

**RAJASTHAN FINANCIAL CORPORATION
(FR Division)**

**Minutes of the Special HOLC held on 20.01.2010 at 11.00 am under
the Chairmanship of Shri A.K.Garg, IAS, CMD.**

Following were present:

Shri Suresh Singhal FA/GM(A/c)	:	Member
Shri L.K.Ajmera, DGM (Law)	:	Member
Shri J.P.Meena DGM(Loans)	:	Member
Shri K.K.Parashar, GM(A&I)	:	Member Secretary

Shri R.M.Aswal, DGM(FR-1), Shri Onkar Mal, DGM(FR-2), Shri M.R.Chhinwal, DGM(DDW), Shri A.L.Gupta, 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), Shri M.S.Meena, Manager (FR-4) and Shri Naveen Ajmera, DM (FR) were also present.

I. Confirmation of the minutes of Spl HOLC meeting held on 26.11.2009.

Minutes were confirmed.

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

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

Nobody appeared before the committee The committee observed that in view of 7 attempts having been given to the promoter of the unit, he did not appear before the committee as yet and therefore, it was decided to defer the case as a last opportunity.

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

Nobody appeared before the committee. However Fax message dated 18.01.10 received from Mr. Sunil Agarwal (himself and for legal heirs of Late Shri Raj Kumar Agarwal) and Shri Mahesh Goyal (himself and for Mukesh Goyal) was placed before the committee.

The case of above named company was placed before Spl. HOLC in its meeting held on 21.10.09 and following decision was taken:

“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.”

As per the fax message dated 18.01.10 the party requested to the Chairman to accept their request and favour them with just and amicable settlement. After discussions and considering the facts and position of the case the committee decided to defer the case as last opportunity.

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

Nobody appeared before the committee. However in view of a representation of Mr. Dinesh Dubey given to our CMD on 20.1.2010 for release of documents of Collateral security, the case was considered by Hon'ble CMD.

The case of above named unit was earlier placed before Spl. HOLC in its meeting held on 26.11.09 and following decision was taken:

“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.”

In view of the representation of Mr. Dinesh Dubey having reference to the discussions taken place with the mortgagor guarantor Shri Dharnidhar Sharma in the chamber of Hon'ble CMD, it was decided to settle the loan account at Rs.2.70 lac less upfront amount of Rs.0.26 lac (rounded off) deposited on 09.09.09 i.e. the net payable settlement amount of Rs.2.44 lac.

The party consented to the decision and also submitted PDC dated 10.02.10 for the sum of Rs.2.44 lac.

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

Shri Shivaji Panjwani, Director and his friend Shri Lalit Jagota appeared before the committee.

The case of above named company was placed before the Spl. HOLC in its meeting held on 26.11.09 and following decision was taken:

“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.”

After discussions the committee given the same offer of Rs.35.89 lac as mentioned above, which was not agreed by him, hence the case was rejected.

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

Shri Mangilal Khatik, Proprietor appeared before the committee.

It is a decretal / written off case as well as appeal against the Branch decision whereby the case was settled by BO on 04.08.09 in a consideration of Rs.516800/-.

A loan of Rs.2.22 lac was sanctioned on 18.11.82 to M/s. Mangilal Khatik for purchase of Truck. Out of the sanctioned loan the sum of Rs.2.14 lac was disbursed upto 28.02.83. The truck reportedly caught fire. For recovery of corporation dues a decree was obtained on 18.01.96 for the sum of Rs.4.68 lac plus interest @ 20% p.a. from the date of filing. The account was also written off in the year 1995-96 for Rs.182758/- and written back at Rs.329782/- . In the case the value of third party guarantee is also reported at Rs.5.66 lac and the value of other properties is Rs.15.00 lac.

Action u/s 32-G taken against Shri Mangi Lal Khatik and ROD filed on 19.5.08. Revenue authorities attached property and decided to auction the same on 24.7.09. But sister of Shri Mangi Lal filed application for Hakrasi at ADJ, Nathdwara. The Court ordered on 24.7.09 that auction proceedings may be continued but sale not to finalise till Court decision. During the auction bid of Rs.3.70 lac received on 24.7.09 and informed to Court by Revenue Authorities. Meanwhile on 31.7.09 son of the promoter submitted OTS application with Rs.1000/- and Rs.2.00 lac against registration and upfront amount respectively for settlement of loan account.

After discussions and considering the facts and position of the case the committee offered to settle the loan account at Rs.4.70 lac less upfront amount of Rs.2.50 lac (Rs.2.00 lac deposited on 31.07.09 and Rs.0.50 lac deposited on 25.08.09) i.e. the net payable settlement amount at Rs.2.20 lac. The party sought time for giving its consent to the offer. Therefore, the committee allowed the time upto 31.01.10 to give its consent, failing which the case shall stand rejected and BO to pursue the recovery proceedings including action u/s 32-G.

6. **M/s. Hazari Lal Meghwal, Neemrana (DDW Case)**

Shri Hazarilal Meghwal, Proprietor and Shri Amar Singh his friend appeared before the committee. It is a written off and decretal case. The case was earlier decided at BO level on 19.08.09 at Rs.2.31 lac. Aggrieved with the decision the party has filed an appeal against the BO settlement by depositing of registration fee of Rs.5000/- and upfront amount of Rs.11200/- on 14.10.09.

A loan of Rs.0.74 lac was sanctioned on 17.09.82 to M/s. Hazari Lal Meghwal for purchase of transport vehicle and out of which the sum of Rs.0.72 lac was disbursed upto 18.10.84. The MRV of financed assets is Rs.0.35 lac and the present value of third party guarantors property comprising residential house is Rs.15.00 lac. For recovery of corporation dues a decree was obtained on 21.04.04 for the sum of Rs.222048/- plus interest @ documented rate from the date of filing. The account was also written off in the year 1990-91 at Rs.0.70 lac and written back at Rs.1.86 lac.

After discussions and considering the facts and position of the case the committee offered to settle the loan account at Rs.2.14 lac less upfront amount of Rs.0.34 lac (Rs.0.23 lac deposited on 17.08.09 and Rs.0.11 lac on 14.10.09) i.e. the net payable settlement amount at Rs.1.80 lac in three equal monthly instalments from Jan., 2010 to 20th March, 2010 with interest @ 13% shall be payable w.e.f. 01.02.2010 on unpaid amount of settlement.

The party consented to the settlement.

7. **M/s Suresh Engg.Works, Kota (DDW Case)**

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

8. **M/s Khetan Oil Mill, Jhunjhunu (DDW Case)**

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

9. **M/s Ramesh Chand Samaria, Jodhpur (DDW Case)**

Shri Nirmal Kumar Chawla, son of the guarantor appeared before the committee. It is a deficit-decretal-written off case. A loan of Rs.2.39 lac was sanctioned on 24.5.82 to Shri Ramesh Chand Samaria, Jodhpur for purchase of a truck and disbursed upto 31.7.82.

On default in repayment of dues, the assets of the unit were taken over into possession on 8.1.86 and sold out on 4.2.86 in a consideration of Rs.0.81 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.2.89 lac (principal Rs.2.36 lac, interest Rs.0.38 lac and OM Rs.0.15 lac). A decree was also obtained on 7.5.01 for Rs.1.44 lac + interest @ 7.5% above the bank rate from 4.1.86 to 20.7.87 and 15% thereafter till date of payment. The account was also written off in the year 1993-94 for Rs.250448.50 and

written back at Rs.38069.50. The present value of third party guarantor's property is Rs.17.24 lac.

Shri Nirmal Kumar Chawla first appealed before the Hon'ble High Court against the decree dt. 7.5.01 passed by the Court of DJ. The Hon'ble High Court after hearing the arguments granted conditional stay against execution of decree and as per the order, the party was required to deposit a sum of Rs.30000/- in the executing Court and the same was deposited by the applicant. At present the appeal is in due course.

After discussions and considering the facts and position of the case the committee decided to settle the case at Rs.1.65 lac to be payable within one month including sum of Rs.0.30 lac already reportedly deposited with Trial Court.

The party consented to the settlement.

10. **M/s Champa Lal Soni Chhapar, Churu (FR Case)**

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

11. **M/s Agarwal Mills, Pilibanga, Hanumangarh (FR Case)**

Shri Babu Lal Goyal, Partner of the unit, appeared before the committee.

Term loan of Rs.13.25 lac was sanctioned in the year 1991 and loan agreement was executed on 23.09.1991 incorporating interest rate @ 15% p.a. but due to change in refinance rate on 25.10.1991 the applicable interest rate was 18.75% p.a. This effect was given in the account by deed of modification on 12.02.1992 and higher rate was charged after deed of modification. But for the earlier period i.e. 24.09.91 to 31.3.1992 the intt. was charged @ 15% instead of 18.75%. The difference, amount of Rs.42017 was debited in the account on 31.08.1996 after issue of No dues certificate. No dues certificate was issued on 16.07.1996.

B.O. vide letter dated 20.11.2009 has informed that details of other property are not available and promoters are not ready to help in this regard. Party is not agreed to pay this difference amount which has accumulated to Rs.4.78 lac as on 1.9.09 and registered the case for settlement. The case has been registered as a grievance case after relaxing the restrictive clause and obtaining the approval from competent authority.

After detailed discussions and considering all the facts including FR circular No.295 dated 29.1.2004, the committee offered to settle the case in a consideration of Rs.1.00 lac payable upto 31.1.2010 with the condition that party shall withdraw the court case, if any.

The party consented to the settlement.

12. **M/s Panwar Entt Udyog Hanumangarh (FR Case)**

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

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

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

14. **M/s Vishal Marbles, Banswara (FR case)**

Shri Narpat Singh, promoter of the unit, appeared before the committee.

This is a case of mining unit. A loan of Rs.4.00 lac was sanctioned for installation of mining equipments on 12.03.1996. Out of the loan sanctioned, a sum of Rs.2.54 lac were disbursed.

Outstanding in the loan account as on 1.9.09 is to the tune of Rs.24.09 lac (principal Rs.2.54 lac and interest Rs.21.55 lac). Mines are reported to be closed and cancelled by the Mines Department. The P&M was taken over by the Mining Department and sold out. MRV of collateral security is estimated at Rs.6.63 lac

The Branch Office has taken action u/s 32(G) for recovery of Corporation dues and filed ROD with the Revenue authorities on 21.11.2002.

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.2.54 lac less upfront amount of Rs.0.38 lac (rounded off) plus ROD charges Rs.0.13 lac i.e. at the net payable settlement amount of Rs.2.29 lac payable upto 20.03.2010 in three equal monthly instalments commencing from January,2010.

No interest would be charged upto 31.1.10 and thereafter w.e.f. 1.2.10 interest @ 13% p.a. on simple basis shall be charged on unpaid amount of settlement.

The party consented to the settlement.

15. **M/s Shree Ganpati PVC Pipe (India) Pvt. Ltd., Jaipur Rural (FR case)**

Nobody appeared before the committee on behalf of the unit. However, the case was discussed in detail in light of the fact that the party has not been attending the meeting on one pretext or the another and adopting the delay tactics.

The committee decided that a last chance may be given to the party. The consideration of the case was therefore, **deferred by the committee.**

16. M/s Mateshwari Plastic Industries, Beawar (DDW Case)

Shri Kailash Chand Arora, proprietor of the unit appeared before the committee. It is a deficit-decreetal-written off case. BO has settled the case on 28.3.09 in a consideration of Rs.2.10 lac + 15298/- = Rs.225298/-. Aggrieved with the decision of branch the party has made appeal to the committee.

A loan of Rs.2.10 lac was sanctioned on 28.8.82 to the unit for setting up a PVC Granuels unit and disbursed upto 21.12.83.

On default in repayment of dues, the assets of the unit were taken over into possession on 4.2.85 and sold out P&M on 16.3.93 for Rs.35000/- and land & building on 13.12.84 for Rs.53000/-. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.2.34 lac (principal Rs.2.10 lac, interest Rs.0.24 lac). A decree was also obtained on 11.8.05 for Rs.233715 + interest @ 13.5% from the date of filing of suit. The account was also written off in the year 1997-98 for Rs.2.10 lac and written back at Rs.23715/-. Application for decree execution has also been filed on 17.11.07. There is no guarantee nor any property identified in the name of promoter.

After discussions and considering the facts and position of the case the committee offered to revive the BO level decision at Rs.2.25 lac less upfront Rs.0.45 lac i.e. net payable settlement at Rs.1.80 lac payable in 3 instalments upto 15.3.2010.

The promoter did not consent to the settlement, hence the case was rejected by the committee with the advice to the BM to pursue the recovery proceedings as per norms.

17. M/s M.G.Rubber & Chemicals, Neemrana (DDW Case)

Shri T.R.Chopra, promoter of the unit appeared before the committee. It is a deficit appeal case. Earlier the BO has settled the case in a consideration of Rs.2274501/-, but the party did not give consent and made appeal against the decision of BO level committee.

Two loans of Rs.12.47 lac on 28.3.97 and Rs.42 lac on 28.3.98 were sanctioned to the unit for setting up a hawai chappal unit and out of the which sum of Rs.12.47 lac and Rs.33.43 lac respectively were disbursed upto 12.11.98.

On default in repayment of dues, the assets of the unit were taken over into possession on 19.4.2000 and sold out on 24.8.04 in a consideration of Rs.39.61 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.13.99 lac being principal component.

As per 70:30 policy, govt.dues to the tune of Rs.7.61 lac was also debited in the loan account and accordingly the principal deficit works out at Rs.21.60 lac and OM Rs.0.07 lac thereby totaling to Rs.21.67 lac.

ROD was also forwarded by the District Collector, Alwar to the Dy.Commissioner (South-West) Delhi on 6.6.07. As per the report of visit team the promoter is residing at Flat No.B-503, Navin Apartment, Sector 5/13, Dwarka, New Delhi and as per him the above flat is in the name of his wife. The said flat has been reportedly sold by the loanee. As per net worth statement of Shri T.R.Chopra submitted at the time of sanction of loan, there was one flat No.243, Sector 10A located at Gurgaon and estimated value was Rs.14.50 lac.

After discussions and considering the facts and position of the case the committee decided to advise the BO, Alwar and SO, Delhi to have its property identified in detail including details of the properties when acquired and copies of the documents of acquisition and sale (if any) to be obtained. Details of present business and their earning sources of proprietor, his wife, sons, daughter etc may also be verified. This case is to be examined deeply by the branch office & SO, Delhi. Besides the party also raised query of rectification of account and recheck the details of payment made to State Government Department in the ratio of 70:30. Therefore the BM may also be advised to look into this aspect, take needful action and submit the report accordingly. In this light consideration of the case was deferred

18. M/s Guru Kripa Steel, Pali (ARRC case)

Shri Chela Ram Choudhary, Partner of the unit appeared before the committee.

Term loan of Rs. 14.00 lac was sanctioned to the unit on 10.06.1997 out of which Rs 12.15 lac was disbursed upto 10.12.1998.

The unit was under possession of ACTO from 19.03.2001 to 02.07.2009. Corporation took possession from ACTO on 03.07.2009. A sum of Rs.21.21 lac was outstanding as on 01.12.09 (principal sum Rs. 11.67 lac, interest Rs.5.53 lac and other money Rs.4.01 lac).

If interest for the possession period on simple basis is included amounting to Rs.26.83 lac than outstanding becomes **Rs. 48.04 lac**. MRV of financed assets is Rs. 5.66 lac as on 03.07.2009. Present value of collateral security as on 03.07.2009 is Rs. 0.50 lac. No third party guarantee is available in the case. The category of loan account is doubtful as on 31.3.05.

Subsidy of Rs. 2,42,900/- is also recoverable with interest. Branch Office has filed claim under section 32 (G) for recovery of subsidy amount from the promoter. The case is pending with SDO Sumerpur, Pali.

The Committee noted that highest offer of Rs.5.18 lac only for sale of assets of the unit was received by the branch office.

After detailed discussions with Shri Chela Ram Choudhary, Partner and considering all the facts and position of the case, the Committee offered to settle the account in a consideration of Rs.16.25 lac less upfront amount of

Rs.1.60 lac i.e. at net payable settlement amount of Rs.14.65 lac. The offered amount is as detailed below:

	(Rs. In lac)
Principal sum	11.67
50% of other money	2.00
Subsidy amount	2.43
5% ROD charges	0.12
Total	16.22
Say Rs. 16.25 lac	

Shri Chela Ram Choudhary, Partner 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.

19. M/s Northern Casting (P) Ltd, Bhiwadi (FR case)

Shri S.K.Gupta, authorized representative of the unit appeared before the committee.

The company was granted a deferred payment loan of Rs.1.20 lac on 18.1.85, term loan of Rs.28.80 lac on 25.09.1985 and S.R.F. loan of Rs.0.26 lac on 25.7.86 for the purpose of setting up a unit of special alloys steel & alloys iron castings. Out of the loans sanctioned, Rs.1.20 lac were disbursed as deferred loan, Rs.20.20 lac as term loan and Rs.0.26 lac as SRF loan .

The company cleared entire dues of Corporation in respect of all accounts and also obtained "No Dues Certificate" on 22.4.1992. Lateron, it was found that there is a double credit of Rs.25,000/- in the loan account No.CL-5208. Branch office re-opened the account of co. which is in operation till date. The B.O. debited Rs.25,000/- on 31.3.95 with effect from 14.3.88 in the loan account No.5208.

The plant & machinery of co. is not available as reported by the Branch. MRV of prime security is Rs.53.20 lac. Outstanding amount in loan account of the concern is Rs.6.58 lac as on 1.9.2009. Penal intt. amounting to Rs.2,76,715/- charged during the period from 1st October1988 to 1st April,1991 was waived subject to condition that the co. shall make the payment of remaining balance outstanding in its both the loan accounts on or before 15th Feb., 1992.

The party has requested to settle the dispute and release title deeds of the property. The competent authority has accorded permission to place this case before Spl.HOLC as a special case.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account by charging simple interest on the amount debited in the loanee's account after issue of No Dues Certificate from the date of issue of No Dues Certificate till the date of payment in terms of FR Circular No. 295 dated 29.01.04. This amount shall be paid by the party upto 31.1.10.

The authorized representative of the unit consented to the settlement.

20. M/s Dundlod Castle, Dondlod, Jhunjhunu (FR case)

Shri Ranveer Singh and Shri Rajveer Singh, Partners of the unit appeared before the committee.

This is a case of heritage hotel. A loan of Rs.9.95 lac was sanctioned on 30.10.93 out of which Rs.9.95 lac were disbursed upto 28.10.94. Loan documents were executed on 15.1.94. While granting the loan, the partners of the unit offered collateral security situated at Dundlod House, Hawa Sarak, Civil Lines, Jaipur, present value of which is not less than Rs 300.00 lac.

Outstanding in the loan account as on 1.12.09 is to the tune of Rs.64.06 lac (principal Rs.9.94 lac, interest Rs.54.00 lac and other money Rs.0.12 lac). MRV of financed assets is Rs.36.03 lac.

The concern remained irregular in making payment of Corporation dues since beginning. To effect recovery, action u/s 32(G) was initiated and ROD was filed with the Collector, Recovery, Jaipur on 23.11.01 and possession of the unit was taken on 26.03.02.

The concern approached the Corporation for settlement of account under OTS scheme and the case was placed before HOLC in its meeting held on 17.10.02. Decision taken by HOLC is reproduced below:

Shri Rajveer Singh appeared before the Committee. In view of the higher MRV of assets, no relaxation was considered. Later on, it was agreed by the party to deposit Rs. 10.00 Lac by the end of October, 2002 and take the possession of the unit. For the rest amount outstanding, the party wants to apply for reschedulement which may be considered by the competent authority. The committee agreed with the condition that in case the amount of Rs.10.00 Lac is not deposited during the month of October, 2002, the unit shall be put to auction."

The party did not deposit the amount of Rs. 10.00 Lac as per the decision of HOLC and filed appeal before SLC by depositing upfront amount of Rs. 2.50 Lac (25% of principal sum) and Rs. 4000/- as registration fees on 04.12.02. The case was placed before SLC on 20.03.03. Decision taken by SLC is reproduced below:

"Shri Ranveer Singh and Shri Rajveer Singh two of the directors attended the meeting. The Committee noted that this was the case Hotel unit in possession and offer the settle the account in lump sum amount Rs.35.50 lac after waiving the entire penal interest and adjusting up-front for SLC but including interest for possession period. The Committee further offered to handover the possession back if Rs.5.00 lac out of settled amount are deposited in March, 2003. No Interest would be charged on further balance payments made upto June, 2003 and simple interest @ 15% p.a. would be charged on payments made from July, 2003 to March, 2004, the settlement will be treated as withdrawn if the account is not squared up upto March, 2004.

The Directors representing the unit agreed with the terms of settlement."

The concern did not deposit the amount as per decision taken by SLC, therefore, the settlement was withdrawn. After that the concern deposited Rs.5.00 lac and got its case registered in IRS scheme. The partners of the unit again met CMD and submitted a representation dated 23.6.06 making request to consider their case for settlement under OTS scheme. The CMD considered the request and allowed registration of case under OTS scheme. The party deposited Rs.4000 as registration fee and Rs.71,000/- in cash and gave cheque dated 12.03.06 for Rs.79,000/- towards balance upfront amount. The cheque was bounced. The partners of the unit did not deposit the proceeds against the cheque dishonoured. The Corporation filed complaint against the partners u/s 138(b) of NI Act for the cheque dishonoured.

The partner Sh. Ranveer Singh and Shri Rajveer Singh filed SBCWP No. 1003/2006 in the Hon'ble High Court. The Hon'ble High Court vide its order dated 10.4.07 decided that the auction proceedings shall be stayed if petitioner deposits Rs. 60.00 lac with the Corporation within 60 days. If the petitioner fails to deposit the amount, the respondent RFC shall be free to recover the entire due amount in accordance with the law. The concern did not deposit Rs.60.00 lac as per the decision of Hon'ble High Court. The Hon'ble High Court dismissed the writ petition on 29.07.08.

