporation.

In view of the said representations, as well as looking to the Hon'ble High Court's directions, it has been allowed to place the case before Spl. HOLC for settlement without upfront amount so that no chance is given to the party to plead that the Corporation has not seriously tried to settle the case amicably.

Property identified. Approx. 153 bighas agriculture land. RoD yet not filed by BO.

Details of other money debited since date of possession to 31.03.04 (vide BO letter dated 17.09.08 copy enclosed).

i)	Advertisement	Rs.	329555/-
ii)	Wages	Rs.	470961/-
iii)	Legal etc.	Rs.	<u>12010/-</u>
	Total	Rs.	812526/-
	Further legal expenses	Rs.	<u>809/-</u>
	Total	Rs.	<u>813335/-</u>

The matter was placed before Spl HOLC with a view to provide one more opportunity to the party, in light of the orders of Hon'ble High Court.

The matter was discussed with Mr Jagetia at length. After detailed discussions and considering all the facts of the case, the committee offered to settle the account in a consideration of Rs.19.94 lac less Rs.5.00 lac deposited as per orders of Hon'ble High Court and Rs.7.93 lac towards provisions made for other Government Department dues including AVVNL with the condition that no dues will be issued only after submission of NOC from AVVNL i.e. net payable settlement amount of Rs.7.01 lac. The offer given by the committee was not agreeable to the party and it sought some more time. Therefore, the case was **deferred**.

The party has yet not given it's consent, hence the case was deferred again.

5. **M/s Ravi Traders, Bikaner (FR Case)**

Shri K.K.Sharma, husband of the proprietor and guarantor in this case appeared before the committee.

Two loans of a total sum of Rs.3.00 lac were sanctioned in the year 1999 and out of which Rs.2.97 lac was disbursed for acquisition of land and construction of sales outlet cum showroom unit in Industrial Growth Centre, Khara, Bikaner.

A sum of Rs.5.51 lac was outstanding as on 01.12.2008, (principal sum Rs.2.00lac and interest Rs.3.51 lac). MRV of financed assets i.e. P&M is Rs.4.85 lac and no collateral security is available. Shri K.K.Sharma, husband of the proprietor has given personal guarantee. Value of his property is not reported by the Branch Office. However, it is reported that Shri K K Sharma is residing in a parental house. The unit is running and category of loan A/c is doubtful as on 31.3.05.

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. 5.23 lac (outstanding of 1.12.08 less penal interest charged in the account amounting to Rs. 0.28 lac) less upfront payment of Rs.0.31 lac i.e. at the net payable settlement amount of Rs.4.92 lac. The offer given by the committee was not agreeable to the representative, therefore, the case was rejected with the direction to BO to take necessary action for recovery of Corporation dues.

6. **M/s Rama Kishan s/o Shri Alsa Ram Meghwal, Nagaur (FR Case)**

Smt Gomti, w/o deceased proprietor and her relative Shri Mona Ram and Jai Narayan appeared before the committee.

A loan of Rs.1.61 lac was sanctioned on 13.01.95 out of which Rs.1.04 lac was disbursed upto 13.09.1995 to the unit for manufacturing Plaster of Paris.

A sum of Rs.4.26 lac was outstanding as on 01.03.2009, (principal sum Rs.1.03lac and interest Rs.3.23 lac). MRV of financed assets and collateral security is Rs.1.40 lac and Rs.0.50 lac respectively. The unit has been reportedly closed and category of loan A/c is doubtful on 31.3.05.

The promoter of the unit expired on 15.12.1999 and the unit is lying closed. The case filed u/s 32 (G). The BM has stated that similar type of the units at village Bhadwasi are lying closed due to shortage of raw material i.e. Gypsum. The plant & machinery of the unit are in scrap condition. The condition of building is also poor and damaged. The land (Residential plot) mortgaged as collateral security is reported to be situated in a poor locality. No building as well as boundary wall is constructed on the plot.

After detailed discussions with the representative of the concern and considering all the facts and position of the case, the committee decided **to settle** the account in a consideration of Rs.1.16 lac less upfront amount of Rs.0.11 (rounded off) i.e net payable settlement amount of Rs.1.05 lac which shall be paid by the party in the month of March, 09.

The representatives of the concern has consented to the settlement.

7. **M/s Bhagwati Industries, Makrana (FR Case)**

Shri Ramesh Chandra Sain, son of the proprietor of the unit appeared before the committee.

Two loans of Rs.1.00 lac and Rs.1.30 lac were sanctioned on 13.03.88 and 26.6.89 out of which Rs.1.00 lac and Rs. 0.60 lac was disbursed upto 09.08.89 to the unit for manufacturing cement jali, gamla, etc.

A sum of Rs.0.36 lac was outstanding as on 01.03.2009, (principal sum Rs.0.04lac and interest Rs.0.31 lac). MRV of financed assets is reported to be Rs.11.07 lac. However, the charge over the assets and documents has already been released on 06.08.1998. The status of the unit has been reported to be closed and category of loan A/c is doubtful on 31.3.05.

The loan accounts were settled in the year 1997-98 but an amount of Rs. 4,383/- further debited in the second loan account as the account was wrongly credited by this amount on 30.12.92. This fact came to the notice of the Branch Office during the process of reconciliation of accounts and thereafter the loan account of this unit debited in October, 2003. No dues certificate and original documents have already been released by Branch Office, Makrana.

After detailed discussions with the representative of the concern and considering all the facts and position of the case, the committee decided **to settle** the account in a consideration of Rs.0.16 lac less upfront amount of Rs.0.01 i.e net payable settlement amount is Rs.0.15 lac which shall be paid by the party in three equal instalments commencing from March, 09.

No interest shall be charged upto 30.4.2009 and thereafter w.e.f. 01.05.09 interest shall be charged @ 13% p.a. on simple basis on the unpaid settlement amount.

The representative of the unit has consented to the settlement.

8. **M/s Ambica Powerloom Factory, Kishangarh (FR Case)**

Shri Gopal Bajaj, promoter of the unit and his companions viz. Shri Madan Lal Bajaj, Shri Kalu Ram Bajaj and Shri Vinod Bajaj appeared before the committee.

A loan of Rs.2.48 lac was sanctioned on 16.08.91 out of which Rs.1.78 lac was disbursed upto 07.07.93 to the unit for manufacturing of powerloom cloth.

A sum of Rs.2.58 lac was outstanding as on 01.03.2009, (principal sum Rs.0.00lac, interest Rs.2.56 lac and other money Rs.0.02 lac). MRV of financed assets is reported to be Rs.6.72 lac. No collateral security or personal guarantee is available. The unit is reported to be running.

It is a grievance case in which the BO could not charge interest rate @ 18.75% as per PG Circular No.466 dt.17-12-91 issued by the Corporation. As per circular, in the cases where disbursement was made after 8.10.91, interest @ 18.75% had to be charged. In this case, 1st disbursement was made on 23.10.91. Hence, calculation of interest was made since beginning and difference of interest debited in the loan a/c as on 30.11.06 is protested by the concern, stating that they have paid entire dues of the Corporation. As per statement provided by BO and also further amount paid by the party as per revised interest rate no amount is payable and therefore, made a request to issue NOC.

The case was discussed in detail with the representatives of the concern. During the course of discussions, the representatives pointed out that they have not been convinced of the accounts at branch level. The committee, therefore, decided to advise the Branch Office, Kishangarh to fix up a date in consultation with the loanee and make him convinced of the account treatment given by the Corporation due to which the debit balance is arised.

The representative of the unit have given in writing that they will be informing a suitable date for attending the Branch Office, Kishangarh on which they are to understand the accounts.

9. M/s Laxmi Powerloom Factory, Kishangarh (FR Case)

Shri Gopal Bajaj, promoter of the unit and his companions viz. Shri Madan Lal Bajaj, Shri Kalu Ram Bajaj and Shri Vinod Bajaj appeared before the committee.

A loan of Rs.2.48 lac was sanctioned on 16.08.91 out of which Rs.1.84 lac was disbursed upto 27.01.92 to the unit for manufacturing of powerloom cloth.

A sum of Rs.8.28 lac was outstanding as on 01.03.2009, (principal sum Rs.0.00lac, interest Rs.8.26 lac and other money Rs.0.02 lac). MRV of financed assets is reported to be Rs.6.38 lac. No collateral security or personal guarantee is available. The unit has been reported in running condition.

It is a grievance case in which the BO could not charge interest rate @ 18.75% as per PG Circular No.466 dt.17.12.91 issued by the Corporation. As per circular, in the cases where disbursement was made after 8.10.91, interest @ 18.75% was to be charged. In this case, 1st disbursement was made on 23.10.91. Hence, calculation of interest was made since beginning and difference of interest debited in the loan a/c as on 30.11.06 is protested by the concern stating that they have paid the entire dues of the Corporation. As per statement provided by BO and also further amount paid as per revised interest rate, no amount is payable and made a request to issue NOC.

The case was discussed in detail with the representatives of the concern. During the course of discussions, the representatives pointed out that they are not convinced with the statement of accounts given by the branch. The committee, therefore, decided to advise the Branch Manager, Kishangarh to fix up a date in consultation with the loanee and make him understand the account's position.

The representatives of the unit have given in writing that they will inform the date convenient to them for the purpose of contacting in the Branch Office within 15 days.

10. **M/s Mana Ram Bhura Ram, Nagaur (FR Case)**

The case could not be discussed hence **deferred**.

11. **M/s Smt Premlata w/o Shri Babulal, Nagaur (FR case)**

Shri Babu Lal husband of the proprietor appeared before the committee.

A loan of Rs.1.97 lac was sanctioned on 20.09.91 out of which Rs.1.70 lac was disbursed upto 21.07.1992 to the unit for manufacturing Plaster of Paris.

A sum of Rs.1.51 lac was outstanding as on 01.03.2009, (principal sum Rs.0.90lac and interest Rs.0.61 lac). MRV of financed assets and third party guarantee is Rs.1.83 lac and Rs.1.25 lac respectively. The status of the unit is reported to be closed and category of loan A/c is doubtful on 31.3.05.

The husband of proprietor approached to settle loan account of unit. Earlier, the case was placed before Spl.HOLC meeting held on 27.3.2008 but the case was closed as nobody turned up before the committee.

The Branch Manager has stated in the proposal that case may be considered for settlement as the unit is lying closed and there is remote chance of revival of unit on account of non-availability of Gypsum

The plant & machinery of the unit is not available at the site and bhattas are in damaged condition as reported by BM. Assessed value of the P&M at the time granting loan was Rs.1.18 lac.

After detailed discussions with the representative of the concern and considering all the facts and position of the case, the committee decided **to settle** the account in a consideration of Rs.1.39 lac less upfront amount of Rs.0.14 i.e net payable settlement amount of Rs.1.25 lac which shall be paid by the party in the month of March, 09.

The representatives of the concern consented to the settlement.

12. **M/s Sailani Stones, Chittorgarh (FR case)**

Shri Arif, Manager of the unit appeared before the committee.

This case was placed before HOLC in its meeting held on 29.04.03 wherein the committee offered to settle the account by waiver of penal interest but loanee did not agree to settle the account, hence, the case was rejected. The concern filed a writ petition in the Hon'ble High Court, Jodhpur, hence, the case has been registered as a grievance case without obtaining upfront amount and registration charges in compliance of orders of the Hon'ble High Court.

In the instant case the Corporation has transferred the assets of M/s Bajrang Stone Polishing Inds, M/s Jeevan Ice Candy and M/s Shree Ram Engineering

Works on mutual consent basis in the name of M/s Sailani Stones, Chittorgarh on 20.11.84. The liability so transferred was Rs. 1.26 lac (deferred loan).

A sum of Rs. 14.77 lac was outstanding as on 01.03.2008, (principal sum Rs. 1.16 lac, interest Rs. 13.58 and other money Rs.0.03 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. The MRV of the financed assets is Rs. 25.75 lac. No collateral security as well as third party guarantee is available. Action u/s 32(G) has already been initiated.

A sum of Rs. 1.44 lac is shown in the loan accounts of the original party i.e. M/s Bajrang Stone Polishing Inds., M/s Jeevan Ice Candy and M/s Shree Ram Engineering Works pertaining to subsidy amount disbursed to these units for which reimbursement was not received from the State Government till the date of mutual transfer, hence, the same is also recoverable from M/s Sailani Stones, Chittorgarh.

The committee discussed the issues raised by the party in the writ petition filed before the Hon'ble High Court and found no force in the issues. However, since the Hon'ble High Court has directed to take a decision after giving opportunity of being heard to the party, hence, the Corporation has listed this case for the fifth time in order to give an opportunity of hearing but despite best efforts and prior notice for attending the meeting dated 07.03.08, 15.03.08, 25.03.08, 27.03.08 and 02.05.08, the party did not turn up which shows that the promoter is not at all serious on its proposal for settlement.

After detailed discussions, the committee decided to **close** the case with the directions that the BO should take suitable action for recovery of Corporation dues."

The party made a representation dated 25.08.08 making request to provide him one more opportunity to appear before the settlement committee as he did not receive the intimation to appear before the committee well in time though as per the record of RFC he was called by the settlement committee five times.

Keeping in view the decision of the Hon'ble High Court pronounced on 12.12.07; operative part as reproduced below, CMD considered the request of the party to provide one more opportunity to appear before the settlement committee:

"In view of the facts and circumstances of the case, since necessarily certain questions of facts are involved in the matter, instead of exercising the jurisdiction under Article 226 of the Constitution of India straightaway, this Court is of the considered opinion that the petitioner should approach the respondent – RFC by way of representation raising all the grievances and issues which he has raised in the present writ petition. Such representation may be filed by the petitioner within a period of four weeks from today. The competent committee constituted by the RFC for settlement of dues in the head office of RFC at Jaipur shall consider the case of the petitioner after affording him a reasonable opportunity of being heard in the matter. Such decision should be taken preferably within a period of three months from the date of filing of representation. A proper order giving brief reasons dealing with various issues raised by the petitioner should be passed by such competent authority. If the petitioner is aggrieved by said

order and if occasion so arises, he will be free to agitate such matter again before appropriate forum including by way of fresh writ petition.”

The matter was again placed before Spl HOLC in its meeting held on 18.03.09. Nobody turned up. However a letter dated 17.03.09 was received through fax from representative of the concern mentioning that the person who shall appear before the committee has gone to Mumbai, hence, consideration of the case was **deferred**.

The case was again placed before Spl HOLC in its meeting held on 26.3.09. The committee discussed the entire issues raised by the party in the writ petition filed before the Hon'ble High Court at length and found no force in the issues.

After detailed discussions with the representative of the concern and considering all the facts and position of the case, the committee offered **to settle** the account in a further payment of Rs.15.00 lac. The party did not give consent to the offer given by the committee, hence the case **rejected**.

