RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
71st SLC Meeting
Date : 27.1.2007

Present:

Shri B.N. Sharma, IAS Chairman & Managing Director	:	In Chair
Shri Kuldeep Ranka, IAS, MD, RIICO Ltd.	:	Member
Shri S.K.Agarwal, RAS Executive Director	:	Member
Shri Kamal Mehta, Director	:	Member
Shri Purushottam Biyani, RAS, General Manager (Dev.)	:	Member Secretary
Smt Anita Chaturvedi, RAcS, Financial Adviser, GM (Accounts)	:	Member

Shri Dinesh Mohan, Manager (FR-1), Shri S.S.Agarwal, Manager (FR-2), Shri S.K. Gupta, DM(FR), Shri Naveen Ajmera, DM(FR) and Shri H.S.Mehra, DM(ARRC) were also present.

I. **Action taken report on the decision of earlier SLC meeting**

Noted

II **Confirmation of the minutes of SLC meeting held on 27.9.06.**

Minutes were confirmed.

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

1. M/s Sethi Marble & Tiles Pvt. Ltd., Udaipur

Shri Raja Devendra Singh Sethi, Proprietor and Shri Vinod Goyal, Accountant of the firm appeared before the committee. This case was earlier placed in SLC meeting held on 27.9.06 wherein it was decided to defer the case with the directions that account of the unit may be got recast as per agreement and deed of modification executed between RFC and party and thereafter the case was to be placed before SLC once again for appropriate decision. Accordingly, the case was placed with all the details. Necessary calculations on various parameters that were received from BM, Udaipur vide their letter dated 20.1.07 were also placed before the committee.

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

a) The account may be settled in a consideration of Rs.**2,68,995/-** as further payment immediately with the condition that unit will also withdraw court case before releasing of documents. However, Branch may issue No Dues Certificate as soon as the application for withdrawal of the court case by unit is received as well as payment of settlement amount is received. Documents should be released only after final withdrawal of the court case by the promoter against RFC.

b) An enquiry may be conducted by Vigilance Cell positively within a week (charge sheet be issued by 7.2.07 positively) on the lapses occurred regarding not charging correct rate of interest in the case, which resulted in financial loss to the corporation.

2. M/s. Pratap Synthetics VUSS Ltd., Bhilwara

Shri Subhash Chaturvedi, Secretary of the Samiti appeared before the committee.

The case was placed before SLC meeting held on 27.9.06 wherein it was decided that GM, SIDBI may be requested to furnish his report in writing. However, in the meanwhile, there was a change at the level of GM, SIDBI and Shri R.P. Malik took charge of GM, SIDBI in place of Shri P.T.Jagtap. The facts of the case alongwith grievance of the promoter were apprised to the new GM, SIDBI Shri R.P.Malik by a team of officers of RFC during his visit on 30.11.06. He was also requested for a written report so that same maybe placed in the SLC. However, Shri Malik shown his inability to furnish his report in writing but suggested that facts of the case should be discussed in the SLC meeting and the Committee may take a view on the grievance of the promoter.

The facts of the case were discussed in detail by the committee and it was decided by the committee that the Corporation may carry out fresh calculation to arrive at the liability of the unit under different alternative, as detailed below:

a) Arriving at the liability of the unit presuming that the proposal submitted by the intending purchaser M/s Jhakar Synthetics Pvt. Ltd. vide letter dated 31.1.96 wherein the price of Rs.25.63 lakh as on 1.10.95 (cut off date) was assumed / offered by the prospective purchaser which was to be paid Rs.15.63 lac immediately and remaining Rs.10 lac in 2 years time. The concerned BO Bhilwara may prepare the statement on the above lines by charging interest as per norms of the Corporation.

b) Liability of the unit as per the decision taken by the Corporation on 29.3.96 duly confirmed by the Board, no further penal interest

would be charged and the interest would be charged as per norms of the Corporation.

The case be again placed before SLC for final decision.

3. M/s. Sevendra Pal Singh, Chittorgarh

Shri Mohd Khalil, one of the purchasers of the unit appeared before the committee.

It is a deficit case. A loan of Rs. 7.95 lac was disbursed to the unit on 30.3.93. The category of the account was doubtful. The possession of the unit was taken over on 21.2.97 and assets were sold on 29.11.01. Decree was awarded in favour of RFC on 13.2.04 for Rs.6,17,755/- plus interest @ 9% p.a. till the date of payment. The mortgaged property i.e. collateral security has been sold by original loanee without prior permission of RFC and also left Chittorgarh. No whereabouts are available. Therefore the purchaser of the property approached the corporation for settlement of deficit account. This case was earlier placed in the DLC meeting held on 24.5.06 where it was decided to settle the case in a consideration of Rs. 7,83,000/- (decreetal amount plus 25% of decree amount). Against the decision of DLC, the purchaser has made an appeal before the SLC.

The principal outstanding as on 1.9.06 was Rs. 6.12 lac and interest was 0.05 lac, other money Rs.0.06 lac were debited as other expenses after sale.

After detailed discussions with one of the purchaser of the unit and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 6.62 lac less upfront amount of Rs. 1.88 lac paid by the purchaser for DLC as well as SLC, therefore, the net payable settlement amount would be Rs. 4.74 lac, in 4 equal monthly installments commencing from the month of Feb,07. Interest @ 13% p.a. on simple basis shall be charged w.e.f. 1.3.07 on unpaid amount of settlement w.e.f. 1.3.07.

One of the purchasers i.e. Shri Mohammed Khalil who attended the meeting requested to allow 7 days time to give consent to the above decision as the other purchaser has recently expired, hence it will take 7 days time to consult the widow. The committee decided that in case consent is received within 7 days then the account may be settled as per above and if consent is not received then BO may take action for recovery as per norms.

4. M/s. G.K. Purohit, M/s Hotel Gopi Krishna & M/s Annapurna Restaurant, Jodhpur

Shri G.K.Purohit, proprietor and his sons Shri S.L. Purohit & Shri Shekhar alongwith Shri Rajan, Accounts Manager of the Hotel appeared before the committee.

This case was placed before SLC meeting held on 28.2.06 wherein an offer for further lumpsum payment of Rs. 55.00 lac was given to the party which was to be paid in 6 monthly instalments from March, 2006 to August, 2006 bearing 13% interest p.a. on the unpaid amount of settlement after 1.4.06 but the promoter of the unit sought time upto 16.3.06 to accept the above offer of the committee, therefore, the committee decided that if the party submits consent regarding settlement as mentioned above, the case may be treated as decided failing which treating the case as unsettled, the BO may initiate recovery action by 31.3.06 positively.

However, the promoter did not submit his consent. Accordingly the above settlement could not be reached.

The promoter of the hotel is off and on representing to settle the case at a sum of Rs. 820,981/- on the basis of its contention that in the year 1998 the Corporation had decided to settle the loan account at Rs. 8,20,981/- hence the Corporation should stick to that and they are now ready to deposit the said amount alongwith interest on simple basis.

After detailed discussions with the promoter of the hotel, the committee offered to settle the case at a consideration of further payment of Rs.45.00 lac but promoter did not agree on that and made counter offer of Rs. 24.00 lac to be paid by them towards full and final settlement of the dues of the Corporation. Finally it was decided by the committee that the offer of the party may be placed before the Board for final decision.

GENERAL OBSERVATIONS:

1) If the party fails to make payment strictly as per decision of the committee, BO concerned will initiate recovery action at their level.
2) 5% recovery charges to be sent to Collector concerned are included in the settlement amount, where recovery is effected on account of action initiated under Section 32(G) as per provision of Circular No.FR.365 dated 3.10.2005 and dated 31.10.2005.
3) Court case, if any, shall be withdrawn by the party.
4) Actual other money not debited so far is to be recovered over & above the settlement amount. Branch Office will let it know to the party about amount of other money, if any, within a month from the issue of this order.

