

RAJASTHAN FINANCIAL CORPORATION

(FR Division)

**Minutes of the Special HOLC held on 16.03.11 at 11.00 AM
under the Chairmanship of Shri Umesh Kumar, IAS, CMD.**

Following were present:

Shri A.R. Choudhary, ED	:	Member
Shri S.K.Aswal, ED(F)	:	Member
Shri Sukhaveer Saini, GM(D)	:	Member
Shri R.M.Aswal, DGM(ARRC)	:	Member
Shri Onkarmal, DGM(DDW)	:	Member
Shri A.P.Mathur, DGM(FR-2)	:	Member
Shri Dharaveer, Manager (I/c Law)	:	Member
Shri Abu Talib, DGM(FR-1)	:	Member Secretary

Shri M C Meena, Manager (DDW), Shri N.K.Jain, Manager (ARRC), Shri P.D.Verma, Manager (FR) and Shri B.L.Gurjar, DM(FR) were also present.

I. Confirmation of the minutes of Spl HOLC meeting held on 27.12.10

Minutes were confirmed.

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

1. Shri Ram Lal Salvi, Kota (DDW Case):

Shri Mukesh Salvi S/o Late Shri Ram Lal Salvi appeared before the committee

It is an NPA & Decreetal case. A loan of Rs.90,000/- was disbursed to the unit for purchase of Ambassador Car. Due to non payment of the dues the corporation filed application u/s 31(1)(aa) against the promoter and guarantors. The ADJ-1, Kota has granted decree of Rs.3.71 lac + interest @ 17.5% p.a. on 05.07.03.

The promoter Shri Ram Lal Salvi expired and his legal heirs, i.e. wife of loanee and his son, requested for settlement of account on P.sum + OM. The case was referred by the BO, Kota as grievance case in view of HO letter no.993 dated 29.09.10. Proposal of the party is to settle the account for a consideration of Rs.1.10 lac, i.e. P.sum + OM. No collateral security is available. Present value of the properties of promoter & guarantor is Rs.21.79 lac.

After discussions and considering all the facts and position of the case, the committee decided to settle the loan account in a consideration of 50% of the Decreetal amount + OM i.e. Rs.2.05 lac less upfront amount of Rs.10000/-, the net settlement amount would be Rs.1.95 lac and the same shall be deposited by the party latest by 31.03.2011.

The party consented to the settlement. However, the BO Kota may take consent in writing and ensure that the party deposits the settlement amount latest by 31.03.2011. In case payments made after 31.3.2011, interest @ 16% p.a. could be levied.

2. **M/s Bharat Service Station, Kota (DDW Case):**

Shri Abdul Wahid guarantor appeared before the committee.

It is a Deficit / Decreetal case. A loan of Rs.38,100/- was disbursed to the unit. Due to non payment of dues unit was taken into possession on 20.07.94 and sold for Rs.7,000/- on 02.06.98.

A suit was filed for recovery of deficit amount of Rs.1,15,366/- and decree was awarded for Rs.1,15,366/- by ADJ-5, Kota on 16.09.04. Decree execution has been filed against the guarantor Shri Abdul Wahid in the court on 03.09.05 which is under process for attachment. BO has forwarded the OTS proposal of the concern as per HO Circular No. FR-629 dated 26.07.10 and recommended to settle the case as per norms of the corporation.

After discussions and considering all the facts and position of the case, the committee offered to settle the case in a consideration of Rs.1.65 lac as per FR Circular No.613 dated 02.06.2010 less upfront amount of Rs.0.08 lac, net payable amount Rs.1.57 lac but the guarantor did not give his consent, hence consideration of the case was rejected.

3. **M/s Rafat Engg.Works, Kota (DDW Case):**

Shri Samshul Islam and Shri Ahmed Ali appeared before the committee.

It is a NPA-decreetal case. A loan of Rs.45,500/- was disbursed to the unit. The financed assets is missing as reported by the B.M., Kota in the proposal. A suit was filed for recovery of Corporation dues and decree was awarded for Rs.4,55,833.50 plus interest @ 14% from 25.1.97 by ADJ-Gr-3, Kota on 20.2.2003.