13. M/s Nihon Power House Pvt. Ltd., Beawar

Shri Ravindra Kumar Punjabi, director of the committee appeared before the committee.

Two loans of Rs.18.00 lac and Rs.15.00 lac were sanctioned on 14.03.98 and 07.12.99 out of which Rs.14.79 lac and Rs. 14.95 lac was disbursed upto 19.02.2000 to the unit for manufacturing of battery plate.

A sum of Rs.117.76 lac was outstanding as on 01.03.2009, (principal sum Rs.29.35lac, interest 88.39 lac and O.M. Rs.0.02 lac). MRV of financed assets and collateral security is reported to Rs.25.17 lac and Rs.13.36 lac respectively. No third party guarantee is available. The status of the unit has been reported closed and category of loan A/c is doubtful as on 31.3.05.

There was stay from High Court on recovery action from 2001. In the month of Feb'09, the Hon'ble High Court, Jaipur has disposed of the writ petition and given directions as below:

“Considering the undertaking given by the petitioner and his limited request made before RFC, it is directed that the petition shall inform RFC about selling of the house. RFC shall consider the grant benefit of one time settlement scheme to petitioner. The petitioner will be duly bounded to pay the loan amount within three moths from the date of information by RFC.”

The petitioner has given undertaking in the court that in case benefit of OTS is granted by RFC and concession thereunder are granted to petitioner, he will sale his residential house situated at Nand Nagar, Beawar which is kept with RFC as collateral security, and he will pay entire loan amount decided under OTS Scheme. The said amount shall be paid by him within three months after getting information from RFC of the amount payable.

The director stated that right from the very beginning, he has been facing a very critical state of affairs as the product did not remain successful in the market fetching no sales. This was owing to the reason that the product which was being manufactured by the unit was based on old technology and ultimately substituted by the new product being manufactured by the other units as the new product was based on the new technology with no maintenance. He further explained that his mother met with an accident in the year 2001 and had multiple operations and ultimately passed away in the year 2006. His wife also undergone for open heart surgery in Santokba Durlabhji Hospital but the operation did not bring any result. She has suffered with paralysis and at present walking with the help of walker. She is taking medicines on regular basis which are very costly. The director explained that he has come under massive depression on account of these reasons,

After detailed discussions with the representative of the concern and considering all the facts and position of the case and also in the light of orders of Hon'ble High Court dated 13.02.09, the committee decided **to settle** the account in a consideration of Rs.33 lac which shall be paid by the party in ninety days. Interest @ 13% p.a. on simple basis shall be charged from 1.4.09 on the unpaid settlement amount.

The committee also decided that for arranging the funds, if party wishes to sale out his house kept as collateral security with the Corporation, he should make request separately in the light of orders of Hon'ble High Court dated 13.02.09.

The director of the unit consented to the settlement.

14. **Photographer Colour Lab, Kota (DDW Case)**

Nobody turned up, hence consideration of the case was **deferred**.

15. **Chhabra Marble, Udaipur (DDW Case)**

Shri Jagpreet Singh Chhabra, Partner of the concern appeared before the committee.

It is a deficit-decreetal-written off case. An appeal has been filed by the party against the case decided by the BO at Rs.2.96 lac, as the party did not agree to it.

A loan of Rs. 3.32 lac was sanctioned on 15.11.81 out of which Rs.2.80 lac was disbursed upto 31.3.84 for setting up a unit of marble products.

On default in repayment of Corporation dues, the assets of the unit were taken into possession on 31.7.86 and sold on 31.3.88 (P&M Rs.0.88) and on 4.4.89 (L&B Rs.1.00 lac) in a consideration of Rs.1.88 lac. After appropriation of sale proceeds, deficit as on date of sale works out at Rs.186852/- (principal component). A decree was awarded by the Court on 17.11.93 for Rs.265400/- + interest @ 12.5% p.a. from the date of filing of suit. In the case the amount has also been written off to the order of Rs.2.05 lac and written back to the tune of Rs.0.77 lac in the year 1988-89.

ROD has been filed and pending at Tehsildar. Personal guarantee and collateral security are not available. There is no property in the name of partners has been traced out, hence no attachment has been made under L.R.Act by Tehsil. Lady partner Smt. Manjeet Kaur and her husband expired another partner Shri Jagjeet Singh is doing job of selling Red Stone Patties. Also partner Shri Harvinder Singh is working at Engineering Workshop. Party has requested to settle their case on principal deficit.

After detailed discussions and considering all the facts of the case, the committee offered to settle the account in a consideration of Rs.2.54 lac less upfront Rs.0.54 lac, net payable settlement amount Rs.2.00 lac, which is payable in 18 EMIs.

No interest shall be charged upto 30.04.2009 and thereafter i.e. w.e.f. 1.5.09 interest @ 13% p.a. shall be charged on simple basis on the unpaid settlement amount.

The party consented to the settlement.

16. **Sh.Mahendra Pal Arya, Ratangarh (DDW Case)**

Nobody turned up, hence consideration of the case was **deferred**.

17. **Alpana Enterprises, VKIA-Jaipur (DDW Case)**

Shri Anil Srivastava, Director and Shri Rajeev Srivastava s/o another director viz. Y.P.Srivastava appeared before the committee.

It is a deficit-decreetal-written off case. A loan of Rs. 4.30 lac was sanctioned on 29.11.79 out of which Rs.3.94 lac was disbursed upto 28.10.80 for setting up a unit of wire products.

On default in repayment of Corporation dues, the assets of the unit were taken into possession on 24.9.84 and sold on 4.2.87 in a consideration of Rs.4.25 lac. After appropriation of sale proceeds, deficit as on date of sale works out at Rs.2.81 lac (principal component). A decree was awarded by the Court on 2.11.94 for Rs.280859/- + interest @ 12% p.a. from the date of filing till payment. Decree execution application is pending in the court. The party has also filed writ in the High Court. There is stay against recovery of decreetal amount and an appeal has been filed against the stay order. The case has also been written off to the order of Rs.409815/- and written back to the tune of Rs.189978/- in the year 1994-95.

The case was placed in HOLC on 27.02.01. Shri Anil Srivastava appeared before the committee to represent the case. The committee noted that it is a case of deficit and a court decree was also obtained more than 5 years ago. Although the circular charging interest only upto 5 years is not presently operating, yet the specific recommendation of the Branch Manager was taken into consideration and therefore, an offer of settling the account on a sum of

Rs.516778/- was given to the party, which was not acceptable to him, hence the case was rejected.

The party filed an appeal before SLC and its decision on 05.12.02 is here below:-

“Shri Anil Srivastava, one of the directors of the unit presented the case. The committee offered to settle the account on decreed amount plus other money less amount deposited in year 2002. However, Shri Srivastava insisted on adjustment of upfront amount of Rs.50000/- deposited for HOLC which was not found justified by the committee. The director requested for some time to respond to the proposal of the committee. The committee agreed to wait till meeting continues. Since no response was received till last, the appeal was rejected.”

Further an appeal was placed before SLC on 09.07.07 and SLC decision is reproduced here below:

“Shri Anil Srivastava, Director and Shri Rajeev Srivastava son of the Director, appeared before the committee. This is a decretal case. The committee noted that a loan of Rs.4.30 lac was sanctioned in 1979, out of which a sum of Rs.3.94 lac were disbursed, possession of the unit was taken over on 24.09.84 and was sold on 04.02.87 leaving a deficit of Rs.2.81 lac for which action u/s 31 was initiated on which the Hon’ble ADJ Court awarded a decree on 02.11.94 as per which the concern was to make payment of Rs.2.81 lac with interest @ 12% till the deposition of the amount. The party filed an appeal in the Hon’ble High Court in which the decision of the ADJ passing decree was upheld.

The party approached for OTS and deposited upfront amount of Rs.50000/- and the case was placed before HOLC on 27.02.01 in which offer was given to the party for OTS at Rs.5.17 lac but party did not agree and filed appeal which was placed before SLC on 05.12.02 in which the SLC offered to settle the account on decretal amount plus other money less upfront amount of Rs.28585/- but the party did not agree. The party again approached for OTS and case was placed before SLC on 19.05.03 in which the SLC offered to settle the account on decretal amount plus other money less upfront payment of Rs.1.00 lac but the party insisted to adjust the amount earlier deposited as upfront payment which the SLC did not agree, hence, the case was rejected.”

Application for execution of decree was filed on 31.05.03 against which the party filed a writ petition in the Hon’ble High Court on which the Hon’ble High Court in its order dated 14.02.07 directed the corporation to once again place the matter before SLC.

The committee also noted that in this case decree has been passed for Rs.280857/- and other money is Rs.22651/- and interest from the date of filing application (i.e. 15.01.88) to the date of passing decree (decree passed by the ADJ court on 02.11.94) works out to Rs.229364/- and accordingly as per FR-406 the amount works to Rs.532876/-.

After detailed discussions with the director and specially keeping in view the spirit of the judgement of the Hon’ble High Court after considering the fact that

party has deposited Rs.1.78 lacs as upfront amount at various time in all these seven years, the committee offered to settle the account in a further lumpsum payment of Rs.1.50 lac but the party did not agree, hence, the case was rejected.

As per branch report dated 25.1.09 there is no security and no personal guarantee available in the case. The party's proposal is to pay Rs.1.50 lac less amount deposited.

After detailed discussions and considering all the facts of the case, the committee offered to settle the account in a consideration of Rs.1.95 lac less upfront Rs.0.30 lac deposited on 21.1.09, i.e. at a net settlement amount Rs.1.65lac payable in March'09 itself.

The party consented to the settlement.

18. **Sh.Gajendra Singh, Jaipur-City (DDW Case)**

Nobody turned up, hence consideration of the case was **deferred**.

19. **M/s Anurag Cotton Textile Mill P.Ltd. Sriganganagar (DDW Case)**

In view of five opportunities provided to the party for appearing in the meetings dated 25.9.08, 07.11.08, 31.12.08, 04.03.09 and this meeting, nobody turned up, hence the case was **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 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) The party shall withdraw Court case, if any.
- 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 15th of the each month or date specified by the Committee, as the case may be. BO has to ensure that PDCs are invariably taken in such cases.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

**General Manager (Dev.)
MEMBER SECRETARY**

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
Special HOLC Meeting
Dated : 31.03.09

Present:		
Shri Atul Kumar Garg, CMD	:	In Chair
Shri Pawan Arora, ED	:	Member
Shri Rajendra Vijay, GM(D)	:	Member Secy.
Shri Suresh Singhal, FA	:	Member
Shri Dharmveer Jasnani, Manager Incharge(Law)	:	Member

Shri R.P.Meena, DGM(FR-2), Shri L.K. Ajmera, DGM(DDW), Shri A.P. Mathur, DGM(FR), Shri H.C.Khunteta, Manager (DDW), Shri P.D.Verma, Manager (FR-3), Shri Deepak Verma, Manager(ARRC) and Shri Naveen Ajmera, DM(FR) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 26.03.09

Minutes circulated in the meeting, which were confirmed.

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

1. M/s Ajmer Chlorochem Pvt. Ltd., Kishangarh (DDW case)

Shri Subodh Thaparia, Director of the unit appeared before the committee.

It is a deficit case; suit has also been filed u/s 31(1)(aa) on 7.12.01 for recovery of Corporation's dues.

A loan of Rs.31.58 lac and seed capital loan of Rs.4.73 lac were sanctioned to the unit in July,1993, out of which Rs.30.53 lac and Rs.4.65 lac respectively were disbursed upto 26.12.94 for setting up a CPW unit.

In compliance of the Court order possession of the unit was taken over on 08.06.05 and sold on 24.08.05 in a sale consideration of Rs.17.92 lac.

After appropriation of sale proceeds, deficit worked out as on date of sale to the order of Rs.221.82 lac (principal Rs.35.18 lac and interest Rs.186.64 lac).

Application for withdrawal for withdrawal of case u/s 31(1)(aa) has been filed on 05.10.06, court order is awaited and action u/s 32-G has not been initiated yet. There is one guarantor i.e. Shri B P Rathi, who had given the guarantee of Rs.3.94 lac he had reportedly already deposited Rs.3.94 lac as per orders. No

interest there on has been paid, matter of interest pending with the High Court vide branch letter dated 04.10.07. On Party's request, the competent authority has relaxed the condition of upfront amount as per norms and decided at 5% of the principal deficit amount.

The party has proposed to settle the account at Rs.10.00 lac less upfront and balance in interest free instalments.

After discussions and considering all the facts and position of the case, the committee decided to direct the Branch Manager, Kishangarh to submit a certificate with regard to property identification alongwith MRV in respect of all the directors/guarantors in the case for enabling to take a view in the case. Accordingly, the case was **deferred**.

2. M/s Gajendra Singh, Jaipur City (DDW case)

Nobody turned up, hence consideration of the case was **deferred**.

3. M/s Mahendra Pal Arya, Churu (DDW case)

Shri Subhash Chandra Arya, representative of the unit appeared before the committee.

It is a deficit case and deficit has arisen in deferred sale case. The unit has not remained in production. RoD has been sent to Collector, Churu & Collector, Hissar. Case is pending with Revenue authority, Hissar u/s 32G for recovery of deficit amount.

A loan of Rs.2.10 lac was sanctioned to the unit 11.3.93 for setting up a Hawaii Chappal unit. It was a sale unit on deferred payment of the order of Rs.2.10 lac.

On default in repayment of Corporation's dues, the assets were taken into possession on 12.02.97 and sold on 27.12.2000 for Rs.2.00 lac. After appropriation of sale proceeds, deficit worked out as on date of sale to the order of Rs.1.85 lac (approx.) (principal Rs.1.58 lac, interest Rs.0.20 lac, OM.0.07 lac).

The case was settled by Branch Level Committee held on 25.02.09 in consideration of Rs.173100/- less upfront amount of Rs.16500/-. Net settlement amount of Rs.156600/- shall be paid in 12 equal monthly instalments commencing w.e.f. 01.03.09, Interest @ 16% p.a. shall be charged. OM if any debited after above settlement shall also be recoverable from the party. The party made appeal against the above decision. Party's proposal is to pay 50% of total loan

After discussions and considering all the facts and position of the case, the committee decided **to settle** the case at Rs.164820/- less Rs.41200/- upfront deposited Rs.16500/- on 25.2.09 (DLC), and Rs.24700/- on 17.3.09 (Spl. HOLC) thereby on net payable settlement of Rs.123620/- in six equal monthly instalments commencing from April, 2009 to September, 2009.

Interest shall be charged w.e.f. 1.4.09 @ 13% p.a. on simple basis on the unpaid settlement amount.