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

(Purushottam Biyani)
General Manager(Dev)
Member Secretary

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
72nd SLC Meeting
Date : 21.3.2007

Present:

Shri B.N. Sharma, IAS Chairman & Managing Director	:	In Chair
Shri Kuldeep Ranka, IAS, MD, RIICO Ltd.	:	Member
Shri Kamal Mehta, Director	:	Member
Shri S.K. Agarwal, RAS Executive Director	:	Member
Shri Purushottam Biyani, RAS, General Manager (Dev.)	:	Member Secretary
Shri R.S. Gupta, GM(A/cs)	:	Member
Shri S. Bhagat, DGM(FR)	:	Member for their Agenda
Shri P.K. Singh, DGM(ARRC)	:	Member for their Agenda

Shri Dinesh Mohan, Manager (FR-1), Shri S.S.Agarwal, Manager (FR-2), Shri S.K. Gupta, DM(FR), and Shri H.S.Mehra, DM(ARRC) were also present.

I. **Action taken report on the decision of earlier SLC meeting**

Noted

II **Confirmation of the minutes of SLC meeting held on 27.01.07.**

Minutes were confirmed.

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

1. M/s Banas Paper (P) Ltd., Rajsamand (ARRC Case)

Shri Sunil Kumar, Executive of the company and Shri Surendra Nath, authorised representative of the company, appeared before the committee. The case was registered directly for SLC as the sacrifice in this case was more than Rs. 100.00 lac. The Corporation has sold a sick unit known as M/s Advanced Paper Mill to M/s Banas Paper (P) Ltd. in a consideration of Rs. 75.00 lac on 90%deferred payment basis. The liabilities of M/s Advance Paper Mill on account of RSEB dues were cleared by RFC for a sum of Rs. 14.27 lakh. M/s Advance Paper Mill was

joint finance case of RFC, RIICO and SBBJ. The purchaser unit M/s Banas Paper (P) Ltd. did not make any payment to the Corporation, therefore, on account of non payment of Corporation dues, possession of the unit was taken on 13.12.1996. Presently, there is a stay granted by the Hon'ble High Court against sale of the unit.

The total outstanding as on 01.12.2006 including the simple interest for the possession period upto 30.11.2006 was Rs. 344.62 lac, out of which Rs. 67.50 is principal, Rs. 5.47 lac other money and interest is Rs. 271.65 lac. The MRV of the assets is Rs. 138.49 lac. No collateral security is available in this case. It is a very old financed case where recovery has become hard due to complicated issues including litigation/encroachment etc. No amount could be recovered except the initial deposit after the deferred sale.

After detailed discussions with the representative of the company and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 130.00 lac less upfront amount of Rs. 8.37 lac, therefore, the net payable settlement amount would be Rs. 121.63 lac, which will be paid as follows:-

i) Rs. 11.63 lac, upto 31st March, 2007
ii) Rs. 55.00 lac, upto 31st May, 2007
iii) Rs. 55.00 lac upto 31st July, 2007

No interest would be charged upto 31st March, 2007 and thereafter w.e.f. 01.04.2007 interest @ 16% p.a. on simple basis shall be charged on the unpaid settled amount. Consent to the same was given by MD, RIICO. Consent of SBBJ may be obtained.

The possession of the assets would be handed over back to the original promoter only after payment of entire settlement amount alongwith interest. On the request of the representative of the company, the committee has also agreed that the company may sell the P&M for payment of settlement amount but the same would be done with the prior permission of the Corporation and the sale proceeds shall have to be deposited directly with the Corporation against settled amount. The documents will be released only after withdrawal of all the court cases pending before any court of law.

The representatives of the company consented to the settlement.

2. M/s Pragati Cement (P) Ltd., Pali

Shri C.D. Jain, Shri Sunil Jain, Director of the company and Shri Balkrishan, representative/Manager of the company, appeared before the committee. The case was registered directly for SLC as a special case on approval of the competent authority i.e. CMD after deposition up-front amount @ 30% of principal and other money. It is a case decided by SLC on 14.03.2000 in a consideration of Rs. 32.86 lac with the condition that the settled amount shall have to be paid in six monthly instalment and entire amount was required to be paid by 31st August, 2000 but the above decision of SLC could not be adhered to by the unit, hence, the settlement was cancelled/ withdrawn. It is a case of Mini Cement Plant located at a remote place at Village-Jhuntha Distt. Pali. The unit is reportedly partly running.

Category of the loan account as on 31.03.2004 was "Doubtful". There is a court case filed by the loanee against the Corporation which is pending before the Hon'ble High Court. As on 01.12.2006 a sum of Rs. 591.56 lac were outstanding, which includes principal of Rs. 41.08 lac and other money Rs. 13.00 lac. The MRV of the financed assets is Rs. 39.09 lac. There is no collateral security available in this case. The present value of the third party is also NIL.

After detailed discussions with the representative of the company and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 42.37 lac less upfront amount of Rs. 12.37 lac, therefore, the net payable settlement amount would be Rs. 30.00 lac, which will be paid as follows:-

iv)	Rs. 5.00 lac	upto 31st March, 2007
v)	Rs. 25.00 lac	in six equal monthly instalment commencing from the month of April, 2007 to September, 2007.
	Rs. 30.00 lac	

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

The committee have also noted that there are another four loan accounts pertaining to the same group of promoters (sister concern) which are also in default, therefore, it was advised to Shri Jain that he should also get cleared/settle all such cases also. The committee further decided that the original documents in case of M/s Pragati Cement (P) Ltd. will be released only when the other loan accounts of sister concerns are squared up.

The representative of the company consented to the settlement.

3. M/s Hanuman Transport Company, Nagaur

Aggrieved with the decision of Special HOLC dated 27.01.07 the promoter made an appeal to SLC. Shri Mangla Ram, uncle of the promoter and Shri Jora Ram, relative of the promoter, appeared before the committee. An offer of Rs. 14.84 lac less up-front amount of Rs. 1.14 lac (net payable settlement amount of rs. 13.70 lac), was given by the Special HOLC in its meeting held on 27.01.07 but the same was not acceptable to the party, therefore, the case was rejected.

It is a case of transport loan and the Corporation has financed two trucks in the year 1992. Out of which, one truck had been sold in auction in a consideration of Rs. 60,000/- on 07.01.02 and another truck is lying at Police Station, Sikar. The value of collateral security is Rs. 7.50 lac. Besides term loan, the Corporation has also sanctioned and disbursed seed capital of Rs.1.31 lac. A sum of Rs. 69.89 lac as on 01.03.07 (Rs. 62.48 lac in term loan and Rs. 3.12 lac in seed capital) is outstanding. For recovery of dues, Corporation has already sent ROD to Collector, Nagaur.

After detailed discussions and considering all the facts and position of the case, the committee offered to **settle** the account for Rs. 12.22 lac less Rs. 2.22 lac deposited as up-front amount for SLC on 28.02.07, therefore, net settlement amount would be Rs. 10.00 lac but the representative appeared before the committee and sought time for giving the consent on the above offer of SLC but till the conclusion of the meeting no consent was received from the representative, therefore, it was directed by the committee that a time period of 15 days may be allowed to the promoter/ representative to consent on the above offer of SLC at our BO, Nagaur/HO and in case he gives his consent then the settlement amount will be recovered in six equal monthly instalments commencing from the month of April, 2007 to September, 2007 with the condition that interest @ 16% p.a. on simple interest will be charged on the unpaid settlement amount after 31.03.07.

