

**RAJASTHAN FINANCIAL CORPORATION
(RRM DIVISION)**

**Minutes of 110th meeting of SLC held on 26.09.2014 at 3.00 p.m. under the
Chairmanship of Shri Madhusudan Sharma, IAS, MD.**

The following were present:

Shri M.K.Sharma, GM, SIDBI, Director	:	Member
Shri Kamal Mehta, Director, RFC	:	Member
Smt. Ashu Choudhary, ED	:	Member
Smt. Alka Sharma, ED(F)	:	Member
Shri R P Meena, General Manager (Operations)	:	Member
Shri N.P.Gupta, General Manager (D)	:	Member
Shri Dharamveer, DGM (Law)	:	Member
Shri Onkar Mal, DGM (RRM)	:	Member Secretary

Shri S.S.Agrawal, DGM (Op-I), Shri N.K.Jain, DGM (Op-II), Shri M.R.Chhinwal, DGM (Op-III), Shri J.P.Meena, DGM (Op-IV) and Shri M.K.Chaturvedi, DGM (Op-V) were also present.

I. Confirmation of the minutes of SLC meeting held on 06.06.2014:

Minutes were confirmed.

II. Action taken report on the decisions taken in the SLC meeting held on 06.06.2014:

S.No.	Name of unit	Decision
1.	M/s. Opticraft, Neemrana	To proceed further for recovery as per norms of the Corporation, after giving him final reply on his letter.
2.	M/s SNL Spinners P.Ltd., Alwar	To follow up for making payment of settlement amount as per the schedule.
3.	M/s New Prince Studio, Jaipur (City)	Since the entire outstanding dues have been cleared by the loanee, no action is required.
4.	M/s Shankar Handicraft, Churu	It was decided to issue notice to the party to make payment as per settlement within a period of 15 days failing which the settlement would be treated as cancelled and recovery action which was kept in abeyance, will be restarted.
5.	M/s S.R.Industries	To obtain certified copy of order of the Hon'ble Court.
6.	M/s Bharat Finishing Works, Pali	Compliance of decision may be expedited promptly.
7.	M/s. Altapack (P) Ltd., Bhiwadi (Earlier known as M/s Styrodyne Packaging P.Ltd.):	Agenda note for condonation of delay was discussed and it was noted by the committee that the case was settled by SLC in its meeting held on 28.06.2012 and the settlement amount was to be paid in 5 equal monthly instalments commencing from August, 2012. It was also noted that the borrower could not pay the settlement amount within the time period allowed, which was extended

	from time to time and finally the amount was to be paid by May, 2014, but the company had paid the amount in August, 2014 (along with interest for the delayed period and legal expenses etc) by withdrawing the court case filed by the company against the Corpn. After detailed discussions, the Committee noted that since the borrower has paid settlement amount with interest for the delayed period and other expenses and also withdrew the court case filed against RFC in compliance of the decisions of SLC dated 28.06.12, the Committee condoned the delay.
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III. The committee considered the agenda notes of the following cases placed before it and decided as follows:

1. M/s. Prakash Udyog, Ajmer:

Shri Piyush Jain and Shri Puneet Jain S/o late Shri Bhagchand Jain appeared before the committee.

The committee noted that it is a case where fixed assets of the unit are under possession since 22.10.1999. Aggrieved with the decision to take over and raising some accounting dispute, the borrower approached the Hon'ble High Court and the Court has stayed the recovery proceedings vide order dated 20.06.2006. It was also noted that the original borrower Shri Bhagchand Jain expired.

Shri Piyush Jain and Shri Puneet Jain S/o late Shri Bhag Chand Jain represented before the committee and requested to settle the case only on principal sum outstanding as they don't have any other source of income and wanted to settle this long pending issue.

During discussions, the committee noted that the unit is located at NH-8 and MRV of the assets is much more than the outstanding of the Corporation and therefore the committee offered to settle the account on principal sum plus interest on simple basis (without compounding) plus OM. The committee also suggested that if they are ready to liquidate the dues of the Corpn. on the above lines, they may consult their advocate and submit a firm proposal. It was also decided that the details of the amount payable on the above lines may also be called from BO. For want of these details and having no proposal from the representatives, consideration of the case was deferred.