The party consented to the settlement.

4. M/s Dhanlaxmi Psyllium Processor Pvt. Ltd., Jalore (DDW case)

Shri Ghewar Chand Jain, promoter director of the unit appeared before the committee. It is a deficit case.

The unit was established for manufacturing of Psyllium (Isab gol), but due to non availability of required raw material in the area, as well as change in Directors of the company, the unit, as stated by Shri Jain could not properly run and the Corporation took possession of the unit. At the time of take over there were missing assets for which FIR was also lodged but police authority filed FR in the case. Some P&M were taken in possession by the police in FIR case from Gujrat and same are still lying under the custody of police station, Bhinmal. Branch has issued notice to the company and its guarantors for payment of deficit amount. Reportedly one guarantor has expired and one guarantor settled in London. Shri Ghewar Chand Jain has submitted the request for settlement on behalf of all the guarantor.

A loan of Rs.90.00 lac was sanctioned to the unit on 28.3.92, out of which Rs.81.39 lac was disbursed upto 29.3.94 for setting up a Psyllium unit.

On default in repayment of Corporation's dues, the assets were taken into possession on 4.3.03 and sold on 31.3.06 for Rs.15.21 (P&M) and on 12.3.08 for Rs.60.00 lac (L&B) thereby totaling Rs.75.21 lac. After appropriation of sale proceeds, deficit worked out as on date of sale to the order of Rs.372.38 lac (principal Rs.79.30 lac, interest Rs.293.05 lac, O.M. Rs.0.03 lac). Primary assets have already been sold. Guarantee of directors taken at the time of execution of loan agreement, but value is not available.

After discussions and considering all the facts and position of the case, it was observed that there has been change in directors as well as value of the assets of the guarantor is also not reported. In this light, the case was deferred with the direction to the Branch Manager to examine the case and send complete facts with regard to change in directors, property identification in the name of new directors, value of the guarantee of the director before the next meeting.

Accordingly, the case was **deferred**.

5. M/s Photographer Colour Lab, Kota (DDW case)

Nobody turned up, hence consideration of the case was **deferred**.

6. M/s Anurag Cotton Textile Mills Pvt. Ltd., Sri Ganganagar (DDW case)

Shri Anurag Midha, promoter and his father Shri R.K.Midha appeared before the committee.

It is a deficit as well as appeal case. The case was settled on 31.3.08 at Rs.16.69 lac by the branch level committee, but the party filed appeal to the higher committee against the decision of DLC. ROD is pending with the Tehsildar and the collateral security is reported to be sold out.

A loan of Rs.19.89 lac was sanctioned to the unit on 19.10.94, out of which Rs.15.88 lac was disbursed upto 21.2.97 for setting up a Grey cotton cloth unit.

On default in repayment of Corporation's dues, the assets were taken into possession on 15.12.03 and sold on 7.1.04 Rs.1.70 lac & 28.10.04 Rs.11.00 lac, totaling Rs.12.70 lac. After appropriation of sale proceeds, deficit worked out as on date of sale to the order of Rs.29.75 lac (principal Rs.15.85 lac, interest Rs.13.85 lac, OM.0.05 lac).

After discussions and considering all the facts and position of the case, the committee decided **to settle** the case at Rs.15.90 lac, less upfront deposited Rs.3.18 lac (Rs.143100/- on 9.5.08, Rs.159000/- on 10.3.08 and Rs.15900/- on 3.11.08), thereby on net payable settlement of Rs.12.72 lac in six equal monthly instalments commencing from April, 2009 to September, 2009.

No interest shall be charged upto 30.04.2009 and thereafter i.e. w.e.f. 1.5.09 interest @ 13% p.a. shall be charged on simple basis on the unpaid settlement amount.

The party consented to the settlement.

7. M/s Maruti Copper Industries, Pali (DDW case)

Shri Dinesh Goyal, partner and Shri Ramesh Goyal husband of another partner Smt.Raj Rani appeared before the committee.

It is deficit case and appeal against DLC decision vide letter dated 24.3.09. RoD filed and case registered with SDO, Pali and is pending since 25.11.06. Case was settled by DLC on 24.03.09 in consideration for Rs.1385500/- only less upfront amount for Rs.132000/-. Net settlement amount is Rs.1253500/-. Aggrieved with the decision of DLC party has made appeal to settle their account after deducting the sale price of Rs.6.16 lac from the principal amount.

A loan of Rs.15.00 lac was sanctioned to the unit 6.1.97, out of which Rs.12.39 lac was disbursed upto 27.6.97 for setting up a copper wire (coil) unit.

On default in repayment of Corporation's dues, the assets were taken into possession on 19.9.2000 and sold on 29.3.03 for Rs.1.05 lac (DG Set) and on 3.11.03 for Rs.5.11 lac (L&B and P&M) totaling Rs.6.16 lac. After appropriation of sale proceeds, deficit worked out as on date of sale to the order of Rs.17.01

lac approx. (principal Rs.13.14 lac, interest Rs.3.82 lac, OM.0.05 lac). Present value of third party guarantee comprising parental house of a partner worth Rs.12 to 15 lac and house of Shri Ramsukh Goyal, partner worth Rs.15 to 16 lac were also reported by the branch.

After discussions and considering all the facts and position of the case, the committee decided to settle the case at Rs.13.20 lac, less upfront deposited Rs.2.64 lac (Rs.1.32 lac at BO and Rs.1.32 lac at HO on 24.3.09) thereby on net payable settlement at Rs.10.56 lac in three equal monthly instalments commencing from April, 2009 to June, 2009.

No interest shall be charged upto 30.04.2009 and thereafter i.e. w.e.f. 1.5.09 interest @ 13% p.a. shall be charged on simple basis on the unpaid settlement amount.

The party consented to the settlement.

8. M/s Ashok Kumar Nenawati, Bhilwara (FR case)

Nobody turned up. However, a fax message dated 30.03.09 received from the concern. In that consideration, the case was discussed.

A term loan of Rs.1.23. lac was sanctioned to the concern on 10.11.1982 which was availed by the concern upto 04.02.1983. The loan was granted for purchase of a Tractor Compressor.

A sum of Rs.0.73 lac was outstanding as on 01.03.2009, (principal sum Rs.0.00lac and interest Rs.0.73 lac). MRV of financed assets i.e. Tractor compressor could not be assessed by Branch Office as the Tractor compressor was not available at Bhilwara. No collateral security is available. However, personal guarantee is there but value of the same not reported by Branch Office

It is a case of Tractor Compressor. Account was squared up in 1990. When party approached for NOC, the account was reconciled and on reconciliation of account debit balance against interest of Rs.5,892/- raised on 2.2.1990 which has accumulated to Rs.72949/- as on 1.3.09. As informed by the BO, tractor compressor (prime asset) is not available at Bhilwara hence MRV not reported. Since no principal sum is due in the account, hence, against upfront payment the initial debit balance of interest Rs.5,892/- say Rs.6,000/- deposited by the party on 12.3.2009.

After detailed discussions and considering all the facts and position of the case, the committee decided **to settle** the account in a consideration of Rs. 0.25 lac less upfront amount of Rs. 0.06 lac i.e. at the net payable settlement amount of Rs. 0.19 lac which shall be paid by the party immediately.

The proprietor of the concern has already consented to pay the amount to the extent of Rs.25,000/- (in total) through a letter transmitted on fax on 30.03.09.

9. M/s Ramdev Salt Industries, Makrana (ARRC case)

Shri Nasir Khan and Shri Ramdev, partners of the unit, appeared before the committee.

A loan of Rs.2.67 lac was sanctioned on 27.2.92 out of which Rs.2.11 lac was disbursed upto 16.7.92.

Due to non payment of Corporation dues, possession of the unit was taken over on 17.12.08. A sum of Rs.46.28 lac was outstanding as on 1.3.09 (principal sum Rs. 1.86 lac, interest Rs.44.39 lac and other money Rs.0.03 lac). If interest for the possession period on simple basis is included amounting to Rs.2.82 lac outstanding becomes Rs. 49.10 lac. MRV of financed assets is Rs. 4.94 lac as on 17.12.08. No Collateral security and third party guarantee is available in the case. Category of loan account is doubtful as on 31.3.05.

The Committee noted that highest offer for sale of assets of the unit was received in the open auction for Rs. 2.25 lac only which was rejected

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.2.88 lac less upfront amount of Rs.0.28 lac i. e. at a net payable settlement amount of Rs.2.60 lac which shall be paid by the party in five equal instalments commencing from April, 09.

No interest shall be charged upto 30.4.09 and thereafter w.e.f. 1.5.09 interest shall be charged @ 13% p.a. on simple basis on the unpaid settlement amount.

The representative of the unit consented to the settlement.

10. M/s TPL Industries Ltd, Bhilwara (ARRC case)

Shri V.S. Tiwari, Director, appeared before the Committee.

A loan of Rs. 100.00 lac was sanctioned on 7.3.01 and complete sanctioned loan was disbursed upto 10.3.03.

The loan account of the unit was categorised as Standard as on 31.3.05. The case has been registered for OTS on 30.3.09 after due relaxation granted by the competent authority regarding categorisation of loan account and last date of disbursement keeping in view that the company's reference is pending before BIFR since May, 2006.

A sum of Rs.126.31 lac was outstanding as on 1.3.09 (principal sum Rs. 84.16 lac, interest Rs.42.14 lac and other money Rs.0.01 lac). MRV of financed assets is yet to be calculated. However, the company has provided valuation of assets from private chartered valuer, which was not considered by the Committee.

After detailed discussions with the representative and considering all the facts and position of the case, the Committee decided **to defer** the case with the direction that MRV of financed asset be got carried out from Branch Office. Value of guarantee given by the Directors may also be worked out.

11. M/s Daya Dresses, Jaipur-City (DDW Case)

The above case was submitted before the committee with permission of Hon'ble Chair. The case was forwarded by the Jaipur-City branch vide their letter dated 30.3.09 and received at HO on 31.3.09 i.e. on the date of meeting.

It is a deficit-written off case.

A loan of Rs.0.40 lac was sanctioned to the unit on 4.10.83, out of which Rs.30300/- was disbursed for setting up a Readymade garment unit.

On default in repayment of Corporation's dues, the assets were taken into possession on 5.2.92 and sold on 27.7.94 for Rs.1000/-. After appropriation of sale proceeds, deficit worked out as on date of sale to the order of Rs.1.31 lac (principal Rs.0.30 lac, interest Rs.0.98 lac and OM Rs.0.03 lac).

The case has been written off for Rs.33340/- and written back for Rs.97834/- in the year 1994-95. ROD is pending with the District Collector, Jaipur. The promoter being widow, vide representation to the Hon'ble CMD made a request to waive 5% recovery charges towards 32G and settle its account on written off amount upto 31.3.09. On taking into account the party's request, the committee decided **to settle** the loan account in a consideration of Rs.33400/-.

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) The party shall withdraw Court case, if any.
- 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 15th of the each month or date specified by the Committee, as the case may be. BO has to ensure that PDCs are invariably taken in such cases.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

**General Manager (Dev.)
MEMBER SECRETARY**

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
Special HOLC Meeting
Dated : 24.04.09

Present:		
Shri Atul Kumar Garg, CMD	:	In Chair
Shri Pawan Arora, ED	:	Member
Shri Rajendra Vijay, GM(D)	:	Member Secy.
Shri Suresh Singhal, FA	:	Member
Shri Dharam Veer, Manager (I/c – Law)	:	Member

Shri R.P.Meena, DGM(FR-2), Shri L.K. Ajmera, DGM(DDW), Shri A.P. Mathur, DGM(FR), Shri M.R.Chhinwal, DGM (ARRC), Shri P.D.Verma, Manager(FR-3), and Shri Deepak Verma, Manager(ARRC) were also present.

I **Confirmation of the minutes of Spl. HOLC meeting held on 31.03.09**

Minutes were confirmed.

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

1. **M/s Gajendra Singh, Jaipur City (DDW case)**

Nobody turned up hence, consideration of the case was **deferred**.

2. **M/s. Photographer Colour Lab, Kota (DDW case)**

Nobody turned up, hence consideration of the case was **deferred**.

3. **M/s Mana Ram Bhura Ram, Nagaur (FR case)**

Preliminary enquiry in case of M/s. Mana Ram Bhura Ram was referred to FR Section and the competent authority directed to conduct PE to examine the matter and name the erring officials. Detailed enquiry was conducted and submitted before the competent authority i.e. CMD and after due consideration it was decided to place the matter before Spl. HOLC for reconsideration keeping in view the findings of PEO.

The case was placed before Spl. HOLC in its meeting held on 6.7.07 and it was observed by the Committee that the Branch Office, Nagaur has fixed the monthly EMI on lower side. The party was almost regular in paying instalments. The

promoter of the concern represented before the Committee that they were not at fault and they are not liable for any further payment. The Committee decided to recover 50% on simple rate of interest from the concerned erring officials.

Earlier, the case was placed before HOLC in the meeting held on 20.12.03. The case was deferred with the instructions that the amounts arrived at by applying different mode of calculations be placed before the Committee. Accordingly, the case was placed in the meeting of HOLC on 9.3.04 and it was decided that keeping earlier decision in similar type of cases and facts of the case in view, the account may be settled by charging simple documented rate of interest on amount remaining outstanding as on LDR taking revised instalments into consideration and recasting the account as per the norms of the Corporation. The amount so calculated will be payable in monthly instalments from March to December alongwith simple rate of interest. The party consented to the settlement. However, instead of making payment as per the settlement, the party again represented their case on various occasions.

The case was examined by the Accounts Section on representation dated 22.12.2006 of the party in which it has been pointed out that the borrower was almost regular in making payment of the instalments. Had the Branch calculated the instalment amount correctly, which comes to Rs. 9100/- p.m., the loan could have been repaid within the stipulated period. But due to wrong fixation of instalments, the account showing balance on the last date of repayment.

The case was placed before Spl. HOLC on 27.01.07 where following decision was taken:

- a) The account may be settled by accepting principle sum plus 50% of simple interest thereon arrived at by way of recasting of account on the basis of correct EMI. 50% of the simple interest is to be charged from the party only upto date when the party first time made request to the Corporation for settlement o account by depositing requisite registration fees and upfront amount and any amount paid for settlement earlier which also be credited by 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 the date of payment shall be recovered from the erring officials.

Accordingly, PE was conducted by the Enquiry Officer who concluded that there has been mistake in calculation of EMI as the effect of enhanced instalment was left inadvertently, however, the mistake can be considered as a bonafide mistake.

The report of the Preliminary enquiry was appraised to the Spl. HOLC and it was decided by the Committee that in the light of findings of PEO, the matter may be dealt with on the concerned file by the Vigilance Section in order to get the case regularized by the competent authority.

