

RAJASTHAN FINANCIAL CORPORATION

(RRM Division)

Minutes of the HOLC meeting held on 06.11.2012 at 11.00 AM under the Chairmanship of Shri Arjun Ram Choudhary, RAS, Executive Director

Following were present:

Shri S.K.Aswal, ED(F)	:	Member
Shri Moolchand, GM(D)	:	Member
Shri R.P.Meena, GM (Operations)	:	Member
Shri N.P.Gupta, DGM(FMD)	:	Member
Shri Dharamveer, DGM (Law)	:	Member
Shri Onkar Mal, DGM(RRM)	:	Member-Secretary

Shri R.S.Bairwa, DGM (Op-I), Shri M.R.Chhinwal, DGM (Op-III), Shri H.C.Khunteta, DGM (Op-VI), Shri B.L.Gujar, Manager (Op-I) were also present.

I Confirmation of the minutes of HOLC meeting held on 17.08.12:

Minutes were confirmed.

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

1. M/s Anand Tyre Retraders, Dungarpur (Deficit case):

Nobody appeared before the committee.

The committee noted that two loans aggregating to Rs.11.28 lac were sanctioned in the year 1992 & 1999 and disbursed Rs.9.84 lac for setting up a tyre retreading unit at RIICO Industrial Area, Dungarpur. Due to default, the unit was taken into possession on 08.12.04 and sold at Rs.5.03 lac on 4.01.05 on deferred payment basis. The unit is having collateral security of Rs.10.99 lac.

Earlier, the HOLC in its meeting held on 28.06.06 offered to settle the account in a consideration of Rs.4.42 lac (net), but since the party did not agree, the case was rejected. For recovery of deficit amount RoD was sent to the District Collector, Dungarpur on 6.3.07 u/s 32G and the same is pending with Tehsildar, Dungarpur.

The case was also placed before the HOLC in its meeting held on 29.06.12 and 17.08.12, but nobody appeared before the committee, hence consideration of the case was deferred. Today also nobody appeared in the meeting.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the case under the ongoing Deemed settlement scheme in absentia at **Rs.6.60 lac**.

The case is covered under the category where the total payment made (Rs.21.07 lac) between twice to thrice the principal sum disbursed (Rs.9.84 lac):

Formula:

(Rs.in lac)

Principal sum	4.56	OR	60% of MRV Rs.10.99	6.60
O.M (Govt. dues)	0.00			
40% of interest O/s (13.45 x 40%)	5.38			
Incentive (RoD)	<u>0.50</u>			
Total	<u>10.44</u>			
The settlement amount is Rs.6.60 less upfront Rs.0.46; i.e. net settlement amount of Rs.6.14 lac.				

The Branch Manager has to obtain consent from the borrower for the settlement as above within 10 days on receipt of communication. No interest will be charged upto 05.12.2012 and thereafter interest @ 13% p.a. on unpaid amount will be charged as per deemed settlement scheme. If the promoter do not submit his consent, the settlement, as above, will automatically treated as cancelled and the BO will proceed further for recovery of deficit amount as per norms under intimation to DGM (Operation).

2. M/s Maharani Marble, Bhilwara (Deficit case):

Nobody appeared before the committee.

The committee noted that a loan of Rs.19.85 lac was sanctioned to the unit on 25.09.02 to establish a Mini Gangsaw unit at RIICO Industrial Area, Jahajpur, Distt. Bhilwara and disbursed Rs.13.40 lac upto 21.11.03.

The unit was taken into possession on 11.2.10 and prime security of the unit was sold on 19.07.10 in a consideration of Rs.10.51 lac on cash down basis leaving a deficit of Rs.5.20 lac (P.sum 5.20 lac). This includes a sum of Rs.0.51 lac paid by the Corporation to other Govt.Deptts under 70:30 policy. Collateral security having value of Rs.11.53 lac (calculated on 19.11.10 and 29.03.12).

