

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
Special HOLC Meeting
Date : 14.12.2006

Present		
Shri B.N. Sharma, IAS Chairman & Managing Director	:	In Chair
Shri S.K.Agarwal, RAS Executive Director	:	Member
Shri Purushottam Biyani, RAS, General Manager (Dev.)	:	Member Secretary
Smt Anita Chaturvedi, RAs, Financial Adviser, GM (Accounts)	:	Member
Shri R.S.Gupta, General Manager (Fin)	:	Member
Shri K.K. Parashar, DGM (Loans)	:	Member
Shri Dharamveer, Manager (Incharge Law)	:	Member

Shri K M Bhandari, DGM(FR), Shri P.K.Singh, DGM(ARRC), Shri Dinesh Mohan, Manager (FR), Shri S.S.Agarwal, Manager (FR), Shri S.K. Gupta, DM(FR) and Shri Naveen Ajmera, DM(FR) were also present.

I Confirmation of the minutes of Special HOLC meeting held on 22.3.2006.

Minutes were confirmed.

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

1. M/s Ghasi Ram Saini s/o Shri Nathu Ram Saini, Sikar (Transport case)

Shri G.R. Saini, Proprietor of the unit appeared before the committee. This case was earlier placed before HOLC on 10.2.05 wherein the offer made by the committee was not acceptable to the party therefore, the case was rejected. Aggrieved with the decision of HOLC the promoter has made an appeal to Special HOLC.

It is a deficit case and the vehicle was sold on 13.8.96 leaving a deficit of Rs. 0.52 lac in term loan account and Rs. 0.65 lac in seed capital account making a total of Rs.1.17 lac. The value of the collateral security in this case is Rs.6.00 lac. Claim u/s 32G has been filed with Collector on 29.8.02. The category of the loan account is doubtful. The value of the third party guarantee is Nil. The total outstanding in term loan account was

Rs.0.52 lac and in seed capital account was Rs. 0.92 lac making a total outstanding of Rs.1.44 lac. A sum of Rs.0.08 lac was also debited in the account as other money after sale of assets.

After detailed discussions and considering all the facts and position of the case, the committee decided to **settle** the case for a sum of Rs.1.60 lac less Rs. 0.22 lac deposited as upfront amount for SLC, therefore, net payable settlement amount would be Rs.1.38 lac which shall be paid by the party as under:

(Rs. in lac)	
0.50	December,2006
0.50	January, 2007
<u>0.38</u>	5 th February, 2007
1.38	

No interest shall be charged upto 31.12.06 and thereafter simple interest @ 13% p.a. shall be charged on unpaid amount of settlement. It was also decided that the Corporation disbursed seed capital of Rs.0.65 lac to the promoter as principal seed capital, therefore, this amount need to be remitted to SIDBI out of the net settlement amount of Rs.1.38 lac.

The promoter of the unit consented to the settlement.

2. M/s. Top Trading Enterprises, Jaipur (City)

Shri Kamlesh Kumar, Proprietor and Shri R.L.Vijay, Father of the proprietor appeared before the committee

It is a very old case where sanction was made in the year 1979-80 and a sum of Rs.0.76 lac was disbursed to the unit. The unit is engaged in producing corrugated boxes and presently is running. The category of the loan account is doubtful as on 31.3.2004. The case was registered directly for Special HOLC on the directions of competent authority. In fact it is a grievance case where Corporation is charging 12% rate of interest in his account but promoter wants to settle the case by paying interest @ 9% p.a. abinitio by recasting his loan account since beginning. According to his version, no amount works out to be payable

This case was earlier placed before the Board in the meeting held on 27.11.94 wherein it was decided that the case may be settled according to the OTS committee by charging simple rate of interest till the date of settlement but party instead of making payment disputed the above settlement and deposited only Rs.0.25 lac against the total demand of Rs.0.48 lac thus the account remained unsettled.

After detailed discussions with the promoter and his father, the committee offered to settle the account by charging interest @ 9% p.a. on simple basis on the principal disbursement of Rs.0.76 lac from 1979-80 to the date

of final settlement but the party did not agree to the above offer, hence the case was **rejected** and branch to initiate recovery action.

3. M/s. Jai Narain Aswal, Village Manoharpur, Jaipur City (Transport loan)

Smt Dhapu Devi w/o Late Shri Jai Narain Aswal and Shri P.N. Bhotoliya appeared before the committee. It is a transport loan case and category of the account as on 31.3.04 was doubtful. The MRV in the case has been calculated at Rs.0.70 lac in the year 1993 and vehicle is lying with DTO Chittorgarh. No collateral security and third party guarantee is available.