4. **M/s Vasiuddin S/o Shri Allauddin, Chittorgarh (DDW Case)**

Shri Vasiuddin S/o Shri Allauddin, proprietor and Smt. Shamshad Begum wife of the proprietor appeared before the committee.

It is a deficit-decreetal as well as appeal case. The BO has settled the account on 19.3.09 in a consideration of Rs.229261/- less upfront deposited Rs.17800/- i.e. net payable settlement amount Rs.211461/-. Aggrieved with the decision of DLC, the party made an appeal by depositing registration fee of Rs.5000/- and upfront amount of Rs.17800/-. Action u/s 31(1)(aa) taken against the mortgagor guarantor.

A loan of Rs.1.74 lac was sanctioned on 30.10.93 and disbursed a sum of Rs.1.66 lac upto 4.3.94 for purchase of a Tractor-Trolley.

On default in repayment of the Corporation's dues , the assets of the unit were taken over on 29.1.01 and sold in a consideration of Rs.1.28 lac on 28.7.01. After appropriation of the sale proceeds, deficit as on date of sale worked out at Rs.170594/- (principal Rs.138986/-, Intt. Rs.30828/- and OM Rs.780/-).

The Hon'ble Court passed decree on 6.12.03 for Rs.170594/- + 12% interest. The guarantor has filed a writ petition on 11.2.04 before the High Court against the decision of Lower Court. The High Court (SB) has rejected the writ petition. Then guarantor filed an appeal in the High Court (DB). Meanwhile the BO has filed execution application on 31.8.05, since there was no stay granted by the Hon'ble High Court. The Court decided auction of property of mortgagor guarantor on 23.8.06 and 24.8.06. But no bidder turned up. There is collateral security in the case worth Rs.2.30 lac. The party's request is to settle the account at Rs.60000/-. Promoter as well as guarantor, both are from BPL category.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.1.51 lac less upfront of Rs.0.36 lac (rounded off) deposited (Rs.17800/- on 27.2.09, Rs.12800/- on 27.3.09 and Rs.5000/- on 30.3.09) i.e. net payable settlement amount of Rs.1.15 lac in 6 equal monthly instalments.

No interest would be charged upto 30.4.09 and thereafter w.e.f. 01.05.09 interest @ 13% p.a. on simple basis shall be charged on unpaid amount of settlement.

The party consented to the settlement.

5. **M/s Bhanwar Lal Khatik, Chittorgarh (DDW Case)**

Shri Bhanwar Lal Khatik, proprietor appeared before the committee.

It is a deficit, decreetal and written off as well as appeal case.

The BO has settled the case on 25.03.09 in a consideration of Rs.77312/-.

A loan of Rs.193939/- was sanctioned on 1.2.88 (mutual sale case) and disbursed a sum of Rs.1.45 lac upto 1.2.88 for transport loan on deferred payment basis.

On default in repayment of the Corporation's dues , the assets of the unit were taken over on 30.6.89 and sold in a consideration of Rs.1.12 lac on 3.10.89. After appropriation of the sale proceeds, deficit as on date of sale worked out at Rs.82700/- (principal Rs.73,630/- and OM i.e. Mortgage expenses Rs.9070/-).

BO has filed case u/s 31(1)(aa) and obtained decree on 11.4.97 for Rs.135410/- + Intt. @ 20% from the date of filing. Further, on execution the Hon'ble Court had sold the collateral security in a consideration of Rs.38011/-. The collateral security has been auctioned on 10.2.04 and proceeds received through auction on 26.10.05 from court and appropriation of Rs.28941/- against BDRC & Rs.9070/- against MGE. The account was written off in the year 1991-92 of the order of Rs.73630/-.

BO has filed ROD u/s 32G on 1.1.08, which is in process. The Collector further sent the ROD to Tehsil on 26.3.08. It is a S.C and BPL case. U/s 32G, the property has been identified in the name of the borrower worth Rs.1.59 lac comprising 1/5th share in Agriculture Land of 172 Hectare as well as residential house. The party's proposal is to settle the case at Rs.30000/-.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the in a consideration of Rs.0.83 lac less sale proceeds received towards collateral security Rs.0.38 lac less upfront Rs.0.15 lac (rounded off) i.e. net payable settlement amount of Rs.0.30 lac in three equal monthly instalments.

No interest would be charged upto 30.4.09 and thereafter w.e.f. 01.05.09 interest @ 13% p.a. on simple basis shall be charged on unpaid amount of settlement.

The party consented to the settlement.

5. M/s TPL Industries Ltd, Bhilwara (ARRC case)

Shri V.S. Tiwari, Director, appeared before the Committee.

A loan of Rs. 100.00 lac was sanctioned on 7.3.01 and complete sanctioned loan was disbursed upto 10.3.03.

The loan account of the unit was categorised as Standard as on 31.3.05. The case has been registered for OTS on 30.3.09 after due relaxation granted by the competent authority regarding categorisation of loan account and last date of disbursement keeping in view that the company's reference is pending before BIFR since May, 2006.

A sum of Rs.126.31 lac was outstanding as on 1.3.09 (principal sum Rs. 84.16 lac, interest Rs.42.14 lac and other money Rs.0.01 lac). MRV of financed assets is Rs. 339.00 lac.

It is a joint finance case with IDBI & IFCI. SBBJ has provided working capital facilities to the company. Outstanding dues of other financial institutions are as under:

(Rs. in lacs)

IDBI	:	434.87	(letter dated 4.4.06)
IFCI	:	102.86	(letter dated 8.6.07)
SBBJ	:	314.12	(letter dated 23.4.09)

The committee also noted that Promoter Director Smt. Sushila Devi owned a house at A-165, Shastri Nagar, Bhilwara earlier but the same is reported to have been gifted few months back to her daughter. At the time of sanction of loan by RFC in the year 2000-01, the house of Shastri Nagar was valued at Rs. 40.00 lacs (approx.) and now the BO has reported DLC value of Rs. 57.53 lac only.

After detailed discussions with the representative Shri V.S. Tiwari and considering all the facts and position of the case, the Committee offered to settle the account by waiving penal interest charged since beginning in the account i.e. Rs. 3.20 lac, thereby the company was offered to settle the account in a consideration of Rs. 123.11 lac less upfront amount of Rs. 9.00 lac i.e. net payable settlement amount of Rs 114.11 lac.

The party did not give consent to the offer given by the Committee, hence, the case was **rejected**.

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) The party shall withdraw Court case, if any.
- 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 15th of the each month or date specified by the Committee, as the case may be. BO has to ensure that PDCs are invariably taken in such cases.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

General Manager (Dev.)
MEMBER SECRETARY

**RAJASTHAN FINANCIAL CORPORATION
(FR Division)**

Minutes of the meeting of Spl.HOLC held on 12.5.2009 at 11.30 a.m under the chairmanship of Shri A.K.Garg, IAS, CMD.

Following were present:

Shri Pawan Arora, Executive Director	:	Member
Shri Suresh Singhal, FA/GM(A/c)	:	Member
Shri L.K.Ajmera, DGM(DDW)	:	Member Secretary
Shri P.K.Singh, DGM(Loans-I)	:	Member
Shri Dharamveer, Manager (I/c-Law)	:	Member

Shri A.P. Mathur, DGM(FR-1), Shri M..R. Chhinwal, DGM(ARRC), Shri H.C. Khunteta, Manager (DDW), Shri P.D.Verma, Manager(FR-3), Shri Deepak Verma, Manager(ARRC) and Shri Naveen Ajmera, DM(FR) were also present.

I. Confirmation of the minutes of Spl. HOLC meeting held on 24.04.2009.

Minutes were confirmed.

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

1. M/s Manoj Granite, Behror (ARRC Case):

Nobody turned up, hence consideration of the case was deferred.

2. M/s Gajendra Singh, Jaipur-City (DDW Case)

Nobody turned up before the committee. However, the committee observed that the case has been placed before it more than 3 times so far. Accordingly, the committee decided the case as follows:

A loan of Rs.1.35 lac was sanctioned on 26.6.95 and disbursed a sum of Rs.105227/- being a mutual sale case to Shri Gajendra Singh for mini bus.

On default in repayment of the Corporation's dues, the assets of the unit were taken over on 20.3.95 and sold in a consideration of Rs.45000/- on 19.7.95. After appropriation of the sale proceeds, deficit as on date of sale worked out at Rs.114806/- (principal Rs.105227/-, Intt. Rs.9579/-).

It is a deficit case ROD is pending at District Collector, Jaipur. The BM has forwarded the case as the principal deficit is more than Rs.1.00 lac and the value of collateral security is more than 200% i.e. 3.91 lac.

In view of above, the committee decided to settle the account, in absentia, in a consideration of Rs.1.21 lac inclusive of RoD charges less upfront Rs.11000/- deposited on 31.10.08 i.e. net payable settlement amount of Rs.1.10 lac to be payable within 30 days.

No interest would be charged upto 31.5.09 and thereafter w.e.f. 1.6.09 interest @ 13% p.a. on simple basis shall be charged on unpaid amount of settlement.

3. M/s Photographer Colour Lab, Kota (DDW Case)

Nobody turned up before the committee. However, the committee observed that the party has been given more than 3 opportunities to appear before the committee, but failed to avail, hence the committee decided to close the case.

4. M/s Ajmer Chlorochem Pvt. Ltd., Kishangarh (DDW case)

Shri Subodh Thaparia, Director of the unit appeared before the committee.

The case was placed before the Spl.HOLC in its meeting held on 31.3.09 and following decision was taken:

“It is a deficit case; suit has also been filed u/s 31(1)(aa) on 7.12.01 for recovery of Corporation’s dues.

A loan of Rs.31.58 lac and seed capital loan of Rs.4.73 lac were sanctioned to the unit in July,1993, out of which Rs.30.53 lac and Rs.4.65 lac respectively were disbursed upto 26.12.94 for setting up a CPW unit.

In compliance of the Court order possession of the unit was taken over on 08.06.05 and sold on 24.08.05 in a sale consideration of Rs.17.92 lac.

After appropriation of sale proceeds, deficit worked out as on date of sale to the order of Rs.221.82 lac (principal Rs.35.18 lac and interest Rs.186.64 lac).

Application for withdrawal of case u/s 31(1)(aa) has been filed on 05.10.06, court order is awaited and action u/s 32-G has not been initiated yet. There is one guarantor i.e. Shri B P Rathi, who had given the guarantee of Rs.3.94 lac he had reportedly already deposited Rs.3.94 lac as per orders. No interest there on has been paid, matter of interest pending with the High Court vide branch letter dated 04.10.07. On Party’s request, the competent authority has relaxed the condition of upfront amount as per norms and decided at 5% of the principal deficit amount.

The party has proposed to settle the account at Rs.10.00 lac less upfront and balance in interest free instalments.

After discussions and considering all the facts and position of the case, the committee decided to direct the Branch Manager, Kishangarh to submit a

certificate with regard to property identification alongwith MRV in respect of all the directors/guarantors in the case for enabling to take a view in the case. Accordingly, the case was deferred.

In compliance of above decision, we have called a certificate with regard to property identification alongwith MRV in respect of all the Directors / Guarantors from BO Kishangarh.

The BO has forwarded a visit reports dated 11.11.08 (SO Delhi) & 04.05.09 (BO Kishangarh). As per visit report no property found in the name of Directors at Ajmer. One Director namely Shri Subodh Taparia having a parental house at Nagina Bagh, Ajmer in the name of his father Shri B K Taparia. The approx. value of the house is Rs.35.00 to 40.00 lac”.

On further legal examination of the copies of the documents produced by the promoter director of the unit with regard to properties situated at Naginabad Kothi, Ajmer as well as at Safdarjang Development Area, New Delhi, the Law Cell has opined that in the properties situated at Naginabad Kothi, Ajmer Shri Bal Kishan Taparia father of Shri Subodh Taparia is having $\frac{1}{4}$ undivided share and in the properties situated at Safdarjang Development Area, New Delhi, Shri Bal Kishan Taparia has ownership right in the area purchased and shown in the sale deed dated 18.9.2002.

Both the above properties are in the name of Shri Bal Kishan Taparia, who is reported as father of Shri Subhod Taparia, director in the said company, but on perusal of the above documents Shri Subodh Taparia is not having any ownership right in the said property, unless and until the said property is transferred in the name of Shri Subodh Taparia by the present owner Shri Bal Kishan Taparia through some registered Transfer Deed. Therefore, on the basis of above title documents, the Corporation can not recover its dues which are due from Shri Subodh Taparia, as the properties are not in his name.

In view of above facts and position of the case, the committee decided to place the matter before the Board for taking a decision, since the party's request for Rs.10.00 lac less upfront and balance in interest free instalments is substantially below the principal amount.

5. M/s Pawansut Marble Industries, Tonk (DDW Case)

Shri Kamlesh Kumar Meena and Shri Om Prakash Bansal representatives of the unit appeared before the committee.

It is a deficit-decreetal-write off case. Two loans of Rs.2.00 lac on 21.10.80 and another loan of Rs.0.66 lac on 7.1.82 were sanctioned, out of which Rs.2.00 lac upto 30.12.81 and Rs.0.49 lac upto 5.1.83 respectively were disbursed for marble tiles unit.

On default in repayment of the Corporation's dues, the assets of the unit were taken over on 2.12.87 and sold in a consideration of Rs.141000/- on 30.3.88. After appropriation of the sale proceeds, deficit as on date of sale worked out at Rs.359796/- (principal Rs.151083/-, Intt. Rs.203618/- and OM Rs.5095/-).

A decree has also been obtained in the case on 28.8.02 for Rs.359796/- + 12.5% interest from 30.11.92. Application for execution of decree has been filed on 20.01.04 and action u/s 30/29 taken. Appeal has been filed in High Court on 14.09.05 against the judgement of Decree dated 28.08.02 which is on final argument.

It is a written off case also and the amount written off is Rs.154443/- and written back is Rs.205353/-. Court expenses debited after write off is Rs.25071/-.

The present value of third party guarantee in the case is to the tune of Rs.9.25 lac. The case was also earlier placed before HOLC in its meeting held on 21.03.02, the decision of said committee was not accepted to the promoters and case was rejected by the committee. "Shri Kamlesh Kumar Mangal appeared before the committee. He offered to settle the account only as a meager sum of Rs.20000/- which was not acceptable to the committee hence the case was rejected."

The party's proposal to settle the account is on principal amount less upfront Rs.15000/- deposited on 27.9.01 and Rs.36000/- deposited on 18.3.09 i.e. the net amount Rs.1.03 lac.