The Revenue Authorities attached part of the collateral security on 08.03.07 mortgaged with the Corporation measuring 39'x48' and 62'x92' and put for auction on 04.11.09 in terms of auction notice published in Rajasthan Patrika in its issue dated 17.10.09.

Shri Rajveer Singh, partner of concern submitted a representation on 26.10.09 making request to with held the auction of the property attached and shown his keenness for settlement of loan account under ongoing OTS Scheme. The competent authority decided that the auction may be withheld and party be allowed to register the case for OTS by depositing requisite up-front amount and registration fees.

Sh. Rajveer Singh, partner of the unit got the case registered for OTS by depositing requisite registration fee and upfront amount.

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.66.00 lac (including ROD charges)) less upfront amount of Rs.1.51 lac less balance penal interest Rs.3.15 lac i.e. at the net payable settlement amount of Rs.61.34 lac payable in two equal monthly instalments commencing from February,10. The instalment for the month of March,10 shall be paid upto 25.03.10.

No interest would be charged upto 31.1.10 and thereafter interest @ 13% p.a. on simple basis shall be charged w.e.f. 1.2.10 on unpaid amount of settlement.

The partner Shri Rajveer Singh, representing the case, consented to the settlement.

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 of the Special HOLC held on 23.02.2010 at 12.00 Noon under the
Chairmanship of Shri A.K.Garg, IAS, CMD.**

Following were present:

Shri Suresh Singhal FA/GM(A/c)	:	Member
Shri L.K.Ajmera, DGM (Law)	:	Member
Dr. Mohan Lal Yadav, ED	:	Member Secretary

Shri M.R.Chhinwal, DGM(DDW), Shri A.L.Gupta, 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), Shri M.S.Meena, Manager (FR-4) and Shri Diwakar Sharma, DM (FR) were also present.

I. Confirmation of the minutes of Spl HOLC meeting held on 20.01.2010.

Minutes were confirmed.

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

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

Nobody appeared before the committee. Since in the last meeting held on 20.1.2010 it was decided to defer the case as last opportunity, the committee has decided to close the case. Accordingly the BM may be advised to pursue recovery action as per norms immediately.

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

Nobody appeared before the committee. In view of party's request the competent authority has decided to grant him exemption. Hence consideration of the case was deferred.

3. M/s Khetan Oil Mill, Jhunjhunu (DDW Case)

Shri S.K.Poddar, brother of the proprietor appeared before the committee.

It is a Deficit as well as appeal case. The case was settled by BO on 01.09.09 in consideration of Rs.186490/- less Rs.18650/- deposited as upfront for settlement, the net payable settlement amount would be Rs.167840/- which shall be paid upto 30.09.09 without any interest after that interest @ 13% p.a. shall be paid on the unpaid amount of settlement from 01.10.09 to 31.08.10. But till date party has not deposited any amount against the settlement.

Aggrieved with the decision of DLC party has made an appeal by depositing registration fee of Rs.5000/- and upfront amount of Rs.18640/- on 14.10.09.

Two loans of Rs.1.45 lac on 23.12.92 and Rs.0.55 lac on 23.12.92 were sanctioned out of which Rs.1.01 lac and Rs.0.55 lac were disbursed upto 27.3.93 for setting up an edible oil unit.

On default in repayment of dues, the assets of the unit were taken over into possession on 25.7.05 and sold out on 26.8.05 in a consideration of Rs.1.15 lac. After appropriation of sale proceeds, deficit as on 1.12.09 works out to Rs.7.38 lac (principal Rs.1.56 lac, interest Rs.5.52 lac and Govt.dues Rs.0.30 lac). Legal notice has also been issued u/s 32G on 19.9.07. Apart from that there is collateral security involved in the case comprising residential house at Islampur of which MRV has been reported by BO to the tune of Rs.1.10 lac as of 2.1.93.

After discussions and considering all the facts and position of the case, the committee offered to settle the account at Rs.186490/- less upfront Rs.37300/- deposited (Rs.18650/- on 10.8.09 and Rs.18650/- on 14.10.09) i.e. net settlement amount at Rs.1.49 lac payable in 12 equal monthly instalments commencing from March, 2010 to Feb.,2011.

Interest @ 13% p.a. shall be charged from 1.4.2010 on unpaid amount of settlement.

The party consented to the settlement”.

4. **M/s Suresh Engg.Works, Kota (DDW Case)**

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

5. **M/s Bajaj Felt Mfg Company, Nagaur (ARRC case)**

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

6. **M/s Shree Ganpati PVC Pipe (India) Pvt. Ltd., Jaipur Rural (FR case)**

Shri Virendra Rajpal, Director of the company appeared before the committee.

The Company was sanctioned a term loan of Rs.84.00 lac (Rs.64.00 lac for acquisition of fixed assets and Rs.20.00 lac for working capital) on 2.8.2000. Subsequently, on the request of the Company, the corporation has also granted further term loan of Rs.24.00 lac on 22.9.01 to meet out cost overrun. Out of the sanctioned term loan of Rs.108 lac, the Corporation disbursed Rs.107.79 lac upto 03.06.2002.

Request of the Company for reschedulement was allowed in April, 2004 by extending last date of repayment (LDR) repayment period for two years and interest overdues to be cleared by September, 2004. The Company did not make

the payment as per reschedulement. Due to non payment of Corporation dues, the possession of the fixed assets of the unit was taken over by the Branch Office on 30.4.05.

The party filed SB Civil writ petition No. 4975/2005 in the Hon'ble High Court, Jaipur. The order of the Hon'ble High Court, Jaipur dated 20.7.05 is reproduced as under:

“To issue notice to the respondents of the writ petition as well as Stay application, returnable within two weeks. Notice be given in dasti. In the meantime, respondents are liberty to proceed with auction proceedings but shall not confirm, the same without seeking permission of this court. The stay order will be operative only after service upon the respondents.”

13 auctions were held w.e.f. 30.5.05 and last was held on 19.6.06. Out of the 13 auctions bid was received in the auction held on 22.9.05 for Rs.10.00 lac, on 21.2.06 for Rs.55.00 lac and on 20.4.06 for Rs.70.00 lac. But the same were rejected. The last auction was proposed for 29.6.07 but the company deposited Rs.25.00 lac in June,2007 therefore, the auction was postponed.

The Hon'ble High Court, Jaipur passed an order dated 5.7.06 as under:

“I deem it proper to give six months time to make payment of the outstanding dues to RFC. The application stand disposed off”

Considering the request of the company, the competent authority permitted to give back possession of the unit in July, 2007 by allowing relaxation in norms in regard to required payments. It was decided that party shall clear interest overdues by 28.2.08 and thereafter request of the company for reschedulement shall be considered. The party also submitted post dated cheques but they were not honoured even after granting extension.

The party still did not adhere the reschedulement and therefore Corporation cancelled the reschedulement and initiated legal action for recovery on 12.9.08. The party has made a request for switch over of loan account to other bank / financial institution. The request of the company has been examined and Corporation has considered the request of the party with the condition that party would submit consent from the bank / financial institution by 20.11.08 for switch over of the loan by the bank.

The director of the company requested for settlement of their account. For registering the case under prevailing OTS scheme, the cut off date i.e. disbursement made upto 31.3.01 and category of the accounts should be doubtful as on 31.3.05 is required to be fulfilled but in the said case last date of disbursement was 3.6.02 and category of the loan account was substandard as on 31.3.05. It was decided that keeping in view the facts of the case to bring this case under OTS, relaxation in cut off date and category of account has to be given. It is a fit case to bring under OTS to get rid of a problematic account. This bears approval of the competent authority for considering the case under OTS on

the aforesaid approvals. Accordingly, Branch was advised to register the case as per the prevailing OTS scheme.

The company submitted request for relaxation to deposit upfront amount as considered earlier by the Corporation in M/s Shyam Sunder Tanwar case and M/s Paharia Impressions.

As per the scheme for one time settlement of NPAs 2008-09 (FR circular No.517 dated 2.5.08) registration fees of Rs.4,000/- and upfront amount @ 20% of principal sum and other money is required for registering the case under OTS. Upfront amount of Rs.21.56 lac is required to be deposited by the company for which the company has requested to relax the same and Rs.4000/- as registration fees would be deposited by the company. The Company deposited registration fees of Rs.4000/- on 29.01.09.

The request of the company for relaxing to deposit the required upfront amount was relaxed by the competent authority as on 6.1.09 as it is a big NPA case of the branch and if settled, maximum amount shall be recovered.

The case of above mentioned company was placed before Spl HOLC in its meeting held on 4.3.09 but nobody turned up hence case was deferred. Again the case was placed before Spl HOLC in its meeting held on 18.03.09, 26.3.09, 9.7.09 and 7.8.09 but nobody turned up before the committee hence the case was deferred. In the last meeting held on 7.8.09 since nobody appeared before the committee and case has already been put up before the committee five times, therefore, it was decided to give last opportunity to the concern to appear before the committee.

On the request of the party (submitted in September,2009), for giving four months time for arranging funds for settlement, the competent authority decided to place the case before the settlement committee after four months. Thereafter, the case was placed before Spl HOLC in its meeting held on 20.1.10 but nobody appeared before the committee and it was decided that last chance may be given to the party till then the case was deferred.

During the course of discussions, Shri Rajpal has expressed his grievances especially with regard to statement of accounts that he has not been provided statement of accounts and for want of reconciliation of accounts at his level he has shown his inability to offer any amount for settlement.

After detailed discussions and request of the party, the committee decided that the BO should provide statement since beginning to the company. It was further decided that case may be placed in the next ensuing meeting.

7. M/s Panwar Entt Udyog, Hanumangarh

Shri Fakir Chand representative of the concern appeared before the committee.

A term loan Rs.1.90 lac was sanctioned to the concern on 3.10.1992 for setting up bricks manufacturing unit at Village Chak 7 SGM, Suratgarh. Rs.1.22 lac was

availed by the unit upto 11.3.93. The concern has not deposited overdues of Rs.2.26 lac, therefore, legal notice was issued on 15.10.09. The total outstanding as on 1.12.09 without adjusting the upfront amount was Rs.235,119/- The promoter of unit belongs to SC, therefore, permission for takeover under section 29 of SFCs Act was accorded to BO Hanumangarh by competent authority on 30.11.09. After that party has registered the case for OTS. MRV of the primary assets is Rs.17.50 lac and value of other properties of the promoter is Rs.52.75 lac.

After discussions, considering the facts and position of the case, the committee offered **to settle** the case in a consideration of Rs.235,119/- minus upfront amount of Rs.19,000/- i.e. net payable settlement amount at Rs.216119/- payable in six equal monthly installments starting from March, 2010.

No interest would be charged upto 31.03.10 and thereafter w.e.f. 01.04.10 interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The party consented to the settlement.

8. **M/s Champa Lal Soni Chhapar, Churu (FR Case)**

Shri Champa Lal Soni, Proprietor of the concern, appeared before the committee.

A term loan of Rs.2.48 lac was sanctioned for setting up salt manufacturing unit on 31.3.87 out of which the concern has availed Rs.247500/- The outstanding without adjusting upfront amount as on 1.12.09 was Rs.45.37 lac including principal sum of Rs.2.48 lac interest of Rs. 42.86 lac and other money 0.03 lac. The MRV of the primary assets is Rs.3.98 lac. No collateral security and personal guarantee / third party guarantee is available.

The unit is lying closed for last 15-20 year due to non availability of ground water in the area. There are open land. No any type of demarcation available on site and no any work about mfg. of salt available. Due to non availability of prospective buyer, the potentiality of sale of the unit is very poor .The possibility of other use land is less/ negligible

ROD returned by Revenue Authorities on 6.09.2005 due to non availability identification/availability of property in the name of promoter. Subsidy of Rs.80,100/- was disbursed on 20.1.89 unit not remained in production at least continuous for five year, therefore subsidy is recoverable separately as per norms. However as per net worth statement submitted at the time of sanction immovable property was shown to Rs.2.14 lac. For identification of property other than mortgaged to the Corporation, letter issued to Nagarpalika and Teh.Sujangarh and discussed with the neighbours during the visit by the team but no property could be identified .

During the site visit by the BO, Hanumangarh officials, the team has observed following :

- a. The lease of land have not been renewed from 1.3.2004.

- b. In this area, the availability of brine resources (water) is high depth in the ground.
- c. In this area, almost all the units of salt manufacturing are closed due to non availability of water (Brine resources)
- d. The unit located more than 2 km from the municipal limit Chappar.
- e. Presently, no buyer is available in the area for salt manufacturing units due to non availability of ground water.
- f. The possibility of other uses of said land-plot is less / negligible.

After detailed discussions and considering all the facts and position of the case, the committee could not reach at the settlement amount as the party offered to settle the account at principal sum outstanding Rs.2.48 lac. Hence the case was rejected and committee decided that BO should initiate immediate recovery action as per norms including traditional methods for recovery.

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

Nobody turned up before the committee. Earlier the case was placed before the committee on dated 21.10.09, 26.11.09 and 20.1.10 but the party never turned up, therefore, it was decided to close the case.

10. **M/s Maida Marble Industries, Banswara**

Shri Basant Lal Proprietor of the unit appeared before the committee.

A loan of Rs.6.53 lac was sanctioned to the unit on 25.8.93 for purchase of mining equipment. Out of sanctioned loan, a sum of Rs. 5.72 lac was disbursed upto 16.8.94. The outstanding as on 1.12.09 was Rs.42.50 lac including principal sum of Rs.5.07 lac and interest of Rs.37.43 lac. MRV of the financed assets is Rs.2.42 lac. No collateral security or third party guarantee is available. However, the value of other properties identified by the BO is reported to Rs.11.50 lac. The mines which was closed in due course and later on cancelled. The P&M of the unit was missing for which FIR has been lodged by BO on 1.10.07 but no result thereof. The ROD u/s 32(G) was also filed on 27.1.03 but no fruitful result has come so far. The promoter belongs to tribal community.

The unit is under doubtful category as 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.6.76lac less upfront amount of Rs.0.76 lac (rounded off) i.e. at the net payable settlement amount of Rs.6.00 lac payable in three equal monthly installments commencing from March,2010.

No interest would be charged upto 31.3.10 and thereafter w.e.f. 1.4.10 interest @ 13% p.a. on simple basis shall be charged on unpaid amount of settlement.

The party consented to the settlement.

11. **M/s Speed Batteries, Falna, Pali**

Shri Mohd Haroon, Promoter of the unit appeared before the committee.

A loan of Rs.3,45,000/- was sanctioned to the unit on 25.2.2000 under single window scheme out of which Rs.2,45,000/- was sanctioned as term loan and Rs.1.00 lac towards working capital for manufacturing of automobile batteries and plates in rented premises. The sanctioned amount was fully disbursed up to 23.12.2000. The proprietor could not run the unit due to accident in 2003 and presently unit is closed. As per visit report of Branch Officers, Pali on 7.1.10 no assets were found on the rented premises and now the said premises has been rented out to some other person who is engaged in trading of scrap material since last 3-4 years. No.FIR for missing assets has been lodged by the Branch Office till date. This fact has been noticed only when the side was visited by Branch Official for the purpose of calculating MRV to consider the case under OTS Scheme.

Outstanding in the loan account as on 1.12.09 was Rs.11.87 lac including principal sum of Rs.3.37, interest Rs.8.49 lac and other money 0.01 lac. The primary assets are missing and the present value of collateral security and mortgaged guarantee is reported Rs.2.50 lac and Rs.1.64 lac respectively. The category of loan account is doubtful as on 31.3.05.

Earlier the case of unit was registered at Branch Office on 28.09.07 under the scheme for waiver of penal interest by depositing a fee of Rs.2000/- and upfront amount of Rs.53,000/- . The case was placed before the DLC on 16.11.2007 wherein penal interest of Rs.45071/- upto 30.09.2007 was waived but the proprietor did not adhere to the decision and instead filed a case against the Corporation . Promoter is agreed to withdraw the case, if his request for OTS is considered. The unit has deposited registration fee of Rs.2000/- and upfront amount Rs.53,000/- on 8.12.2009.

The unit has so far paid a sum of Rs.1,84,187/- including upfront amount.

The Corporation has already lodged case u/s 32 G to recover the amount from collateral security and guarantor, but the same has been returned by the SDO on the ground that the house is lying closed for last 3-4 years due to which kurki is not possible .

Documented rate of interest is 15.50 % p.a. in both the account.

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.6.00lac less upfront amount of Rs.0.53 lac (rounded off) i.e. at the net payable settlement amount of Rs.5.47 lac payable upto 31.03.10.

The party consented to the settlement.

12. **M/s M.G.Rubber & Chemicals, Neemrana (DDW Case)**

Shri T.R.Chopra, promoter appeared before the committee. The case was earlier placed before the Spl.HOLC in its meeting held on 20.1.2010 and the following decision was taken:

“Shri T.R.Chopra, promoter of the unit appeared before the committee. It is a deficit appeal case. Earlier the BO has settled the case in a consideration of Rs.2274501/-, but the party did not give consent and made appeal against the decision of BO level committee.

Two loans of Rs.12.47 lac on 28.3.97 and Rs.42 lac on 28.3.98 were sanctioned to the unit for setting up a hawai chappal unit and out of the which sum of Rs.12.47 lac and Rs.33.43 lac respectively were disbursed upto 12.11.98.

On default in repayment of dues, the assets of the unit were taken over into possession on 19.4.2000 and sold out on 24.8.04 in a consideration of Rs.39.61 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.13.99 lac being principal component.

As per 70:30 policy, govt.dues to the tune of Rs.7.61 lac was also debited in the loan account and accordingly the principal deficit works out at Rs.21.60 lac and OM Rs.0.07 lac thereby totaling to Rs.21.67 lac.

ROD was also forwarded by the District Collector, Alwar to the Dy.Commissioner (South-West) Delhi on 6.6.07. As per the report of visit team the promoter is residing at Flat No.B-503, Navin Apartment, Sector 5/13, Dwarka, New Delhi and as per him the above flat is in the name of his wife. The said flat has been reportedly sold by the loanee. As per net worth statement of Shri T.R.Chopra submitted at the time of sanction of loan, there was one flat No.243, Sector 10A located at Gurgaon and estimated value was Rs.14.50 lac.

After discussions and considering the facts and position of the case the committee decided to advise the BO, Alwar and SO, Delhi to have its property identified in detail including details of the properties when acquired and copies of the documents of acquisition and sale (if any) to be obtained. Details of present business and their earning sources of proprietor, his wife, sons, daughter etc may also be verified. This case is to be examined deeply by the branch office & SO, Delhi. Besides the party also raised query of rectification of account and recheck the details of payment made to State Government Department in the ratio of 70:30. Therefore the BM may also be advised to look into this aspect, take needful action and submit the report accordingly. In this light consideration of the case was deferred.”

In compliance of decision of Spl. HOLC, the BM, Neemrana was advised to identify the properties of promoter alongwith details of properties i.e. when acquired and sold alongwith copies of the documents of acquisition and sale (if any). Details of present business and earning sources of proprietor, his wife, sons & daughters etc. and the details of payment made to state govt. in the ratio of 30:70.

As informed by BO the details of payment made to other govt. depts. in the ratio of 70:30 are as under:

JVVNL, Shahjhapur	03.09.04	Rs. 100056/-
CTO, Bhiwadi	27.01.07	Rs. 32436/-
DIC, Bhiwadi	09.10.09	Rs. 628500/-
Total		Rs.760992/-

The above payments made to Govt. Deptt. against actual dues position and now no any payment is pending of other Govt. Deptt. against the unit.

As per visit report dated 08.02.10 the details of the properties / past residences of the borrower are as under:

S. No	House No. its status	Status of property	Remarks
1	H-379, Vikaspuri, New Delhi	Sold during 1997 but documents not furnished.	The house in the name of Mrs. Renu Chopra (Wife)
2	1023, Sector 17, Gurgaon	On rent during 1997 to 1999	Vacated during 1999
3	H-9/c, Ujjawal Apartment, Vikaspuri, Delhi	On rent during 2000	Vacated during 2001
4	Plot No. 13 Sector no.5 Flat No. B-503, Naveen Apartment	Acquired during 2001 and sold during 2009	The flat is in the name of his wife Smt. Renu Chopra
5	Gold Craft Apartment, CGHS Ltd., Plot no.4, House no. D-1/43, Sector 11, Near Market Dwarka, New Delhi	On rent from 01.02.2010	The family of Shri Chopra is residing unified.

The family structure of the borrower Mr. T R Chopra and their earning sources are as under:

S. No	Name of the person / family member	Relation with borrower	Earning sources/ monthly income	Remarks
1	Shri T R Chopra	Borrower	Nil	No earning source has been reported.
2	Smt. Renu Chopra	Wife	Rs.5000/- p.m. pension	She is a retired Govt. employee from Industry Ministry, Delhi
3	Mr. Munish Chopra	Elder Son	Rs.18000/- p.m.	Working as ARICIA India International P.Ltd., A-2/89, Safdarganj, Delhi
4	Mrs.Ruchika Chopra W/o Sh. Munish Chopra	Son's wife	Rs.22000/-	Working in a Pvt. Software co.
5	Mr. Gaurav Chopra	Son	Rs.25000/-	Working in a real estate co. AMR Ltd., Pusa Road, Karol Bagh, Delhi

6	Mrs.Supriya Chopra W/o Sh. Gaurav Chopra	Son's wife	Rs.11000/-	Working as Nursery teacher in a private school.
7	Miss Charu Chopra	Daughter (Unmarrie d)	Rs.20000/-	Working in a Export house M/s. Rajat International, Gurgaon (HR)

After discussions, the party did not give acceptable offer and also sought time hence consideration of the case was deferred.

13. **M/s Krishna Plastic Sizers (P) Ltd., Dausa (DDW Case)**

Shri Vinod Sharma, one of the directors appeared before the committee.

It is a Deficit as well as appeal case. The case was settled at by BO / DLC on 09.02.10 at Rs.1302388/- less upfront deposited Rs.64500/- i.e. net settlement amount at Rs.1237888/- in 12 monthly instalments. Aggrieved with the decision of BO / DLC party filed appeal. Hon'ble CMD has allowed to register the case with 50% of upfront amount.