After discussions and considering all the facts and position of the case, the committee offered to settle the case in a consideration of Rs.2.40 lac less upfront amount of Rs.0.07 lac, net settlement amount Rs.2.33 lac. The party did not give his consent, hence consideration of the case was rejected.

4. **M/s Mohan Lal S/o Shri Phool Chand, Kota (DDW Case):**

Shri Jagan Lal Luthra guarantor of the concern appeared before the committee.

It is a NPA, Decreetal case. A loan of Rs.90,000/- was disbursed to the unit. The financed vehicle Mahendra Jeep 1993 model is missing as reported by the BM, Kota. Decree was awarded by the Hon'ble court on 28.02.2000 for Rs.376614/- and decree execution application filed by the BO, Kota in the competent court which is under progress.

After discussions and considering all the facts and position of the case, the committee offered to settle the case in a consideration of Rs.1.99 lac less upfront amount of Rs.0.19 lac, net settlement amount Rs.1.80 lac. The settlement amount shall be payable in the following manner:

- i) Rs.60,000/- shall be paid by 31st March, 2011.
- ii) Balance settlement amount shall be payable in 4 monthly equal instalments commencing from April, 2011 to July, 2011.
- iii) Interest @ 13% p.a. w.e.f 1st April, 2011 shall be charged on unpaid settlement amount.

The guarantor of the concern consented to the above settlement.

5. M/s Birdhi Lal Meena S/o Sh. D.L.Meena, Kota (DDW Case):

Shri Badri Lal Meena himself appeared before the Committee.

It is a transport deficit / decretal case. Earlier the case was settled by HO empowered settlement committee in a consideration of Rs.60,000/- on 27.03.2000, but the party could not deposit the settlement amount. Again the case was placed before the Spl. HOLC on 21.10.2009 and settled in a consideration of Rs.2.01 lac. The party did not consent to the committees offer, hence case rejected. Decree awarded on 01.12.2000 of Rs.2,86,011/- and execution is under process in the court. The party belongs to ST category and property of guarantor is situated in Village Hanumanth Kheda. Therefore sale of property through court of law seems to be difficult and will take more time. The recommendation of the Branch Manager is to settle the case on decretal amount as proposed by the party.

After discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.2.86 lac less upfront amount Rs.0.46 lac net settlement amount of Rs.2.40 lac. The settlement amount shall be payable in the following manner:

- i) Rs.50,000/- shall be paid by 31st March,11.
- ii) Balance settlement amount shall be payable in 3 monthly instalments commencing from April, 2011 to June,2011.
- iii) Interest @ 13% p.a. w.e.f. 01.04.2011 shall be charged on the unpaid settlement amount.

The promoter consented to the above settlement.

6. M/s Ugam Lal Meena, Bhilwara (DDW Case):

Shri Anil Meena, son of Ugam Lal and Shri Ram Kumar Meena, brother of borrower appeared before the Committee.

It is a NPA-decretal case. A loan of Rs.1,17,000/- was disbursed to the unit in April 1983 for purchase of Tractor Compressor by the Branch Office, Chittorgarh. The account of the unit was transferred to Bhilwara Branch as the promoter who is residing at Jahajpur, Bhilwara. A decree was awarded for Rs.7,50,452/- on 22.5.2001 by District Court, Bhilwara.

The promoter ShriUgam Lal expired in 2007 due to Cancer. Sh.Surajmal father of the promoter is guarantor in the case , who owns agriculture land but it is not

transferable because the owner of the land belongs to Scheduled Tribe. The value of residential house of the guarantor is estimated to Rs.1.09 lac.

After discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.7.68 lac less upfront amount Rs.0.14 lac net settlement amount of Rs.7.54 lac as per policy but the party did not give his consent hence the consideration of the case was rejected.

7. M/s Hazari Lal Meena, Bhilwara (DDW Case):

Shri Mahesh Meena appeared before the Committee.