After considering all the facts and position of the case, the committee offered to settle the account at decretal amount of Rs.359796/-. However, the representative did not accept the committee's offer, therefore the case was rejected and the BM was directed to pursue the execution of decree in the case so as to have the property attached on priority and effect recovery of the Corporation dues. The BM may also explore the legal measures in the case for recovery of Corporation dues on priority basis.

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) The party, if any, shall withdraw Court case.
- 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 15th of the each month or date specified by the Committee, as the case may be. BO has to ensure that PDC's are invariably taken in such cases.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

(L.K.Ajmera)
Dy.Gen.Manager(DDW)
MEMBER SECRETARY

**RAJASTHAN FINANCIAL CORPORATION
(FR Division)**

Minutes of the Special HOLC meeting held on 05.06.2009 at 11.30 a.m under the chairmanship of Shri A.K.Garg, IAS, CMD.

Following were present:

Shri Suresh Singhal, FA/GM(A/c)	:	Member
Shri P.K.Singh, DGM(Loans-I)	:	Member
Shri Dharamveer, Manager (I/c-Law)	:	Member
Shri Rajendra Vijay, GM(D)	:	Member Secretary

Shri R.P.Meena, DGM(FR-1), Shri L.K.Ajmera, DGM(DDW), Shri A.P.Mathur, DGM(FR-2), Shri M..R. Chhinwal, DGM(ARRC), Shri H.C. Khunteta, Manager (DDW), Shri J.N.Sharma, Manager (FR-1), Shri P.D.Verma, Manager(FR-3), Shri Deepak Verma, Manager(ARRC) and Shri Naveen Ajmera, DM(FR) were also present.

I. Confirmation of the minutes of Spl. HOLC meeting held on 12.05.2009

Minutes were confirmed.

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

1. M/s Manoj Granite, Neemrana, Behror (ARRC Case):

Shri Balbeer Singh, proprietor appeared before the committee.

A loan of Rs. 5.35 lac was sanctioned on 17.8.96 out of which Rs.4.54 lac was disbursed upto 16.1.97.

Due to non payment of Corporation dues, possession of the unit was taken over on 22.5.08. A sum of Rs. 35.50 lac was outstanding as on 1.12.08 (principal sum Rs.4.54 lac, interest Rs. 30.80 lac and other money Rs.0.16 lac). MRV of prime assets was Rs. 27.83 lac as on 25.5.08. No third party guarantee is available in the case. Category of loan account is doubtful as on 31.3.05.

After detailed discussions with the representative and considering all the facts and position of the case, the Special HOLC offered to settle the account in a consideration of Rs. 25.00 lac less upfront amount of Rs. 1.43 lac (Rs. 0.73 lac deposited for waivment of penal interest on 28.7.08 and Rs. 0.70 lac for Special HOLC).

The representative of the concern did not give consent to the settlement, hence the case was rejected with the directions to the B.O. to take necessary action for recovery of Corporation dues.

2. **M/s Dhaneey Singh s/o Shri Ishwar Singh (DDW Case)**

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

3. **M/s Sunder Singh Balai, Sikar (DDW Case):**

Shri Sunder Singh Balai, proprietor of the case appeared before the committee. It is a deficit case.

A loan of Rs.3.16 lac and seed capital loan of Rs.0.63 lac was sanctioned on 23.8.91 for purchase of a truck out of which a sum of Rs. 3.08 lac and Rs. 62,700/- respectively was disbursed upto 10.3.92.

On default in repayment of Corporation's dues, the assets were taken into possession on 2.8.2000 and sold on 13.2.01 for Rs.1.50 lac. After appropriation of sale proceeds, deficit worked out as on date of sale to the order of Rs. 7.38 lac (approx.) (principal Rs. 3.48 lac, interest Rs. 3.90 lac).

In the case there is collateral security as well as third party guarantee for residential houses worth Rs. 20.53 lac in total, being MRV. The case was earlier decided by the BO on 22.1.07 in a consideration of Rs. 5,24,083/- less upfront Rs. 53,000/- net payable amount Rs.4,71,083/- but party has not deposited the settlement amount. Legal notice u/s 32G issued on 4.10.01. ROD sent to Collector, Sikar on 18.9.02 and is pending at SDM Office, Sikar.

Since MRV of the collateral security is more than 200% of principal deficit amount, hence the case was placed before the committee.

After discussions and consideration of all the facts and position of the case, the committee offered to revive the settlement arrived at by the BO on 22.1.07 plus interest @ 16% on the settlement amount till date but the party did not give consent to it, therefore, the case was rejected.

In this light the BO, Sikar is directed to pursue the recovery proceedings against the unit as well as expedite the ROD pending with SDM, Sikar so as to ensure attachment of the assets for effective recovery of the dues on priority.

4. **M/s Modern Refractories, Pilani (DDW Case):**

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

5. **M/s R.J.Tubes & Rodes Pvt. Ltd., Abu Road (DDW Case)**

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

6. **M/s Gurudev Singh, Sri Ganganagar (DDW Case)**

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

7. **M/s Gajendra Industries, Deeg, Bharatpur (FR Case)**

Nobody turned up.

The case was earlier placed before the Spl HOLC in its meeting held on 04.03.2009 and following decision was taken:

“Smt Raj Kumar wife of the partner and Shri Kumar Sen, son of the partner of the unit appeared before the committee.

A term loan of Rs.1.17 lac was sanctioned to the concern on 08.07.77 for the purpose of setting up a unit of processing of Gram Dal, out of which Rs.1,05,750/- were disbursed upto 07.06.1978.

When the loan was sanctioned, the firm was consisting of two partners viz. Shri Nathi Singh and Shri Gajendra Singh of which Shri Nathi Singh has expired on 12.12.07. Shri Kunwar Singh, son of Shri Nathi Singh has got the case registered for settlement.

A sum of Rs. 76.88 lac (principal sum Rs.1.06 lac, interest Rs. 75.70 lac and other money Rs.0.12 lac) was outstanding as on 01.12.2008. MRV of financed assets is reported to Rs.18.50 lac. Neither collateral security nor third party guarantee is available. The category of loan A/c is doubtful as on 31.3.05.

The unit is lying closed since 31.03.1992.

Due to non payment of Corporation dues, the possession was fixed for take over of fixed assets u/s 29 on 22.9.2000 and 06.02.01 but the same could not be taken over as reported by BO, Bharatpur. The BO has reported that the family of deceased Shri Nathi Singh has been residing in the left portion of the building of the unit.

They were persuaded to vacate the premises but they did not vacate and not allowed to enter in the unit. Police force could not be available at the time of possession.

The concern appealed in ADJ Court, Deeg against action u/s 29 but Hon'ble Court dismissed the appeal on 29.08.01. The concern filed appeal No. 980/01 against the decision of ADJ Court, Deeg in Hon'ble High Court which has been dismissed on 21.01.08.

After detailed discussions and considering all the facts and position of the case, the committee observed that the Branch Office should make efforts to identify the properties owned by the partner of the unit. The committee decided that the case may again be placed for consideration with such details“

The Branch Manager, Bharatpur has forwarded the details of properties owned by the partners of the unit and reported agriculture land measuring 1.70 hectares (10.63 bighas) situated at Village Khedia, Deeg. The photocopy of jamabandi enclosed herewith. The MRV of the agriculture land reported by BO is Rs.12.00 lac. The BO has further reported that maximum land has been mortgaged to SBBJ, Deeg as mentioned in the Khatedari statement.

The case was placed before the Spl HOLC in its meeting held on 5.6.09 and following decision was taken:

Nobody from the promoter side attended the meeting, however, earlier in Spl. HOLC meeting held on 4.3.09 Smt Raj Kumar wife of the partner and Shri Kumar Sen, son of the partner of the unit appeared before the committee.

The committee observed that the personal property of the partners i.e. agriculture land has been reported to mortgage to SBBJ, Deeg as mentioned in the Khatedari statement and the MRV of primary security of the unit is reported to Rs.18.50 lac. The marketable value of the primary security can be considered 75% of the MRV i.e. Rs.13.87 lac. Keeping in view all the facts and position of the case, after discussions, the committee decided to settle the case, in absentia, for a consideration of Rs.13.87 lac (i.e. 75% of the MRV of the primary assets) less upfront fee Rs.0.13 lac i.e. at a net settlement amount of Rs.13.74 lac payable in five equal monthly installments commencing from July, 2009.

No interest would be charged upto 30.06.09 and thereafter w.e.f. 01.07.09 interest @ 13% p.a. on simple basis shall be charged on unpaid amount of settlement.

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) 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).
- 3) The party, if any, shall withdraw Court case.
- 4) Actual other money not debited and not considered at the time of settlement 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 15th of the each month or date specified by the Committee, as the case may be. BO has to ensure that PDC's are invariably taken in such cases.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

**GENERAL MANAGER(D)
MEMBER SECRETARY**

**RAJASTHAN FINANCIAL CORPORATION
(FR Division)**

Minutes of the Special HOLC meeting held on 09.07.2009 at 11.30 a.m under the chairmanship of Shri A.K.Garg, IAS, CMD.

Following were present:

Shri Pawan Arora, ED	:	Member
Shri Suresh Singhal, FA/GM(A/c)	:	Member
Shri P.K.Singh, DGM(Loans-I)	:	Member
Shri Dharamveer, Manager (I/c-Law)	:	Member
Shri Rajendra Vijay, GM(D)	:	Member Secretary

Shri R.P.Meena, DGM(FR-1), Shri L.K.Ajmera, DGM(DDW), Shri A.P.Mathur, DGM(FR-2), Shri M..R. Chhinwal, DGM(ARRC), Shri H.C. Khunteta, Manager (DDW), Shri J.N.Sharma, Manager (FR-1), Shri P.D.Verma, Manager(FR-3), Shri Deepak Verma, Manager(ARRC) and Shri Naveen Ajmera, DM(FR) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 05.06.09

Minutes were confirmed.

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

1. M/s Intex Containers (P) Ltd., Bhiwadi (DDW Case)

Mr. P.R.Mehta, director faxed message dated 9.7.09 conveying his inability to appear before the committee, hence consideration of the case was deferred.

2. M/s Dhaney Singh s/o Shri Ishwar Singh, Sikar (DDW Case)

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

3. M/s Modern Refractories, Jhunjhunu (DDW Case):

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

4. **M/s Shri Roop Chand Teli, Bhilwara (DDW Case):**

“Smt Rajya, guarantor along with Shri Gulsher, neighbour of guarantor appeared before the committee.

It is a decretal case. A term loan of Rs.1.84 lac was sanctioned to the concern on 15.7.83 for purchase of a truck, out of which Rs.174900/- was disbursed upto 3.11.83.

On default in repayment of Corporation’s dues, a decree was obtained on 18.5.04 for Rs.3408217/- + interest @ 17.5% p.a. from 1.10.2000 with quarterly intervals.

The truck was damaged and in scrap condition, hence possession could not be taken. The assets are reportedly not in existence now. Shri Roop Chand Teli is reportedly expired 10 years back. Personal guarantee of the two persons available (i) Shri Jamna Lal Teli and (ii) Shri Ismile Mewati. Shri Jamna Lal has sold his property long back. However he has filed objection against the decree execution which is pending in D.J.Court, Bhilwara. Shri Ismile second guarantor is also reportedly dead 7 – 8 years back. His legal heir Rasia has also filed an objection in the Court against execution which is pending in the DJ, Bhilwara. Shri Rasia is having residential house which is in dilapidated condition. Decree amount can not be recovered by selling it off. Third party guarantee is reportedly worth Rs.5.78 lac. The value of properties liable to be attached under Court decree as well as properties of promoters/ guarantor is reportedly at Rs.52.30 lac. However, looking to the present status of the property as explained in MRV calculation sheet annexed with the agenda indicate that it seems to be negligible and if we take steps for realization it would be time consuming and attract litigation.

In view of various litigations involved in these properties as well as non-clarity of status due to various disputes on the title/encroachment of others and as per the MRV report, after discussions and considering the facts and position of the case, the committee decided to settle the account at Rs.2.23 lac less upfront Rs.23000/- deposited on 27.2.09, net payable settlement at Rs.2.00 lac payable in 3 equal monthly installments from July’09 to September,2009.

No interest would be charged upto 31.07.09 and thereafter w.e.f. 01.08.09 interest @ 13% p.a. on simple basis shall be charged on unpaid amount of settlement.

The representatives of the unit consented to the settlement.

Since the settlement is arrived at below the decretal amount, the case has to be placed before the Board for consideration.

5. **M/s Rushabh Dairy Products P.Ltd., Udaipur (DDW Case):**

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

6. **M/s R.J.Tubes & Rodes Pvt. Ltd., Abu Road (DDW Case):**

Shri Jayantilal K. Shah, director of the company appeared before the committee.

It is a deficit case. A loan of Rs.51 lac was sanctioned to the concern on 28.2.87, out of which Rs.11.42 lac was disbursed upto 7.11.87 for setting up a Copper Tubes & Rodes unit.

On default in repayment of Corporation's dues, the assets of the unit were taken into possession on 6.10.05 and sold it in a consideration of Rs.23.35 lac on 28.9.07. Deficit as on date of sale after appropriation of sale proceeds was Rs.91.76 lac (prin.Rs.11.42 lac, interest Rs.80.30 lac, OM Rs.0.04 lac). As per State Govt. policy a sum of Rs.0.06 lac also debited in the loan account and accordingly the principal deficit works out to Rs.11.48 lac. The case was earlier decided by SLC in its meeting held on 25.4.05, decision of which is reproduced below:

"Shri Jayanti Lal K. Shah Director of the company, attended the meeting. The case has been registered directly for SLC being proposed relief is more than Rs.30.00 lac. It is a unit of copper tubes and rods which is lying closed. Against the sanctioned loan of Rs.51.00 lac, the company availed of only loan of Rs.11.42 lac. MRV of the land and building is reported to Rs.21.00 lac. Collateral security worth Rs.10.00 lac is available. The Director of the company stated that they could not avail sanctioned loan fully against building and Plant & Machinery and their unit is lying closed. He also told that they have paid more than the loan availed off from the corporation.

After detailed discussions, the committee decided to settle the case for Rs.25.72 lac less Rs.1.72 lac (rounded off) deposited as upfront amount in October, 2004, therefore, net settlement amount would be Rs.24.00 lac which shall be paid in May, 2005, July, 2005 and September, 2005 in three equal instalments. Interest @ 13% shall be charged on unpaid amount of the settlement from 1st May, 2005." The director of the company consented to the settlement".

The concern has not deposited the settlement amount.

A team of officers during their visit to Mumbai visited the residence of Shri Jayanti Lal K. Shah S/o Shri Kesri Mal Shah on 14.11.08 to identify the promoter and their properties for exploring the possibilities of recovery. On pursuing him for settlement, he agreed same and he has given two cheques of Rs.1.00 lac each dated 19.11.08 and 26.11.08 against upfront amount and Rs.1000/- against registration charges for registering the case under OTS scheme.