A loan of Rs.20 lac was sanctioned on 18.10.95 to the unit for setting up a CPW unit, out of which sum of Rs.13.04 lac was disbursed upto 19.6.97.

On default in repayment of dues, the assets of the unit were taken over into possession on 1.9.99 and sold P&M for Rs.1.60 lac on 15.3.04 and land & building on 21.1.06 for Rs.2.71 lac thereby totaling Rs.4.31 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.21.05 lac (principal Rs.12.89 lac, interest Rs.8.16 lac). Action u/s 32G was also initiated and but ROD was returned by revenue authorities for want of details of properties.

Request for settlement has been made by one director only namely Shri Vinod Sharma and requested for payment of his share under the settlement scheme at 50% of the principal sum.

The case was discussed in detail and after discussions and considering the facts and position of the case the committee decided to consider the request of one director Shri Vinod Sharma and agree to recover 50% of principal sum i.e. Rs.6.45 lac less upfront Rs.1.29 lac deposited on 9.2.10 & 11.2.10 i.e. net recoverable share from Shri Vinod Sharma at Rs.5.16 lac payable upto 31.3.2010. However, at the same time, the committee also decided that no action would be initiated against Shri Vinod Sharma being one of the directors in so far as recovery proceedings are concerned. However, he would co-operate with the Corporation to trace out/identify whereabouts of another director Shri S.K.Kulshrestha as well as his property so as to pursue recovery action as per norms against Shri Kulshrestha.

The party consented to the decision of the committee to the extent of recovery of Corporation's dues as per his request for his share.

14. **M/s Shree Steel Engg.Co., Pali (DDW Case)**

Shri Hari Shankar Sharma, partner and his friend Shri Ramesh Palna, appeared before the committee. It is a deficit-decreetal-written off as well as appeal case.

The case has been earlier decided by BO on 03.08.09 in consideration of Rs.6.06 lac less upfront amount Rs.59000/- i.e. net settlement amount Rs.547000/- which shall be paid upto 31.08.09 without interest or to be paid in 12 equal monthly instalments with 13% p.a. interest. Aggrieved with the decision of the DLC, the party made an appeal.

A loan of Rs.7.60 lac was sanctioned on 15.6.82 and disbursed Rs.6.10 lac upto 15.12.83 for setting up a Nut & Bolt unit. The account has been categorized under loss assets.

On default in repayment of dues, the assets of the unit were taken over into possession on 14.1.90 and sold out P&M on 1.1.96 for Rs.2.20 lac and land & building on 31.3.98 for Rs.1.90 lac thus totaling to Rs.4.10 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.11.09 lac (principal Rs.5.71 lac, interest Rs.5.37 lac and OM Rs.0.01 lac). Action u/s 32G has already been initiated and ROD filed with Collector, PDR and the same is pending with SDO, Pali since 15.5.08.

Value of properties other than mortgaged to Corporation of promoter guarantor is reported at Rs.1.50 to 2 lac (value of house of Shri Nand Lal, Partner) and agriculture land at Tehsil Gogunda Rs.5.00 lac.

During the course of discussions no acceptable offer was given by the representative of the unit. Hence the committee deferred the case with the advise to the party that another partner of the unit Shri Nand Lal Joshi would also come along and appear before the committee in the next meeting, hence consideration of the case was deferred.

15. **M/s Mohan Rubber Industries, Behror (DDW Case)**

Shri Man Mohan Lal along with his consultant appeared before the committee.

It is a Deficit-write off as well as appeal case. The case was earlier registered in OTS scheme on 25.07.06. The account was settled by DLC in its meeting held on 20.09.06 in consideration of Rs.21.77 lac including 5% recovery charges less upfront amount of Rs.3.11 lac. The net settlement amount was Rs.18.66 lac but the promoter had neither given his consent for settlement nor deposited any settlement amount.

Appeal of the party against the DLC has been considered by competent authority and delay in filing appeal has also been condoned by competent authority.

Two loans of Rs.21 lac on 31.3.84 and Rs.4.50 lac on 16.3.90 were sanctioned out of which Rs.20.32 lac and Rs.4.50 lac were disbursed upto 29.3.86 and 27.3.91 respectively for setting up a unit of rubber products.

A Rehabilitation package was also granted during 1990-91 under which facilities of reschedulement and relief in penal interest was allowed to the tune of Rs.4.53 lac.

On default in repayment of dues, the assets of the unit were taken over into possession on 7.10.93 and sold out in a consideration of Rs.30.25 lac on 3.5.94. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.20.76 lac (principal Rs.17.68 lac, interest Rs.3.05 lac and OM Rs.0.03 lac). The account was written off in the year 1994-95 and the amount of write off is Rs.17.68 lac and write back Rs.3.05 lac. ROD is pending with the DC (West) Rampura, Delhi since 28.04.06.

There is no collateral security in the case, but the promoter has good immovable property comprising of residential house at Delhi having MRV to the order of Rs.4 – 5 crores. During the visit of team, it has been found that Shri Man Mohan Lal is living alone in his house and his wife Smt. Chandarkala who was partner has been reported missing and not searched till date.

As per opinion of Law Cell, any personal property even not charged with RFC can be attached for recovery of Corporation's dues as per provisions of CPE & LR Act,1956.

In this case the IFL of Rs.1.15 lac was disbursed on 26.3.91. The unit was taken into possession by RFC on 7.10.93. Hence interest on IFL is not chargeable.

Branch Manager vide fax message dated 19.2.2010 has reported possession of the unit was taken on 7.1.93, hence interest on IFC is not chargeable, therefore interest on IFL may be treated as Nil.

After discussions and considering the facts and position of the case the committee offered to revive the earlier settlement made by DLC on 20.9.06 at Rs.21.77 lac less upfront alongwith interest @ 16% till date. The party did not agree to the committee's offer, hence the case was rejected with the advise to the BM to vigorously pursue and expedite the recovery proceedings under L.R.Act, which is already under consideration with DC (West), Rampura, Delhi since 28.4.06 so as to attach the property identified and effect recovery of the Corporation's dues.

16. **M/s Shree Shyam Marble Industries, Sikar (ARRC Case)**

Shri Bajrang Lal representative of the unit attended the meeting. The above unit is under possession of the Corporation since 21.08.2008. Outstanding in the loan account of unit as on 01.12.2009 (without adjusting upfront amount) is as under:

		(Rs. in lac)
Principal	:	Rs. 18.65
Interst	:	Rs. 6.10
O.M.	:	Rs. <u>0.86</u>
Total	:	Rs. <u>25.61</u>

MRV of the prime assets is Rs. 10.91 lac and value of collateral security is Rs. 15.00 lac.

14 attempts of auction for sale of assets of the unit have been made. In the last auction held on 23.12.2009, highest offer of Rs. 8.50 lac for entire assets was received by HO level Sale cum Negotiation Committee. Shri Bajrang Lal, representative requested to HO level Sale cum Negotiation Committee for one time settlement. Accordingly, the case was registered by depositing prescribed registration fee alongwith upfront amount of Rs 0.56 lac on 23.12.2009 and balance upfront amount to be deposited on 05.01.2010. Balance upfront amount of Rs. 2.44 lac was deposited on 06.01.2010, due to gazetted holiday on 05.01.2010.

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.20.00 lac (P.Sum Rs. 18.65 lac + Other money Rs. 0.86 lac=Rs. 19.51 lac say Rs. 20.00 lac) less upfront amount of Rs.3.00 lac i. e. at a net payable settlement amount of Rs.17.00 lac which shall be paid by the party on or before 31.03.2010. No interest shall be charged upto 31.03.2010.

The representative of the unit consented to the settlement.

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 of the Special HOLC held on 05.05.2010 at 12.00 Noon
under the Chairmanship of Shri G.S.Sandhu, IAS, CMD.

Following were present:

Dr. M L Yadav, ED	:	Member
Shri Suresh Singhal ED-Finance	:	Member
Shri Sukhaveer Saini, GM(D)	:	Member Secretary
Shri Dharamveer Jasnani, Manager (I/c – Law)	:	Member

Shri Abu Talib, DGM (FR-1), Shri Ashutosh Prasad Mathur, DGM (FR-2), Shri J.P. Meena, DGM(DDW), Shri A.L.Gupta, DGM(ARRC), Shri M.C. Meena, Manager (DDW), Shri J.N.Sharma, Manager (FR-1), Shri P.D.Verma, Manager (FR-3), Shri Deepak Verma, Manager (ARRC), Shri M.S.Meena, Manager (FR-4) and Shri Diwakar Sharma, DM (FR) were also present.

I. Confirmation of the minutes of Spl HOLC meeting held on 23.02.2010.

Except the case of M/s. M.G. Rubber & Chemicals, Neemrana, the rest of the minutes were confirmed. In the case of M/s. M.G. Rubber & Chemicals, the Committee with general consensus decided that the case be not treated settled below principal sum + Other money plus 5% recovery charges (ROD filed case) in any case. Accordingly, if the promoters are prepared to pay the above amount (principal sum + other money + ROD charges 5%, if filed) in a month's time, the case be treated as settled, failing which recovery action be initiated.

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

1. M/s Mintech Granite (P) Ltd., Neemrana (DDW Case)

Nobody appeared before the committee. The case was earlier placed before the committee 6 times, lastly on 21.10.09. In this case only principal sum is to be recovered from the directors of the company. As per the scheme of settlement of NPA cases 2009-10, no case can be settled below the principal. Therefore, the committee decided to reject the appeal. The Branch Manager be directed to recover the dues as per settlement arrived at BO level on 30.3.09 in a consideration of Rs.55.02 lac, else recovery action may be initiated immediately as per norms.

2. **M/s Suresh Engg.Works, Kota (DDW Case)**

Nobody appeared before the committee. Earlier also this case was placed before the committee 3 times, therefore, the committee decided to close the case and BM be directed to take immediate action to recover the dues as per norms.

3. **M/s Shree Steel Engg.Co., Pali (DDW Case)**

Shri Ramesh Sharma appeared before the committee. It is a deficit-appeal case.

A loan of Rs.7.60 lac was sanctioned on 15.6.82 and disbursed Rs.6.10 lac upto 15.12.83 for setting up a Nut & Bolt unit. The account has been categorized under loss assets.

The case has been earlier decided by BO on 03.08.09 in consideration of Rs.6.06 lac less upfront amount Rs.59000/- i.e. net settlement amount Rs.547000/- which was to be paid upto 31.08.09 without interest or to be paid in 12 equal monthly instalments with 13% p.a. interest. Aggrieved with the decision of the DLC, the party made an appeal.

On default in repayment of dues, the assets of the unit were taken over into possession on 14.1.90 and sold out P&M on 1.1.96 for Rs.2.20 lac and land & building on 31.3.98 for Rs.1.90 lac thus totaling to Rs.4.10 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.11.09 lac (principal Rs.5.71 lac, interest Rs.5.37 lac and OM Rs.0.01 lac). Action u/s 32G has already been initiated and ROD filed with Collector, and the same is pending with SDO, Pali since 15.5.08.

Value of properties other than mortgaged to Corporation of promoter guarantor is reported at Rs.1.50 to 2 lac (value of house of Shri Nand Lal, Partner) and agriculture land at Tehsil Gogunda Rs.5.00 lac.

During the course of discussions no acceptable offer was given by the representative of the unit. Hence the committee deferred the case with the advise to the party that another partner of the unit Shri Nand Lal Joshi be also called along with and appear before the committee in the next meeting.

After discussions and considering all the facts and position of the case, the committee offered to settle the case in a consideration of Rs.6.06 lac less upfront deposited Rs.1.16 lac (Rs.0.58 lac each on 5.10.09 & on 27.7.09) net settlement amount of Rs.4.90 lac payable in 10 equal monthly instalments commencing from 1.6.2010. No interest shall be charged upto 31.5.2010 and thereafter Interest @ 13% p.a. shall be charged from 1.6.2010 on unpaid amount of settlement.

The representative consented to the settlement on above terms.

4. **M/s U.R. Automobiles (P) Ltd., Neemrana (DDW Case)**

Shri Rajesh Gupta S/o of one of the director Shri Radhey Shyam Gupta and Shri R.K.Bagga, a friend of Shri R.S.Gupta appeared before the committee. It is a Deficit-Appeal case. Earlier the case was settled by BO level committee on 19.1.09 in a consideration of Rs.32.34 lac (Net), but the party has made appeal to HO against the branch level decision.

Loan of Rs.3.04 lac (deferred sale) and Rs.39 lac were sanctioned on 20.8.98 and 26.3.99 and disbursed Rs.3.04 lac and Rs.31.83 upto 15.9.2000 for setting up an Auto parts unit. The account has been categorized under loss assets.

On default in repayment of dues, the assets of the unit were taken over into possession on 30.12.06 and sold out on 12.3.07 in a consideration of Rs.26.50 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.81.71 lac (principal Rs.33.88 lac, interest Rs.47.66 lac and OM Rs.0.17lac).

Collateral security is not available. Value of other properties (other than mortgaged to the Corpn. of the promoters/guarantors is Rs.17.03 lac as per MRV report dated 30.7.09. Original documents of the property are available with the Corporation, but documents for collateral security were not executed due to property was purchased on General Power of Attorney basis. Hence no action was taken for identification of property. However the same has been verified at the time of contact with the promoter.

M/s S.K.Water Meter (a sick unit) was purchased by M/s U.R.Automobiles (P) Ltd. on deferred payment basis in a consideration of Rs.3.04 lac and further loan of Rs.31.83 lac was sanctioned to the company for running a unit for manufacturing of Automobile parts. Due to default in repayment, possession of the unit was taken and sold in open auction in a consideration of Rs.26.50 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.81.71 lac (principal Rs.33.88 lac, interest Rs.47.66 lac OM Rs.0.17 lac). ROD issued on 09.05.08 and is pending with Dy.Commissioner, Sakarpur, Delhi.

After discussions and considering all the facts and position of the case, the committee offered to settle case in a consideration of Rs.32.34 lac less upfront deposited Rs.1.70 lac, net settlement of Rs.30.64 lac. The committee also offered to deposit the amount in installments, but the representative did not consent to the offer given by the committee, hence the appeal was **rejected** and the BM be directed to take immediate action for recovery of Corporation dues.

5. **M/s Paramount Ceramics P.Ltd., Pratapgarh (DDW Case)**

Nobody appeared before the committee. Looking to the value of properties in crores identified in the name of directors, it was deemed proper to recover entire dues from all the directors. In view of above, it was decided to close the case and BM be directed to take immediate action to recover the dues as per norms.

6. M/s Machhar Textile Mills (P) Ltd. (DDW Case)

Nobody appeared before the committee. As per the scheme of settlement of NPA cases 2009-10, no case can be settled below the principal sum. Therefore, the committee decided to reject the appeal with the direction to BM to take suitable action to recover the dues as per norms.

7. M/s Morak Marble & Granite (P) Ltd. (DDW Case)

Shri Tayab Ali, director of the company appeared before the committee. It is a Deficit as well as appeal case. Application filed u/s 32-G on 06.11.03.

Loan of Rs.18.76 lac was sanctioned on 13.3.95 and disbursed upto 13.3.95 for setting up a marble tiles unit. The account has been categorized under doubtful assets.

On default in repayment of dues, the assets of the unit were taken over into possession on 9.7.08 and sold out on 25.9.08 in a consideration of Rs.6.15 lac. After appropriation of sale proceeds, deficit as on date of sale worked out to Rs.16.90 lac (principal Rs.16.90 lac, interest Rs.75.58 lac).

In 2005-06 unit got registered in on going OTS scheme of NPA by depositing Rs.2.54 lac as upfront. But the case was rejected by Spl. HOLC. Subsequently party appealed and went to SLC by paying upfront Rs.5.07 lac. SLC decided the case for Rs.36.07 lac but party could not adhere to the settlement.

The unit was sold in a consideration of Rs.6.15 lac on 25.09.08 on deferred sale basis. After becoming deficit promoter again got registered the case under on going OTS scheme 2008-09 on 30.03.09. Branch has approved the settlement on P.sum + OM + 5% recovery charges i.e. for Rs.19.67 lac. But due to non payment of settlement amount case was again forwarded to SDM, Banswara for recovery u/s 32-G on 15.01.2010.

On 17.02.2010 party has deposited Rs.1.95 lac + 0.05 lac to register their appeal against branch level decision of Rs.19.67 lac. The request of the party to register their appeal and to condone delay has been considered by the competent authority. The party has requested to adjust the earlier deposited upfront fee for Spl. HOLC & SLC of Rs.2.54 lac + Rs.5.07 lac respectively (Total Rs.7.61 lac) from Principal deficit amount.

After discussions and considering all the facts and position of the case, the committee decided to uphold the decision taken by the BO on 30.3.09 and recover the settlement amount with interest, else initiate suitable action for recovery of dues.

8. M/s Anchal Hand Paper Industries, Dausa (DDW Case)

Nobody appeared before the committee. However, a fax message was received from Shri Suresh Saraf showing his inability to attend the meeting. The committee decided to reject the pending appeal case and decide to direct

the BM to recover the dues as per the settlement arrived at with interest at BO level on 15.12.09, else initiate suitable action for recovery of dues after identification of properties of the borrower immediately.

9. **M/s Vikas Cotton Mills, Sriganganagar (DDW Case)**

Nobody appeared before the committee. However, a fax message from Shri Sunil Kumar has been received from the borrower showing his inability to attend the meeting because his father is hospitalised.

After discussions and considering all the facts and position of the case, the committee decided to reject the pending appeal keeping in view the reasons that the present value of collateral security is about Rs.49.26 lac and value of properties (other than mortgaged) of promoters is Rs.109.25 lac approx. The committee decided to recover the dues of the Corpn. u/s 32G by pursuing the case with the revenue authorities by the BM.

10. **M/s Rotopack Tapes (India), Sriganganagar (DDW Case)**

Smt.Kamla Godara, Proprietor and her son Shri Sushil Godara appeared before the committee. It is a deficit-appeal case. Application u/s 32-G pending with Tehsildar Sriganganagar for Kurki. The unit was earlier a partnership firm. After dispute one partner left the firm thereafter Smt. Kamla Godra was the only owner left.

Loan of Rs.14 lac was sanctioned on 28.11.96 and disbursed Rs.12.05 lac upto 31.3.97 for setting up a Cello tape unit. The account has been categorized under doubtful/loss assets.

On default in repayment of dues, the assets of the unit were taken over into possession on 6.1.2000 and sold out on 20.7.05 in a consideration of Rs.9.51 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.12.27 lac (principal Rs.12.05 lac, interest Rs.0.10 lac and OM Rs.0.11 lac).

The case was settled by DLC on 31.03.08 in consideration of Rs.1278010/- less upfront amount of Rs.122000/-. Net payable Rs.1156010/-. Aggrieved with the decision of DLC party made an appeal for Spl. HOLC on 17.06.09 i.e. after 1 ¼ years. The competent authority has allowed to register the appeal for Spl. HOLC.

The proprietor has raised certain issues that their account has not been maintained properly and interest charged is on higher side as per convenience of RFC. Therefore, she requested to look into the issue of accounts first, thereafter decide the case.

After discussions and considering all the facts and position of the case, the committee decided to look into the accounts calculations viz-a-viz interest charged and a report in the matter be obtained from the BO be placed in the next meeting. Hence the case was deferred with the directions to place the case in the next meeting.

11. M/s Bajaj Felt Mfg. Co., Nagaur (ARRC Case)

Shri Purushotam Bajaj, proprietor of the unit appeared before the committee. The committee noted that a loan of Rs. 3.90 lac was sanctioned to the aforesaid unit on 05.11.79, out of which Rs. 3.39 lac was disbursed upto 06.09.80. The unit was taken in possession on 20.11.09. Outstanding in loan account is Rs. 10.99 lac. (Principal Rs. 1.44 lac, interest Rs. 9.50 lac (upto date of poss.), other money Rs. 0.05 lac). Other money being Chowkidar wages is also being paid by the Corporation from the date of possession also.

It is a grievance case as the party vide letter dated 18.01.2010 requested to the CMD that they have deposited Rs. 86400/- on 31.03.1997 in pursuance to scheme of the corporation for settlement of account by waiver of penal interest in loan cases for more than Rs. 2.00 lac but upto Rs. 10.00 lac vide circular No FR-111 dated 24.08.96. O&M Circular No.417 dated 07.02.97 was issued regarding accounting procedure for waiver and method of calculation of relief for penal interest.

Shri Purushotam Bajaj submitted that no amount is recoverable from M/s Bajaj Felt Mfg. Co., Nagaur and Corporation should issue no dues certificate as he had already deposited the required amount as per settlement scheme, circulated vide FR-111 dated 24.08.96. In case his request is not accepted by the committee, the amount of Rs. 13000/- may be refunded.

Looking to the grievance of party, the committee decided that the whole matter may be examined by a committee of four officers comprising of following

1. DGM(ARRC),
2. DGM(FR-1)
3. DGM (A/cs) and
4. Manager(I/c-Law).

The committee will give report by 20.05.10 positively.

The recommendation of the committee may be placed before next meeting of Special HOLC for consideration.

12. M/s Shri Shyam Flour & Rice Mill, Hanumangarh

Shri Shyam Lal brother of the promoter of the concern appeared before the committee.

A term loan of Rs. 1.94 lac was sanctioned on 25.1.97 to the concern for setting up Flour mill and Rice sheller (small). The concern had availed a sum of Rs. 1.67 lac out of sanctioned term loan of Rs. 1.94 lac. The outstanding in the loan account as on 1.3.10 was Rs.2.00 lac including principal Rs.1.10 lac. The unit is situated near Bhatner Fort, Hanumangarh, District Hanumangarh. Archaeological Survey Department, Government of India has issued notice vide letter dated 25.12.04 to the promoter for removal of unauthorized RCC structure as the unit is situated within a radius of 100 meters of the Fort i.e.

protected limit of the Fort and as such unit may not be allowed to run in existing premises. The promoter has become handicapped. The promoter has repaid Rs.2,63,590/-.