4. M/s C.D. Product, Makrana

Shri Damodar Prasad Tailor, partner of the unit, appeared before the committee. This case was earlier placed in HOLC in its meeting held on 20.02.2001 and the committee offered to settle the case in a consideration of Rs. 8.00 lac for which the party did not agree, hence, the case was rejected. Thereafter the promoter made an appeal to SLC against the decision of HOLC but nobody appeared before SLC in the three consecutive meetings of SLC held on 24.03.01, 30.07.01 and 10.10.01, therefore, the case was closed. Now the case has been allowed to be registered as an appeal case by the competent authority on payment of

regular registration fees as well as up-front amount @ 30% of principal sum and other money outstanding.

The unit was set up for manufacturing HDPE bags. Presently, the unit is lying closed. The category of the loan accounts was "Doubtful" A sum of Rs. 31.24 lac was outstanding, which includes principal of Rs. 4.01 lac. The MRV of the financed assets is Rs.6.62 lac. The present value of the collateral security is Rs. 5.00 lac. Action under Section 32(G) has already been initiated. No third party guarantee is available in this case.

After detailed discussions with the representative of the company and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 7.20 lac less upfront amount of Rs. 1.20 lac, therefore, the net payable settlement amount would be Rs. 6.00 lac, which will be paid as follows:-

vi) Rs. 0.50 lac upto 31st March, 2007
vii) Rs. 5.50 lac in four equal monthly instalment commencing from the month of April, 2007 to July, 2007.

Rs. 6.00 lac

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

The partner of the unit consented to the settlement.

GENERAL OBSERVATIONS:

1) If the party fails to make payment strictly as per decision of the committee, BO concerned will initiate recovery action at their level.
2) 5% recovery charges to be sent to Collector concerned are included in the settlement amount, where recovery is effected on account of action initiated under Section 32(G) as per provision of Circular No.FR.365 dated 3.10.2005 and dated 31.10.2005.
3) Court case, if any, shall be withdrawn by the party.
4) Actual other money not debited so far is to be recovered over & above the settlement amount. Branch Office will let it know to the party about amount of other money, if any, within a month from the issue of this order.
5) Wherever settlement amount is to be paid in instalment, the party will produce PDCs in the BO payable on 15th of the each month or date specified by the Committee, as the case may be.

(Purushottam Biyani)
General Manager(Dev)
Member Secretary

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
73rd SLC Meeting
Date : 28.05.2007

Present:

Shri B.N. Sharma, IAS Chairman & Managing Director	:	In Chair
Shri Kuldeep Ranka, IAS, MD, RIICO Ltd.	:	Member
Shri Kamal Mehta, Director	:	Member
Shri S.K. Agarwal, RAS Executive Director	:	Member
Shri Purushottam Biyani, RAS, General Manager (Dev.)	:	Member Secretary
Shri R.S. Gupta, GM(A/cs)	:	Member
Shri S. Bhagat, DGM(FR)	:	Member for their Agenda
Shri P.K. Singh, DGM(ARRC)	:	Member for their Agenda

Shri Dinesh Mohan, Manager (FR-1), Shri S.S.Agarwal, Manager (FR-2), Shri S.K. Gupta, DM(FR), and Shri N.K. Ajmera, DM(FR) were also present.

I. **Action taken report on the decision of earlier SLC meeting**

Noted

II **Confirmation of the minutes of SLC meeting held on 21.03.07.**

Minutes were confirmed.

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

1. M/s Shri Shiva Spinners Ltd., Abu Road (ARRC Case)

Shri S.R. Goyal and Shri S.L. Bansal, Directors of the company, appeared before the committee. The case was registered directly for SLC as a special case on approval of the competent authority i.e. CMD. This is a BIFR Case and presently under liquidation. It is a joint finance case with PNB and RIICO. The assets of the unit are under possession with RIICO since 28.01.03. The unit is engaged in doubling of synthetic yarn having their factory at Ambaji Industrial Area, Abu Road. This case was settled by

RIICO in their State Level Committee meeting held on 5.10.06. PNB dues have already settled by the company.

In the instant case. a sum of Rs. 16.21 lac were deposited by the company on 26.10.96 as upfront amount for One Time Settlement as per directions of BIFR. This amount was credited by the BO, Abu Road in the loan account of the company in the F.Y. 1996-97. This amount was to be kept in no lien account till any settlement is reached. Looking to this fact into consideration the company has been asked to deposit Rs. 1.92 lac as balance upfront amount for their present one time settlement proposal and the same were deposited by the company on 23.03.07.

RIICO attempted auction of the assets of the unit and a highest offer of Rs. 61.00 lakh was received which was not accepted by RIICO. The MRV of the assets was calculated by RIICO as Rs. 170.45 lac. The health code category of the RFC loan account as on 31.03.04 was “Doubtful”.

After detailed discussions with the directors of the company and keeping in view of on going winding up proceedings, technological obsolescence, overall performance of the spinning units, inadequate offer of Rs. 61.00 lac for sale of the assets received by RIICO in open auction and also considering the other facts and merits of the case, the committee decided to settle the case in a consideration of Rs. 60.39 lac less upfront amount of Rs. 1.92 lac which was deposited by the company on 23.03.07 as balance upfront amount in addition to Rs. 16.21 lac deposited on 26.10.96, therefore, the net payable settlement amount would be Rs. 58.47 lac(i.e Rs. 60.39 lac minus Rs. 1.92 lac), which will be paid by the company upto 30.09.2007.

No interest would be charged upto 31st July, 2007 and thereafter w.e.f. 01.08.2007 interest @ 13% p.a. on simple basis shall be charged on the unpaid settled amount.

It was also decided by the committee that RFC will cooperate with the management of the company in filing the compromise proposal wherever required i.e. Hon’ble Court/Official Liquidator/concerned advocate. The company will file the compromise proposal with the Hon’ble Rajasthan High Court/OL within one months time.

The directors of the company consented to the settlement.

2. M/s Kuber Plaster Udyog, Churu

Shri P.M. Baid, partner of the unit, appeared before the committee. It is a case of second appeal. This unit purchased the fixed assets of a sick unit on deferred payment basis on 23.02.1993. The unit failed in making the

repayment of sale consideration as per terms of the documents, therefore, possession of the assets of this unit was taken on 21.09.05 and sold in a consideration of Rs. 7.50 lac on deferred payment basis. After appropriation of sale consideration, a sum of Rs. 19.37 lac(including a sum of Rs. 2.21 lac debited towards payment to the State Government departments as 70:30 policy) remained as deficit.

The case was considered by HOLC in its meetings held on 25.03.06 and 25.05.06 but the case was rejected as no settlement was reached. Against the decision of HOLC, the party filed an appeal and the case was considered by the Special HOLC in its meeting held on 14.12.2006. The case was rejected as the party did not give its consent in writing to the offer given by the committee.

The party again filed an appeal on 16.03.07 for consideration of the case by the SLC. The delay in filing the appeal has been condoned by the competent authority i.e. CMD.

During the discussions Shri Baid, (partner of the unit) informed that the RFC have debited their account by Rs.2.21 lac towards payment to other Government department as per 70:30 policy (the branch have already paid Rs. 0.64 lac to RSEB) but in his opinion the dues would be much less and they will submit the No Dues Certificate from other Government Departments as may be required by RFC within a period of one month. He has also requested that last time also the up-front amount deposited by them was not deducted from the settlement amount, therefore, they have made an appeal to the earlier decision.