2. M/s. Bharat Cement Pipe Factory, Bhilwara:

Shri Rajendra Kumar Mundara, proprietor of the concern and his son Shri Ankit Kumar appeared before the committee.

During discussions the committee noted that it is a case where fixed assets of the unit are under possession since 21.01.1994. The assets were put to auction several times, but could not be disposed of as the surrounding land including land of this unit has been acquired by the UIT, Bhilwara. It was also noted that the Corpn. has filed a

petition for compensation out of the award declared by the UIT and the decision in this regard is still pending in DJ Court, Bhilwara.

In view of the circumstances as contained in the agenda note, the committee offered to settle the loan account on the amount of deemed settlement amount + interest @ 13% from 01.04.12 i.e. in lump-sum of Rs.5.85 lac less Rs.85000/- deposited as upfront, net settlement amount of Rs.5.00 lac for which it was also offered to him that if he need some time for depositing the amount, the Corpn. may allow time upto March, 2015, but the borrower did not agree, hence the case was rejected with the directions to follow up the matter before the Hon'ble Court for release of compensation from the UIT.

3. M/s. Maheshwari Marbles, Udaipur:

Shri Suresh Chandra Maheshwari, partner of the firm appeared before the committee. It is a deficit case and some P&M were reportedly lost when the unit was under possession of the Corpn. The available fixed assets were sold leaving a deficit of Rs.2,71,662/-. The committee also noted that though FIR for missing assets was reportedly forwarded to the Police through registered post, but on enquiry, it was observed that no such FIR was registered with the police station.

The Corpn. after disposing of the available assets, proceeded for deficit recovery u/s 32G as the loan was backed by collateral security having value of around Rs.90 lac. Aggrieved with the action, the borrower approached the Hon'ble High Court with the request to reduce the value of the assets lost during possession of the Corpn. On the directions of the Hon'ble Court, the value of the lost assets was got assessed from an independent valuer of Udaipur, but the borrower did not agree to the value and again approached the Hon'ble Court. The Hon'ble Court vide order dated 22.11.2010, directed RFC to process a fresh and proper estimated value of the lost assets and then a fresh notice may be issued for demand of remaining dues.

The value of the lost assets was again got evaluated, which was reported to be of Rs.1,14,200/- as on Oct.,2013 (probable date when the assets were lost) and accordingly a fresh notice was issued to the borrower on 19.03.14 demanding a sum of Rs.12.27 lac including interest on the deficit amount from the date of sale.

Aggrieved with the above, the borrower has represented for no interest on the deficit and requested to waive it. The borrower represented that he was always ready to square up the loan account of the Corpn. after deduction of the value of lost assets and he has also shown his bonafides by submitting a cheque of Rs.122681/- dated 24.12.2009, but the Corpn. has not considered the request.

After detailed discussions, the committee offered to settle the account in compliance of the directions of the Hon'ble Court by deducting the value of lost assets along with interest at documented rate from the date of arriving of deficit to the date of final payment on simple interest basis, but the borrower did not agree. The committee further offered him that if any proposal submitted by him earlier by him for liquidating the dues is on record, proves his bonafides, then the Corpn. may consider waiver of interest on deficit amount otherwise, the borrower will have to pay interest on deficit amount so arrived at in compliance of the directions of the Hon'ble Court. It was also decided to call the factual report on the representation of the borrower from the BO, till then the case is deferred.

4. **M/s. Choudhary Metal Udyog, Sikar:**

Agenda note for revalidation of the decision of SLC meeting dated 11.09.13 was discussed. The committee noted that the loan account was settled by the committee in a consideration of Rs.51.70 lac less upfront of Rs.1.75 lac and further payment of Rs.17.40 lac, net settlement amount of Rs.32.55 lac, which was to be paid within 90 days without interest.

Since the party failed to adhere to the offer of the SLC, recovery proceedings were initiated and the borrower has now approached for revalidation of the decision and ready to pay interest for the delayed period on unpaid settlement amount.

The committee after detailed discussions, allowed the revalidation of SLC decision dt. 11.09.13 with the condition that the party has to pay interest @ 13% p.a. for the delayed period by March, 2015. It was also decided that in case of dishonour of any PDC, the Corpn. will be free to proceed for recovery immediately as per norms on the very next day of dishonour of cheque without any intimation to the borrower.