The case was placed before the HOLC on 17.5.12, 29.06.12 and lastly on 17.8.12, but nobody was appeared.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the case at **Rs.6.52 lac** under the ongoing Deemed Settlement Scheme as under in absentia. The case is covered under the category where the total payment made (Rs.23.81 lac) is more than principal sum to twice of principal sum disbursed (Rs.13.40 lac) excluding upfront amount :

Formula:

(Rs.in lac)

Principal sum	4.59	OR	70% of MRV Rs.11.53	8.07
O.M (Govt. dues)	<u>0.60</u>			
	5.19			
50% of interest O/s (2.64 x 40%)	1.33			
Incentive (RcD)	<u>0.00</u>			
Total	<u>6.52</u>			
The settlement amount is Rs.6.52 less upfront Rs.0.52; i.e. net settlement amount of Rs.6.00 lac.				

The Branch Manager has to obtain consent from the borrower for the settlement as above within 10 days on receipt of communication. No interest will be charged upto 05.12.2012 and thereafter interest @ 13% p.a. on unpaid amount will be charged. If the promoter do not submit his consent, the settlement, as above, will automatically treated as cancelled and the BO will proceed further for recovery of deficit amount as per norms under intimation to DGM (Operation).

3. M/s Krishna Kumar Meena, Jaipur (City):

Nobody appeared before the committee.

The committee noted that a vehicle bearing No.RSB-5178 was sold to the borrower on deferred payment of Rs.1.38 lac on 26.8.85. On account of making default, the vehicle was seized on 07.11.1990 and sold on 27.03.1991 in a consideration of Rs.0.60 lac leaving a deficit of Rs.0.75 lac (P.sum Rs.0.32 lac + Intt. Rs.0.41 lac + O.M Rs.0.02 lac). The committee also noted that had the borrower/guarantor not registered the case under OTS scheme 2011-12 on 27.03.2012, it would have been considered for finally write off as per provisions of circular FR-700 dt.12.10.2012.

The committee after detailed discussions in absentia decided to settle the case in principal sum + Other Money + Incentive paid/payable to revenue authorities. The Branch Manager has to obtain consent from the borrower for the settlement as above within 10 days on receipt of communication. No interest will be charged upto 05.12.2012 and thereafter interest @ 13% p.a. on unpaid amount will be charged. If the promoter do not submit his consent the settlement, as above, will automatically treated as cancelled and the BO will proceed further for recovery of deficit amount as per norms under intimation to DGM (Operation).

4. M/s. World Touch Fax Services Centre, Jaipur (City):

Nobody appeared before the committee.

A loan of Rs.1.30 lac was sanctioned on 29.10.91 and Rs.1.15 lac was disbursed upto 30.03.92 for establishing a STD/PCO. On account of default, the possession of the unit was taken on 29.12.94 and sold on 20.07.95 in a consideration of Rs.0.40 lac. A sum of Rs.0.72 lac was repaid by the borrower including the sale amount. A sum of Rs.5,24,315/- (P.sum Rs.1.15 lac, Interest Rs.397666/-, O.M Rs.11649/-) is outstanding as on 01.03.2012. Collateral security valuing Rs.40.40 lac is available. The claim was also filed u/s 32G. The committee also noted that had the borrower/guarantor not registered the case under OTS scheme 2011-12 on 27.03.2012, it would have been considered for finally write off as per provisions of circular FR-700 dt.12.10.2012.

The committee after detailed discussions in absentia decided to settle the case in principal sum + Other Money + Incentive paid/payable to revenue authorities. The Branch Manager has to obtain consent from the borrower for the settlement as above within 10 days on receipt of communication. No interest will be charged upto 05.12.2012 and thereafter interest @ 13% p.a. on unpaid amount will be charged. If the promoter do not submit his consent the settlement, as above, will automatically treated as cancelled and the BO will proceed further for recovery of deficit amount as per norms under intimation to DGM (Operation).