The concern has registered the case under OTS during the year 2005-06 but the same was rejected by District Level committee due to having higher MRV (Rs.1.91 lac).

The concern has again registered the case under OTS scheme and the case was placed before Spl HOLC in its meeting held on 7.11.08. The decision of the same is reproduced below:

“Shri Shyam Lal brother of the promoter of the concern appeared before the committee.

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.1.50 lac minus upfront amount Rs.0.11 lac i.e. at the net payable settlement amount of Rs.1.39 lac but the proprietor did not accept the offer hence, case was rejected with the direction to Branch Office to take necessary action for recovery of Corporation dues.”

MRV was Rs.1.91 lac. Total outstanding as on 1.9.08 was Rs.1.97 lac (principal Rs.1.10 lac interest Rs.0.87 lac).

Branch Manager, Hanumangarh vide his letter dated 27.11.09 has informed that site of the unit was visited by the Branch Office and possibility for taking over of the unit u/s 29 was explored. It was found that the unit is situated within a radius of 100 meters of the Bhatner Fort i.e. protected limit of the Fort and notice for removal of the RCC construction has already been issued by Archeological Department, Govt of India, as such, unit may not be allowed to run in existing premises. If action u/s 29 is taken sale of such assets shall not be possible. After visiting the factory site, they have contacted with the promoter for clearance of overdue and promoter has agreed to register the case under prevailing OTS scheme.

No collateral security, third party guarantee or any other asset is available in the name of promoter as informed by Branch Office.

After discussions, considering all the facts as mentioned above and position of the case, the committee offered to settle the account at net settlement amount of Rs.1.00 lac (Rs.1.10 lac minus upfront Rs.0.10 lac) payable in four equal monthly installments commencing from May, 2010 to 01.09.2010.

Interest @ 13% p.a. shall be charged from 1.6.2010 on unpaid amount of settlement.

The party consented to the settlement.

13. **M/s Hanif Industries, Nagaur**

Shri Khuda Bux, representative of the unit appeared before the committee.

A loan of Rs.1.74 lac was sanctioned to the unit on 28.2.94 to the unit for manufacturing of Hand Tools. Against the sanctioned amount Rs.1.29 lac was disbursed. Last disbursement was made on 26.08.1994. Total amount of Rs.0.29 lac was paid by the concern since beginning and as on 1.12.2009 Rs.10.56 lac (principal sum Rs.1.29 lac + Interest Rs.9.26 lac + Rs.0.01) is lying outstanding in the party account.

The status of the unit shows as closed and categorized as doubtful since 31.3.2004. The MRV of prime financed assets for land & building is reported Rs.1.31 lac. P&M are missing but FIR was not lodged. The P&M were disposed off by the proprietor. Action u/s 32 G has been initiated.

After discussions, considering the facts and position of the case, the committee offered to **settle** the case in a net consideration of Rs.1.40 lac without adjusting upfront amount and including 5% recovery charges against 32(G) payable upto 31.05.2010. No interest will be charged upto 31.05.2010.

The party consented to the settlement.

14. **M/s Chiranjeev Industries, Dholpur**

Shri Moji Ram s/o Shri Chiranji Lal promoter of the unit appeared before the committee.

First term loan of Rs.12.73 lac was sanctioned on 28.08.09 and second term loan of Rs.16.00 lac was sanctioned on 24.03.2000 to the unit for manufacturing of iron casting. The concern availed Rs.9.30 lac and Rs.16.00 lac respectively.

The Branch Office has registered the case under NPA scheme of 2008-09 and forwarded proposal to H.O. for settlement. The case was found not eligible under the prevailing scheme for NPA 2008-09 and Branch Manager was advised to examine the case under scheme for waiver of penal interest.

The concern has again requested to consider the request for waivment of entire penal interest under the prevailing scheme, the case was not eligible under ongoing scheme of NPAs for waivment of penal interest 2008-09 but the party has deposited about Rs.11.75 lac during the financial year even the unit was lying closed.

Being a grievance case, the competent authority has considered on 4.8.2009 for placing the case before Spl.HOLC with condition to deposit registration fee & upfront amount under the prevailing Scheme for waiver of penal interest.

After discussions and considering all the facts and position of the case, the committee offered to waive the penal interest amounting to Rs.1.61 lac in both the loan accounts with the condition that balance outstanding shall be payable within 2 moths alongwith future interest as per loan documents till the date of

final payment. The promoter did not give his consent in writing, therefore, the case was considered as rejected by the committee with the directions to the Branch Office to take necessary action for recovery of the Corporation dues as per norms.

15. M/s. Shree Ganpati PVC Pipe (India) Ltd., Jaipur.

The case of the company was placed before the Committee. Nobody appeared from the company's side. Looking to the past track record of the company of buying time (8 times), the Committee decided to reject the case. The Committee also decided to advise the promoter to deposit the overdues within 15 days time from issue of the letter failing which legal action be initiated against the company for recovery of dues.

16. M/s. Jagannath Grit Udyog, Bharatpur

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 case was placed before the Spl HOLC on 9.7.09. 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.

The Law Section gave their comments that as per ARRC circular dated 15.01.2009 if there is any surplus amount that can be paid after realization of the Corporation dues from the purchaser thus , the original promoter will not be paid

until the entire outstanding is recovered from the purchaser. It is also informed that the norms of the Corporation have been upheld in the case of CT Industries, Bikaner SBCWP No.4314/94 and decided by the Hon'ble High Court, Jodhpur on 4.11.1997 that where in M/s CT Industries was sold by the Corporation in surplus to M/s Maheswari Mills, further on non payment M/s Maheshwari Mills was sold to M/s Shreenath Woollen Mills in deficit. The court observed that the amount whatever is realized shall be refunded to the petitioner to the extent he is entitled to after adjustment of the dues of RFC. The Law Section has further opined that it would be in the interest of the Corporation to settle the case under OTS, however, there is no circular / guidelines of the Corporation which deals with such crux question i.e. in case of settlement under OTS, who will bear the sacrifice amount and what would be mode of refund of surplus. Thus, there is need to examine the issue by ARRC / FR section.

The ARRC Section has informed that it is a case of surplus which is not refundable at this stage because entire deferred amount is not recovered. It is also informed that this case should not be settled otherwise the original promoter will also ask surplus amount as per sale and RFC has to sacrifice in OTS because entire deferred amount will not be recovered . Even if case is settled in OTS then the point of refund of surplus may be kept in view.

Outstanding as on 1.12.2009 is Rs.36.88 lac (principal Rs.23.12 lac, interest Rs.13.58 lac and other money Rs.0.18 lac). MRV of the primary assets is Rs.9.55lac. No collateral security and third party guarantee is available.

Nobody appeared before the committee to represent its case but keeping in view the facts of the case as above, the committee decided to settle the case on principal sum plus other money i.e. Rs. 23.12 lac plus other money Rs. 0.18 lac (total Rs.23.30 lac). The amount would be paid by the party in four equal monthly installments commencing from 1st June, 2010. No interest would be payable by the party if the payment is made upto 31.05.10. Thereafter interest @ 13% would be charged on the balance remaining amount. The party would submit its consent for the settlement within 15 days of conveying the decision otherwise the offer would stand withdrawn and the Branch Office will initiate action for recovery of dues as per norms of the Corporation.

17. **M/s Chandel Woollen Mills (P) Ltd., Bhilwara (ARRC Case)**

Shri Prem Chand Chandel, promoter of the unit attended the meeting. The above unit is under possession of the Corporation since 27.03.2009. Outstanding in the loan account of unit as on 01.03.2010 (without adjusting upfront amount) is as under:

		<u>(Rs. in lac)</u>
Principal	:	Rs. 40.89
Interest	:	Rs. 5.31
O.M.	:	Rs. <u>0.97</u>
Total	:	Rs. <u>47.17</u>

MRV of the prime Security (assets) is Rs. 65.03 lac, value of collateral security is Rs. 19.37 lac and value of other property is Rs.42.10 lac.

Five attempts have been made for auction of the assets of the unit. In the auction dated 05.10.2009 offer for land and building was received of Rs. 19.25 lac and for plant and machinery of Rs. 9.31 lac at BO. The case was placed before HO Level Sale cum Negotiation Committee on 28.10.2009 in which offer for P&M was increased upto Rs. 11.71 lac from Rs 9.31 lac by the same bidder. The sale committee decided to reject the offer of land & building and plant & machinery being inadequate.

The unit was in standard category as on 31.03.2005, last date of disbursement is 30.11.2002 i.e. after 31.3.2001 and MRV of security is more than 150% of outstanding in loan account. The competent authority has relaxed the criteria for registration of the case for one time settlement on 50% of up front amount only.

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.41.86 lac (P.Sum Rs. 40.89 lac plus other money Rs.0.97lac = Rs. 41.86 lac **say Rs. 42.00 lac**) less upfront amount of Rs.4.20 lac i.e. at a **net payable settlement amount of Rs.37.80 lac** (Rs.42.00 lac minus Rs.04.20 lac) which shall be paid by the party in four monthly equal installments. No interest shall be charged upto 31.05.2010.after 31.05.10 interest @ 13 % p.a. shall be charged on unpaid amount.

The representative of the unit consented to the settlement verbally but did not submit in writing. The case shall be treated as settled in case the company submits the consent for settlement in writing within 15 days.

18. **M/s Abdul Sattar s/o Abdul Latif, Makrana**

A loan of Rs.1.75 lac was sanctioned on 09.06.89 for rehabilitation of riots victims to M/s Abdul Satar S/o Shri Abdul Latif for mines out which Rs.1,22,106/- was disbursed and last disbursement was made on 29.09.89. The proprietor of the unit Shri Shokat Ali has expired.

The value of P&M was Rs.1.78 lac at the time of disbursement but same has been sold by the proprietor since long back therefore value of prime assets is Nil. No collateral security is available.

Value of other properties reported Rs.5.00 lac of residential house situated at Fatak Pooliya, Near Home Signal, Makrana. Original Patta has been kept with RFC. The proprietor has been expired and his son requested to settle the account an principal sum.

Nobody appeared before the committee to represent its case but keeping in view the facts of the case as above, the committee decided to settle the case on principal sum plus other money i.e. Rs. 0.47 lac plus other money Rs. 0.01 lac (total Rs.0.48lac minus upfront amount of Rs.5,000/- i.e. net payable amount of Rs.0.43 lac). The amount would be paid by the party in four equal monthly installments commencing from 1st June, 2010. No interest would be payable by the party if the payment is made upto 31.05.10. Thereafter interest @ 13% would be charged on the balance remaining amount. The party would submit its consent for the settlement within 15 days of conveying the decision otherwise the offer

would stand withdrawn and the Branch Office will initiate action for recovery of dues as per norms of the Corporation.

19. **M/s. Roshan PVC Industries, Samdari, Balotra.**

The case was placed before the committee and Shri Roshan Ali, Proprietor, appeared to represent their case. The case was registered giving relaxation in respect to category of account (sub-standard) and disbursement after the crucial date 31.3.2001. The Committee observed that the company irregularly availed insurance award directly from the Insurance Company though the insurance policy was endorsed in favour of the Corporation therefore, Shri Roshan Ali was advised to immediately deposit the amount of insurance claim availed by him with interest. The case was rejected by the Committee. Further, regular process of recovery of Corporation dues be initiated by the Branch Manager including legal action in consultation with Law Section as the Corporation is proforma party in Supreme Court in the case of Roshan PVC Industries, Balotra V/s. National Insurance Company.

20. **M/s. Ankita Marble, Bhilwara**

Nobody appeared before the committee. A fax message dated 04.05.10 has been received on 05.05.10 that it will not be possible to attend the meeting due to out of station for two to three days at Baroda and requested to allow them to be absent in this meeting and inform when will be the next Spl HOLC meeting will be held. Keeping in view the facts mentioned in the agenda note, the committee decided **to reject** the case with the directions to Branch Office to take necessary action for recovery of the Corporation dues as per norms.

21. **M/s Paras Oil Mill Industries, Jodhpur (DDW Case)**

Shri Pramod Jain S/o deceased promoter and his father's friend Shri Amar Singh appeared before the committee. It is a Deficit case. Collateral security is available (Rs.82.17 lac) at Patta No.118/86, Near Bus Stand, Ajmer Road, Bilara. The same is under possession of the corporation.

Loan of Rs.22.40 lac and Rs.17.30 lac were sanctioned on 21.3.96 and disbursed Rs.14.62 lac and Rs.17.30 lac upto 26.3.98 for setting up a Mustard Oil & Cake unit. The account has been categorized under doubtful category.

On default in repayment of dues, the assets of the unit were taken over into possession on 13.2.02 and sold out the P&M on 27.10.04 for Rs.5.11 lac and L&B on 27.12.07 for Rs.7.37 lac (totaling to Rs.12.48 lac). After appropriation of sale proceeds, deficit as on date of sale worked out to Rs.53.96 lac (principal Rs.29.23 lac, interest Rs.24.69 lac and OM Rs.0.05 lac).

As per directives of Hon'ble High Court case was placed before Spl. HOLC on 30.01.08, 21.02.08 and 07.03.08 but no body turned up in any of the Spl. HOLC meetings. Lastly the case was placed before the Spl. HOLC held on 07.03.08 but despite of proper notice, well in time no body turned upto attend the meeting, therefore, the committee decided to close the case.

Now the case of company is under hearing before Hon'ble Supreme Court challenging the sale of prime security and on sale of collateral security assets which is under possession with the Corpn.. The case was referred to Mediation Centre, Supreme Court and same was heard on 07.01.10. During the course of hearing it was decided by Mediation Centre of Supreme Court that the borrower shall submit a settlement proposal / application to the corporation within 7 days and the progress shall be placed before court during next date of hearing which has been scheduled to be held on 01.02.10. As ordered by court, the borrower did not submit the OTS application within seven days. The party deposited the OTS application on 27.01.10 by depositing upfront amount of Rs.318000/-. The matter of delay in submission of OTS proposal was discussed by BM with our penal advocate, and as per his advise the OTS application has been accepted by BO.

The representative of the company informed that they have already submitted their offer for settlement in Jan.,2010 and there is no further offer to give.

After discussions and considering all the facts and position of the case, the committee decided to re-examine the case in the light of the comments given by Mediation Centre, Supreme Court as well as offer given by the party and place the case in the next meeting till then the case is deferred.

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 of the Special HOLC held on 18.06.2010 at 04.00 PM
under the Chairmanship of Shri G.S.Sandhu, IAS, CMD.

Following were present:

Dr. M L Yadav, ED	:	Member
Shri S.K.Aswal ED-Finance	:	Member
Shri Sukhaveer Saini, GM(D)	:	Member
Shri A.P.Mathur, DGM(FR-2)	:	Member
Shri J.P.Meena, DGM(DDW)	:	Member
Shri A.L.Gupta, DGM (ARRC)	:	Member
Shri Dharamveer Jasnani, Manager (I/c – Law)	:	Member
Shri Abu Talib, DGM(FR-1)	:	Member Secretary

Shri M.C. Meena, Manager (DDW), Shri J.N.Sharma, Manager (FR-1), Shri P.D.Verma, Manager (FR-3), Shri R.S.Gupta, Dy. Manager(ARRC) and Shri H.S.Mehra, DM (FR) were also present.

I. Confirmation of the minutes of Spl HOLC meeting held on 05.05.2010.

Minutes were confirmed.

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

1. M/s Bajaj Felt Manufacturing Co., Nagaur (ARRC Case)

The promoter of the unit attended the meeting of Special HOLC on 18.06.2010 and explained his grievances to the Committee again. The aforesaid case was not settled in the month of March, 1997 at that time under prevailing OTS Scheme as the loaneer deposited Rs. 86400/- as per his own calculation under FR-111 Circular dated 24.08.96 in stead of calculation of penal interest as per O&M Circular 417 dated 07.2.1997 and still the matter is pending. A letter from the Corporation was also sent to PS to Industry Minister on 12.08.2009 giving factual position of the case. The matter was also discussed with the Hon'ble Industries Minister on 11.01.2010 with CMD.

The case was registered under OTS in Jan., 2010 and in Special HOLC meeting dated 05.05.2010 the loaneer explained his case. He requested to consider his case as settled as he had already deposited the amount as per Circular No.FR-111 dated 24.08.96.

To examine the case the Special HOLC constituted a committee of following four officers with the advice to submit report:

1. DGM(FR-1)
2. DGM(A/cs)
3. DGM(ARRC)
4. Manager(I/c-Law)

The committee examined the matter and submitted report on 18.05.2010. The examination report of the above committee and grievances of the unit were seen / heard by the Special HOLC in detail. It was also informed by the promoter of the unit that he has decided to donate the property related to this unit for public utilization to the Govt. Agency.

Looking to the discussions and considering all the facts especially the intention of the proprietor to donate the property, the committee decided to settle the aforesaid case in total Rs. 1.11 lac minus Rs 11,000/- upfront amount deposited i.e. net payable Rs 1.00 lac as a special case. The possession of the unit may be handed over to the promoter if he deposits Rs. 1.00 lac by 18.07.2010 (one month from the date of Special HOLC Meeting). The promoter consented for the same in writing.

However, the documents of the property will be released only after submission of an undertaking and copy of the letter given to Govt. Agency by the promoter of the unit with regard to surrender / donation of aforesaid property to Govt. Agency for public welfare purposes failing which the relief extended shall be withdrawn.

Since the settlement was reached below principal sum, the matter shall be placed before the Board of Directors for confirmation of the decision.

2. M/s Hazi Flooring Stone Co., Kota (FR Case)

Shri Mohd Hanif, Proprietor of the concern appeared before the committee.

A term loan of Rs.6.75 lac was sanctioned to the concern on 20.10.94 for setting up stone splitting and polishing unit. A sum of Rs.4,35,550/- was disbursed up to 4.01.2006. Due to non payment of Corporation dues, the fixed assets of the unit were taken into possession on 27.8.97. 30 auctions of the fixed assets were held. In 4th auction a bid of Rs.6.42 lac was received and the same was approved by Branch Office but purchaser did not turn up and the same was cancelled. Thereafter in 13th auction under Counter sale, an offer of Rs.2.55 lac received but the same was rejected by the committee. In the 24th auction an offer of Rs. 0.76 lac was received for P&M and same was approved by the committee on Spot sale drive on cash down basis dated 20.11.03.

After appropriation of sale proceeds of P&M amounting to Rs.0.76 lac, the amount outstanding in the loan account was reported by Branch Office amounting to Rs.662686/- (Rs.435550/- principal and interest Rs.227136/-).

Due to non disposal of L&B under possession with RFC, the Branch Office has referred the case to HO to stop the auction u/s 29 and initiate action u/s 32G for recovery of Corporation dues.

The Branch Office has lodged case u/s 32G on 27.3.04 and Revenue authorities has attached L&B alongwith additional agriculture land belonging to loanee i.e. 4 bigha 8 biswa and the Revenue authorities has conducted 7 auctions but no offer received till date. The Branch Office has reported that loanee party has local influence and so that the bidder could not turn up. After vigorous persuasion by the Branch Office, the party registered the case for OTS. The land measuring 1000 sq mrs converted for Industrial purpose is situated at village Ashq Ali Tehsil Ramganj Mandi inside 100 – 200 meter from N.H. MRV of L&B as calculated by Branch Office is Rs.3.25 lac. MRV of other property of the promoter i.e. agriculture land is reported Rs.8.80 lac by Branch Office. The Branch Office while sending the MRV of the primary security and personal agriculture land of the promoter has reported that there is no direct approach road upto the converted land. Building is lying in abandoned condition. P&M has already been sold out. RFC has charge over Land (converted) and building. Balance agriculture land is not converted measuring 4 bigha 8 biswa which is not in charge of RFC but attached by SDO. The Branch Office has reported that due to adverse factor affecting the MRV as mentioned above Sl.No. 5 to 7. MRV may be reduced upto the extent of 50% i.e. Rs.6.00 lac.

MRV of guarantor Shri Akil Mohd having house situated in Village Khimach Tehsil Ramganj Mandi is reported Rs.3.50 lac and the same is located in a particular community and property is not easily marketable.

After discussions and considering all the facts and position of the case, the committee offered to settle the case in a consideration of Rs.8.00 lac less upfront deposited Rs.0.70 lac i.e. net settlement amount of Rs.7.30 lac but the proprietor of the unit did not give his consent to the offer hence the case was rejected with the directions to Branch Office to pursue with revenue officials for early auction of the attached properties.

3. **M/s Modi Guest House, Hanumangarh (FR Case)**

Shri Shyam Lal Modi, Proprietor and his brother in law Shri Shiv Nandan Jagga appeared before the committee. It is a deficit-appeal case.

A term loan of Rs.7.50 lac was sanctioned on 13.03.96 to Shri Shyam Kumar Modi for modernisation / renovation of his old house and to start a guest house. Out of the above sanctioned amount only a sum of Rs.6.03 lac was disbursed to the unit upto 7.05.97.

Initially, party was regular in repayment and its repayment behaviour was satisfactory upto 1997 but thereafter party started defaults in repayment of the dues as in the family settlement /division the financed guest house gone in the share of Shri Sushil Kumar Modi, younger brother of the promoter who is utilising the financed guest house in his residence. For recovery of dues Branch Office issued a legal notice and attempts were also made for

takeover of possession but same could not be taken as the guest house is being utilised by brother of the promoter as his residence.

The party also registered his case for settlement on 30.11.04 and the case was placed before HOLC in its meeting held on 22.2.05 wherein following decision was taken:

“Shri Shyam Kumar Modi, promoter of the unit, attended the meeting. It is a case of hotel which is presently lying closed. Loan was disbursed in the year 1997. MRV of the primary assets is reported to Rs.12.89 lac. Neither collateral security nor third party guarantee is available in this case.