It is a Transport Deficit-Written off and Decreetal case. No collateral security available and no property found in the name of guarantor Shri Hansurd Das who already expired. The proprietor is a driver in RSRTC in Chittorgarh Depot.

Decree was awarded for Rs.333805/- on 17.12.96 by the District Court, Bhilwara. It would not be possible for the branch office, Bhilwara to execute the decree owing to non availability of property either in the name of the promoter or guarantor though decree execution application has been filed on 28.07.97.

After discussions and considering all the facts and position of the case, the committee offered to settle the a/c. in a consideration of Rs.3.38 lac less upfront amount of Rs.35,000/- net settlement amount of Rs.3.03 lac but the party did not give his consent, hence the consideration of the case was rejected.

8. M/s Pawansut Marble, Tonk (DDW Case):

Shri Om Prakash Mangal, partner of Shri Murari Lal Mangal, brother of partner appeared before the Committee.

It is a Deficit / Decreetal / Write off case. Account written off in the year 1993-94. The written off amount was Rs.1,54,443/- and written back amount was Rs.2,05,353/-. Decree awarded by the Hon'ble Distt.Judge, Tonk on 28.8.02 in favour of the Corporation for Rs.3,59,796/- plus interest @ 12.5% p.a. from 1.1.92 to 28.8.02. Amount of decree worked out as per FR Circular No.406 dt. 9.10.06 comes to Rs.8,64,308/-. Appeal filed in High Court on 14.09.05 by the party against the judgement of Decree dated 28.08.02 which is on final argument.

Earlier the case was placed before HOLC in its meeting held on 21.03.2002 and Spl.HOLC on 12.05.09. The Spl.HOLC offered to settle the account at decreetal amount of Rs.3,59,796/-, but the party did not accepted the decision of the committee, hence the case was rejected.

After discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.8.64 lac, less upfront amount of Rs.0.72 lac, net settlement amount of Rs.7.92 lac. The party sought time, hence the consideration of the case was deferred.

9. M/s Shiv Shakti Diamond Gangsaw, Dausa (DDW Case):

Smt. Savitri Chaudhary, one of the partners of the firm appeared before the Committee.

It is a Deficit case. No collateral security available. No property has been searched out in the name of partners.

One of the partners of the concern Smt. Savitri Choudhary submitted an application requesting for settlement of the loan account of her share in the concern as per prevailing OTS scheme by depositing part amount i.e.50% of the settlement amount as her stake in the firm is 50%, because the other partner do not want to deposit any amount.

Smt. Savitri Chaudhary, one of the partners of the firm appeared before the Committee. Keeping in view the grievances made by Smt. Savitri Chaudhary that the Corporation has not been initiating effective action against other partner despite the fact that he is possessing immovable property and that she was prepared to pay 50% of the admissible amount of settlement as per prevailing OTS Scheme and hence, may be issued NDC by accepting 50% of the settlement amount.

After discussions it was decided that in the case of partnership firm each & every partners is individually and severely liable to pay the Corporation dues. It was therefore, decided by the Committee that the property of other partners may be verified and also find out the status of ROD filed against him. It was decided to place the case before the next meeting of the Spl. HOLC after getting the details of the property of other directors, hence the case was deferred.

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

Shri Ram Niwas Agarwal and Shri Ishwar Agarwal, partners of the firm appeared before the Committee.

It is a Deficit appeal case. The case was settled by BO on 29.03.10 in a consideration of Rs.11,50,597/- less upfront amount Rs.1,08,943/-, net settlement amount is Rs.10,41,654/- payable in 12 EMI from April, 2010 to March, 2011. Interest @ 13% on unpaid settlement amount. The party did not agree and made appeal against BO decision. The competent authority has condoned the delay in filing the appeal.

After discussions and considering all the facts and position of the case, the committee has decided to uphold the decision taken by BO, Sri Ganganagar on 29.3.2010. The BO may be directed to pursue the recovery action as per their decision of settlement else appropriate legal action may be initiated to recover the Corporation dues.

11. M/s Asup Synthetics (P) Ltd., Bhiwadi (DDW Case):

Shri M.K.Jain, director of the Company appeared before the Committee.