5. **M/s Kana Ram Meena, Jaipur (City):**

Nobody appeared before the committee.

The committee noted that a vehicle bearing No.RRT-6503 was sold to the borrower on deferred payment of Rs.49,250/- on 26.03.87. Due to non-payment of dues, the Corporation filed a court case and obtained decree of Rs.2,30,334/- on 16.01.2003. Application for execution of decree was filed, but no fruitful result. The loanee has registered the case under prevailing OTS scheme on 22.02.2012. A sum of Rs.15,700/- was repaid by the borrower since beginning.

The committee also noted that had the borrower/guarantor not registered the case under OTS scheme 2011-12 on 22.02.2012, it would have been considered for finally write off as per provisions of circular FR-700 dt.12.10.2012.

The committee after detailed discussions in absentia decided to settle the case on decretal amount i.e. Rs.2,30,334/- + Other Money.

6. **M/s Robinson (India), Sriganganagar:**

Nobody appeared before the committee.

A loan of Rs.7.00 lac was sanctioned to the unit on 5.10.89 and Rs.6.80 lac was disbursed for establishing a drug formulation unit at Sriganganagar. Investment subsidy of Rs.87705/- was also sanctioned on 04.10.1991 and Rs.79798/- was disbursed upto 14.02.1992.

Due to non-payment of dues, the unit was taken into possession on 22.2.96 and sold on 17.03.05 in a consideration of Rs.5.45 lac. A sum of Rs.10.33 lac was recovered from the unit including sale consideration. After appropriation of sale amount, a sum of Rs.7.08 lac was outstanding (P.sum Rs.6.23, Rs.0.85 lac). U/s 32G the revenue authorities attached the residential house of the proprietor and auction was fixed on 15.02.2010, but brother of the proprietor Shri Amerjeet Singh obtained stay on sale of the property. On filing of an affidavit by Shri Amerjeet Singh for withdrawal of the case, The writ petition was dismissed by the Hon'ble Court on 20.08.2010.

The case was settled by BO on 13.03.10 in a net consideration of Rs.6,54,110/-, but no amount was deposited by the party. The proprietor approached the CMO with the request to allow him for appeal against the OTS decision taken by the BO; his appeal was registered on 29.03.2011 at BO.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the case at **Rs.5.59 lac** in absentia under the ongoing Deemed settlement scheme as under:

Basis:	Settlement formula:	
Total payment including net sale credited in the account since beginning:	80% of principal sum + OM + Incentive i.e. Rs.6.23 x 80%	498400
More than principal upto twice the principal sum disbursed.	Other money	34000
	5% Incentive	26620
		<u>559020</u>
	Say Rs.	5.59 lac

The settlement amount is Rs.5.59 less upfront Rs.0.30; i.e. net settlement amount of Rs.5.29 lac.

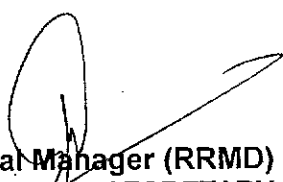
Note: Payment of subsidy (if recoverable) shall also be made separately by the borrower as per norms.

The Branch Manager has to obtain consent from the borrower for the settlement as above within 10 days on receipt of communication and if the promoter do not submit his consent the settlement, as above, will automatically treated as cancelled and the BO will proceed further for recovery of deficit amount as per norms under intimation to DGM (Operation).

No interest will be charged upto 05.12.2012 and thereafter interest @ 13% p.a. on unpaid amount will be charged.

GENERAL OBSERVATIONS:

- 1) Wherever settlement amount is to be paid in installment, 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, the BO 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 the amount of other money, if any, within a month from issue of this order.
- 5) The party shall withdraw court case, if any, before issue of no dues certificate.
- 6) Subsidy, if any, shall be recoverable separately as per norms.


Dy. General Manager (RRMD)
MEMBER-SECRETARY