The concern has submitted collateral security of six properties. MRV of four properties situated at village Rolinda, Distt. Sirohi has been calculated at Rs.10.34 lac. Value of other properties identified at Rs.15.00 lac.

After discussions and consideration of all the facts and position of the case, the committee decided to settle the account at Rs.11.52 lac, less upfront amount deposited Rs.1.99 lac (Rs.99,000/- on 19.11.08 and Rs.100000/- on 26.11.08), i.e. net payable settlement amount at Rs.9.53 lac. The settlement amount would be payable in eight equal monthly instalments starting from August, 2009 upto March, 2010.

No interest would be charged upto 31.7.2009 and thereafter w.e.f. 01.08.09 interest @ 13% p.a. on simple basis shall be charged on unpaid amount of settlement.

The party consented to the settlement.

7. M/s Gurudev Singh, Sri Ganganagar (DDW Case)

Shri K.L.Miglani father of guarantor appeared before the committee.

It is a deficit-decreetal-written off case. A loan of Rs.73000/- was sanctioned to Shri Gurudev Singh, Sriganganagar on 22.11.83 for purchase of a Taxi Car, out of which a sum of Rs.70000/- was disbursed upto 23.12.83.

On default in repayment of Corporation's dues, the assets of the unit were taken into possession on 18.12.89 and sold it in a consideration of Rs.21950/- on 19.2.90. Deficit as on date of sale after appropriation of sale proceeds was Rs.153883/- (Prin.Rs.61577/-, interest Rs.92306/-). Also written off at Rs.61577/- and written back at Rs.92306/- in the year 1993-94. A case filed u/s 31(1) (aa), decree awarded on 07.09.98 for Rs.145637/- + interest @ 10.5% w.e.f. 12.2.93.

Present value of third party guarantee of Shri Om Prakash as well as Shri Mahendra Pal worked out at Rs.31.00 lac. The property of Mahendra Pal S/o Shri Kundan Lal was attached by the Court, but the purchaser has raised dispute. Shri Mahendra Pal is a handicapped person. The property offered by him in security was sold out by him. His financial position is not very poor vide Branch report dt. 22.5.09. The case was also decided by SLC in its meeting held on 10.10.2001, which is reproduced as under:

“Shri K L Miglani, father of the guarantor, represented the case. The committee was informed that this a deficit case of SC borrower who has already expired having no assets. The deficit amount has already been written off/written back on 31.03.93. The court has already passed decree for Rs.145637/- plus interest against guarantor. The committee decided to settle the case in the decreetal amount i.e. Rs.145637/-. Shri Miglani sought time for payment for which he was requested to convey the time period that would be considered by the Corporation.”

Shri K.L.Miglani has neither conveyed the time period nor deposited the settlement amount.

The party's proposal is to settle the account at principal sum + OM i.e. Rs.67000/-.

After discussions and consideration of all the facts and position of the case, the committee decided to settle the account at Rs.0.90 lac, less upfront deposited Rs.0.15 lac, i.e. net payable settlement amount Rs.0.75 lac. The settlement amount would be payable by 15.8.09

No interest would be charged upto 15.8.09 and thereafter w.e.f. 16.08.09 interest as per norms shall be charged on unpaid amount of settlement.

The party consented to the settlement.

8. **M/s Shree Charbhujia Marble Industries, Banswara (DDW Case):**

Shri Om Prakash Mundra, Partner of the firm appeared before the committee.

It is a deficit case. A loan of Rs.29.00 lac was sanctioned to the unit on 11.3.93 for setting up a marble tiles unit, out of which a sum of Rs.25.69 lac was disbursed upto 22.12.94.

On default in repayment of Corporation's dues, the assets were taken into possession on 20.2.99 and sold on 19.12.04 for Rs.15.02 lac. After appropriation of sale proceeds, deficit worked out as on date of sale to the order of Rs. 2.71 lac (principal Rs. 2.69 lac, O.M Rs. 0.02 lac). Thereafter as per State Govt. 70:30 policy, a sum of Rs.3.64 lac was debited towards JVVNL and Sales Tax Department dues. Therefore the total deficit works out to Rs.6.35 lac (Principal Rs.6.33 lac, O.M Rs.0.02 lac).

In order to recover the deficit amount application u/s 32G has been filed on 20.10.08. Value of other properties identified of the promoter/guarantor worked out at Rs.20.00 lac, being residential house at Dhan Mandi, Udaipur. The case was also decided at Branch level on 17.3.09 for Rs.666955/- including upfront Rs.63000/- deposited, to be paid in six months from March,09 with interest @ 13% on unpaid amount. The party has made appeal against the decision of Branch office.

After discussions and consideration of all the facts and position of the case, the committee offered to settle the account at Rs.6.45 lac, less upfront deposited by the party. The party did not consent to the offer, hence the case was rejected with the advise to the BM to initiate recovery action and also expedite the proceedings u/s 32G for recovery of Corporation dues.

9. **M/s Datamatics, Kota (DDW Case):**

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

10. **M/s Daya Shankar Bhardwaj, Jaipur-City (DDW Case):**

Shri Uma Shankar & Smt.Raj Bala Sharma, guarantors and Sh.Suresh Chand Sharma husband of guarantor appeared before the committee.

It is a deficit-decreetal case. A term loan of Rs.1.75 lac and Seed capital loan of Rs.0.35 lac were sanctioned to the unit on 26.2.92 and 13.3.92 respectively for purchase of Mahendra Jeep, out of which a sum of Rs.1.64lac and Rs. 0.35 lac were disbursed upto 7.4.92.

On default in repayment of Corporation's dues, the assets were taken into possession on 30.5.95 and sold on 1.12.95 for Rs.1.35 lac. After appropriation of sale proceeds, deficit worked out as on date of sale to the order of Rs. 79808/- (principal Rs.65950/-, Intt. Rs.1888/- and O.M Rs.11,970/-). A decree was obtained on 24.10.05 for Rs.105468/- + Intt. @ 21% p.a, from ADJ, Jaipur-City. Against the judgement, party obtained stay from Hon'ble High Court on 26.02.08. The court further observed that in case of default of payment of instalment of Rs.10000/- p.m. (upto six months) then the interim order shall stand vacated. But the party has not complied with the order of Hon'ble High Court.

The collateral security is situated in a small village 23 km away from Aligarh (U.P), MRV of which could not be assessed. Property of third party guarantee was identified of Sh.Uma Shankar Sharma and Smt.Raja Bala W/o Shri Suresh Sharma, value of which is Rs.56 lac approx. The promoter Shri D.S.Bharadwaj vide his letter dt. 4.3.09 has requested for sale of collateral security situated at Aligharh.

After discussions and consideration of all the facts and position of the case, the committee decided to settle the account at Rs.1.16 lac less upfront deposited Rs.11,000/-, i.e. net payable settlement at Rs.1.05 lac to be paid by 8.8.09.

No interest would be charged upto 8.8.09 and thereafter w.e.f. 09.08.09 interest as per norms shall be charged on unpaid amount of settlement.

The party consented to the settlement.

11. **M/s Ashapura Marble Udyog, Udaipur (DDW Case):**

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

12. **M/s Movni Extraction Pvt. Ltd., Udaipur (ARRC Case):**

Shri D.P. Agarwal, Managing Director, Shri P.C. Agarwal, Director, and Shri G.S. Agarwal, Director alongwith their consultant Shri Ramesh Khandelwal, appeared before the committee.

The case was placed in the meeting of Special HOLC held on 4.3.09. Since no body turned up, consideration of the case was deferred.

A loan of Rs. 60.00 lac was sanctioned on 24.6.1991 out of which Rs. 57.00 lac was disbursed upto 9.1.92 to the unit for setting up a solvent extraction plant.

A sum of Rs. 1042.57 lac was outstanding as on 01.3.2009, (principal sum Rs.56.90 lac and interest Rs. 985.40 lac and other money Rs. 0.27 lac). The category of loan A/c is doubtful as on 31.3.05. MRV of the financed assets is Rs.165.35 lac as on 25.5.08 and there is no collateral security or third party guarantee in the case.

It is a joint financed case with RIICO, outstanding dues of RIICO as per their letter dated 16.1.09 are as under:

		(Rs. in lac)
Principal sum	:	Rs. 85.00
Interest	:	Rs. 1390.66
Total	:	Rs. 1475.66

The company has approached RIICO also for OTS.

Corporation has initiated recovery action u/s 32-G and agriculture land of Shri D.P. Agarwal and Shri G.S. Agarwal measuring 29.1 Bigha at Village Sanwar, Tehsil: Mavli, Distt: Udaipur has been attached by Revenue Authorities. Branch has reported MRV of agriculture land Rs. 136.00 lac.

Branch has reported following properties owned by Directors / promoters of the company :-

Sl.No.	Particulars	MRV (Rs. in lacs)
1.	Agricultural land 29.1 bigha in name of Shri D.P. Agarwal & Shri G.S. Agarwal at Khasra No. 5395 & 5399 at Sanwar, Tehsil – Mavli, Udaipur.	136.00
2.	Residential house in name of Shri D.P. Agarwal at 2-C, Ward No. 12, Fateh Nagar, Tehsil Mavli, Udaipur.	22.50
3.	Shops (4) at Ward No. 12, Fatehnagar, Tehsil Mavli, Udaipur in name of Shri D.P. Agarwal.	23.00
4.	½ Share in Office at Anantdeep Chamber Road Mumbai – in name of Shri G.S. Agarwal	7.50
5.	Total	189.00

During discussions Directors / promoters offered to settle the account on principal sum i.e. Rs. 56.90 lac.

The Committee noted that it is a joint financed case and also the sacrifice amount would be substantial, therefore, after detailed discussions and considering all the facts of the case, committee decided that the case may

be placed before the Meeting of State Level Committee (SLC) for taking appropriate decision regarding one time settlement of Corporation's dues.

13. **M/s Lokendra Singh, Banswara (FR case):**
Nobody appeared before the committee hence consideration of the case was deferred.

14. **M/s Volga Marble, Abu Road (FR Case):**
Nobody appeared before the committee hence consideration of the case was deferred.

15. **M/s Shree Ganpati PVC Pipe India Pvt. Ltd., Jaipur Rural (FR case):**
Nobody turned up. However, an application has been received from the company requesting to allow one month time for appearing before the committee. In view of the request, consideration of the case was deferred.

16. **M/s Dhakkar Tyre Retreading, Kota (FR case):**
Shri Babu Lal Dhakkar, Promoter of the unit appeared before the committee.

A term loan of Rs.1.00 lac for P&M & Rs.2.00 for working capital loan was sanctioned on 26.3.99 for tyre retreading in rented premises Nainwa, Distt.Bundi. Out of the sanctioned term loan Rs.56,900/- against P&M & Rs.2.00 lac for working capital loan was disbursed upto 25.1.2000.

P&M are missing. B.O. issued Registered A.D. letters to the party & police authorities to restore the P&M and lodged the FIR for missing assets but FIR not lodged by the police authorities.

Action for recovery was initiated u/s 32 (G) on 21.1.2004.

MRV of entire property situated on a plot measuring 40'x45' at the time of sanction of loan was Rs.3.51 lac. But during visit for recalculation of MRV for OTS proposal, it came to the notice of the branch officials of Kota that a portion of 20'x45' was already sold by the guarantor prior to its mortgaging it to RFC. Since he was holding original registry of 40'x45' therefore he deposited it to RFC while executing guarantee deed.

In recent MRV calculation sheet, MRV of property of area of 20'x45' still in possession of guarantor is (Rs.2.00 lac land and 1.40 lac building) = Rs.3.40lac and MRV of property which is said to be sold is about (Rs.2.00 lac land = 0.80 lac building) 2.80 lac.

As per guarantee deed documents of entire property measuring 40'x45' is mortgaged with RFC.

Land allotted by Municipality, Nainwa vide "Bhoomi Vikray Vilekh" S.No.12 dt.14.2.83 to Shri Mukatbihari Sharma S/o Shri Shridhar Sharma subsequently sold through agreement to sale to Shri Babu Lal Nagar & Shri Ramswaroop jointly on 31.8.2000. Shri BabuLal Nagar has further made an agreement to sale of his portion i.e.1/2 portion of original plot (50'x50') to Shri Kishan Bihari S/o Babu Lal Nagar of piece of (25'x50') on which shops were constructed by Babu Lal prior to sale to Shri Shri Kishan Bihari. Shri Kishan Bihari is son of Shri Babu Lal Dhakar and it is said that to avail financial implication of RFC dues, he has made an agreement to sale in favour of his son. Shri Kishan Bihari Nagar. However SDO Nainwa has attached the shops constructed on the said portion of 25'x50' over an area of front side measuring (25'x16') to recover the dues of RFC under LR Act in the month of March,2009.

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.4.50 lac less upfront amount of Rs.0.37 lac i.e. at a net payable amount of Rs.4.13 lac which shall be paid by the concern in eight equal monthly installments commencing from July, 2009.

No interest would be charged upto 31.07.09 and thereafter w.e.f. 1.8.09 interest @ 13% p.a. on simple basis shall be charged on unpaid settlement amount.

The party consented to the above settlement.

17. M/s Sailani Stones, Rajsamand (FR case):

Shri Arif, Manager of the unit appeared before the committee.

This case was earlier placed before Spl HOLC in its meeting held on 26.3.09. After detailed discussions with the representative of the concern and considering all the facts and position of the case, the committee offered to settle the account in a further payment of Rs.15.00 lac. The party did not give consent to the offer given by the committee, hence the case was rejected.

Party made request vide letter dated 6.7.09 that he is agreeable to settle the account as per the decision taken by Spl HOLC held on 26.3.09. The party also submitted 13 PDCs for payment of settlement amount in the following manner:

Sl. No.	Cheque No. & date	Amount of cheque
1.	557278 dated 6.7.09	7,30,000
2.	557279 to 557289 (15.8.09 to 15.06.10) 11 cheques of Rs.70,000/- each	7,70,000
3.	557290 dated 15.7.10 {interest for the delayed period}	50,000
		15,50,000/-

The request made by the party was placed before the committee for consideration and taking an appropriate decision.

After detailed discussions with the representative of the concern and considering all the facts and position of the case, the committee decided to revive the decision taken in the meeting held on 26.3.09 in the following manner:

- (i) Payment of Rs.7.30 lac shall be made upto 15.7.09
- (ii) Balance Rs.7.70 lac shall be paid in eight equal monthly installments commencing from August, 09 to March, 2010.
- (iii) Interest @ 13% p.a. on simple basis shall be charged on unpaid amount of settlement w.e.f..1.5.09

Party consented to the settlement.