After detailed discussions with the partner of the unit and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 5.49 lac **less** upfront amount of Rs. 2.95 lac deposited by it as upfront amount for consideration of settlement by HOLC, Special HOLC and SLC(i.e. Rs. 0.48 lac + Rs. 0.83 lac + Rs. 1.64 lac), therefore, the net payable settlement amount would be Rs. 2.54 lac. Out of the settlement amount a sum of Rs. 0.97 lac would be paid by the party by 31st July, 2007 and for remaining amount of Rs. 1.57 lac, the committee considered its request and allowed to submit NOC/No Dues from Government Departments by 31st July, 2007. If party fails to submit required No Dues/NOC from the Government Departments then, it would also pay Rs. 1..57 lac(i.e. Rs. 2.21 lac minus Rs. 0.64 lac) by 31st July, 2007 with interest @ 13% w.e.f. 1.07.07.

The partner of the unit consented to the settlement.

3. M/s Cee Tee Industries , Bikaner (ARRC Case)

The report of the sub committee (constituted by SLC in its meeting held on 27.09.06) was discussed in detail by SLC and it was noted that no surplus is payable to the party as on date and BO, therefore, should take necessary action for recovery of the deficit as per norms of the Corporation.

4. M/s Mukundra Cement (P) Ltd., Kota

Shri Shokat Ali, one of the Directors of the company alongwith his relatives Shri Abdul Salam Bhai and Shri Fakhruddin Bhai, appeared before the committee. The case was registered as a special case on the approval of competent authority i.e. CMD after receipt of upfront @ 30% of principal plus other money outstanding. It is a case of Mini Cement Plant which is lying closed since 17.01.98. Due to locational disadvantage the Corporation has not exercised the powers conferred under Section 29 of the SFCs Act for taking into possession of the assets of the unit and initiated action under Section 32(G) of the SFCs Act on 28.06.03. A sum of Rs. 440.15 lac was outstanding on 01.03.07 which includes principal of Rs. 51.90 lac and other money of Rs. 0.22 lac. The MRV of the financed assets has been reported as Rs. 62.57 lac. No collateral security is available and the value of property of the third party guarantors has been reported as Rs. 11.20 lac. The revenue authorities have already attached the assets and also auctioned the same wherein in the first auction a highest bid of Rs. 40.00 lac and in the subsequent auction highest bid of Rs. 35.00 lac was received.

The unit did not remain in production for a period of five years, therefore, the subsidy availed by the company is recoverable as per provisions of subsidy manual.

After detailed discussions with the director of the company and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 71.60 lac less upfront amount of Rs. 15.60 lac, therefore, the net payable settlement amount would be Rs. 56.00 lac (inclusive of 5% ROD charges). The net settlement amount of Rs. 56.00 lac which shall be paid by the company as follows:-

i) Rs. 8.00 lac in June, 2007
ii) Remaining Rs. 48.00 lac in five equal monthly instalments from July, 2007 to November, 2007.

No interest would be charged upto 30th June, 2007 and thereafter w.e.f. 01.07.2007 interest @ 13% p.a. on simple basis shall be charged on the unpaid settled amount.

The unit did not remain in production for a period of five years and subsidy availed by the company is recoverable as per provisions of subsidy manual and, therefore, the subsidy is also recoverable from the unit as per Rules. However, the company may represent to the State Government through Corporation for grant of relief.

The director of the company and his relatives consented to the settlement.

5. M/s Alpana Enterprises (P) Ltd., Jaipur(VKIA)

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

6. M/s Bothra Engg. Company (P) Ltd., Bikaner (ARRC Case)

Shri K.L. Bothra, Director of the company, appeared before the committee. The case was registered as a special case after receiving 30% of principal and other money outstanding as upfront amount. As per books the account was under Sub Standard category on 31.03.04. Since it is a case of CPW unit, there are little chances for disposal. On the recommendation of DGM® the classification of the account was got rechecked from Accounts Section who opined that account may be treated in the Doubtful category from the F.Y. 31.03.02 to 31.03.06. After obtaining permission from the competent authority i.e. CMD the case has been registered for settlement. Since the sacrifice amount is more than Rs. 1.00 crore, therefore, the case has been registered directly for consideration of the case by SLC.

A loan of Rs. 16.00 lac was sanctioned on 20.01.92, out of which Rs. 15.64 lac were disbursed. For recovery of the dues, the Corporation initiated action u/s 31(1)(aa) of the SFCs Act but the same was lateron withdrawn and possession of the fixed assets of the unit was taken over under Section 29 of the SFCs Act on 8.6.05. The unit is located in Industrial Area, Sri Dungargarh. The MRV of the assets is Rs. 10.24 lac. No collateral security as well as third party guarantee is available. However, guarantee of the directors is available. The Corporation also approved the sale of assets in a consideration of Rs. 8.25 lac on 8.3.06 but the purchaser did not turn up. Thereafter the unit was again put to auction but no bidder turned up. A sum of Rs. 141.93 lac was outstanding (as on date of possession)including principal outstanding of Rs. 15.64 lac and other money of Rs. 1.53 lac. The simple interest for the possession

period (upto 28.02.07 works out to Rs. 48.22 lac). The total outstanding including interest for possessin period as per norms works out to Rs. 190.15 lakh.

After detailed discussions with the director of the company and considering all the facts and merits of the case, the committee decided to settle the case in a consideration of Rs. 20.16 lac less upfront amount of Rs. 5.16 lac, therefore, the net payable settlement amount would be Rs. 15.00 lac which would be paid as follows:-

Month	**Amount**
June, 2007	Rs. 2.00 lac
July, 2007	Rs. 1.00 lac
August, 2007	Rs. 1.00 lac
September, 2007	Rs. 2.00 lac
October, 2007	Rs. 3.00 lac
November, 2007	Rs. 3.00 lac
December, 2007	Rs. 3.00 lac
Total	**Rs.15.00 lac**

No interest would be charged upto 30th June, 2007 and thereafter w.e.f. 01.07.2007 interest @ 13% p.a. on simple basis shall be charged on the unpaid settlement amount.

The director of the company consented to the settlement.

7. M/s Hotel Royal Palace, Jodhpur

Major C.S. Rathore, one of the partners of the hotel, appeared before the committee. A loan of Rs. 80.00 lac was sanctioned on 7.4.98, out of which Rs. 73.15 lac was disbursed. MRV of the fixed assets were Rs. 110.00 lac. The outstanding as on 1.03.07 has been reported to be Rs. 134.04 lac which includes principal of Rs. 73.12 lac.

Earlier, appeal of this case was considered by SLC in its meeting held on 22.03.06 and after considering all the facts and position of the case, the committee offered to settle the account for Rs. 130.00 lac less Rs. 11.00 lac(rounded off) deposited as upfront amount), therefore, the net payable settlement amount was Rs. 119.00 lac. This offer of the SLC was not accepted by the partner therefore, the case was rejected with the directions that BO to initiate recovery action as per norms. In compliance of the same, legal notice was issued and take over of the unit was also

fixed in Feb., 2007 but the same was deferred. After that party has again submitted a request for settlement and deposited Rs. 21.94 lac as upfront payment and registration fee for appeal. As per norms there is a provision for only one appeal and in this case chance for one appeal against the decision of HOLC dated 22.12.2004 had already been given as the case was placed before SLC in its meeting held on 22.03.06. The second appeal for reconsideration of the case by SLC has been registered as per direction of competent authority i.e. CMD to BO during his Jodhpur visit as a special case with the condition that after decision of SLC the matter may be placed before the Board for ex-post-facto approval.

After detailed discussions with the partner of the unit and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 124.94 lac less upfront amount of Rs. 21.94 lac, therefore, the net payable settlement amount would be Rs. 103.00 lac. The entire settlement amount would be paid within two months i.e. upto 31st July, 2007.