It is a Deficit / Write off / Joint Finance case. The assets of the unit were sold by RIICO. As per the record RIICO sold the unit on 21.07.90 in consideration of

Rs.58.00 lac. Promoter is residing outside the state. The case was settled at Branch Level in consideration of Rs.3,53,651/- on 25.01.10. Aggrieved with the branch decision party made an appeal for Spl. HOLC. Action u/s 32-G not initiated by BO due to no details of property available.

After discussions and considering all the facts and position of the case, the committee offered to settle the a/c. in a consideration of Rs.2.83 lac (entire outstanding) and the payment of settlement shall be made within March, 2011. The party consented to the settlement and submitted a cheque of Rs.2.83 lac payable on 21.3.11..

12. M/s Bajrang Lal Bheru Lal, Jhalawar (DDW Case):

Smt. Krishna Mehar, widow of late Shri Bajrang Lal Bherulal appeared before the Committee.

It is a Deficit-Decreetal Transport Loan case. The promoter belongs to SC community. No collateral security is available. There are two third party guarantors and the value of their property estimated to Rs.2.00 lac. The promoter and guarantors expired. Promoter is having residential house (kacha house) which is not mortgaged with the Corpn. and MRV of the house is Rs.2.50lac (approx) and promoter's wife wants to settle the case on principal sum only. The court has passed decree for Rs.2,93,975/- on 27.2.99. Application for execution of decree filed in Court on 04.05.2002. Amount paid by the party since beginning to till date (including upfront) is Rs.17000/-

After discussions and considering all the facts and position of the case, the committee offered to settle the a/c. in a consideration of Rs.2.94 lac less upfront amount Rs.10000/-, but the party did not give her consent, hence consideration of the case was rejected.

13. M/s Bhanwar Lal Mehar, Kota (DDW Case):

Shri Bhanwar Lal Mehar appeared before the Committee.

It is a Deficit, Write off , and Decreetal transport loan case. No Collateral security available. The promoter belongs to SC. Amount repaid since beginning to till date is Rs.62,100/-. Case was written off in the year 1995-96, written off amount is Rs.90975/-. Decree awarded by ADJ-3, Kota on 16.10.2001 for Rs.94000/- + interest @ 18% p.a. from 05.06.84.

After discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.1.64 lac less upfront amount of Rs.10,000/- net settlement amount of Rs.1.54 lac. The party consented and requested for depositing the settlement amount in the following manner :-

Rs.0.75 lac upto March, 2011 and balance amount in 3 equal monthly instalments w.e.f. April, 2011 with 13% interest on unpaid amount of settlement.

The Committee accepted the request of the party and approved settlement as per above terms.

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

Earlier this case was settled by the Special HOLC in its meeting held on 22.02.2010. But the promoter could not deposited the amount as per settlement within the time allowed by the Committee i.e. up to 31.03.2010.

The party there after made a request to the CMD and it was decided that :

- i. The party will make the payment of Rs. 4.00 lac up to 31.01.11 and Rs. 2.00 lac by 31.03.11. The possession of the unit will be handed over to him after receipt of Rs. 4.00 lac.
- ii. The remaining outstanding settlement amount alongwith interest for delayed period as per norms shall be paid up to 31.12.11 in monthly installments commencing from April, 2011.
- iii. The matter may also be placed before Special HOLC for information & confirmation.

In compliance to the above, the party has deposited Rs. 4.00 lac on 31.01.2011 and Branch Office has given possession of the assets on 03.02.2011.

Therefore, the matter was again placed before Special HOLC for confirmation and after discussion the committee confirmed the decision.

15. M/s. Classic Suitings, Bhilwara (DDW Case):

It is a deficit-appeal case. One of the partners of the unit Shri Shankar Lal Singhvi appeared before the Committee. No settlement could be reached. However the partner who had appeared in the meeting was inclined to pay his share. Keeping in view the grievances made by Shri Shankar Lal Singhvi that the Corporation is not initiating effective action against other partner Sh. Kanwar Lal Jhabak. The Committee decided to find out the details of property owned by other partner Shri Kanwar Lal Jhabak till then the consideration of the case was deferred. It was also decided to place the case before the next meeting of the Special HOLC after getting details of property of other partner.