After detailed discussions and considering all the facts and position of the case, the committee decided to waive penal interest of Rs.1.00 lac only and after leaving portion of penal interest of Rs.1.00 lac, remaining amount shall be paid as under:

<i>Sl. No.</i>	<i>By</i>	<i>Amount</i>
<i>i)</i>	<i>25.03.2005</i>	<i>Rs.2.00 lac</i>
<i>ii)</i>	<i>September,05</i>	<i>Remaining amount</i>

The promoter consented to the settlement.”

The promoter did not make payment of settlement amount, therefore, for recovery of dues, legal action initiated. ROD u/s 32(G) of SFCs Act was sent to District Collector, Sriganaganagar on 06.02.2006 After lodging the claim u/s 32(G) of SFCs Act, the District Revenue authorities made attempt for kurki of the mortgaged property and in turn of the same, the brother of the promoter informed that registry of the house which is mortgaged to RFC is FAKE and it is not registered with the Sub Registrar. It was also informed that it is not signed by the seller as the seller had expired and after his death some manipulations were made and all stamps are also fake.

Sushil Kumar Modi also lodged an FIR (No.26/09) u/s 420, 467, 468, 471 and 120(b) of IPC against the loanee with the Police Station, Suratgarh. As informed by the branch, initially, investigation were entrusted to the SHO but later on I.Os. have been changed from time to time and presently it is pending with the Addl SP, Sri Ganganagar for investigation.

Shri Sushil Kumar Modi also filed a case before Hon'ble ADJ, Suratgarh on 25.5.09 in which RFC has been made first party. Reply on behalf of RFC has been filed and case is pending before the Hon'ble ADJ Court.

Tehsildar, Suratgarh has also informed that promoter is not having any property in his name and the title of guest house is doubtful therefore, kurki is not possible. The Branch Office has tried their best to persuade the Tehsildar through District Collector, Ganga Nagar. Letters were also issued from HO under signature of GM(D) for effecting recovery by attachment of the properties owned by promoter.

It was also informed by the Revenue authorities that enquiry about the titles of the guest house were got done by the Girdawar and who has reported that the registry submitted to the Corporation is neither entered in the Sub Registrar Office and the stamps used are also fake. This information has not been given in writing on the pretext that case is subjudice and FIR is also investigation.

A preliminary enquiry was also got conducted as to why the action u/s 29 were not initiated in this case and on the report, the competent authority decided to close the matter with an advise to the Branch Manager, Hanumangarh to pursue the recovery action against the unit u/s 32(G) of the SFCs Act, if there is no stay, copy enclosed.

Shyam Kumar Modi, Prop. of the unit again registered the case for settlement on 12.3.10 under the ongoing settlement scheme with the request to settle the account in a consideration of Rs.4.00 lac, due to his ill-health and poor financial position.

After discussions and considering all the facts and position of the case, the committee offered to settle the case in a consideration of Rs.12.19 lac i.e. the amount comes on simple interest as on 1.3.10 less upfront deposited Rs.0.90 lac (rounded off) i.e. net settlement amount of Rs.11.29 lac payable in following manner:

- i) 60% of the net settlement amount of Rs.11.29 lac in July, 2010
- ii) 40% of the settlement amount of Rs.11.29 lac in August, 2010

No interest would be charged upto 30.06.10 and thereafter w.e.f. 1.7.10 interest @ 13% would be charged on the balance unpaid settlement amount.

The proprietor consented to the above settlement.

4. **M/s Volga Marble Sirohi (FR Case)**

Nobody appeared before the committee.

Detailed facts pertaining to the case are as under:

This is a case of marble mining Plant & Machinery (tractor compressor) is missing . The case of the unit was placed before the Spl.HOLC in its meeting held on 28.07.2000. Decision taken by the committee is reproduced below:

“Shri Rakesh Mandawat alongwith his cousin Shri Dangi 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/- lac) in comparison to loan of RFC (Rs.4.77 lac) . The committee, therefore, offered to waive the entire penal interest charged in the account amounting to Rs.0.90 lac, 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 borrower has again registered his case on 26.3.2009 for special HOLC, which was considered by the committee in its meeting held on 7.8.09. The decision of the committee was as under :-

“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 loanee availed Rs.1.80 lac upto 30.6.1988. The category of the loan account was 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 Dangi, 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 lac) in comparison to loan of RFC (Rs.4.77 lac). The Committee, therefore, offered to waive the entire penal interest charged in the account amounting to Rs.0.90 lac 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).”

The case was not eligible for Registration as it was earlier put up to Spl.HOLC on 7.8.09, but was rejected, the party could have preferred an appeal to SLC within one month, the same has not been done, instead the Branch has wrongly registered the case on 9.3.01 by accepting Registration fee + upfront amount, therefore competent authority has allowed to put up the case for consideration, to avoid any litigation.

The account position as on 1.3.2010 is as under:

Principal sum	1.72 lac
Interest	<u>15.62 lac</u>
Total	<u>17.34 lac</u>

The Corporation is having collateral security worth Rs.47.16 lac for which case has been filed on 10.10.2007 under 32 G but no fruitful result has come so far.

After detailed deliberations, the committee in absentia decided to settle the case in a lumpsum of Rs.6.83 lac inclusive of ROD charges (outstanding with simple interest Rs.5.11 lac plus principal sum of Rs.1.72 lac) less upfront amount of Rs.0.26 lac i.e. at a net settlement amount of Rs.6.57 lac payable in six equal monthly installments commencing from 1.7.10.

No interest would be charged upto 30.06.10 and thereafter w.e.f. 1.7.10 interest @ 13% would be charged on the balance unpaid settlement amount.

The Branch Office may inform the above decision to the party and get consent to the aforesaid decision. In case the party does not agree to the above settlement the Branch Office may take immediate action for recovery of Corporation dues as per norms and pursue with revenue officials for getting the property attached and auctioned.

5. M/s Manoj Metal Industries (FR Case)

Nobody appeared before the committee. However, a fax message was received from Shri Manoj Khandelwal showing his inability to attend the meeting due to some court case. In view of this, the committee decided to defer the consideration of the case.

6. M/s Charbhuj Food Pvt.Ltd., Nagaur (DDW Case):

Shri Kailash Chandra Agrawal, director of the company appeared before the committee.

It is a Deficit as well as appeal case. The case was settled by BO on 22.2.2010 in a consideration of Rs.18,38,350/-, but the party has filed appeal for Spl.HOLC as per order of competent authority.

A loan of Rs.19.20 lac was sanctioned on 21.11.97 and disbursed Rs.17.42 lac upto 28.3.98 for setting up a cotton cleaning unit.

On default in repayment of dues, the assets of the unit were taken over into possession on 9.11.2000 and sold out on 09.06.05 in a consideration of Rs.11.21 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.17.84 lac (principal Rs.17.42 lac, interest Rs.0.33 lac and OM Rs.0.09 lac). Net worth of the promoters are reported at Rs.16.90 lac. ROD has been sent to Tehsildar, Merta City on 18.10.06 and notice was also issued by Tehsildar, Merta city.

After discussions and considering all the facts/position of the case, the committee uphold the decision of the branch and offered to settle the case at Rs.1838350/- less upfront Rs.175100/-, i.e. net settlement amount of Rs.1663250/- payable in 5 equal monthly installments commencing from

1.7.2010. No interest shall be charged upto 30.6.2010 and thereafter Interest @ 13% p.a. shall be charged from 1.7.2010 on unpaid amount of settlement.

The Branch Office may get the consent from the party accordingly as the letter given by the representative of the concern does not match with the aforesaid decision.

7. M/s Gayatri Food Products, Nagaur (DDW Case):

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

It is a Deficit as well as appeal case. The case was settled by BO on 22.2.2010 in a consideration of Rs.1300100/-, but the party has filed appeal for Spl.HOLC as per order of competent authority.

A loan of Rs.18.80 lac was sanctioned on 24.3.08 and disbursed Rs.15.06 lac upto 28.3.98 for setting up a Nigela cleaning unit. On default in repayment of dues, the assets of the unit were taken over into possession on 9.11.200 and sold out on 09.06.05 in a consideration of Rs.12.51 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.12.38 lac (principal Rs.12.29 lac, interest Rs.Nil and OM Rs.0.09 lac). ROD has been sent to Tehsildar, Merta City on 18.10.06

After discussions and considering all the facts/position of the case, the committee uphold the decision of the branch and offered to settle the case at Rs.1300100/-less upfront Rs.123850/-, i.e. net settlement amount of Rs.1176250/- payable in 5 equal monthly instalments commencing from 1.7.2010. No interest shall be charged upto 30.6.2010 and thereafter Interest @ 13% p.a. shall be charged from 1.7.2010 on unpaid amount of settlement.

The Branch Office may get the consent from the party accordingly as the letter given by the representative of the concern does not match with the aforesaid decision.

8. M/s Nandi Agro Industries, Nagaur (DDW Case):

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

It is a Deficit as well as appeal case. The case was settled by BO on 22.2.2010 in a consideration of Rs.998005/-, but the party has filed appeal for Spl.HOLC as per order of competent authority.

A loan of Rs.19.37 lac was sanctioned on 21.11.9 and disbursed Rs.15.06lac upto 28.3.98 for setting up a Spices unit. On default in repayment of dues, the assets of the unit were taken over into possession on 9.11.200 and sold out on 09.06.05 in a consideration of Rs.17.51 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.9.51 lac (principal Rs.9.42 lac, interest Rs.Nil and OM Rs.0.09 lac). ROD has been sent to Tehsildar, Merta City on 18.10.06

After discussions and considering all the facts/position of the case, the committee upholds the decision of the branch and offered to settle the case at Rs.998005/- less upfront Rs.0.95 lac i.e. net settlement amount of Rs.903005/- payable in 5 equal monthly instalments commencing from 1.7.2010. No interest shall be charged upto 30.6.2010 and thereafter Interest @ 13% p.a. shall be charged from 1.7.2010 on unpaid amount of settlement.

The Branch Office may get the consent from the party accordingly as the letter given by the representative of the concern does not match with the aforesaid decision.

9. M/s Laxmi Powerloom Factory, Dausa (DDW Case):

Shri Om Prakash Gupta, Proprietor of the unit appeared before the committee.

It is a Deficit appeal case. A term loan of Rs.5.50 lac and working capital loan of Rs.2.00 lac were sanctioned on 27.3.92 and disbursed Rs.4.41 lac and Rs.2.00 respectively upto 7.11.92 for setting up a Powerloom unit.

On default in repayment of dues, the assets of the unit were taken over into possession on 14.8.96 and sold the P&M for Rs.1.16 lac on 8.6.2001 and land & building for Rs.2.25 lac on 24.12.02, totaling to Rs.3.41 lac. After appropriation of sale proceeds leaving a deficit of Rs.11.36 lac (principal Rs.6.82 lac, interest Rs.4.54 lac).

The case was settled by BO on 08.03.2010 in a consideration of Rs.7,39,879/-, payable in 12 equal monthly installments with interest @ 13% p.a. Aggrieved with the branch decision, the party filed an appeal in Spl.HOLC by depositing 50% of upfront as per relaxation given by the CMD. ROD has been filed on 2.1.2006, but the same was returned by Tehsildar, Lalsot, as the property is not saleable.

After discussions and considering the pathetic condition of the borrower with no resources even to meet out the basic necessities of life, the committee decided to not go below the principal sum outstanding Rs.6.82 lac to recover in 36 monthly installments commencing from 01.07.10 without interest. It requires approval of the Board.

This decision be conveyed to the Branch Manager, in case loanee is agreeable he may take his consent and implement the decision.

This decision shall not form any precedence as it is purely on humanitarian grounds.

10. M/s Shree Marudhar Granites, Sardhana, Beawar (DDW Case):

Shri Mool Chandji grand father of the Proprietor and Shri Lalit Jain, brother of the proprietor of the unit appeared before the committee.

It is a Deficit appeal case.

A loan of Rs.10.00 lac was sanctioned on 29.6.95 and disbursed Rs.9.29 lac upto 28.5.96 for setting up a Granite Tiles unit.

On default in repayment of dues, the assets of the unit were taken over into possession on 9.9.04 and sold out the P&M for Rs.1.41 lac on 22.3.06 and land & building for Rs.4.21 lac on 28.3.07, totaling to Rs.5.62 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.32.20 lac (principal Rs.9.29 lac, interest Rs.22.91 lac). Value of other property (other than mortgaged to Corpn.) valuing Rs.10.00 lac is available.

The case was settled at BO level on 15.03.2010 in consideration of Rs.1019000/- less upfront Rs.97100/- net payable amount is Rs.921900/- payable in 12 equal monthly instalments with interest @ 13% p.a. Aggrieved with the decision of branch, the party filed appeal before Spl.HOLC.

ROD was sent to revenue authority but due to non availability of property with the promoter the OIC, PDR Cell, Collectorate, Ajmer closed the file. However as per visit report dated 9.2.09 details of property identified worth Rs.10 lac need to be informed to SDO, Beawar for further needful action.

After discussions and considering all the facts/position of the case, the committee offered to settle the case at Rs.10.19 lac (including Govt.dues Rs.0.40 lac and ROD charges Rs.0.50 lac) less upfront Rs.194200/- i.e. net settlement amount of Rs.8.25 lac (rounded off) payable in 8 equal monthly instalments commencing from 1.7.2010. No interest shall be charged upto 30.6.2010 and thereafter Interest @ 13% p.a. shall be charged from 1.7.2010 on unpaid amount of settlement.

The representative consented to the settlement on above terms.

11. M/s P.K.Bulb Industries, Churu (DDW Case):

Shri Kunj Bihari appeared before the committee.

It is a Deficit case. A loan of Rs.10.00 lac was sanctioned on 14.3.96 and disbursed Rs.8.48 lac for setting up an Electric Bulb unit. On default in repayment of dues, the assets of the unit were taken over into possession on 28.10.05 and sold out on 31.3.06 in a consideration of Rs.8.01 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.36.11 lac (principal Rs.8.86 lac, interest Rs.27.24 lac). Value of third party guarantee worth Rs.15 lac is there.

The case was settled by BO on 23.3.2010 in a consideration of Rs.9.52 lac. Aggrieved with the branch decision, the party has filed appeal for Spl.HOLC. ROD has been sent to Collector, Jhunjhunu on 9.2.07.

After discussions and considering all the facts/position of the case, the committee offered to settle the case at Rs.9.52 lac (including Govt.dues Rs.49665/- less upfront Rs.1.82 lac i.e. net settlement amount of Rs.7.70 lac payable in 8 equal monthly instalments commencing from 1.7.2010. No interest shall be charged upto 30.6.2010 and thereafter Interest @ 13% p.a. shall be charged from 1.7.2010 on unpaid amount of settlement.

The Branch Office may get the consent from the party accordingly as the letter given by the representative of the concern does not match with the aforesaid decision.

12. M/s Ambey Textiles, Sriganaganagar (DDW Case):

Nobody appeared before the committee. However, a letter is received from the party requesting to give him an opportunity in next meeting, as he is ill and doctor advised him for bed rest, hence the committee decided to defer the case for next meeting.

13. M/s Rotopack Tapes (India), Sriganaganagar, (DDW Case):

Nobody appeared before the committee, hence the committee decided to defer the case.

14. Confirmation of cases settled by BO's (19 cases)

Branch offices have settled 19 cases involving loan disbursed amount upto Rs.1.00 lac at 75% of principal outstanding as per Circular No.594 dt. 16.2.2010 and sent to HO for confirmation of Spl.HOLC. The committee discussed the matter in detail and confirmed the action taken by the branches.

15. M/s Vasundhra Chem Syntex Pvt. Ltd., Bhilwara (ARRC case)

Shri Ashok Jain, Director attended the meeting. The reference of the company is registered with BIFR vide case No. 173/2002 and 153/2003. The outstanding in loan account as on 01.03.2010 is Rs. 425.19 lac (Prin. sum 71.19 lac + Intt. 345.88 lac + other money Rs. 8.12 lac).

The company has settled the dues of ASREC (who has purchased assets & liabilities from SBBJ). 60 days demand notice issued under SARFAESI Act On 15.01.2010 by Authorised Officer of the Corporation. The company approached for one time settlement before expiry of notice. The case was registered for OTS as per orders of competent authority.

The case was discussed in detail, the promoter was inclined to settle the case in principal sum plus other money which comes to Rs. 79.31 lac say Rs. 80.00 lac. The MRV of the financed assets is Rs 110.86 lac. In addition to above a plot value of Rs. 10 to 15 lac is also identified by the Corporation. It was also decided that Branch Manager may be advised to identify other properties of the promoters within a period of two months.

The Committee offered to settle the aforesaid case in principal sum plus other money plus simple interest but the promoter did not agree on the offer given by the committee, hence the case was rejected. Looking to above, it was decided to initiate necessary action for recovery of Corporation's dues from the company under SARFAESI Act.

GENERAL OBSERVATIONS:

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

**Dy.General Manager (FR-1)
MEMBER SECRETARY**

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

Minutes of the Special HOLC held on 26.07.2010 at 04.00 PM
under the Chairmanship of Shri G.S.Sandhu, IAS, CMD.

Following were present:

Dr. M L Yadav, ED	:	Member
Shri S.K.Aswal, ED-Finance	:	Member
Shri Sukhaveer Saini, GM(D)	:	Member
Shri A.P.Mathur, DGM(FR-2)	:	Member
Shri J.P.Meena, DGM(DDW)	:	Member
Shri A.L.Gupta, DGM (ARRC)	:	Member
Shri Dharamveer Jasnani, Manager (I/c – Law)	:	Member
Shri Abu Talib, DGM(FR-1)	:	Member Secretary

Shri M.C. Meena, Manager (DDW), Shri P.D.Verma, Manager (FR-3), Shri M.S.Meena, Manager (FR-4) and Shri H.S.Mehra, DM (FR) were also present.

I. Confirmation of the minutes of Spl HOLC meeting held on 18.06.2010.

Minutes were confirmed.

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

1. M/s Rankawat Plasters, Sawai Bari, Sardar Shahar, Churu (ARRC Case)

Shri Bhera Ram, promoter of the unit attended the meeting. The case was discussed in detail, the promoter was inclined to settle the case in principal sum only i.e. Rs. 1.73 lac. In this case, the Corporation is having decree from ADJ, Churu on dated 30.01.2004 for a sum of Rs.6,36,100/- and interest @ 13% from 01.04.2001. The loanee/guarantor also obtained stay against execution of decree from the High Court, Jodhpur.

The Committee offered to settle the case in decretal amount i.e. Rs. 6,36,100/- plus other money but the promoter did not agree on the offer given by the committee. As he was inclined to settle the case in principal sum outstanding only, the case was therefore rejected with the directions to Branch Manager to pursue the case with panel advocate and OIC of the case for getting the TI vacated at the earliest.

2. M/s Jain Plastic Industries, Baran (ARRC Case)

Shri Dinesh Kumar Jain, promoter of the unit attended the meeting. The case was discussed in detail, the promoter was inclined to settle the case in principal sum only i.e. Rs. 3.76 lac. The Corporation is having security of Rs. 10.54 lac (Rs. 5.29 lac + Rs.5.25 lac)

The committee offered to settle the case in a total sum of Rs. 5.00 lac but the promoter did not agree on the offer given by the committee. As he was inclined to settle the case in principal sum outstanding only, the case was rejected.

The Branch Manager be directed to initiate action against the loanee for recovery of Corporation's dues.

3. M/s Rotopack Tapes (India), Sriganganagar, (DDW Case):

Shri Susheel Godara S/o Smt.Kamla Godara (Proprietor), of the unit appeared before the committee.

It is a Deficit as well as appeal case. The case was settled by DLC on 31.03.08 in consideration of Rs.1278010/- less upfront amount of Rs.122000/-. Net payable Rs.1156010/-. Aggrieved with the decision of DLC party made appeal for Spl. HOLC on 01.06.09 i.e. after 1 ¼ years. The competent authority has allowed to register the appeal for Spl. HOLC.

Loan of Rs.14 lac was sanctioned on 28.11.96 and disbursed Rs.12.05 lac upto 31.3.97 for setting up a Cello tape unit. The account has been categorized under doubtful/loss assets.

On default in repayment of dues, the assets of the unit were taken over into possession on 6.1.2000 and sold out on 20.7.05 in a consideration of Rs.9.51 lac. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.12.27 lac (principal Rs.12.05 lac, interest Rs.0.10 lac and OM Rs.0.12 lac).

After discussions and considering all the facts/position of the case, the committee offered to settle the case at Rs.12.78 lac (P.sum Rs.12.05 + OM Rs.0.12 lac + RoD charges Rs.0.61 lac) less upfront Rs.2.44 lac i.e. net settlement amount of Rs.10.34 lac payable as given below:

"Rs.2.00 lac by 15.8.2010 balance amount in 7 equal monthly instalments commencing from Sept.,2010. Interest @ 13% p.a. shall be charged on unpaid settlement amount w.e.f. 1.8.2010"

The representative consented to the settlement on above terms.

4. M/s Ambey Textiles, Sriganganagar (DDW Case):

Shri Mahendra Singhal, Proprietor of the unit and his relative Shri Govind Goyal, appeared before the committee.

It is a deficit appeal case. The BO has settled the case on 10.02.10 in a consideration of Rs.740800/- (Rs.695053/- + 10470/- OM + 35277/- 5% ROD charges = Rs.740800/-). Aggrieved with the decision of the Branch, the party made an appeal before Spl.HOLC.

Loan of Rs.11.41 lac was sanctioned on 1.8.97 and disbursed Rs.6,83,590/- upto 29.7.98 for setting up a grey cloth manufacturing unit. The account has been categorized under doubtful as on 31.3.05.

On default in repayment of dues, the assets of the unit were taken over into possession on 22.11.04 and sold out in a consideration of Rs.8.47 lac (P&M for Rs.1.61 lac on 25.2.05 and L&B for Rs.6.86 lac on 28.7.05). After appropriation of sale proceeds, deficit as on date of sale worked out to Rs.9,88,440/- (principal Rs.6,83,499/-, interest Rs.3,04,941/-).