No interest would be charged upto 30th June, 2007 and thereafter w.e.f. 01.07.2007 interest @ 13% p.a. on simple basis shall be charged on the unpaid settlement amount.

The partner of the unit consented to the settlement.

8. M/s Morak Marble & Granite Pvt. Ltd., Banswara

A fax message was received from one of the director informing their inability to attend the meeting because of short notice by the BO, Banswara, therefore, consideration of the case was deferred.

9. M/s Famida Fabricators, Bhilwara

Shri Salauddin, son of the proprietor of the unit alongwith Shri Ayaz Ahmed, relative, appeared before the committee. The unit was engaged in fabrication and erection work. It is a very old case as a loan of Rs. 2.35 lac was sanctioned in July, 1982. The party availed only Rs. 1.76 lac . The land & building had been sold on mutual sale basis in December, 1987 and P&M are lying in a scrap condition, therefore, no MRV of the same was calculated. Category of the loan account was “Doubtful” on 31.03.04. A sum of Rs. 12.82 lac was outstanding in the loan account of the unit on 1.3.07, out of which Rs. 0.93 lac is principal outstanding. ROD has already been sent. The proprietor of the unit is a paralytic person and also is suffering from many chronic dieases. Neither collateral security nor third party guarantee is available. The case was considered by HOLC in its

meeting on 28.03.07 and after considering the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 3.19 lac less upfront amount of Rs. 1.69 lac, therefore, the net payable settlement amount was Rs. 1.50 lac which was to be paid upto April, 2007 without any interest. The son of the promoter has given consent to the settlement but thereafter he changed his mind and came with a request that he has already deposited upfront amount which was more than the requisite amount and he is a paralytic person, therefore, the above decision of the committee is not acceptable to him. In view of these developments, the case was treated as rejected. Aggrieved with the decision of Special HOLC, the party has made an appeal for placing the case before SLC.

After detailed discussions with the representatives of the unit and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 0.93 lac less upfront amount of Rs. 0.30 lac, therefore, the net payable settlement amount would be Rs. 0.63 lac which would be deposited immediately.

The representative of the unit consented to the settlement and they have also deposited the net settlement amount on 28.05.07 itself at HO.

10. M/s Choudhary Salt Industries, Sikar

Shri Mangla Ram, promoter of the unit, appeared before the committee. It is a case of common salt manufacturing unit. A loan of Rs. 3.26 lac was sanctioned on 24.03.92. The party availed Rs. 2.55 lac. The account of the unit was in Doubtful category as on 31.03.04. A sum of Rs. 38.23 lac is outstanding on 1.03.07 which includes Rs. 2.54 lac as principal and Rs. 0.01 lac as other money. MRV of fixed assets is Rs. 2.50 lac. Neither collateral security nor third party guarantee is available. This is second appeal. On 28.08.04 the case was considered by HOLC and it was rejected as the offer given by HOLC to settle the case in a consideration of Rs. 5.08 lac less upfront amount but the same was not accepted by the partners. Thereafter, this case was considered by Special HOLC on 28.03.07 and the same was again rejected as the offer of the committee to settle the case in a consideration of Rs. 7.01 lac less upfront amount of Rs. 0.76 lac, the net settlement amount was Rs. 6.25 lac was not accepted by the promoters. The competent authority i.e. CMD has allowed the party to make an appeal and accordingly the case has been registered as a special case for consideration by SLC.

After detailed discussions with the partners of the unit and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 3.31 lac less upfront amount of Rs. 0.76 lac, therefore, the net payable settlement amount would be Rs. 2.55 lac, which

would be paid in two equal monthly instalments payable in June and July, 2007.

No interest would be charged upto 30th June, 2007 and thereafter w.e.f. 01.07.2007 interest @ 13% p.a. on simple basis shall be charged on the unpaid settled amount.

The partners of the unit consented to the settlement.

11. M/s Jankinath Namak Udyog, Sikar

Shri Bhupendra Singh, proprietor of the unit and Shri Hardayal Singh, relative of the proprietor of the unit, appeared before the committee. This is an appeal case against the decision of Special HOLC dt. 28.03.07. The competent authority i.e. CMD has allowed the party to make an appeal by condoning the delay in making appeal. The unit is engaged in production of common salt . The unit is lying closed for a very long and it is one of the cases of closed salt units of Rewasa, Distt. Sikar. Category of the loan account was "Doubtful" as on 31.03.04. A sum of Rs. 40.75 lac was outstanding in both the loan accounts of the unit as on 01.03.07, out of which, Rs. 3.65 lac is principal outstanding. ROD has already been issued. MRV of the financed assets is Rs. 4.27 lac and the value of the collateral security is Rs. 4.50 lac.

Earlier this case was considered by Special HOLC in its meeting held on 28.03.07 and the same was rejected as the offer of the committee to settle the case in a consideration of Rs. 8.60 lac less upfront amount of Rs. 1.10 lac, therefore, the net payable settlement amount was Rs. 7.50 lac was not accepted by the promoters.

After detailed discussions with the proprietor of the unit and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 4.75 lac less upfront amount of Rs. 1.10 lac, therefore, the net payable settlement amount would be Rs. 3.65 lac, which would be paid in three equal monthly instalments payable from June to August, 2007.

No interest would be charged upto 30th June, 2007 and thereafter w.e.f. 01.07.2007 interest @ 13% p.a. on simple basis shall be charged on the unpaid settled amount.

The proprietor of the unit consented to the settlement.

12. M/s Khabros Steels India Ltd., Bhiwadi (ARRC Case)

Shri Karan Khanna, Director of the company, appeared before the committee. It is a joint finance case with RIICO, SBI and IFCI. RFC sanctioned a loan of Rs. 30.00 lac on 27.09.85 and the sanctioned amount was fully availed by the company. The unit was set up for manufacturing of stanless steel cutlery. The unit did not perform well and became sick. The Corporation in the year 1998 also granted a revival package alongwith certain relief and concessions but the company did not adhere to the conditions of revival package so no benefit was given as reported by BO. The company also approached to BIFR who ordered for winding up the company on 16.08.00. The company also made an appeal to AAIFR against BIFR order. This appeal was dismissed on 22.04.02. Presently, the company is under liquidation. The outstanding against the company is Rs. 471.62 lac on 01.03.07 which includes principal of Rs. 30.00 lac and other money of Rs. 0.73 lac. There were heavy Central Excise dues. Attachment of assets has been made by the Central Excise Department.

The other participating financial institutions i.e. IFCI, SBI and RIICO with the company have settled their accounts.

After detailed discussions with the director of the company and considering all the facts and position of the case, the committee offered to settle the account at 25% of outstanding of the Corporation in the loan account of the company as on date. A sum of Rs. 471.62 lac as on 01.03.07 was outstanding against the company. Shri Karan Khanna informed the committee that he has to consult his other family members, therefore, he sought time for acceptance of the above offer of the committee. In view of above, the case was deferred and shall be placed in the next meeting of the committee.

13. M/s Motia Spinners (P) Ltd., Bhilwara (ARRC Case)

Shri O.P. Heda, Director of the company, Shri S. S.Dakheda, relative and Shri Pankaj Jain, G.M. of the company, appeared before the committee. Being a BIFR case, the case was allowed to be registered by the competent authority on payment of a token upfront amount of Rs. 1.50 lac which was deposited by the company on 24.05.07. A loan of Rs. 100.00 lac was sanctioned on 22.01.96, out of which Rs. 86.00 lac were disbursed for settling up a doubbling of synthetic yarn unit at Village-Kharigram, Gulabpura. The unit is running one.