5. **M/s. Upendra Cold Storage & Ice Factory, Dholpur:**

Shri Upendra Dutt Sharma son of the promoter Shri Munni Lal Sharma and grand son/adopted son of earlier partner late Shri Uma Dutt Sharma appeared before the committee.

The committee noted that the case was earlier discussed in the SLC meeting held on 06.06.14 in which Shri Ritesh Sharma brother of Shri Upendra Dutt Sharma appeared. The committee noted that the fixed assets of the unit are under possession since 21.04.1995 and even after putting the assets in auction for more than 60 times, no adequate bid was received.

After discussions on the agenda note in the meeting of SLC dt. 6.6.14, the committee offered to settle the account in a consideration of Rs.44 lac (80% of MRV of the fixed assets), but the representative did not agree, hence request of the borrower was rejected and decided that the assets may be put to auction. On the decision of calling the NIT for sale of the assets, Shri Upendra Dutt Sharma approached the Corpn. and requested that he is ready to settle the account on 80% of the present MRV and also requested to reduce the amount deposited earlier from the proposed settlement amount.

After detailed discussions, it was noted that though the condition of building and P&M have been deteriorated, yet MRV of land has been appreciated on account of development of surrounding areas.

After detailed discussions and considering the facts and circumstances the committee offered to uphold the offer given by SLC dt.6.6.14 subject to the condition that interest for the intervening period @ 13% is to be paid by the borrower. The borrower has agreed to the offer given by the committee i.e. for settlement of loan account in a consideration of Rs.44 lac minus upfront amount of Rs.2.21 lac paid for SLC plus interest @ 13% from 06.06.14, net settlement amount comes to Rs.43.52 lac, which will be payable as under:

- 50% shall be paid within 15 days from the date of communication.
- Remaining unpaid amount shall be paid by February, 2015 with interest @ 13% on unpaid settlement amount.
- Interest @ 13% shall be payable on Rs.43.52 lac w.e.f. 29.09.14.

The settlement amount so paid by the borrower shall be kept in Sundry Deposit account till final payment and shall be adjusted in the loan account at the time of handing over possession to the borrower.

Shri Upendra Dutt Sharma has consented to the settlement.

6. M/s. Shri Narendra Singh, Jaisalmer:

The case was earlier placed in the SLC meeting held on 06.06.14 and decided to allow the borrower to pay interest for the delayed period amount of Rs.4.08 lac alongwith interest from April,2014, which was payable upto 06.09.14. The borrower paid only Rs.1.00 lac on 23.09.14 and requested to allow time upto 1st week of Oct.,2014.

After detailed discussions, the committee allowed time subject to the condition that the borrower will pay the interest upto final payment of the settlement amount.

7. M/s. Jhuley Lal Industries, Sawaimadhopur:

Shri Deepak Chandani and Shri Lokesh Chandani, Power of Attorney holder of Smt.Kaushaliya Devi, wife of late Shri Loku Mal, partner of M/s Jhuley Lal Inds. appeared before the committee.

The committee noted that this case was earlier placed in the SLC meeting held on 6.6.14 in which the Committee offered to settle the case in a consideration of Rs.1,90,594/- + interest from the date of withdrawal of money from the bank account of the Corpn, but the applicant did not agree, therefore, the agenda was deferred with the condition to explore further possibility of negotiation. The matter was again discussed with the applicant and the committee again offered to settle the issue if they are ready to pay interest as offered by SLC dt.6.6.14, but again he did not agree. Accordingly, the committee rejected the case and decided to plead the matter before the Hon'ble Court and watch for the outcome of the pending writ petition.

8. M/s. Jain Plastic Industries, Baran:

Shri Saurabh Jain son of the proprietor Shri Dinesh Kumar Jain appeared before the committee.

Since the matter has been pending in litigation and the unit is also under possession since 2006, the consideration of the case was deferred with the directions that the original borrower should appear before the committee to represent his grievances.

GENERAL CONDITIONS:

- 1) Wherever settlement amount is to be paid in installments, the party will produce cheques 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 cheques 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 u/s 32(G).
- 4) Actual other money not debited so far is to be recovered over & above the settlement amount. Branch Office will let the party know about amount of other money, if any, within a month from date of issue of this order.
- 5) The party shall withdraw the 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