18. M/s Jagannath Grit Udyog, Vill. Angrawali Teh Kaman (FR case):

Shri Bhagwat Prasad Goswami, Promoter of the unit appeared before the committee.

The concern has purchased fixed assets of M/s. Agarwal Stone Crusher in a consideration of Rs. 33.02 lac on 21.02.06. The conditional deed of conveyance was executed by the concern for a balance deferred payment of Rs.23.11 lac on 9.3.06. LDR in the case is 1.3.2011.

M/s. Jagananth Griti Udyog could not start the unit due to non issue of NOC by the Pollution Control Board. The RSPCB Jaipur vide its letter dated 16.1.09 has informed that M/s Jaganath Grit Udyog, Vill Angrawali Tehsil Kama Distt. Bharatpur is located within 500 mtrs. of the "Brij chaurasi kos parikrama marg" and the unit has not provided the requisite air pollution control measures. Therefore, the RPCB has issued closure directions u/s 31(a) of Air Act, 1981. The RO, RPCB, Alwar has sealed the DG sets on 9.11.06.

No collateral security / third party guarantee is available as reported by the BO in the OTS proposal.

The case is not eligible under the prevailing NPA scheme as the unit was sold in the year 2006 which is after the cut off date of disbursement i.e. 31.3.2001 and unit is not classified as doubtful as on 31.3.2005 being unit was sold in 2006 by the Corporation. The unit was classified as Standard as on 31.3.06, as substandard as on 31.3.07 and as doubtful as on 31.3.08.

Keeping in view the genuineness of the case, the CMD permitted to register the case as grievance case in the prevailing OTS scheme for NPA 2009-10 by relaxing the requirement of deposition of upfront amount on 11.5.09.

The committee observed that the unit M/s Agarwal Stone Crusher was sold in surplus, therefore, whether it is possible for the Corporation to settle the account as the original loanee M/s Agarwal Stone Crusher may claim for refund of surplus in the competent court. The committee decided that matter may be got examined from Law section in this background. Till then 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) 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).
- 3) The party, if any, shall withdraw Court case.
- 4) Actual other money not debited and not considered at the time of settlement 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 15th of the each month or date specified by the Committee, as the case may be. BO has to ensure that PDC's are invariably taken in such cases.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

**General Manager (Dev.)
MEMBER SECRETARY**

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

Minutes of the Special HOLC meeting held on 07.08.2009 at 11.30 a.m under the chairmanship of Shri A.K.Garg, IAS, CMD.

Following were present:

Shri Pawan Arora, ED	:	Member
Shri P.K.Singh, DGM(Loans-I)	:	Member
Shri Dharamveer, Manager (I/c-Law)	:	Member
Shri Rajendra Vijay, GM(D)	:	Member Secretary

Shri R.P.Meena, DGM(FR-1), Shri L.K.Ajmera, DGM(DDW), Shri A.P.Mathur, DGM(FR-2), Shri M..R. Chhinwal, DGM(ARRC), Shri H.C. Khunteta, Manager (DDW), Shri P.D.Verma and Manager(FR-3) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 09.07.09

Minutes were confirmed.

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

1 M/s Intex Containers (P) Ltd., Bhiwadi (DDW Case):

Mr.P.R.Mehta, director of the company, Mr. B.R.Mehta, and Mr. P.K.Singhvi relatives as representatives appeared before the committee.

It is a deficit case as well as appeal case against the decision/settlement arrived at BO level in a consideration of Rs.12,16,800/- after adjustment of upfront amount of Rs.129000/- and including incentive to revenue authority on 31.3.09.

A loan of Rs.20.90 lac and Seed capital loan of Rs.2.00 lac were sanctioned on 21.5.88 and 19.2.88 respectively for setting up an Automobile Battery Containers unit. Out of which the sum of Rs.20.89 lac and Rs.2.00 lac were disbursed upto 29.12.89.

On default in repayment of Corporation's dues, the assets were taken into possession on 9.9.92 and sold in a consideration of Rs.23.00 lac on 29.7.99. After appropriation of sale proceeds, deficit as on date of sale worked out of the order of Rs.14.08 lac (prin.Rs.12.81 lac, interest Rs.1.26 lac and OM Rs.0.01 lac). There are no details of property available. However, the branch persuaded for recovery through Revenue Authorities

u/s 32G. The case has been filed u/s 32G with DC, Delhi (South) on 13.4.07 for recovery of dues.

After discussions with the representatives, consideration of the case was deferred.

2. M/s Modern Refractories, Jhunjhunu (DDW Case):

Mr.Surendra Singh Shekhawat, Partner of the unit appeared before the committee. It is a deficit case as well as appeal case.

The case was decided/settled by DLC on 15.12.08 in a consideration of Rs1164669/- less upfront Rs.117000/-, net payable amount Rs.1047669/-, but party has made appeal against the decision of DLC.

Loans of Rs.6.65 lac and Rs.5.00 lac were sanctioned respectively on 28.1.81 and 24.3.89 for setting up a Fire Bricks unit, out of which the sum of Rs.663900/- and Rs.5.00 lac were disbursed upto 6.7.84 and 29.4.91 respectively.

On default in repayment of Corporation's dues, the assets were taken into possession on 6.1.98 and sold in a consideration of Rs.7.01 lac on 25.3.2000. After appropriation of sale proceeds, deficit as on date of sale worked out of the order of Rs.6427408/- (prin.Rs.1163900, interest Rs.5262739 and OM Rs.769/-). There is third party guarantee worth Rs.5.67 lac. Notice u/s 32G issued on 19.3.02. RoD filed but returned by the District Collector for want of property.

The party has requested to settle the account after adjusting the entire sale proceeds and amount deposited by them against the principal sum as they were wrongly involved in murder case in 1983 and the case was settled in their favour in 2006-07

After discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.11.65 lac less upfront of Rs.2.39 lac (Rs.1.17 lac on 15.12.08 and Rs.1.22 lac on 15.1.09). The representative sought time, therefore consideration of the case was deferred for the next meeting.

3. M/s Datamatics, Kota (DDW Case):

Nobody appeared before the committee, however, a letter dated 3.8.09 of Mr. Hira Taparia was placed before the committee, whereby Mr.Taparia has requested to consider their case to be settled at principal and other charges less amount paid in advance.

It is a deficit-decreetal case. Loans of Rs.1.60 lac and Rs.0.40 lac were sanctioned respectively on 21.1.88 and 22.6.88 for setting up data processing unit. Out of which the sum of Rs.1.60 lac and Rs.0.40 lac were disbursed upto 28.6.88.

On default in repayment of Corporation's dues, the assets were taken into possession on 16.11.95 and sold in a consideration of Rs.3000/- on 31.3.01. After appropriation of sale proceeds, deficit as on date of sale worked out of the order of Rs.491729/- (prin.Rs.198140/-, interest Rs.270034/-, OM Rs.15181/- and MGE Rs.8374/-). A decree has also been obtained on 17.5.04 for Rs.4.86 + interest @ 14% p.a. from 1.10.99 till recovery. The assets other than mortgaged have also been identified and accordingly value of property of partner/guarantor is Rs.150 lac. The property is in the name of M/s Jeevan Udyog which is also under process of attachment in the deficit case of M/s Jeevan Phosphate. The share of the guarantor is 15% only and the attachment of share of guarantor may not be easily executable.

Personal guarantee of three family members were obtained, but the property could not be identified. Therefore, decree execution could not be filed. Two teams (BO & HO) visited Mumbai and contacted promoter of the unit at Mumbai, but no property was identified by the team. The case was registered without obtaining written request of the party. Visit report of the teams and discussions taken place with the promoter Shri Heera Chand Taparia, who is running an Aroma Therapy Clinic at Mumbai and the building was on rent, he is residing at Thane, which is more than 100 km from Mumbai. The financial position of the promoter is good and he is physically handicapped person.

After discussions and considering all the facts and position of the case, the committee decided to settle the account at decretal amount of Rs.4.86 lac less upfront Rs.49000/- deposited on 12.12.08, net payable amount Rs.4.37 lac. On this the Branch Manager may be advised to obtain consent from the promoter of the unit, else recovery action may be initiated as per norms.

4. **M/s Rushabh Dairy Products P.Ltd., Udaipur (DDW Case):**

Mr. Kiran Shah, director of the company appeared before the committee.

It is a deficit case. A loan of Rs.26.00 lac was sanctioned on 1.6.99 for setting up a dairy product unit, out of which a sum of Rs.24.89 lac was disbursed upto 17.2.2001.

On default in repayment of Corporation's dues, the assets were taken into possession on 1.11.2004 and sold on 4.10.07 for Rs.19.00 lac. After appropriation of sale proceeds, deficit worked out of the order of Rs.27.11 lac (including debit of Govt. dues of Rs.5.70 lac). Present value of collateral security is Rs.8.00 lac. A residential house at Ahmedabad was in the name of Smt.Rena Kiran Shah, partner, but sold in 2003 due to heart surgery of Mr.Kiran Mohan Shah. Reschedulement done on 25.9.2002. Legal notice u/s 30/29 issued on 2.5.2008 and Legal notice u/s 32G issued on 12.8.2008. ROD issued on 12.12.2008. As per orders of Hon'ble CMD

the case has been registered for settlement without taking registration fee and upfront amount from the party.

After discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.8.00 lac.

5. **M/s Dhaney Singh S/o Shri Ishwar Singh, Sikar (DDW Case)**

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

6. **M/s Ashapura Marble Udyog, Udaipur (DDW Case)**

Nobody appeared before the committee. However, in absentia the case was discussed.

It is a deficit case. A loan of Rs.1.83 lac was sanctioned on 21.3.83 for setting up a marble mines unit, out of which a sum of Rs112700/- was disbursed upto 12.12.84.

On default in repayment of Corporation's dues, the assets were taken into possession on 14.3.91 and sold on 31.1.91 for Rs.1.51 lac. After appropriation of sale proceeds, deficit worked out as on date of sale to the order of Rs.86795/-.

The party was earlier persuaded for settlement as per the then settlement scheme in force vide PG 389 dated 24.09.90 and in persuasion to the provisions of scheme after deducting the total penal interest charged in account since beginning Rs.82118/- the amount left balance was Rs.4677/-. The party deposited Rs.5000/- on 25.08.93 and after giving benefit of waiver of penal interest since beginning out of the deficit amount as per provisions of the scheme, the account was liable to be settled as per scheme at BO/RO level and total payment by charging normal interest on balance deficit after reducing penal interest has not been received and there was a shortfall of Rs.719/- only.

The case was referred to HO by letter dated 01.03.93 for approval in the matter. The matter was examined and it was directed by HO vide letter dated 28.09.93 that since the powers have been delegated (by circular 389) to BO/Local level, the decision should be taken at BO level, but no decision could be taken for settlement of the case. Meanwhile with passing of time, new guidelines were issued vide PG 417 dated 7.2.97 and accordingly party was advised to deposit Rs.7769/- (after proposed waiver of penal interest) but party had not deposited the same.

Again party was persuaded for settlement in year 2005 and party has deposited Rs.9200/- towards upfront for settlement of its case, but settlement was not materialized as the amount of upfront was revised and

party has not deposited the revised upfront amount and the proposal was turned down by HO, hence the relief of waiver of penal interest could not be passed.

Notice u/s 31(1)(aa) issued on 22.02.01 to the guarantor and promoter. Notice u/s 32-G was also issued to the promoter as well as guarantor on 23.11.04 for deposition of deficit amount with interest. RoD sent to Collector, Banswara and pending with Tehsildar, Ghatol since 1.12.2005. Kurki warrant has been issued for attachment of property of third party guarantor.

Vide HO letter dt. 16.1.06 the case was re-registered, as the party had not deposited the remaining upfront. Thereafter the party vide his letter dated 11.07.09 has shown his reluctance to visit Jaipur in the matter rather he has moved to the Hon'ble Civil Court Judge in case no. 36/09. Accordingly the representation was examined and the party was advised to appear before the committee if he is interested to present his grievance personally in the next meeting.

Status of the court case no. Co.36/09 T.I. as under:

- 1) The party has filed civil suit as well as T.I. under section 151 CPC order 39 rule 12 against CMD, RFC, and BM, Udaipur.
- 2) The main contention of the party is that he has totally paid the due of RFC as demanded and recovery proceedings against him should be stopped. He has been referring on letter of BO dated 01.09.93 wherein a reference was made to HO for seeking permission to settle his case under PG Circular no. 389/93 on receipt of payment of Rs.5000/- which party had paid. He has further stated that he has paid Rs.9200/- on 16.09.05. He is demanding back Rs.14865/- excess recovery from him.
- 3) Case was last fixed on 23.07.09 the advocates of Udaipur are on long strike for opening bench of High Court at Udaipur. The court of Civil Judge (JD) has made an order on dated 23.07.09 to maintain status quo till the next date i.e. 18.08.09.

After discussions and considering all the facts and position of the case, the committee decided to have the case examined legally in view of the court case against the Corporation and submit the matter to the competent authority for taking a view in the case.

7. M/s Mintech Granite Pvt.Ltd., Neemrana (DDW Case)

Mr. Sunil Agarwal, director of the company appeared before the committee.

It is a deficit as well as appeal case. The case was settled at BO level in a consideration of net Rs.55.02 lac. Aggrieved with the decision of DLC, party made an appeal for Spl.HOLC.

A loan of Rs.69.66 lac was sanctioned on 3.3.92 for setting up a granite unit, out of which a sum of Rs.56.30 lac was disbursed upto 3.4.93.

On default in repayment of Corporation's dues, the assets were taken into possession on 16.9.98 and sold on 11.6.03 and 29.3.04 for Rs.43.87 lac. After appropriation of sale proceeds, deficit worked out as on date of sale to the order of Rs.65.27 lac (principal Rs.58.99 lac including Rs.2.69 lac towards Govt.dues, interest Rs.6.28 lac). ROD filed on 23.3.09. Value of other properties of the promoters as per BO report is crores of rupees, as all the promoters are having very much immovable property at Delhi and Khanna (Punjab), but MRV of the same not worked out. MRV of industrial plot situated at Indl.Area, Behror has been carried out for Rs.38.77 lac. However details of identified properties of promoters are enclosed with proposal. It is further reported by the Branch that all the promoters are belonging to rich families and all are in position to clear the Corporation's dues.

After discussions and considering all the facts and position of the case, the committee offered to settle the case in a consideration of Rs.61.00 lac less upfront deposited Rs.8.94 lac (Rs.5.99 lac on 30.3.09 and Rs.2.95 lac on 29.6.09). The party sought time for giving its consent; hence consideration of the case was deferred.