After discussions and considering all the facts and position of the case, the committee decided to uphold the decision of the Branch at Rs.740800/- (Rs.695053/- + 10470/- OM + 35277/- 5% ROD charges) less upfront amount Rs.1,06,500/- i.e. net settlement of **Rs.6,34,300/-** payable in 12 equal monthly instalments commencing from August, 2010. Keeping in view the pathetic condition of the borrower, the committee decided not to charge interest on the settlement amount. However, this decision will not be quoted as precedence in future. The Branch may obtain consent in writing from the party within 10 days.

5. M/s Asup Synthetic (P) Ltd., Bhiwadi (DDW Case):

Nobody appeared before the committee; hence the committee rejected the appeal.

6. M/s Hare Krishna Marble, Napasar, Bikaner (DDW Case):

Shri Surja Ram Gehlot, Father of the Proprietor, appeared before the committee.

It is a Deficit as well as appeal case. The case decided by branch under OTS scheme 2009-10 in a consideration of Rs.682000/- i.e. on principal sum + OM + 5% MGE. Aggrieved with the branch decision, party made appeal before the Spl.HOLC.

Loan of Rs.7.36 lac was sanctioned on 30.3.96 and disbursed Rs.6.23 lac upto 6.6.97 for setting up a stone cutting & polishing unit. The account has been categorized under doubtful.

On default in repayment of dues, the assets of the unit were taken over into possession on 22.3.2000 and sold out in a consideration of Rs.4,39,500/- (P&M for Rs.1,38,500/- on 1.3.02 and L&B for Rs.3.01 lac on 18.3.04). After appropriation of sale proceeds, deficit as on date of sale works out to Rs.7,85,051/- P.sum Rs. 6,23,200/-, interest Rs.1,61,951/-).

After discussions and considering all the facts/position of the case, the committee decided to uphold the decision of the Branch i.e. to settle the account at Rs.6,82,000/- less upfront Rs.1,29,156/- i.e. net settlement amount of Rs.5,52,844/- payable in 18 equal monthly instalments commencing from Sept.,2010. Interest @ 13% p.a. shall be charged on unpaid settlement amount w.e.f. 1.8.2010”

The party did not give consent to the above, hence appeal was rejected.

7. M/s Ashoka Marble Industries, Makrana (DDW Case):

Shri Devki Nandan, Proprietor of the unit, appeared before the committee.

It is a Deficit/Decretal/written off as well as appeal case. Loan of Rs.1.50 & 1.40 lac were sanctioned on 18.2.80 & 4.12.84 respectively and disbursed Rs.1.50 lac & Rs.1.35 lac upto 31.12.85 for setting up a marble cutting unit. The account was written off during the year 1993-94 for Rs.1.71 lac. The Corporation has obtained decree from the Hon'ble court in the year 1993 for a sum of Rs.2.88 lac + interest @ 14.5% p.a. No collateral/personal guarantee is available.

On default in repayment of dues, the assets of the unit were taken into possession on 23.12.98 and sold out in a consideration of Rs.2.35 lac on 8.11.89. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.2.55 lac (P.sum Rs.1.71 lac and interest Rs.0.84 lac).

The account was settled by HOLC in its meeting held on 03.06.2006 in a consideration of Rs.3.10 lac (less upfront amount of Rs.48000/-) and net settlement amount of Rs.2.62 lac, payable in 12 monthly instalments commencing from July, 2006 to June, 2007 with interest @ 13% p.a. on unpaid amount. But party did not deposit further amount against the settlement.

The Corporation has filed execution application before Distt. Judge, Merta City for recovery of dues of the Corpn. In view of the amount involving above Rs.10.00 lac as well as the party located at Phulera, the Hon'ble Court has transferred the case to DRT, Jaipur on 30.05.05. The Hon'ble DRT has ordered to recover Rs.807105/- plus interest @ 10% p.a. w.e.f. 16.07.07. The DRT has also fixed the date of auction of the house of judgment debtor on 20.07.2010. The reserved price of the property is Rs.60.00 lac and recoverable dues of the RFC is Rs.11.21 lac as on 31.01.2009 as per DRT orders. As reported by BO, the above property is mortgaged with Bank.

Party has again deposited Rs.29000/- on 21.12.09 at BO towards upfront amount for settlement of account. Branch Office, Makrana has settled the account and conveyed the decision on 09.02.2010 to Shri Devki Nandan Agarwal for settlement of account in a consideration of Rs.807865/- less upfront amount Rs.48000/- + Rs.29000/- = Rs.77000/- net payable amount is Rs.730865/-, but party has not deposited any amount and BO Makrana has cancelled the settlement on 26.05.2010.

The concern has again approached on 09.06.2010 to our BO to settle their loan account under the present settlement scheme for Decretal cases by depositing Rs.287777/- less Rs.77000/- (Rs.48000/- + Rs.29000/-) deposited earlier as upfront amount for settlement of account.

The Corporation has filed recovery application before DRT which is under process and the Hon'ble DRT has ordered to recover Rs.807105/- + interest @ 10%, therefore we have referred the matter to law section to opine about the decretal amount as per provisions of the FR Circular no.406 & 491. The law section opined that;

"Since auctioneer has been appointed by the DRT and date for auction has been fixed on 20.07.2007 as per DRT order dated 02.06.2010 as such presently the matter is subjudiced and decretal amount can not be determined as per aforesaid FR circulars and we should honor the court order.

On the request of the party and looking to the facts of the case, competent authority has allowed to place the case before Spl. HOLC as a special grievance case on administrative grounds.

After discussions and considering all the facts/position of the case, the committee decided to uphold the decision of the BO taken on 9.2.2010 in regard to settlement of account. Accordingly the party to pay Rs.8,07,865/- less upfront amount Rs.1,06,000/- (Rs.48000/-, Rs.29000/- & Rs.29000/- deposited on 27.12.05, 21.12.09 & 14.10.2010 respectively) i.e. net settlement of Rs.7,01,865/- plus other money debited, if any. The settlement amount shall be payable in the following manner:

- (i) Rs.1.00 lac shall be paid by 15.8.2010.
- (ii) Balance settlement amount shall be payable in 7 equal monthly instalments commencing from Sept.,2010. Interest @ 13% p.a. w.e.f. 1.8.2010 shall be charged on the unpaid settlement amount.

The proprietor of the concern consented to the above settlement. However, the BO may take consent in writing along PDCs within 10 days from the party.

Law Section of HO was directed to inform of the aforesaid decision to the Hon'ble DRT and to take further necessary action in the matter.

8. M/s Manoj Metal Industries, Alwar (FR)

Shri Manoj Kumar Khandelwal Proprietor of the concern appeared before the committee.

A term loan of Rs.2.72 lacs was sanctioned on 27.3.89 for manufacturing of Tin Container and the same was disbursed in full. A sum of Rs.15.49 lacs was outstanding in the loan a/c as on 1.6.2010 inclusive of P.sum Rs.2.14 lac and other money Rs. 0.01 lac. The land and building of the unit has already been sold out on mutual consent basis in the year 1995. The value of machine is reported Nil as the same is rusted and Detroit –red ,therefore, status of the unit is closed and category of a/c was classified as Doubtful as on 31.3.2005. The

worth of collateral security reported to Rs. 12.69 lacs and there is no personal guarantee and third party guarantee is available.

For recovery of the dues ROD u/s 32(G) was filed on 15.4.2004 but the outcome is nil. Earlier also the case was placed before HOLC on 15.3.2005 wherein it was offered to waive the entire penal intt. but the promoter did not agree to the offer therefore the case was rejected.

After discussions and considering all the facts and position of the case, the committee offered to settle the case in a consideration of Rs.3.33 lac less upfront amount of Rs.0.33 lac i.e. at the net settlement amount of Rs.3.00 lacs payable in five equal monthly instalments commencing from August, 2010.

No interest would be charged upto 31.7.2010 and thereafter w.e.f. 1.8.2010 intt. @ 13% p.a. would be charged on the balance unpaid settlement amount.

The Proprietor of the concern consented to the above settlement.

GENERAL OBSERVATIONS:

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

Dy.General Manager (FR-1)
MEMBER SECRETARY

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

Minutes of the Special HOLC held on 30.08.10 at 03.30 PM
under the Chairmanship of Shri G.S.Sandhu, IAS, CMD.

Following were present:

Shri Sukhaveer Saini, GM(D)	:	Member
Shri A.P.Mathur, DGM(FR-2)	:	Member
Shri J.P.Meena, DGM(DDW)	:	Member
Shri A.L.Gupta, DGM (ARRC)	:	Member
Shri Abu Talib, DGM(FR-1)	:	Member Secretary

Shri M.C. Meena, Manager (DDW), Shri P.D.Verma, Manager (FR), Shri M.S.Meena, Manager (FR), Shri A.K.Sood, Manager(Law) and Shri Ashok Agarwal, DM (DDW) were also present.

I. Confirmation of the minutes of Spl HOLC meeting held on 26.07.2010.

Minutes were confirmed.

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

1. M/s Pareek Bricks Mfg.Co., Bikaner (DDW Case)

Nobody appeared before the committee.

It is a Deficit-Appeal case. ROD sent to Collector on 19.02.05 and case is being pursued with revenue authorities. The account has been settled under on going scheme in a consideration of Rs.2.61 lac inclusive of other money & recovery charges on 21.07.09 at BO Level. The decision to the above effect was communicated to the party on the very day.

Aggrieved with the decision of BO partner Shri Ram Narayan Pareek approached to BO for making an appeal to the empowered settlement committee and further deposited Rs.5000/- as registration fees together with upfront amount of Rs.25600/- on 19.11.09. As per scheme party had to appeal within 30 days from the date of communication. In the instant case, promoter made an appeal after almost 4 months on the ground of his eye operation. The delay in filing appeal has been condoned by the competent authority.

One of the partner Shri Guru Prasad S/o Shri Ramlal Joshi is residing at VPO Kikarwali Distt. Sri Ganganagar and having 19 Bigha of land irrigated and non irrigated. The MRV reported is Rs.17.00 lac.

After discussions and considering all the facts/position of the case, the committee decided to uphold the decision of BO and the appeal was rejected.

2. M/s G.K. Industries, Alwar (DDW Case):

Shri Rajeev Rohtaji, Proprietor of the unit, appeared before the committee.

It is a Deficit appeal case. ROD sent to Collector on 30.11.2005.

The case was registered at SO, Delhi on 31.03.2010 and forwarded to BO Alwar on 08.04.2010. Promoter has visited the BO on 24.05.2010 and as per the scheme for settlement of deficit cases (2009-10) he was offered to settle the account on principal sum + OM + 5% MGE total Rs.788439/- but promoter not agreed for the same hence no settlement could be carried out. The promoter has submitted an application for appeal to HOLC on 22.06.2010 at SO Delhi by depositing registration fee of Rs.5000/- and upfront amount of Rs.76100/-. Though in running scheme there is no provision for appeal but this case was earlier closed under old scheme. Therefore, the BO has accepted the appeal for Spl. HOLC.

Loan of Rs.14.96 lac was sanctioned on 31.10.91 and disbursed Rs.7.53 lac upto 9.3.94 for setting up a utensils manufacturing unit. The account has been categorized under loss assets. On default in repayment of dues, the assets of the unit were taken into possession on 5.3.98 and sold out in a consideration of Rs.7.01 lac on 26.9.2001. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.1154660/- (P.sum Rs.750337/- and interest Rs.404323/-).

After discussions and considering all the facts/position of the case, the committee offered to settle the account at Rs.788439/- less upfront Rs.152800/-. The party shall pay Rs.2.00 lac within 15 days and balance amount of Rs.435639/- in 36 equal monthly installments (EMIs) commencing from 1.10.10. Looking to the pathetic condition of the party, the committee decided not to charge any interest during this period. It requires approval/confirmation of the Board.

The representative consented to the settlement on above terms.

3. M/s Ganpati Cotton Textile Mills, Sri Ganganagar (DDW Case):

Shri Ram Dutt, partner of the unit appeared before the committee.

It is a deficit case and ROD was sent on 21.12.2005.

The case was placed before DLC on 09.02.10 and settled in a consideration of Rs.1218035/- (Principal deficit Rs.1156425/- + OM Rs.3608/- + Rs.58002/- (RoD charges) = Rs.1218035/-) less upfront amount of Rs.117000/- and net settlement amount Rs.1101035/- would be paid within one month or twelve monthly installments from March, 2010 to February, 2011 @ 13% p.a. interest shall be charged on unpaid settlement amount. The party filed appeal for Spl. HOLC.

Loan of Rs.14.00 lac was sanctioned on 25.9.97 and disbursed Rs.13.35 lac upto 2.2.98 for setting up a grey cloth manufacturing unit. The account has been categorized under doubtful. On default in repayment of dues, the assets of the unit were taken over into possession on 10.1.2000 and sold out in a consideration of Rs.7.60 lac (P&M for Rs.1.90 lac on 13.12.02 and L&B for Rs.5.70 lac on 22.1.04). After appropriation of sale proceeds, deficit as on date of sale works out to Rs.1156425/- (P.sum Rs.1156425/-). Present value of third party guarantee is Rs.8.00 lac in the name of Shri Ram Dutt Lila S/o Shri Ghanshyam – guarantor.

After discussions and considering all the facts/position of the case, the committee offered to settle the account at Rs.12.18 lac less upfront Rs.2.34 lac i.e. net settlement amount of Rs.9.84. The party shall pay Rs.2.00 lac within 15 days, balance Rs.7.84 lac in 12 equal monthly installments (EMIs) commencing from Oct.,2010. Looking to the pathetic condition of the party, the committee decided not to charge any interest during this period. It requires approval/ confirmation of the Board.

The party consented to the above settlement.

4. M/s Pooja Ceramics, Sri Ganganagar (DDW Case):

Shri Sanjeev Sharma, Partner of the unit appeared before the committee.

It is a Deficit appeal case. ROD sent on 01.05.07.

The case was settled by BO on 07.02.08 in consideration of Rs.146342/- (i.e. Rs.96684/- + 42213/- + 6945/- 5% ROD charges + Rs.500/- registration fees) less upfront amount of Rs.14440/- and net settlement amount is Rs.131902/- payable in 12 monthly instalment from Feb., 08 to Jan.,09.

The party vide its letter dated 21.12.09 made an appeal against the BO decision. The competent authority has considered the request and allowed to register the appeal of the party to place before Spl. HOLC.

Loans of Rs.13.89 lac, and Rs.6.35 lac were sanctioned on 19.6.90 and 25.11.95 respectively and disbursed Rs.9.95 lac upto 10.1.92 and Rs.5.83 lac upto 6.1.96 for setting up S.W.pipes, Ceramic goods manufacturing unit. The account has been categorized under doubtful. On default in repayment of dues, the assets of the unit were taken over into possession on 11.8.05 and sold out in a consideration of Rs.23.61 lac on 12.12.06. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.248489/- (principal Rs.96250/-, interest Rs.152239/-).

After discussions and considering all the facts/position of the case, the committee offered to settle the account at Rs.1.45 lac less upfront Rs.0.25 lac i.e. net settlement amount of Rs.1.20 lac payable within 15 days.

The party has consented to the above settlement.

5. M/s R.K.Kota Stone (P) Ltd., Kota (DDW Case):

Shri Ravindra Goyal, director of the company appeared before the committee.

It is a Deficit appeal case. No collateral security is available. After detailed investigation, property of one of the Director searched by BO, Kota, which was located at Indra Vihar, Kota.

The case was registered on 15.02.2010 under OTS scheme 2009-10 and BO has settled the account in consideration of Rs.4055743/- (P.Sum + OM + 5% recovery charges) less upfront amount of Rs.193050/-, net settlement amount is Rs.3862693/- payable in 12 monthly installments with interest as per norms. Aggrieved with BO decision party made an appeal against the BO decision vide its letter dated 17.02.2010 and requested for condonation of delay. But competent authority has not considered the request of the party favorably as no satisfactory grounds have been given by party for condonation of delay.

For recovery of dues BO has filed case u/s 32-G and revenue authorities has attached the property of one of the director located at Indra Vihar, Kota on 01.01.10 and the date of auction fixed on 23.07.10.

Considering the poor economic condition and sickness of main promoter residing at Mumbai, the competent authority has reconsidered the request of the party and condoned the delay and allowed the BO to register their appeal with registration fee and upfront amount as per norms of Corporation. Accordingly, the party has deposited registration fee of Rs.5000/- and upfront amount of Rs. 367000/- (10% of principal deficit) at BO on 13.07.2010.

Loan of Rs.53 lac was sanctioned on 30.3.95 and disbursed Rs.47.77 lac upto 12.9.97 for setting up a stone splitting unit. The account has been categorized under doubtful. On default in repayment of dues, the assets of the unit were taken over into possession on 18.11.99 and sold out in a consideration of Rs.41.50 lac on 8.3.2003. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.38,57,917/-.

After discussions and considering all the facts/position of the case, the committee offered to settle the account at Rs.40.56 lac less upfront amount Rs.5.60 lac i.e. net settlement of Rs.34.96 lac. The party shall pay Rs.4.00 lac within 15 days and remaining Rs.30.96 lac in 18 equal monthly installments without interest for this period, but the party did not consent to the offer given by the committee, hence appeal was rejected with the direction to BO to pursue the Revenue authorities for attachment of property for recovery of Corporation dues as per norms.

6. M/s S.S. Electronics, Sheoganj, (DDW Case):

Nobody appeared before the committee.

It is a Deficit appeal case. The case was settled by DLC on 22.01.08 at Rs.292000/- less upfront amount of Rs.44000/- which was to be payable either

in one go or 12 EMI from Feb., 2008 to Jan., 2009. Interest @ 16% p.a. shall be charged on unpaid settlement amount.

The party has not deposited the settlement amount and approached the Corporation in March, 2010 to file appeal against the decision of BO and to condone the delay of 2 years (approx.) and relaxation in upfront amount. The competent authority has considered the relaxation which was valid upto 31.03.2010. The BO has forwarded the proposal on 30.03.2010 which was received by HO on 13.04.2010.

The main partner Shri Vishnu Kumar Soni expired and his wife Smt.Sudha Ben and two lady partners are coming forward for settlement of deficit account.

After discussions and considering all the facts/position of the case, the committee decided to uphold the decision of BO and the appeal was rejected.

7. M/s Styrodyne Packaging Pvt. Ltd., Bhiwadi

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

8. M/s Opti Craft, Neemrana (FR case)

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

9. M/s Volga Marble, Sirohi (FR case)

Shri Vijay Kumar Jain, Proprietor of the unit appeared before the committee. The committee heard him and decided to keep the decision which was taken by the Special HOLC in its meeting held on 18.06.10 intact.

10. M/s Anchal Hand Paper Industries, Dausa (DDW Case)

Shri Suresh Saraf Partner of the unit & Shri Ajay Kumar, nephew of Shri Suresh Saraf appeared before the committee.

It is a deficit case. ROD sent to Collector but returned back, as no assets/property is available in the name of the partner/guarantor.

Earlier the above case was placed before the Spl. HOLC in its meeting held on 05.05.2010, the decision of the committee is as under:

"Nobody appeared before the committee. However, a fax message was received from Shri Suresh Saraf showing his inability to attend the meeting. The committee decided to reject the pending appeal case and decide to direct the BM to recover the dues as per the settlement arrived at with interest at BO level on 15.12.09, else initiate suitable action for recovery of dues after identification of properties of the borrower immediately."

In this case appeal was made by the party against the decision of Branch Office in the Spl. HOLC and the committee rejected the appeal in its meeting dated 05.05.2010 without hearing the party, as nobody was appeared before the committee. Whereas a FAX message was received from Shri Suresh Saraf showing his inability to attend the meeting as his wife was sick.

The concern has informed that due to his personal reasons (wife was sick) he could not attend the meeting held on 05.05.2010 and for which he has already informed to the Corporation on 03.05.2010 in writing. On party's request letter dated 27.08.2010 our CMD directed that the request "may be heard on 30.08.2010".

The proposal of settlement of loan account was placed before the committee to review the earlier decision dated 05.05.2010 of Spl. HOLC and heard the party.

Loan of Rs.15.00 lac and Rs.2.80 lac were sanctioned on 18.11.96 and 17.1.98 respectively and disbursed Rs.14.30 lac upto 17.12.96 and Rs.2.46 lac upto 30.3.98 for setting up a handmade paper manufacturing unit. The account has been categorized under doubtful.

On default in repayment of dues, the assets of the unit were taken into possession on 412.2001 and sold out in a consideration of Rs.10.64 lac (P&M for Rs.4.59 lac on 29.12.01 & 20.3.03 and L&B for Rs.6.05 lac on 11.9.03. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.12.06 lac (P.sum Rs.12.06 lac).

After discussions and considering all the facts/position of the case, the committee offered to settle the account at Rs.12.72 lac less upfront Rs.1.22 lac i.e. net settlement of Rs.11.50 lac. The party shall pay Rs.2.00 lac within a month and balance amount of Rs.9.50 lac in equal monthly installments of Rs.30,000/- each commencing from 1.10.2010. Looking to the pathetic condition of the party, the committee decided not to charge any interest during this period. Its require approval/confirmation of the Board.

The representative consented to the settlement on above terms.

GENERAL OBSERVATIONS:

- 1) *Wherever settlement amount is to be paid in instalment, the party will furnish 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.*
- 7) *Abbreviation like N.A. should be written in full in the proposal of settlement particularly under the head of security after due verification by the Branch Managers.*

Dy.General Manager (FR-1)
MEMBER SECRETARY

RAJASTHAN FINANCIAL CORPORATION
(FR-DDW Division)

Minutes of the Special HOLC held on 29.09.2010 at 04.00 p.m at Udyog Bhawan, Jaipur under the Chairmanship of Shri G.S.Sandhu, IAS, CMD (in the matter of M/s. Paras Oil Inds., Bilara Distt. Jodhpur)

Following were present:

Dr. M L Yadav, ED	:	Member
Shri J.P.Meena, DGM(DDW)	:	Member
Shri Dharamveer Jashnani, Manager (I/c – Law)	:	Member
Shri Abu Talib, DGM(FR-1)	:	Member Secretary

Shri M.C. Meena, Manager (DDW), Shri P.D.Verma, Manager (FR-3), Shri Ramji Lal (I/c SO, Delhi (Special Invitee) were also present.