The case of the company was registered with BIFR as Case No. 33/2000 and the Corporation was finding it difficult to effect recovery not only in this BIFR case but other BIFR cases also particularly units located at Bhilwara, therefore, vigorous efforts made by the Corporation to bring all such cases for settlement out of the Court/BIFR. Presently, in the instant case the

Corporation has initiated action under Securitization and Reconstruction of Financial Assets and Enforcement of Security Act, 2002 (SARFAESI) Act) and a 60 days notice under SARFAESI Act was issued on 14.03.07.

A sum of Rs. 522.41 lac were outstanding as on 1.3.07, out of which Rs. 73.59 lac as principal outstanding and other money is Rs. 0.02 lac. There are also dues of Central Excise Department to the tune of Rs. 251.56 lac including penal interest of Rs. 127.08 lac. MRV of the assets is Rs. 67.56 lac only. No collateral security is available in the case.

After detailed discussions with the Director of the company and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs. 73.61 lac less upfront amount of Rs. 1.50 lac, therefore, the net payable settlement amount would be Rs. 72.11 lac, which will be paid in equal monthly instalments of Rs. 5.00 lac commencing from the month of June, 2007. In this manner the entire settled amount will be paid in 15 monthly instalments, out of which first 14 instalment would be of Rs. 5.00 lac each and last 15th of Rs. 2.11 lac.

No interest would be charged upto 30th June, 2007 and thereafter w.e.f. 01.07.2007 interest @ 13% p.a. on simple basis shall be charged on the unpaid settled amount.

The Director of the company consented to the settlement.

GENERAL OBSERVATIONS:

1) If the party fails to make payment strictly as per decision of the committee, BO concerned will initiate recovery action at their level.
2) 5% recovery charges to be sent to Collector concerned are included in the settlement amount, where recovery is effected on account of action initiated under Section 32(G) as per provision of Circular No.FR.365 dated 3.10.2005 and dated 31.10.2005.
3) Court case, if any, shall be withdrawn by the party.
4) Actual other money not debited so far is to be recovered over & above the settlement amount. Branch Office will let it know to the party about amount of other money, if any, within a month from the issue of this order.
5) Wherever settlement amount is to be paid in instalment, the party will produce PDCs in the BO payable on 15th of the each month or date specified by the Committee, as the case may be.

(Purushottam Biyani)
General Manager(Dev)
Member Secretary

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
74th SLC Meeting
Date : 09.07.2007

Present:

Shri B.N. Sharma, IAS Chairman & Managing Director	:	In Chair
Shri Kamal Mehta, Director	:	Member
Shri S.K. Agarwal, RAS Executive Director	:	Member
Shri Purushottam Biyani, RAS, General Manager (Dev.)	:	Member Secretary
Shri R.S. Gupta, GM(A/cs)	:	Member

Shri S.Bhagat, DGM(FR), Shri P.K. Singh, DGM(ARRC), Shri Dinesh Mohan, Manager (FR-1), Shri S.S.Agarwal, Manager (FR-2), Shri S.K. Gupta, DM(FR), and Shri N.K. Ajmera, DM(FR) were also present.

I. **Action taken report on the decision of earlier SLC meeting**

Noted

II **Confirmation of the minutes of SLC meeting held on 28.05.07.**

Minutes were confirmed.

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

1. **M/s Alpna Enterprises (P) Ltd., VKIA, Jaipur**

Shri Anil Srivastav, Director and Shri Rajeev Srivastav, son of the Director, appeared before the committee. This is a decreetal case. The committee noted that a loan of Rs. 4.30 lac was sanctioned in 1979, out of which a sum of Rs. 3.94 lac were disbursed, possession of the unit was taken over on 24.09.84 and was sold on 4.2.87 leaving a deficit of Rs. 2.81 lac for which action U/S 31 was initiated on which the Hon'ble ADJ Court awarded a decree on 2.11.94 as per which the concern was to make payment of Rs. 2.81 lac with interest @ 12% till the deposition of the amount. The party filed an appeal in the Hon'ble High Court in which the decision of the ADJ passing decree was upheld.

The party approached for OTS and deposited upfront amount of Rs. 50,000/- and the case was placed before HOLC on 27.02.01 in which offer was given to the party for OTS at Rs. 5.17 lac but party did not agree and filed appeal which was placed before SLC on 5.12.02 in which the SLC offered to settle the account on decreetal amount plus other money less upfront amount of Rs. 28,585/- but the party did not agree. The party again approached for OTS and case was placed before SLC on 19.05.03 in which the SLC offered to settle the account on decreetal amount plus other money less upfront payment of Rs. 1.00 lac but the party insisted to adjust the amount earlier deposited as upfront payment which the SLC did not agree, hence, the case was rejected.

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

The committee also noted that in this case decree has been passed for Rs. 2,80,857/- and other money is Rs. 22,651/- and interest from the date of filing application (i.e. 15.01.88) to the date of passing decree (decree passed by the ADJ Court on 2.11.94) works out to Rs. 2,29,364/- and accordingly as per FR-406 the amount works to Rs. 5,32,876/-.

After detailed discussions with the Director and specially keeping in view the spirit of the judgement of the Hon'ble High Court after considering the fact that party has deposited Rs. 1.78 lacs as upfront amount at various time in all these seven years, the committee offered to settle the account in a further lumpsum payment of Rs. 1.50 lac but the party did not agree, hence, the case was rejected.

2. M/s Morak Marble & Granite (P) Ltd., Banswara

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

3. **M/s Jagdish Chandra Sharma, Sikar**

The committee noted that in this case on the proposal for OTS, the HOLC in its meeting held on 20.03.01 had offered to settle the loan account in a lumpsum amount of Rs. 2.00 lac (out of which upfront payment was to be adjusted) but the party did not agree and filed appeal which was placed before SLC in its meeting held on 24.03.01 in which the SLC did not find any justification in reviewing the decision of HOLC, hence, the appeal was rejected.

The committee further noted that the BM, Sikar has given an impression to the party that if it deposits a further sum of Rs. 1.55 lac (i.e. Rs. 2.00 lac as per the offer given by HOLC less the amount deposited by the party after the date of HOLC) then the account may be treated as settled. On the aforesaid understanding given by the Branch Manager the party deposited the amount alongwith interest @ 13% and requested for No Dues Certificate. Since the Branch Manager has issued a letter giving an impression to the party for OTS without authority his explanation was called and penalty of "Censure" was awarded. Since there was no fault of the party, it was decided by the CMD to treat the account as settled.

After detailed discussions and considering all the facts, the committee decided to confirm the action taken by the CMD to settle the account confirming the action taken by the Branch Manager.

4. M/s Khabros Steel India Ltd., Bhiwadi (ARRC Case)

Shri Karan Khanna, Director of the company, appeared before the committee. It is a joint finance case with RIICO, SBI and IFCI. RFC sanctioned a loan of Rs. 30.00 lac on 27.09.85 and the sanctioned amount was fully availed by the company. The unit was set up for manufacturing of stainless steel cutlery. The unit did not perform well and became sick. The Corporation in the year 1998 also granted a revival package alongwith certain relief and concessions but the company did not adhere to the conditions of revival package so no benefit was given.

The company approached to BIFR who ordered for winding up the company on 16.08.00. The company made an appeal to AAIFR against BIFR order. This appeal was dismissed on 22.04.02. Presently, the company is under liquidation. The outstanding against the company is Rs. 471.62 lac on 01.03.07 which includes principal of Rs. 30.00 lac and other money of Rs. 0.73 lac. There were Central Excise dues. Attachment of assets has been made by the Central Excise Department.

The other participating financial institutions i.e. IFCI, SBI and RIICO have settled their accounts with the company.