8. M/s Dhanlaxmi Psyllium Processing P.Ltd., Jalore (DDW Case)

Mr.Ghever Chand Jain, director of the company appeared before the committee.

The case was placed before Spl. HOLC held on 31.03.09 and following decision was taken:

"Shri Ghewar Chand Jain, promoter director of the unit appeared before the committee. It is a deficit case.

The unit was established for manufacturing of Psyllium (Isab gol), but due to non availability of required raw material in the area, as well as change in Directors of the company, the unit, as stated by Shri Jain could not properly run and the Corporation took possession of the unit. At the time of take over there were missing assets for which FIR was also lodged but police authority filed FR in the case. Some P&M were taken in possession by the police in FIR case from Gujrat and same are still lying under the custody of police station, Bhinmal. Branch has issued notice to the company and its guarantors for payment of deficit amount. Reportedly one guarantor has expired and one guarantor settled in London. Shri Ghewar Chand Jain has submitted the request for settlement on behalf of all the guarantor.

A loan of Rs.90.00 lac was sanctioned to the unit on 28.3.92, out of which Rs.81.39 lac was disbursed upto 29.3.94 for setting up a Psyllium unit.

On default in repayment of Corporation's dues, the assets were taken into possession on 4.3.03 and sold on 31.3.06 for Rs.15.21 (P&M) and on 12.3.08 for Rs.60.00 lac (L&B) thereby totaling Rs.75.21 lac. After appropriation of sale proceeds, deficit worked out as on date of sale to the order of Rs.372.38 lac (principal Rs.79.30 lac, interest Rs.293.05 lac, O.M. Rs.0.03 lac). Primary assets have already been sold. Guarantee of directors taken at the time of execution of loan agreement, but value is not available.

After discussions and considering all the facts and position of the case, it was observed that there has been change in directors as well as value of the assets of the guarantor is also not reported. In this light, the case was deferred with the direction to the Branch Manager to examine the case and send complete facts with regard to change in directors, property identification in the name of new directors, value of the guarantee of the director before the next meeting.

Accordingly, the case was **deferred.**"

As per direction of Spl. HOLC the information regarding change in Directors and value of assets of guarantors is collected from BO, Jalore and FR-HO as under:

- i) The Company was promoted by following promoter / Directors:
 - a) Shri Ghewar Chand Jain
 - b) Shri Naresh Jain S/o Shri Ghewar Chand Jain
 - c) Shri Rajnikant Patel
 - d) Shri Nitin Kumar A. Patel

Time and again the company had requested for approval of change of management / Directors. But the same had not been considered by corporation as the proposed incoming Director has not deposited the 25% of outstanding amount as per norms, demanded by corporation hence change was not considered.

Further the opinion of law section has been called whether the new / incoming Director as per ROC record can be held liable for payment of deficit amount irrespective of the fact whether the corporation has granted permission for induction of new director and executed the Agreement / Guarantee Deed or not.

As per provision of law "a person who is the Director of the company can not be held responsible to repay the dues of RFC unless and until he has entered into an agreement with the RFC or unless he has executed a Deed of Guarantee in favour of the corporation.

As reported by BO one promoter Director Shri Rajnikant Patel has been expired and Shri Nitin Kumar A. Patel shifted out of country and settled in U.K.

Shri Ghewar Chand Jain and his son Shri Naresh Jain are living Director of the company and both are the guarantors.

Shri Ghewar Chand Jain has submitted the request for settlement of loan on behalf of all the promoter guarantors.

MRV of the assets of the directors/guarantors received from BO is reproduced below:

- | | |
|---|--------------------------------------|
| 1) Ghewar Chand Jain
Residential house at Jalore (Already sold on 12.05.08) | Rs.10.00 lac
(sale consideration) |
| 2) Shri Naresh C. Jain S/o Shri Ghewar Chand Jain
Residential flat at Mumbai (sold in year 97-98) | Rs.18.00 lac |
| 3) Shri Rajnikant Patel (expired) S/o Sh.Apabhai Patel
Indl.unit at Mehsana, Gujrat (sold by partner on 10.10.94) | Rs.85.00 lac |
| 4) Legal heir: Shri Alphas Patel S/o Shri Rajni Patel
(50% share) Indl.unit M/s. Jyoti Overseas Pvt. Ltd., Abu Road | Rs.350 – 400 lac |
| 5) Shri Nitin Bhai S/o Shri Amril Bhai Patel
Residential Unjha, Gujrat (Already sold)
Settled in U K. (Detailed report enclosed as Annexure'A') | Rs.10.00 lac |

After discussions and considering all the facts and position of the case, in the light of the request of the representative, the committee decided that the branch may be advised to process/pursue the legal heirs of late Shri Alphas Patel S/o Rajni Patel alongwith other remaining directors for settlement. Notice u/s 32G be issued to the legal heirs, if not issued earlier by the BO. Accordingly the progress of the case may be forwarded and in view of the request of the representative consideration of the case was deferred for one month.

9. M/s Sharda Plastics, Sikar (ARRC Case)

Shri Ashok Kumar Sharma, proprietor of the unit appeared before committee. The committee noted that loan of Rs. 3.36 lac was sanctioned on 23.3.94, out of which Rs. 2.96 lac was disbursed upto April, 95. The unit is in possession since 6.11.08. Outstanding is Rs. 33.18 lac. (Principal Rs. 2.96 lac, interest Rs. 30.15 lac (upto date of poss.), other money Rs. 0.07). P&M are missing for which FIR lodged on 23.1.09. Sale of land & building was approved in Rs. 2.21 lac on 20.3.09 but purchaser requested to cancel

the sale hence sale was cancelled and earnest money of Rs. 11900/- was forfeited. Shri Ashok Kumar Sharma requested to settle the case in principal, as also proposed in his request submitted at the time of registration of the case. His proposal was not accepted and committee decided to reject the request of party for settlement in principal. Branch may take further action of recovery / sale as per norms.

10, M/s Movini Extractions Pvt. Ltd., Udaipur (ARRC Case)

Shri D.P. Agarwal, Shri P.C. Agarwal, and Shri G.S. Agarwal, Directors of the unit appeared before the committee. Committee noted that this case was earlier placed in the meeting of Sp.HOLC dated 9.7.09 and it was decided that case may be placed before the meeting of SLC for taking appropriate decision regarding OTS. Accordingly, the case was placed in the meeting of SLC dated 28.7.09 and it was decided that HO representative be deputed to work out MRV of agriculture land (29 Bigha) attached by Revenue Authorities. Accordingly, HO representative visited with Branch Officer for re-calculation of MRV and MRV of agriculture land (29 Bigha) was revised to Rs. 74.00 lac from Rs. 136.00 lac. After discussions the revised MRV report was accepted because it was supported by certificate of Patwari / Tehsildar and 3 property dealers. It was also decided to call explanation of DM(T), Udaipur as to how he has taken higher DLC rate while calculating MRV of Rs. 136.00 lac. SLC also decided to submit the case in the meeting of Special HOLC. Accordingly, the case was placed in this meeting.

It is a joint finance case with RIICO and outstanding of RFC as on 1.3.09 is as under:

		(Rs. in lac)
Principal sum	:	Rs. 56.90
Interest	:	Rs. 985.40
O.M.	:	Rs. <u>0.27</u>
Total	:	Rs. <u>1042.57</u>

Party has requested to settle the account on principal outstanding i.e. Rs.56.90 lac with the condition that payment shall be made in 20 interest free instalments on monthly basis. However, party increased his offer from Rs. 56.90 lac to Rs. 61.00 lac. Looking to the amount which is to be sacrificed the committee decided that case may be submitted before the Board for appropriate decision.

11. M/s Baba Ramdev Udyog, Nagaur (FR case)

Shri Pema Ram Proprietor of the unit appeared before the committee.

A term loan of Rs.1.56 lac was sanctioned on 23.6.95 to the concern for manufacturing of plaster of paris on a converted land measuring 1000 sq.mtrs situated at village Balwa, Tehsil Nagaur.

The concern availed Rs.1.03 lac and unit is reported lying closed. The Branch Manager has reported that most of the POP units are lying closed in the area on account of non availability of gypsum.

A sum of Rs.4.73 lac was outstanding as on 1.6.09 (principal sum Rs.1.03 lac and interest Rs.3.70 lac). The category of loan account is doubtful as on 31.3.05. The MRV of the prime assets assessed to Rs.1.94 lac. No collateral security and personal guarantee is available. However, third party guarantee is there but the title (patta) was issued without consideration by Gram Panchayat. The Gram Panchayat, Balwa vide its letter dated 21.5.09 has informed that no plot is situated in the name of Shri Dungar Ram as such, the property in question is not traceable. The branch has come to know while assessment of the MRV that diesel engine and chakki is missing from the site against which no FIR is lodged so far either by the party or by the Corporation.

The promoter belongs to SC category.

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.1.41 lac less upfront amount Rs.11,000/-, i.e. net payable settlement amount of Rs.1.30 lac which shall be paid by the concern in six equal monthly installments commencing from September, 2009.

No interest would be charged upto 31.8.09 and thereafter w.e.f. 01.09.09 interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The party consented to the settlement.

12. M/s Lokendra Singh, Banswara (FR case):

Shri Lokendra Singh, Proprietor of the unit appeared before the committee.

Shri Lokendra Singh has purchased tractor compressor on mutual consent basis in the year 1988 and the deferred loan was of Rs.1,12,510/- The tractor compressor is in scrap condition and its value assessed by Branch Office is Rs.0.40 lac. MRV of collateral security is reported by Branch Office is Rs.8.00 lac. No third party and personal guarantee is available. The health code category of loan account as on 31.3.05 shown in the books is sub standard. The Accounts section however opined that the account should be classified under doubtful category 'B' as on 31.3.05 keeping in view the age of default. Therefore, the case is placed before the committee with the permission of competent authority. Action for recovery has already been initiated u/s 32(G) of SFCs Act, 1951.

After discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.2.50 lac less upfront amount of Rs.0.10 lac i.e. net payable settlement amount of Rs.2.33 lac but the proprietor Shri Lokendra Singh did not accept the offer, therefore, the case was rejected with the advice to Branch Office that speedy action may be taken and Branch Office may ensure that the property of the loanee / guarantor is attached and auctioned by Revenue officials at the earliest possible.

13 M/s Neelkanth Handicrafts, Sangaria, Distt. Hanumangarh (FR Case):

Shri Prem Singh Godara, Partner of the unit appeared before the committee.

A term loan of Rs.5.00 lac was sanctioned on 18.08.98 to the concern for establishing a wood seasoning plant in RIICO Industrial Area Sangaia, District Hanumangarh out of which the party has availed loan of Rs.4.64 lac upto 29.3.2000. The category of the loan account is doubtful as on 31.3.05.

A sum of Rs.13.42 lac was outstanding as on 1.3.09 (principal sum Rs.4.13 lac, interest Rs.9.24 lac and other money 0.05 lac). The MRV of the prime assets and collateral security assessed to Rs.4.16 lac and Rs.3.97 lac respectively. No personal guarantee and third party guarantee is available. The unit is lying closed.

This is a partnership concern having two partners viz. Shri Suresh Godara and Shri Prem Sukh. One partner Shri Suresh Godara is not interested to settle the account. But the second partner viz. Shri Prem Sukh who is a farmer of Haryana wants to settle the account under OTS of NPA cases.

Due to non payment of Corporation dues, the case was lodged with the Collector, Sriganganagar U/S 32 (G) & case is pending with Tehsildar, Sadulshahar since last two years but no attachment made by the Revenue Authorities so far.

One partner Shri Suresh Godara approached to Hon'ble High Court Jodhpur & succeeded in getting order from the Court that RFC may first auction the shops. When the revenue officers proceeded to attach the collateral security they found that the collateral security has also been sold by Shri Suresh Godara. The purchaser of the collateral security Shri Ravendra Nain filed an application in the DJ Court Sriganganagar against the attachment of property. The matter is sub judice. In the court case, reply has been filed by the Corporation.

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.7.03 lac less upfront amount of Rs.0.63 lac i.e. net payable settlement

of Rs.6.40 lac which shall be paid by the concern in six equal monthly installments commencing from September, 2009.

No interest would be charged upto 31.8.09 and thereafter w.e.f. 01.09.09 interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The party consented to the settlement.

14 M/s Shree Ganpati PVC Pipe India Pvt. Ltd., Jaipur Rural (FR case):

Nobody appeared before the committee hence consideration of the case was deferred. The case has already been put up before the Committee 5 times. It was decided to give him last opportunity to appear before the Committee.

15 M/s Volga Marble, Abu Road (FR Case):

Shri Basant Dangi, brother of the proprietor and his relative Shri Ajit Singhvi appeared before the committee.

A term loan of Rs.2.50 lac was sanctioned on 29.03.86 to the concern for tractor compressor out of which the party availed loan of Rs.1.80 lac upto 30.6.1988. The category of the loan account is doubtful as on 31.3.05.

A sum of Rs.15.95 lac was outstanding as on 1.6.09 (principal sum Rs.1.72 lac and interest Rs.14.23 lac). The tractor compressor is not traceable. However, the MRV of collateral security is reported to Rs.47.16 lac. No personal guarantee and third party guarantee is available.

This case was placed before HOLC (Special) in its meeting held on 28.07.2000. Decision taken by the committee is reproduced below:

“Shri Rakesh Mandawat along with his cousin, Shri Dongi, appeared before the committee. Shri Mandawat represented that the promoter has met with an accident affecting his memory, they have not been able to run the unit and requested that the account may be settled by recovering only principal sum on humanitarian grounds. The committee however, noted that the tractor compressor is still in operation and the value of collateral security offered in security is quite substantial (not less than Rs.20.00 lakhs) in comparison to loan of RFC (Rs.4.77 lakhs). The Committee, therefore, offered to waive the entire penal interest charged in the account amounting to Rs.0.90 lakhs if the account is settled finally. The offer made by the committee was not accepted by Shri Mandawat and his associate, hence the case was rejected.”

The branch office has initiated action u/s 32(G) and ROD forwarded to collector Udaipur on 10.10.2007.

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.10.00 lac inclusive of upfront amount of Rs.0.17 lac but the representatives of the concern did not accept the offer hence the case was rejected with the advice to Branch Office to expedite the action u/s 32(G).

16. Agrawal Flour & Dal Mill, Bundi (FR case)

Nobody appeared before the committee hence consideration of the case was 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) 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).
- 3) The party shall withdraw Court case, if any, before issue of no dues certificate.
- 4) Actual other money not debited and not considered at the time of settlement 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 15th of the each month or date specified by the Committee, as the case may be. BO has to ensure that PDC's are invariably taken in such cases.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

**General Manager (Dev.)
MEMBER SECRETARY**