Shri Dharmi Chand Jain S/o Late Shri Paras Mal Jangra (Proprietor) and Shri Amar Singh appeared before the committee on behalf of M/s. Paras Oil Inds., Bilara).

This Special HOLC was conducted to consider the case of settlement of M/s. Paras Oil Inds., Bilara Distt. Jodhpur in compliance of directions issued by Hon'ble Supreme Court of India on its hearing dated 23.09.2010 which is as follows:

List the application on October 4, 2010. "In the meantime committee of the respondent corporation shall hold meeting to decide the question of settlement of the petitioner's case".

This case was earlier placed before the Spl.HOLC in its meeting held on 5.5.10 and minutes of the committee are reproduced hereunder:

"Shri Pramod Jain S/o deceased promoter and his father's friend Shri Amar Singh appeared before the committee. It is a Deficit case. Collateral security is available (Rs.82.17 lac) at Patta No.118/86, Near Bus Stand, Ajmer Road, Bilara. The same is under possession of the corporation.

Loan of Rs.22.40 lac and Rs.17.30 lac were sanctioned on 21.3.96 and disbursed Rs.14.62 lac and Rs.17.30 lac upto 26.3.98 for setting up a Mustard Oil & Cake unit. The account has been categorized under doubtful category.

On default in repayment of dues, the assets of the unit were taken over into possession on 13.2.02 and sold out the P&M on 27.10.04 for Rs.5.11 lac and L&B on 27.12.07 for Rs.7.37 lac (totaling to Rs.12.48 lac). After appropriation of sale proceeds, deficit as on date of sale worked out to Rs.53.96 lac (principal Rs.29.23 lac, interest Rs.24.69 lac and OM Rs.0.05 lac).

As per directives of Hon'ble High Court case was placed before Spl. HOLC on 30.01.08, 21.02.08 and 07.03.08 but no body turned up in any of the Spl. HOLC meetings. Lastly the case was placed before the Spl. HOLC held on 07.03.08 but despite of proper notice, well in time no body turned upto attend the meeting, therefore, the committee decided to close the case.

Now the case of company is under hearing before Hon'ble Supreme Court challenging the sale of prime security and on sale of collateral security assets which is under possession with the Corpn.. The case was referred to Mediation Centre, Supreme Court

and same was heard on 07.01.10. During the course of hearing it was decided by Mediation Centre of Supreme Court that the borrower shall submit a settlement proposal / application to the corporation within 7 days and the progress shall be placed before court during next date of hearing which has been scheduled to be held on 01.02.10. As ordered by court, the borrower did not submit the OTS application within seven days. The party deposited the OTS application on 27.01.10 by depositing upfront amount of Rs.318000/-. The matter of delay in submission of OTS proposal was discussed by BM with our penal advocate, and as per his advise the OTS application has been accepted by BO.

The representative of the company informed that they have already submitted their offer for settlement in Jan., 2010 and there is no further offer to give.

After discussions and considering all the facts and position of the case, the committee decided to re-examine the case in the light of the comments given by Mediation Centre, Supreme Court as well as offer given by the party and place the case in the next meeting till then the case is deferred.”

Now in this meeting the committee observed that;

The amount recoverable as on 1.9.2010 is as under:

a) Amount outstanding as on the date of sale of prime assets (27.12.07):

	(Rs.in lac)
Principal	29.23
Interest	24.69
Other Money	0.05
Liabilities paid to other Govt.Deptt.as per norms	1.66
Total (a)	55.63

Note: Other charges till settlement to be debited is not included in the above.

b)	Interest for possession period (on simple interest basis from 13.02.02 to 26.12.07)	75.05
	Subsidy	3.18
	Interest on Subsidy upto date of sale @ 15%	5.06
	Total (b)	83.29
	Grant Total (a+b)	138.92

In this case Collateral security mortgaged with the corporation valuing approximately Rs.82.17 lac is under possession of the corporation.

The committee after detailed deliberation offered to settle the account in a consideration of Rs.80.00 lac less upfront amount of Rs.3.18 lac against a sum of Rs.138.92 lac by sacrificing interest portion more than Rs.58.00 lac approx but the representatives were not prepared to pay more than Rs.20 lac only.

The committee showed its inability to accept the offer of Rs.20.00 lac given by the party and hence the settlement could not be finalized.

Dy.Gen.Manager (FR-1)
Member Secretary

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

Minutes of the Special HOLC held on 27.12.10 at 11.30 AM
under the Chairmanship of Shri G.S.Sandhu, IAS, CMD.

Following were present:

Shri A.R. Choudhary, ED		Member
Shri L.K.Ajmera, DGM(DDW)	:	Member
Shri Dharaveer, Manager (I/c Law)	:	Member
Shri Abu Talib, DGM(FR-1)	:	Member Secretary

Shri N.P.Gupta, DGM(Finance) in lieu of ED (Finance) Shri N.K.Jain, Manager (ARRC), Shri M.C.Meena, Manager (DDW), Shri P.D.Verma, Manager (FR), Shri R.S.Gupta, DM (ARRC) and Shri B.L.Gurjar, DM(FR) were also present.

I. Confirmation of the minutes of Spl HOLC meeting held on 30.08.10 & 29.09.10.

Minutes were confirmed.

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

1. M/s Janta Cotton Textile, Sriganganagar, (DDW Case)

Shri Ramniwas Goyal and Shri Manoj Goyal, Partners of the firm, appeared before the committee. It is a Deficit appeal case.

Loans of Rs.10 lac & Rs.5 lac were sanctioned on 30.3.95 & 28.2.97 respectively and disbursed Rs.10 lac upto 9.8.95 and Rs.4.518 lac upto 1.7.97 for setting up a Grey Cotton cloth unit. On default in repayment of dues, the assets of the unit were taken into possession on 30.7.98 and sold in a consideration of Rs.7.55 lac on 8.1.03 & 27.1.03. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.11.23 lac (P.sum Rs.9.60 lac and interest Rs.1.32 lac and OM Rs.0.31 lac).

Value of other properties (other than mortgaged) of promoter/guarantor has been identified by the branch valuing Rs.25.00 lac.

The case was settled by BO on 29.03.10 in a consideration of Rs.1150597/- less upfront amount Rs.108943/-, net settlement amount is Rs.1041654/- payable in 12 EMI from April, 2010 to March, 2011. Interest @ 13% on unpaid settlement amount. The party did not agree and made appeal against BO decision. The competent authority has condoned the delay in filing the appeal. In this case RoD issued on 12.06.06. Court cases are pending with Hon'ble Lower court, Sriganganagar. There is stay on attached properties.

It was observed by the committee that sale proceeds have not been appropriated and credited in the loan accounts as per norms. Therefore, the committee decided that correct position of arriving at deficit after appropriation of sale proceeds be called from the Branch. However, for the offer of Rs.11.50 lac given by the committee, the promoter desired time, hence the case was deferred. (The loanee has submitted a request for deferment of the case).

2. **Shri Pushkar Lal Khatik, Udaipur (DDW Case)**

Nobody appeared before the committee. However, In absentia, the case has been discussed and decided to settle the account in a consideration of Rs.42,000/-

It is a NPA decree case. Loan of Rs.77200/- was sanctioned (mutual sale) on 22.1.90. Decree for Rs.66861/- + interest @ 18.25% p.a. from 02.10.98 was awarded by ADJ, Udaipur in favour of the Corporation on 22.10.03. Against the decree, a sum of Rs.49700/- has been deposited by the party.

The case was registered for settlement on 17.01.07 and 06.01.09 and recovery of Rs.49700/- was made through these settlement approvals. The account could not be settled finally because payment as per settlement was not received. In this case decree execution was not filed, but direct recovery action u/s 32-G initiated by issuing notice dated 25.05.05.

The party has again approached for settlement under present settlement scheme (FR-613) and deposited Rs.15000/- as upfront amount on 9.8.10, no registration fee charged being SC case.

As per provisions (FR-613) BO is not empowered to settle the case as BO is facing problem in putting on record the certificate as desired by FR Circular No.613 "that all efforts have been made for execution of decree and no fruitful results have been realized".

Vide FR Circular No.629 dated 26.07.10, it was decided that such cases can be registered as grievance case at BO level and will be placed before the Spl. HOLC for taking decision on merits of the case. Accordingly, BO has forwarded the proposal to HO for taking decision through Spl. HOLC.

After discussions and considering all the facts/position of the case, committee offered to settle the account at Rs.42,000/- less upfront amount Rs.15000/-, net settlement amount Rs.27000/- in view of point No.4B(iii) of Circular No.FR-613 dt. 2.6.10, payable upto 25.3.2011. No interest shall be charged upto 31.01.2011 thereafter interest @ 13% shall be charged on the unpaid amount of settlement. The party shall have to furnish consent on settlement within 7 days time failing which settlement shall stand automatically rejected.

3. **Shri Ladu Lal Khatik, Bhilwara (DDW Case) (Transport loan case)**

Shri Ladu Lal Khatik, Proprietor of the unit, appeared before the committee.

It is a Deficit / Decretal / Write off case. Loan of Rs.1.97 lac was sanctioned on 10.6.83 and disbursed Rs.1.79 lac upto 16.8.83. On default in repayment of

dues, the assets of the unit were taken into possession on 9.1.90 and sold in a consideration of Rs.2.15 lac on 29.3.90. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.218410/- (P.sum Rs.179000/- and interest Rs.39337/- and OM Rs.73/-).

The case was written off / written back in the year 1992-93. Write off amount is Rs.1.79 lac, Write back amount is Rs.2.07 lac. A suit was filed for recovery of deficit amount of Rs.379900/- and decree was awarded for Rs.379989/- on 18.09.99 by District Court, Bhilwara and execution application filed for attachment of agriculture land valuing Rs.5.55 lac.

After discussions and considering all the facts/position of the case, it was noted by the committee that sale of property i.e. agriculture land belongs to SC situated in village, is not easily saleable and the account of the unit has been categorized as loss assets, worst category covered under deficit decretal and write off also and as old as more than 27 years, the committee decided to settle the account on written off amount i.e Rs.179073/- less upfront Rs.40000/- i.e. net settlement amount Rs.1,39,073/- (Say Rs.1,39,100/-) payable in 3 equal monthly installments commencing from January,2011. No interest shall be charged upto 31.1.2011 and thereafter interest @ 13% on unpaid amount of settlement shall be payable.

The party consented to the settlement.

4. **M/s EIA Plastic Pvt.Ltd., Bhiwadi (DDW Case)**

Nobody appeared before the committee.

It is a Deficit appeal case. ROD issued on 22.03.07. Loan of Rs.4.00 lac was sanctioned on 30.6.92 (Deferred sale) and Rs.29.80 lac on 25.2.93. Out of which Rs.4.00 lac on 30.6.92 and Rs.28.15 upto 14.12.96 were disbursed. On default in repayment of dues, the assets of the unit were taken into possession on 17.3.97 and sold in a consideration of Rs.17.01 lac on 15.1.2004. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.24.14 lac (principal).

The case was settled at BO level on 31.03.09 in a consideration of Rs.2360800/- (Rs.2612800/- less upfront amount of Rs.252000/-). Then party made appeal against branch settlement decision. ROD is pending before DC, West, Delhi.

After discussions and considering all the facts/position of the case, committee offered to settle the account at Rs.26.34 lac less upfront Rs.3.78 lac i.e. net settlement of Rs.22.56 lac inclusive of recovery charges, payable in 3 equal monthly instalments commencing from January,2011. No interest shall be charged upto 31.1.2011 and thereafter interest @ 13% on unpaid amount of settlement. The party shall have to furnish consent on the settlement within 7 days failing which settlement shall stand rejected.

5. Smt.Usha Devi Agarwal, Bundi (DDW Case) (Transport loan)

Shri Shri Surendra Kumar Agarwal, guarantor of the unit, appeared before the committee.

Loan of Rs.8.40 lac was sanctioned on 9.2.94 and disbursed Rs.7.10 lac upto 23.5.94. It is a Decreeal case where assets has not been taken into possession. Decree awarded by court on 22.10.2002 of Rs.1002444/- + interest @ 18.5%.

The case has been settled by BO on 18.12.06 in consideration of Rs.1432314/- but neither the party has deposited settlement amount nor made any appeal in stipulated period of one month.

Decree execution filed at Bhilwara Court and auction of Mortgagor guarantor's property was fixed on 26.08.2010. Meanwhile the case has been registered for OTS hence action of auction has been deferred.

After discussions and considering all the facts/position of the case, committee decided in absentia and offered to settle the account at Rs.15.02 lac less upfront Rs.2.51 lac + legal expenses Rs.0.10 lac likely to be debited against pending litigation matters i.e. net settlement of Rs.12.61 lac, payable in 3 equal monthly installments commencing from January,2011. No interest shall be charged upto 31.1.2011 and thereafter interest @ 13% on unpaid amount of settlement shall be payable.

6. M/s Rakesh Kumar Mahatma, Chittorgarh (DDW Case)

Shri Rakesh Kumar Mahatma, Proprietor of the unit, appeared before the committee.

It is a Decreeal case. The Hon'ble court of ADJ, Chittorgarh awarded decree on 17.04.03 for Rs.1016921/- + 9% interest. The party has submitted his representation dated 30.08.10 and requested that he is Cancer patient and wants to settle his account. He has requested to settle his account on principal sum only.

The factual position of the case is as under:

1. Sh. Rakesh Kr Mahatma has purchased RFC assisted unit (Two Dumpers) of M/s.Usman Khan&Sons on 05.11.97 for Rs.1116534/- by way of mutual sale.
2. Legal documents were executed on 13.11.97.
3. Shri Rakesh Kumar defaulted in repayment of Corporation dues.
4. The corporation issued notice u/s 31(1)(aa) on 17.07.99 to guarantor Shri Rajesh Kumar Mahatma brother of Shri Rakesh Kumar, promoter against residential house mortgaged to Corporation and application is also filed in the court on 20.12.99 against the guarantor.

5. The Hon'ble Court of ADJ, Chittorgarh has awarded decree on 17.04.03 for Rs.1016921/- + 9% interest.
6. Against court decision Shri Rajesh Kumar Mahatma filed an appeal in the Hon'ble High Court, Jodhpur. The appeal was decided by the learned single judge on 03.02.04 and set aside the judgment and decree dated 17.04.03 passed by the trial court and remanded the decree back to trial court.
7. The trial court ADJ No.1, Chittorgarh decided the decree on 19.05.10. Gist of the decree is as under:

“अतः प्रार्थी की दरखास्त दफा 31 स्टेट फाईनेंस कॉर्पोरेशन एक्ट विपक्षी संख्या 2 और 3 के खिलाफ स्वीकार की जाती है और निम्न आदेश दिया जाता है:-

- 1 दरखास्त पेश करने की तारीख 19.12.99 को प्रार्थी स्टेट फाईनेंस कॉर्पोरेशन के विपक्षी संख्या 2 और 3 में रूप 10,16,921/- (अक्षरे दस लाख सोलह हजार नो सौ इक्कीस रूपए) ऋण का बाकी है।
- 2 इस मामले के दोनों डंपर जो विपक्षी सं. 2 ने प्राप्त किए हैं, सबसे पहले उनको नीलाम कर उनसे प्राप्त राशि से ऋण की भरपाई की जावे। अगर इनसे प्राप्त राशि से ऋण की भरपाई नहीं होती हो तब विपक्षी सं. 3 राजेश कुमार की रहन रखी गई अचल संपत्ति जो प्रदर्श 8 में वर्णित प्लोट नं. 15 अशोक नगर चित्तौडगढ में स्थित है, को नीलाम किया जावे।
- 3 दोनो डंपर विपक्षी सं. 2 द्वारा नीलामी के लिए पेश नहीं किए जाने पर विपक्ष सं. 3 की रहन रखी गई जायदादे को नीलाम कर पूरी ऋण राशि , ब्याज , खर्चा आदि मुताबिक शर्त वसूल की जाये।”

8. The loanee party is cancer patient.
9. The account position of the case is as follows (as on 01.09.2010):

P. sum	Rs. 748034/-
Interest	Rs. 8174440/-
Other Money	Rs. 7355/-
Total	Rs. 8926829/-
10. **Prime Security:** Two Dumpers sold on deferred payment basis, not yet got verified, hence MRV could not be got calculated.
11. **Collateral Security:** Rs.2125000/- (as on 05.05.10). Residential house situated at House No.15, Ashok Nagar, Chittorgarh (copy enclosed Annexed'B').
12. As per FR 613, the case can be settled on decretal amount + OM + Recovery charges + 5% of decretal amount on account of total interest outstanding, or total interest outstanding, which ever is less.
13. As per FR-406 dated 09.10.06, the decretal amount has been worked out to Rs.3016774/- a per details given below:

P. sum	Rs. 1016921/-
Interest	Rs. 1987698/-
Other Money	Rs. 12155/-
Total	Rs. 3016774/-

Total penal interest charged Rs.10,88,686/-

Policy: FR Circular No.613 dated 02.06.10 clause B(vi), account can be settled by waiver of unpaid penal interest.

After discussions and considering all the facts/position of the case, the committee offered to settle the account at Rs.3017 lac, but the party was not agreed to deposit the said amount owing to the reason that he is a cancer patient and is not in a position to arrange the offered amount instead he has given an offer of Rs.7.50 lac (equivalent to principal sum of Rs.7.48 lac), if the Corpn. considered his request and the same shall be deposited within one month from the date of issue of orders.

After discussion, it was decided by the committee that the financial means of the promoter is very meager and also a cancer patient, the matter may be placed before the Board for consideration.

7. M/s K.T. Building Material (P) Ltd., Banswara (ARRC case)

Shri Johar KT, Director of the company appeared before the committee. The committee noted that unit is in possession since 17.9.99 and Corporation could not auction due to attachment order of Central Excise. The matter is still pending in Hon'ble High Court, Jodhpur. So far Corporation has incurred a sum of Rs. 5.18 lac towards watch & ward and other expenses. Outstanding as on date of possession was Rs. 19.39 lac. (Prin. Rs. 14.02 lac + Interest Rs. 5.35 lac + Other money Rs. 0.02 lac) with further expenses and simple interest for possession upto 31.10.10 the amount payable comes to Rs. 52.61 lac. MRV of the financed assets is Rs. 31.00 lac (Land Rs. 15.00 lac + Building Rs. 6.00 lac + P&M Rs. 10.00 lac). Value of other properties of directors (not mortgaged to RFC) has been reported to Rs. 31.20 lac, out of which Rs. 25.00 lac reported to have been sold. Dues of other State Govt. Departments have been reported to Rs. 14.97 lac. Corporation has to pass on 30% of the sale price to State Govt. Department. Central Excise dues are to be paid by the purchaser as per standard terms of the Corporation amounting to Rs.22.66 lac.

Looking to the facts, committee offered to waive the entire amount of interest and offered to settle the case in a consideration of principal outstanding + other money total Rs. 19.58 lac including other money if any, not debited so far. Upfront amount of Rs.1.83 lac shall be adjusted against the amount of settlement. The net payable settlement amount of Rs.17.75 lac is to be paid by the party upto 31.03.2011. Interest @ 13% on unpaid settlement amount shall be charged after 30 days.

The Director Shri Johar consented to the settlement.

8. M/s Volga Marbles, Sirohi (FR case)

Shri Vijay Dangi, Proprietor of the unit, appeared before the committee.

This case was placed before Special HOLC in its meeting held on 18.6.10. After detailed deliberations, the committee in absentia had decided to settle the case in a lumpsum amount of Rs.6.82 lac inclusive of ROD charges, less upfront amount of Rs.0.26 lac i.e. at a net settlement amount of Rs.6.57 lac payable in six equal monthly installments commencing from 1.7.10. Interest @ 13% p.a. w.e.f. 1.7.10 was made applicable.

The promoter made a request vide his letter dt 30.7.10 to CMD that due to ill health he could not attend the Spl HOLC on 18.6.10 and his case was decided by the committee without hearing him so he be heard.

Considering the request of the promoter, the CMD decided to hear the party in the meeting of Spl HOLC that was scheduled to be held on 30.8.10. Accordingly, the case was again placed before Spl HOLC in its meeting held on 30.8.10 wherein Shri Vijay Kumar Jain, Proprietor of the unit appeared. The committee heard him and decided to keep the earlier decision intact which was taken by the Spl HOLC in its meeting held on 18.6.10.

The promoter vide his letter dated 27 / 28.9.10 again made a request to consider his request to settle the case as per provisions of ongoing Amnesty Scheme for settlement of NPA Accounts 2010-11.

Accordingly, the CMD desired that the request be placed in the next Spl HOLC meeting. The case is being again placed before the committee without taking any registration and upfront amount.

The case was not eligible for Registration for Spl. HOLC as it was earlier put up to Spl. HOLC on 7.8.09, but was rejected. The party could have preferred an appeal to SLC within one month, the same was not done, instead the Branch wrongly registered the case on 09.03.2010 by accepting registration fee+upfront amount, therefore competent authority, in order to avoid litigation has allowed the case to put up for consideration of the committee.

The account position as on 1.12.2010 was as under:

Principal sum	1.72 lac
Interest	<u>17.34 lac</u>
Total	<u>19.06 lac</u>

The committee, after detailed deliberations and hearing to the promoter generally agrees with the decision which was taken by the Spl HOLC in the meeting held on 18.06.10 Meanwhile CMD also desired to examine the matter on the file whether a person can be denied benefit of a scheme when the settlement is not agreed by the promoter.

9. M/s Ameeecos Pharma P Ltd., Sitapura (FR case)

Shri Jay Sharma, Director of the Company, appeared before the committee.

The assets of M/s Jainco Times and Television were purchased by the company in a consideration of Rs.6.77 lac in August, 2001 in auction with the condition that RIICO dues were to be paid by the purchaser.