The committee noted that earlier in the SLC meeting held on 28.05.07 an offer was given by the committee to settle the loan account at 25% of the balance outstanding as on date on which Shri Khanna sought time for the acceptance of the above offer of the committee. Today the committee reiterated its earlier offer of settlement on 25% of balance outstanding on date of settlement on which Shri Khanna has requested to give him time

upto Friday to give his consent on which the committee decided that in case his consent is received by 13.07.07 then it may be put up before committee in next meeting.

GENERAL OBSERVATIONS:

1) If the party fails to make payment strictly as per decision of the committee, BO concerned will initiate recovery action at their level.
2) 5% recovery charges to be sent to Collector concerned are included in the settlement amount, where recovery is effected on account of action initiated under Section 32(G) as per provision of Circular No.FR.365 dated 3.10.2005 and dated 31.10.2005.
3) Court case, if any, shall be withdrawn by the party.
4) Actual other money not debited so far is to be recovered over & above the settlement amount. Branch Office will let it know to the party about amount of other money, if any, within a month from the issue of this order.
5) Wherever settlement amount is to be paid in instalment, the party will produce PDCs in the BO payable on 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.

(Purushottam Biyani)
General Manager(Dev)
Member Secretary

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
75th SLC Meeting
Date : 31.08.2007

Present:

Shri B.N. Sharma, IAS Chairman & Managing Director	:	In Chair
Shri Kuldeep Ranka, IAS Managing Director, RIICO	:	Member
Shri Kamal Mehta, Director	:	Member
Shri S.K. Agarwal, RAS Executive Director	:	Member
Shri Purushottam Biyani, RAS, General Manager (Dev.)	:	Member Secretary
Shri R.S. Gupta, GM(A/cs)	:	Member

Shri S.K. Malhotra, DGM(FR), Shri Dinesh Mohan, Manager (FR-2), Shri S.S.Agarwal, Manager (FR-3) and Shri S.K. Gupta, DM(FR) were also present.

I. **Action taken report on the decision of earlier SLC meeting**

Noted

II **Confirmation of the minutes of SLC meeting held on 09.07.07.**

Minutes were confirmed.

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

1. M/s Anil Enterprises, Bikaner

Shri Ajay Sinha, proprietor alongwith his treating Dr. Shri Gajendra Saxena of the unit, appeared before the committee.

This case was settled by Special HOLC in its meeting held on 14.12.2006 in a consideration of Rs. 6.25 lac minus upfront amount of Rs. 1.25 lac (rounded off), therefore, net payable settlement amount of Rs. 5.00 lac which was to be paid in three instalment upto 25th March, 2007. Shri Ajay Sinha, who appeared before the committee have consented to the aforesaid decision of the committee.

The category of the loan account as on 31.03.2000 was sub standard but as on 31.03.05 and 31.03.06 it was doubtful. Prior to placing the case before Special HOLC the approval of the competent authority i.e. CMD was obtained and thereafter permission of the Board was also obtained.

Shri Ajay Sinha, proprietor of the unit made representation before the Corporation and shown his inability to adhere to the above decision of the Special HOLC regarding settlement of their case at Rs. 6.25 lac on the plea that the upfront amount of Rs. 1.25 lac deposited by him for Special HOLC and Rs. 70,000/- paid by him on 20.08.2005 were not deducted from the settlement amount. Besides this, Shri Ajay Sinha and his wife both are suffering from cancer and considering his pathetic condition the competent authority i.e.CMD had allowed the appeal as Special case despite of the fact that promoter had given consent to the decision of the Special HOLC. After decision by SLC the matter shall be submitted to Board for confirmation.

A loan of Rs. 6.51 lac was granted on 27.03.95 out of which Rs. 4.92 lac were disbursed for setting up a PVC pipe manufacturing unit at I.A., Napasar, Bikaner. The unit is reported to be running one. As on 01.06.2007 the outstanding loan of Rs. 7.00 lac out of which principal sum outstanding is Rs. 4.18 lac. The MRV of the financed assets as on 01.06.2007 is Rs. 5.37 lac No collateral security is available but value of the property of the third party guarantee is Rs. 7.50 lac.

After detailed discussions with the proprietor of the unit and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs.5.37 lac **less** upfront amount of Rs. 2.50 lac deposited by him for SLC and Special HOLC(i.e. Rs. 1.25 lac for SLC and Rs. 1.25 lac for Special HOLC) , therefore, the net payable settlement amount would be Rs. lac 2.87 lac which will be paid by him by 31st December, 2007 without any interest. Thereafter interest @ 13% p.a. on simple basis will be charged w.e.f. 1st Jan., 2008. The entire payment has to be made latest by 31st March, 2008.

The proprietor of the unit consented to the settlement.

GENERAL OBSERVATIONS:

1) If the party fails to make payment strictly as per decision of the committee, BO concerned will initiate recovery action at their level.
2) 5% recovery charges to be sent to Collector concerned are included in the settlement amount, where recovery is effected on account of action initiated under Section 32(G) as per provision of Circular No.FR.365 dated 3.10.2005 and dated 31.10.2005.
3) Court case, if any, shall be withdrawn by the party.
4) Actual other money not debited so far is to be recovered over & above the settlement amount. Branch Office will let it know to the party about amount of other money, if any, within a month from the issue of this order.

5) Wherever settlement amount is to be paid in instalment, the party will produce PDCs in the BO payable on 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.

(Purushottam Biyani)
General Manager(Dev)
Member Secretary

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
76th SLC Meeting
Date : 05.10.2007

Present:

Shri B.N. Sharma, IAS Chairman & Managing Director	:	In Chair
Shri Kuldeep Ranka, IAS Managing Director, RIICO	:	Member
Shri Kamal Mehta, Director	:	Member
Shri K.K. Parashar, DGM(ARRC)	:	Member(Nominated by CMD)
Shri S.K. Malhotra, DGM(FR)	:	Member (Nominated by CMD)
Shri N.P. Gupta, DGM(Fin.)	:	Member (Nominated by CMD)

Shri N.K. Jain, Manager(FR-1), Shri Dinesh Mohan, Manager (FR-2), Shri S.S.Agarwal, Manager (FR-3) and Shri S.K. Gupta, DM(FR) were also present.

I. **Action taken report on the decision of earlier SLC meetings.**

Noted

II **Confirmation of the minutes of SLC meeting held on 31.08.07.**

Minutes were confirmed.

III **Nomination of Members**

The quorum for the committee is four members. The date of this meeting was fixed on 19.09.07. In the meanwhile, the ED has been deputed by the State Government for special task at Kota, GM(D) has been transferred and relieved on 04.10.07, the GM(A/cs) has retired on 30.09.2007. The notices/information were sent to concerned parties for attending the meeting scheduled to be held on 05.10.07.

Owing to the above developments and keeping in view the facts that notices have already been issued advising to the concerned loanees to attend the meeting, hence, it was decided by the competent authority i.e. CMD to nominate DGM(F) as well as concerned DGMs of FR Cell to attend the meeting as Member. Accordingly, DGM(F), DGM(FR-ARRC) and DGM(FR) have attended the meeting as member.

The action taken by the CMD to nominate the DGM(F), DGM(FR-ARRC) and DGM(FR) as member of the committee shall be placed before Board for ex-post-facto approval.

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

1. M/s Marudhara Dyes &Chemicals, Jaisalmer (ARRC)

Shri Ashok Kumar Paliwal, Managing partner of the unit and Shri Jagdish Visnoi, friend, appeared before the committee.