16. M/s. Arihant Marble & Tiles, Udaipur (DDW Case):

Shri Keshri Mal Mehta, relative/representative of the firm appeared before the Committee.

It is a Deficit appeal case. No collateral security is available. Action u/s 32-G taken and ROD sent to Collector, Udaipur. Tehsildar Rishabdeo attached the residential property of the promoter situated at Village Bhudar & Pareda under LR Act and conducted auction various times. Since the property is situated at Pareda & Bhudar small villages of Rishabdeo Tehsil, no bidder turned up.

The case was settled by DLC on 18.08.2010 in consideration of Rs.9,32,433/- (including ROD charges) out of which party has deposited Rs.1.00 lac. However party has approached for appeal against BO settlement and competent authority accorded permission to deposit 50% upfront amount and condoned the delay in filing of appeal against BO settlement on 17.01.2011. There are two partners in the case i.e. Shri Rajendra Kumar Jain and Smt. Suraj Devi Jain.

The Committee has given an offer of Rs.9.32 lac for which representative sought time hence the consideration of the case deferred.

17. M/s. Lalit Shankar Tiwari, Kota (DDW Case):

Shri Ram Kalyan Meena, guarantor of the concern, appeared before the Committee.

It is a NPA-Decreetal case. Decree awarded by the ADJ-2, Kota on 03.09.99 for Rs.276952/- + interest @ 15% p.a. plus court expenses. The primary assets i.e. Mahindra loading vehicle is missing. No collateral security is available. Amount repaid by the party since beginning to till date including upfront amount is Rs.37500/-.

The Committee offered to settle the account in a consideration of Rs..1,45,100/- less upfront amount of Rs.10,000/- ,net settlement amount of Rs.1,35,100/-. The settlement amount shall be payable in the following manner:

- i) Rs.60000/- shall be paid by 31st March,11
- ii) Balance settlement amount shall be payable in two equal monthly instalments i.e. April & May, 2011.
- iii) Interest @ 13% p.a. shall be charged from 01.04.2011 on unpaid settlement amount.

The guarantor consented to the settlement on above terms.

18. M/s. Modern Mechanical Works, MIA, Jaipur (DDW Case):

The case was discussed and it was decided to defer the case with the direction to put up the case before the forthcoming meeting of Special HOLC.

19. M/s Gajendra Industries, Bharatpur (FR case)

Shri Kunwar Sen s/o late Shri Nathi Singh, Partner of the unit appeared before the committee.

A loan of Rs.1.17 lac was sanctioned for processing of Gram Dal on 05.05.77 and Rs.1.06 lac was availed upto 07.06.78. Shri Nathi Singh and Shri Gajendra Singh were the partners in the concern. One of the partner Shri Nathi Singh expired on 12.12.07. The unit is reported to be lying closed since 31.03.1992. Amount repaid since beginning to till date including upfront amount – Rs.56,836/-

Case is also pending in High Court.

The case was earlier placed before Spl HOLC in its meeting held on 04.03.09 followed by Spl HOLC on 5.6.09 and it was decided to settle the case in absentia for a consideration of Rs.13.87 lac at net settlement amount of Rs.13.74 lac. The promoters did not accept this decision.

This year promoters approached for considering their case under ongoing Amnesty Scheme. The BM has forwarded this case to accord approval to entertain the case in terms of FR circular No.623 dated 12.07.10.

The competent authority accorded approval to place the case before Spl HOLC without charging of upfront amount and registration fee.

After consideration of facts mentioned in Agenda Note and detailed discussions, the committee uphold the decision of Spl. HOLC on 05.06.2009 alongwith simple interest @16% p.a. for the delayed period as per norms failing which possession of the unit may be taken by Branch Office.

GENERAL OBSERVATIONS:

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

Dy.General Manager (FR)
MEMBER SECRETARY