RM, RIICO Sitapura vide his letter dated 21.5.01 reported Rs.6704/- as RIICO dues. Later on i.e. after sale of the unit RIICO informed the purchaser Rs.1.05 lac as RIICO dues. This increase was on account of reversal of benefits passed on the electronic unit. This increase became the point of dispute. The purchaser party approached the court against RIICO in which RFC has been made party. The company has been making representations to various authorities upto Hon'ble Industries Minister stating his grievances that:

- i) Exact RIICO dues not made clear at the time of auction of the unit. At the time of auction dues was Rs.6704/- later on increased to Rs.1.25 lac stating that initially land was allotted for establishing electronic unit, so certain incentives /relief was given. Since the unit M/s Jainco Times and Television could not run for a specific period, so relief / incentives so granted by RIICO debited to party's account. For such dues purchaser should not be held liable. If dues are payable then RFC should pay the same.
- ii) Due to the reason mentioned above, lease hold rights could not be transferred in favour of company and so production activities could not be started. On the other side company is making payment of interest on deferred payment and principal sum as well.
- iii) RFC is charging penal interest on the remaining dues whereas the company is claiming that it has paid the amount more than the sale price.
- iv) The company was constrained to file suit against RIICO making party to RFC which is still to be decided.
- v) RFC is determined to initiate legal action for recovery of dues which should not be as no amount remains payable on the above grounds, RFC is mounting pressure for recovery of balance in account Rs.6.23 lac by issuing legal notice u/s 30 of SFCs Act.

After detailed discussions and considering all the facts and position of the case, the committee decided to waive the entire penal interest debited in the account. The balance outstanding shall be payable within a month. It was also decided to take up the matter with RIICO regarding settlement / reduction of its dues.

The director of the company consented to the above settlement.

10. M/s Abdul Rehman Abdul Rasid & Co., Jodhpu (FR case)

Shri Abdul Rouf, son of the proprietor of the unit, appeared before the committee.

It is a case where loan was sanctioned and disbursed under "Natural Calamity Scheme" of Rs.1.63 lac in the year 1997. Outstanding in the loan account as on 1.12.10 reported to Rs.8.03 lac (p.sum Rs.1.63, interest Rs.6.40 lac). The MRV of the financed assets assessed on 4.10.10 was Rs.6.94 lac (land Rs.2.07 lac, building Rs.0.12 lac and P&M Rs.4.75 lac). No collateral security or third party guarantee is available. Case registered u/s 32G with Collector (PDR) for effecting recovery of Corporation dues.

Earlier the case was considered by HOLC in its meeting held on 18.5.06 when Shri Abdul Rehman, Proprietor and Shri Ibrahim brother of the promoter appeared before the committee. After detailed discussions and considering all the facts and position of the case, the committee had offered to settle the case for Rs.3.00 lac less Rs.0.25 lac deposited as upfront amount deposited for HOLC, therefore, the net settlement amount was Rs.2.75 lac but the proprietor did not accept the offer given by the committee, therefore, the case was rejected with the directions that BO may initiate recovery action immediately.

On 27.1.10 (i.e. after almost 4 years) the borrower again got registered the case afresh under prevailing OTS scheme for NPAs 2009-10. The matter remained pending at BO upto August, 2010 for want of assessment of MRV.

After discussions and considering all the facts and position of the case, the committee offered to settle the account at Rs.2.96 lac less upfront Rs.0.16 lac (rounded off) i.e. net settlement of Rs.2.80 lac. The settlement amount shall be payable within a month without interest.

The representative consented to the settlement on above terms.

11. M/s Shree Bajrang Dal Mill, Alwar (FR case)

Shri Hari Kishan, Partner of the concern, appeared before the committee.

A unit under possession of the Corporation namely M/s Shri Ram Inds. was sold on 12.2.86 to M/s Shree Bajrang Dal Mill for a consideration of Rs.4.00 lac of which deferred amount was Rs.3.00 lac. Right from the beginning, repayment behaviour of the unit was irregular. The Corporation tried various measures including taking possession of the unit but could not succeed due to resistance from the promoters and also due to the fact that the promoters family was residing in the premises. Action u/s 31 (1)(aa) was initiated to safeguard the interest of the Corporation as the suit was filed by another creditor for recovery of their dues. The suit was withdrawn as per decision of the committee in its meeting dated 28.02.2005 for review of cases in terms of H.O. circular No.FR-332 dated 18.02.2005. On initiation of legal action u/s 30 of SFC's Act 1951 in the month of July,2006 followed by u/s 29 of SFC's Act., the loanee submitted an application on 25.09.2006 for settlement of loan account under the scheme of waiver of penal interest circulated in the F.Y.2005-2006. The case was placed before PC & CC in its meeting held on 08.12.2006. The decision of committee is reproduced below:-

“After discussions & considering all the facts, the committee decided to waive penal interest charged since beginning amounting to Rs.7.18 lacs (as reported by the Branch) with the condition that concern to pay the net settlement amount in two instalments i.e. 50% up to 31.12.2006 and remaining up to 15.3.2007. PDCs shall be submitted by the party before the issue of waiver of penal interest by the B.O. Documented rate of interest is to be charged till the date of final payment. Effect of waiver of penal interest shall be given only after full amount has been recovered.”

The loanee did not deposit the settlement amount as per the decision of PC & CC. A legal notice u/s 30 of SFC's Act 1951 was again issued to the loanee on 29.07.10 and possession was fixed on 07.10.2010 which was subsequently deferred. Since the loanee showed his inclination to settle the account under the prevailing Amnesty scheme of the Corporation in reference to FR circular No.623 dated 12.07.2010. The case has been referred by B.O as there is large gap in settlement amount decided by PC & CC in its meeting held on 08.12.2006 (i.e. Rs.28.90 lac) and under ongoing Amnesty scheme for settlement of NPAs Accounts circulated vide circular No.610 dated 01.06.2010. As per present scheme, the case would be considered under provision 6(v) of the referred circular which works out to Rs.3.96 lac. As such, there is difference of Rs.24.94 lac (Rs.28.90 – Rs.3.96) plus interest for delayed period.

The competent authority decided to place the case before Spl. HOLC meeting without charging upfront amount & registration fee.

After detailed discussions and considering all the facts and position of the case, the committee offered to waive the entire penal interest (since beginning). The balance outstanding (after deducting the entire penal interest) shall be paid by the borrower within one month.

The partner of the firm consented to the settlement on above terms.

12. M/s Styrodyne Packaging P. Ltd., Bhiwadi (FR case)

Nobody appeared before the committee. The promoters vide their letter dated 24.12.10 submitted at BO, Bhiwadi informing that the director Shri Prakash Mittal has not been keeping good health for past sometime and presently being advised for complete rest for at least next 15 days. He is not in a position to travel to Jaipur and attend the above meeting. He intended to get excused for not being present himself in the meeting and to intimate him fresh date with sufficient advance notice.

Earlier also the case was placed before the committee in its meeting held on 30.08.10 in compliance of Hon'ble High Court order dated 11.5.10 but nobody appeared before the committee. Looking at the spirit of the court order the committee decided to consider the case even without the presence of the promoters based on the facts of the case placed before the committee.

At the time of sanction of first loan the following were the directors in M/s Styrodyne Packaging Pvt. Ltd.:

- a) Smt Kiran Mittal
- b) Shri Ajay Mittal

Subsequently, there was change in directors, Smt Kiran Mittal retired from the company and in her place Shri Prakash Mittal joined as director. The modification deed for the same was got executed on 23.6.04. Further, vide letter dated 26.06.05, the company informed that in place of Shri Ajay Mittal Smt Sarita Mittal joined the company for which no permission was taken from the Corporation and Smt Sarita Mittal did not furnish the personal guarantee. First charge on the fixed assets of M/s Styrodyne Packaging Pvt. Ltd., Bhiwadi was created and loan documents were accordingly executed. Later on the company filed a writ petition against the Corporation under the name of M/s Alta Pack Pvt. Ltd. No permission for change in name was taken by them which is violation of terms & conditions of loan agreement executed by the company with the Corporation.

The company is committing defaults after disbursement of Gold Card loan which was sanctioned on 10.08.2004. The company requested for reschedulement vide letter dated 27.06.05 and as per above request of the party and consent given by the company, Corporation rescheduled the loan account vide letter dated 23.12.06 by extending LDR for five years by treating the loans under Good Borrower scheme to General category loan and thereby increasing the rate of interest as applicable in the general loan schemes. The company consented for this. As a result of this decision, additional interest by virtue of interest difference was debited in the loan account of the company.

The company failed to adhere to the above reschedulement and further requested vide letter dated 30.5.08 for one time settlement and waiver of penal interest. The unit was not eligible for OTS as per norms of the Corporation. However, penal interest for the year 2005-06, 2006-07 and 2007-08 amounting to Rs.8,91,396/- was waived despite this accommodation, the company did not adhere to the decision and hence the benefit of waiver of penal interest was not passed on.

The Company again requested for one time settlement on 11.3.09 but did not deposit any upfront amount and registration fees. The company again requested for registration of his case under OTS which was considered by the Corporation and the relaxation was allowed to the company to deposit 50% of the upfront amount plus registration fees. Again the company failed to register its case as per the decision. Legal notice was issued u/s 30 on 30.03.10 and possession was also fixed u/s 29 of the SFCs Act for 28.04.10. This possession was deferred on the request of the party upto 13.05.10 vide letter dated 30.04.10.

The company under the name & style of M/s Alta Pack Pvt. Ltd. approached the Hon'ble High Court and filed a writ petition. The Hon'ble Court directed the borrower company to get register the case for OTS by depositing Rs.11.15 lac plus Rs.4000/- for registration under OTS scheme within two weeks. If such amount was deposited, the Corporation may call the petitioner to settle

outstanding loan account under OTS scheme. Till further orders, operation of order dated 30.4.10 was stayed by the Court.

It is pertinent to mention that the company has rented out the premises without permission of the Corporation and RIICO. In spite of the notices given by our BO, the company failed to vacate the factory premises and has also not got the financed assets verified. It has been pointed out by a team of officers while ascertaining MRV that (although certain P&M was not available at the unit at the time of visit, however, MRV of entire P&M (including non available items) has been computed.

The case was not covered under the previous scheme of settlement 2009-10 because the last disbursement was made after 31.3.01 and the case is also not covered under the Amnesty Scheme for settlement of NPA 2010-11 since the subsequent loan was sanctioned after 31.3.2001.

However, in compliance of Hon'ble High Court orders, the case was placed before the committee. (The Company has deposited Rs.11.15 lac plus Rs.4,000/- as per the directions of the Court on 29.05.10).

After discussions and considering all the facts and position of the case, the committee decided to settle the accounts of the company M/s Styrodyne Packaging Pvt. Ltd. by waiver of penal interest since beginning in all the four running accounts of the company as per the figures informed by BO, Bhiwadi as on 01.12.10 as under: (without adjusting upfront amount)

	A/c No. 7423	A/c No. 7429	A/c No. 7452	A/c No. 7497	Total
Principal	5.25	32.50	29.24	44.33	111.32
Interest	3.06	18.26	16.28	25.01	62.61
O.M.	0.14	0.08	0	0	0.22
Total	8.45	50.84	45.52	69.34	174.15
Less (-) Penal interest since beginning	1.19	4.34	5.45	1.94	12.92*
Net amount payable as on 01.12.2010	7.26	46.50	40.07	67.40	161.23

Keeping in view the orders of Hon'ble High Court and detailed deliberations, the committee decided to settle the case in absentia. It was decided to waive the entire penal interest charged in all the existing accounts of the company. The balance outstanding so arrived at shall be payable in three equal monthly installments commencing from January, 2011 such that the total dues be cleared by 31.03.2011.

The committee also decided that relief of penal interest will be allowed only on receipt of balance outstanding.

The committee further decided that Hon'ble Court may be informed through Counsel of case of the decision, with the prayer to pass appropriate orders for recovery of Corporations dues which the borrower Company is avoiding.

13. M/s Ankita Marble, Bhilwara (FR case)

Shri A.K.Jha, husband of the Proprietress of the unit Smt Asha Jha, appeared before the committee.

He raised his grievances before committee and after hearing him, it was decided to defer the case with the advice to submit his grievances separately which will be dealt with and examined on the file and conveyed to the aggrieved party. Thereafter, the case may be placed before the committee.

14. M/s Bajrang Tiles, Nagaur (FR case)

Shri Bajrang Lal Joshi, Proprietor of the unit, appeared before the committee.

A loan of Rs. 5.18 lac was sanctioned to the unit on 29.10.94 out of which Rs.2.22 lac was disbursed. No plant & machinery is financed and it is an abandoned project.

Earlier also the case was placed before HOLC/ Spl. HOLC on 21.03.02 and 15.03.08. The decision of Spl. HOLC meeting dated 02.05.08 is reproduced below:

“Shri Bajrang Lal Joshi, proprietor of the unit appeared before the committee. Earlier the case was placed before Spl. HOLC in its meeting held on 15.03.08 wherein, the committee offered to settle the amount in a consideration of Rs.5.00 lac , but the above offer of the committee was not accepted by the promoter of the unit, therefore, no settlement could be reached and the case was rejected.

Lateron, the promoter requested that now they are agreed for making the payment as per the decision taken by the Spl. HOLC in its meeting held on 15.03.08 but they need time for making payment of settlement amount in three equal monthly instalments payable in the month of April, May and June 2008. The competent authority i.e. CMD has decided to place the case before Special HOLC as the party had agreed on the offer of the committee made in its meeting held on 15.03.08.

After detailed discussions and considering all the facts, the committee decided to revive the decision taken by Spl. HOLC dated 15.03.08 where the net payable settlement amount arrived at was Rs. 5.00 lac. Since at that time the case was rejected, therefore, time schedule for making payment of net payable settlement wasn't decided. The committee, therefore, also decided that the promoter will make the payment of Rs. 5.00 lac in three equal monthly installments commencing from the month of May, June & July 2008.

Interest would be charged w.e.f. 01.05.08 @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

Promoter consented to the settlement.”

The party deposited Rs.50,000/- only on 28.11.08 and failed to make payment of entire settlement amount as per decision of Spl. HOLC and requested CMD on 09.11.09 for extension of time in repayment of settlement amount upto March, 2010. The request of the party was considered by the competent authority and party was allowed to make payment of unpaid settlement amount upto 10.03.10 with the condition that 16% rate of interest shall be charged on simple basis on the unpaid settlement amount for delayed period. The party deposited Rs.1.00 lac only on 19.03.10 instead of making payment of balance settlement amount by 10.03.10.

The promoter approached to Hon'ble High Court and court proclaimed the decision on 8.4.2010. Operative part of decision of the court is mentioned below:

"In such view of matter it is submitted by the counsel for the petitioner that the petitioner is ready and willing to settle the matter and deposit the amount whatever is left due.

In view of aforesaid facts and circumstances of the case, I deem it just and proper to dispose of this writ petition with liberty to the petitioner to appear before the concerned authority of the RFC within a period of 15 days so as to arrive at fresh settlement. Learned counsel for the petitioner also submits that the petitioner is ready to pay balance amount in two installments of six months each. The respondent Corporation is also expected to consider the matter for settlement with petitioner as has been done in similar other cases."

In compliance of court order dated 08.04.10, the party submitted request letter dated 13.04.10 at BO Nagaur and informed that he is ready to pay the balance settlement amount in two six monthly installments commencing after 15 days from the court order dated 08.04.10. The request of the party was considered by the competent authority and party was allowed to pay settlement amount in two six monthly installment w.e.f. 08.04.10 along with interest @ 16% p.a. for the delay period i.e. upto the date of final payment made by party.

BO Nagaur has informed vide letter dated 16.11.2010 that party has deposited both the installments of Rs.1,75,000/- each on 28.10.10. The promoter of unit informed to BM during discussions at BO that court has treated his case as fresh settlement and as per court order, he has deposited the entire amount before the time schedule.

Therefore, BO has sought the guidance for charging interest for delayed period.

The competent authority has decided to place the matter before Special HOLC and exempted from payment of upfront amount and registration fee. The total amount of interest for delayed period w.e.f. 1.5.08 @ 16% p.a. calculated by BO is Rs. 1, 74,357/- The promoter of the unit has also submitted a request letter dated 21.12.10 for waiver of interest for the delayed period.

After detailed discussions and considering all the facts including the spirit of the court decision dated 08.04.10, the committee decided to waive the interest for the delayed period and considered the account as settled on the amount already deposited by the promoter against settlement.

15. M/s Agarwala Cottage Industries, Jaipur (FR case)

The loan account of the concern was settled by HOLC in its meeting held on 10.02.1999 in a consideration of Rs. 3.50 lac. The settlement amount was to be deposited up to 25.03.1999. However, it was deposited upto 31.03.1999. Delay was condoned by the competent authority. There was a court case and the legal expenses incurred by the Corporation were belatedly debited and the position of loan account as on 01.09.10 was as under:

Principal	:	Nil
Interest	:	Rs. 8,091/-
Other money	:	<u>Rs. 3,769/-</u>
Total:		<u>Rs.11,860/-</u>

On persuasion, the borrower is now prepared to settle the loan account by depositing other money outstanding Rs.3800/- and registration fee. B.O. Jaipur (Rural) has registered the case for settlement after collecting Rs.1,000/- as registration fees and Rs.400/- as upfront amount and referred the case to HO with request to allow BO to settle the case by accepting requisite registration fees, other money outstanding only which has been deposited.

Since it was a fault on the part of the Corporation for not debiting the amount timely, therefore, the competent authority decided to settle the case by receiving other money outstanding and registration fee.

It is a case at a variance to the regular scheme to the extent that in this case there is no principle sum and only other money & interest are outstanding hence the note was placed before the Committee for ratification of the action taken. The committee after deliberations decided to confirm the action taken by the CMD.

16. M/s Laxmi Retreading Co.(P) Ltd., Jodhpur (DDW case)

Shri S. Kamal, director of the company, appeared before the committee. It is a Deficit-Appeal case.

Loan of Rs.17.90 lac was sanctioned on 22.2.93 and disbursed Rs.14.05 lac upto 12.10.93 for setting up a Tyre retreading unit at Jodhpur. On default in repayment of dues, the assets of the unit were taken into possession on 22.12.99 and sold out in a consideration of Rs.1,47,500/- on 10.4.03 (P&M). Land & building of the unit was sold on mutual sale in a consideration of Rs.8.00 lac on 28.12.96. After appropriation of sale proceeds, deficit as on date of sale works out to Rs.2119814/- (P.sum Rs.1172647/- and interest Rs.944503/- and OM Rs.2664/-).

The case was settled for Rs.13.00 lac in HOLC on 18.04.2001 and by DLC on 07.06.2008 for Rs.1116100/- and on 26.07.10 in consideration of Rs.1290200/- less upfront amount of Rs.118000/- and net payable settlement amount is Rs.1172200/- only. But the party did not consented to the settlement decision and made an appeal against BO decision on 06.08.10 by depositing Rs.5000/- as registration fee and Rs.118000/- as upfront amount. The competent authority has granted ex-post facto approval to register the appeal as the BO has registered the appeal of the party without taking prior approval of competent authority.

No Collateral security is available and L&B were mutually sold favoring to M/s. Kachawa Motors for Rs.8.00 lac and P&M sold to M/s. Avinash Bhardwaj for Rs.147500/- on cash down basis on 10.04.03. After initiating action u/s 32G property of the borrowers was attached by SDO, Sojat City 7 on 27.04.05.

After discussions and considering all the facts/position of the case, committee offered to settle the account at Rs.11.76 lac less upfront Rs.3.54 lac deposited from time to time i.e. net settlement of Rs.8.62 lac (including recovery charges) payable upto 25.3.2011. No interest shall be charged upto 31.01.2011 thereafter interest @ 13% shall be charged on the unpaid amount of settlement shall be payable.

Shri S. Kamal, director of the company consented to the settlement.

17. M/s Hem Chand Panwar S/o Shri Chhitarmal Panwar, Kota (DDW Case)

Shri Hem Chand Panwar appeared before the committee.

Loan of Rs.89500/- was sanctioned on 5.2.82 and disbursed upto 31.3.82 for purchase of Metador Mini Bus. It is a Decretal case. Decree was awarded on 22.9.98 for Rs.648281/- + interest @ 17.5%. The promoter and guarantor belongs to SC and having property in Harijan Basti which is not easily saleable, although the value which has been worked out to Rs.4.91 lac on 28.1.09.

Earlier the case was placed before Spl. HOLC in its meeting held on 04.03.2009. The committee decided to settle the account in consideration of Rs.3.31 lac less upfront amount of Rs.0.09 lac, net payable amount Rs.3.22 lac. Out of which Rs.50000/- was to be paid in March, 2009 and balance n 6 EMI commencing from April, 2009. Since the settlement was arrived at below the decretal amount + OM, the case was placed before the Board for its consideration on 18.6.09.

Due to poor financial position, the party has failed to deposit the settlement amount in the stipulated period and deposited a sum of Rs.1.09 lac only upto 31.03.2010.

The party has again approached to settle their case under the on going settlement scheme 2010-11. The competent authority has considered the request of the party and allowed them to get their case registered under on going settlement scheme 2010-11.

After discussions and considering all the facts/position of the case and the promoter belongs to weaker section of the society and the case is of transport loan and as old as more than 28 years, committee offered to settle the account at Rs.3.22 lac less Rs.1.09 lac (deposited upto 31.3.10) and upfront Rs.0.09 lac i.e. net settlement of Rs.2.04 lac payable in 15 monthly installments from the date of settlement without interest.

As the installments have been allowed without interest, hence the matter may be paced before the Board for its consideration.

The party consented to the settlement.

GENERAL OBSERVATIONS:

- 1) *Wherever settlement amount is to be paid in instalment, the party will furnish 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.*
- 7) *Abbreviation like N.A. should be written in full in the proposal of settlement particularly under the head of security after due verification by the Branch Managers.*

Dy.General Manager (FR-1)
MEMBER SECRETARY