Aggrieved with the decision of Special HOLC, the party made an appeal for SLC. A loan of Rs. 5.00 lac was sanctioned on 28.12.84, out of which a sum of Rs. 4.98 lac was disbursed, the health code category as on 31.03.04 is "Doubtful". The unit is in possession of Salex-tax Department since 26.03.2001, therefore, the MRV of the P&M could not be assessed by the BO. However, the assessed value of P&M at the time of disbursement was Rs. 5.75 lac. The MRV of the L&B is Rs. 12.32 lac. A sum of Rs. 43.68 lac were outstanding as on 01.09.07, the interest for the possession period upto 31.08.07 is Rs. 15.27 lac and a sum of Rs. 0.02 lac were debited towards other money. No collateral security as well as third party guarantee is available.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.12.75 lac **less** upfront amount of Rs. 0.75 lac i.e. the net payable settlement amount of Rs. lac, 12.00 lac which shall be paid in four monthly equal instalment of Rs. 3.00 lac commencing from the month of November, 2007 and upto Feb., 2008.

No interest shall be charged upto December, 2007 and w.e.f. 01.01.08 interest shall be charged @ 13% p.a. on simple basis on the unpaid settlement amount.

The Managing partner of the unit consented to the settlement.

2. **M/s Morak Marble & Granites Pvt. Ltd., Banswara**

Shri Tayyab Ali, one of the Director of the unit appeared before the committee.

Aggrieved with the decision of the Special HOLC the company made an appeal for SLC hence, it is an appeal case. It is a deferred sale case wherein assets of sick unit were sold to this unit and the deferred loam amount was Rs. 18.76 lac. The unit is engaged in marble tiles at their factory located at Village-Sageta, Distt. Banswara. The unit is lying closed because of locational disadvantage for marble tiling. The LDR has been expired on 01.10.2000. A

sum of Rs.81.30 lac were outstanding as on 01.03.07 out of which the principal sum is Rs. 16.90 lac, rest is interest charges. BO has filed case under Section 32(G) with the Collector on 30.08.2003. MRV of the financed assets is only Rs. 10.50 lac and no third party guarantee is available but being a company case personal guarantee of the director is available with the Corporation. Though the properties of the directors are not mortgaged with the Corporation against personal guarantee but as per the branch valuation the property of the directors is about Rs. 15.00 lac approx.

After detailed discussions with the proprietor of the unit and considering all the facts and position of the case, the committee decided to settle the case in a consideration of Rs.36.07 lac **less** upfront amount of Rs. 5.07 lac deposited by the unit, therefore, the net payable settlement amount would be Rs. 31.00 lac which shall be paid as follows:-

Rs. 2.00 lac	October, 2007
Rs. 5.00 lac	November, 2007
Rs. 8.00 lac	December, 2007
Rs. 8.00 lac	January, 2008
Rs. 8.00 lac	Feb., 2008
Rs.31.00 lac	

No interest shall be charged upto December, 2007 and w.e.f. 01.01.08 interest shall be charged @ 13% p.a. on simple basis on the unpaid settlement amount.

The Director of the unit consented to the settlement.

3. M/s Sushma Marble (P) Ltd., Makrana

Col. Bhagirath Singh, Managing Director of the company, appeared before the committee.

The case has been registered directly for SLC as a special case on the approval of competent authority.

The company purchased assets of M/s Om Marble Inds., Makrana from the Corporation for a consideration of Rs. 0.98 lac in the year 1989 on deferred payment basis. Thereafter, a further loan of Rs. 29.10 lac was sanctioned on 25.01.90. The company could not run profitable and became a sick unit, therefore, the company submitted a request for grant of revival assistance and accordingly Corporation sanctioned the rehabilitation package and allowed reschedulement of outstanding principal sum of Rs. 18.39 lac and the principal sum was payable in 19 quarterly instalments commencing from 01.07.2001 after a moratorium of 15 months. LDR was extended upto 01.01.2006.

After the grant of rehabilitation package the company have paid a sum of Rs. 30.58 lac towards dues but could not deposit the amount strictly as per schedule granted in the rehabilitation package, therefore, the Corporation had cancelled/withdrawan the rehabilitation package in the month of September, 2006 and accordingly the benefits granted to the unit under rehabilitation package were revert back in their loan account thereafter the outstanding reported to be Rs. 37.69 lac as on 01.09.07.

Since then the company has been representing their case for restoration of the rehabilitation package as they were making the payment though it was irregular with the request that no penal interest should be charged from them as they have already paid the interest dues almost regularly and there was a minor default in the installment of the principal. The BO, Makrana vide their letter dated 26.07.07 also informed that the company had paid the interest almost regularly and there was a minor default of instalment of principal. The BO further informed that as per the rehabilitation package a sum of Rs. 4.36 lac as on 01.09.2007 remains outstanding against the principal segment. Further, in case the penal interest is waived only a sum of Rs. 1.77 lac remains outstanding in the loan account of the unit as per rehabilitation package on the contrary a sum of Rs. 37.69 lac including Rs. 12.01 lac as principal were outstanding against the company as on 01.09.2007 without considering the restoration of rehabilitation package.

MRV of prime assets is Rs. 34.00 lac. There is no collateral security as well as third party guarantee. Category of the loan account as on 31.03.04 was “Sub Standard” as per revival package.

The committee noted that it is a case of sick unit where only benefit of waiver of penal interest was given and the company had paid handsome amount after grant of rehabilitation package on year to year basis(Rs.30.58 lac) and looking to present ill-health of the unit, the committee have decided to restore the rehabilitation package.

After detailed discussions with the Managing Director of the company and considering all the facts and position of the case, the committee decided to restore the rehabilitation package already cancelled and settle the case on the outstanding of Rs. 4.36 lac. **less** upfront amount of Rs. 1.80 lac deposited by the unit, therefore, the net payable settlement amount would be Rs. 2.56 lac which shall be paid by the company in three equal monthly instalments commencing from the month of October, 2007 to December, 2007 without any interest.

No interest shall be charged upto December, 2007 and w.e.f. 01.01.08 interest shall be charged @ 13% p.a. on simple basis on the unpaid settlement amount.

There is no provision in the Procedure & Guidelines prescribed for revival of cancelled rehabilitation package. Therefore, it was decided to implement the decision after confirmation by the Board.

The Managing Director of the company consented to the above settlement.

4. M/s Magan Roller Flour Mills (P) Ltd., Jaipur

Shri Raj Kumar Lodha and Shri Sanjay Lodha, representative of the company, appeared before the committee.

The case was registered as an appeal case. Aggrieved with the decision of the Special HOLC, the company has made appeal to SLC. Earlier this case was placed before Special HOLC as a grievance case without asking up-front amount in the meeting held on 6.7.07 wherein the company's request for crediting back the pre-payment premium and allowing benefit on account of delay in encashment of FDRs was rejected.

The committee noted that the pre-payment premium has been charged by the Corporation as per norms and after obtaining consent of the party, hence, the committee did not find any justification to consider the request of the party for crediting back the pre-payment premium. Accordingly, the request of the party has been **rejected.**

5. M/s Dev Shree Cement, Jodhpur(ARRC)

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

GENERAL OBSERVATIONS:

1) If the party fails to make payment strictly as per decision of the committee, BO concerned will initiate recovery action at their level.
2) 5% recovery charges to be sent to Collector concerned are included in the settlement amount, where recovery is effected on account of action initiated under Section 32(G) as per provision of Circular No.FR.365 dated 3.10.2005 and dated 31.10.2005.
3) Court case, if any, shall be withdrawn by the party.
4) Actual other money not debited so far is to be recovered over & above the settlement amount. Branch Office will let it know to the party about amount of other money, if any, within a month from the issue of this order.
5) Wherever settlement amount is to be paid in instalment, the party will produce PDCs in the BO payable on 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.

DY.GENERAL MANAGER(FR)