After detailed discussions and considering all the facts and position of the case, the committee decided to **settle** the case at a sum of Rs.2.00 lac less upfront amount of Rs.0.23 lac (rounded off), therefore, net settlement amount would be Rs.1.77 lac which shall be paid as follows:

	(Rs. in lac)
December,2006	0.60
January, 2007	0.60
28 th February, 2007	<u>0.57</u>
	1.77

No interest shall be charged upto 31.12.06 and thereafter simple interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The wife of the promoter consented to the settlement.

4. M/s.Prabhat Industries, Sikar

Shri Vijay Gupta, proprietor appeared before the committee. This case was earlier placed before HOLC on 25.3.06 wherein the offer made by the committee was not acceptable to the party therefore, the case was rejected. Aggrieved with the decision of HOLC the promoter has made appeal to Special HOLC.

It is a deficit case. No collateral security & third party guarantee is available. The total outstanding as on date of deficit was Rs. 4.99 lac. A sum of Rs.0.20 lac was also debited in the account as other money after sale of assets.

After detailed discussions and considering all the facts and position of the case, the committee decided to **settle** the case for a sum of Rs. 5.45 lac less upfront of Rs.1.45 lac (Rs.0.81 lac in HOLC & Rs.0.64 lac (rounded off) for Special HOLC) therefore, net settlement amount would be Rs.4.00 lac which shall be paid in 10 equal monthly installments commencing from 15th January, 2007. No interest shall be charged upto 31.12.06 and thereafter simple interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The promoter of the unit consented to the settlement.

5. M/s. Iqbal Mohd Madni, Tonk

Shri Iqbal Mohd Madni promoter of the unit appeared before the committee.

It is a deficit case and the unit was sold on 23.3.99 leaving a deficit of Rs.1.16 lac. The value of the collateral security in this case is Rs. 9.93 lac. Claim u/s 32G has been filed with Collector. The category of the loan account is doubtful. The value of the third party guarantee is nil. The total outstanding in term loan account is Rs. 2.05 lac.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the case in further lumpsum payment of Rs.1.50 lac but the party did not agree to the offer given by the committee, hence the case was **rejected** and Branch to initiate recovery action.

6. M/s Anil Enterprises, H 11, RIICO I.A., Napasar, Bikaner

Shri Ajay Sinha, proprietor of the unit appeared before the committee.

It is a case of PVC pipes. No collateral security is available. Value of prime assets and third party guarantee is reported to Rs. 5.84 lac and Rs. 7.50 lac respectively. The category of the loan account is Sub-standard as on 31.3.04 but slipped to Doubtful 'A' as on 31.3.05. The case has been registered on the basis of approval from competent authority. The total outstanding in term loan account is Rs. 7.44 lac.

After detailed discussions and considering all the facts and position of the case, the committee decided to **settle** the case for a sum of Rs. 6.25 lac less upfront amount of Rs. 1.25 lac (rounded off), therefore, net settlement amount would be Rs. 5.00 lac which shall be paid as follows:

Upto 15.1.2007	3.00 lac
February, 2007	1.00 lac
Upto 25 th March, 2007	<u>1.00 lac</u>
	5.00 lac

No interest shall be charged upto 15.1.07 and thereafter interest @ 13% p.a. on simple basis shall be charged on unpaid amount of settlement.

The promoter of the unit consented to the settlement.

The committee also decided to place the decision of the committee before the Board for expost facto approval being a substandard category case.

7. M/s Bhawani Mines, Samod, Jaipur (Rural)

Shri C.S.Sharma, representative of the Guarantor appeared before the committee.

The committee noted that there is one more financed unit viz. M/s Bhawani Oil Mills Pvt. Ltd., Samod, Jaipur which was sold in deficit, leaving a deficit of Rs.47.70 lac. The case u/s 32G has also been filed with the Collector. Shri Vimal Sharma who is promoter of the unit is also one of the directors in this unit. Considering this fact, the committee decided that the settlement should be done of both the cases and representative of the guarantor was advised accordingly. The case was therefore, **deferred**.

8. M/s Shekhawat Brothers, Jhunjhunu

Shri Satveer Singh and Shri Mangu Singh, husbands of both the lady promoters appeared before the committee.

This is a deficit case and the unit was sold on 29.1.03 leaving a deficit of Rs.8.16 lac in term loan account and Rs. 1.38 lac in Seed Capital account making a total of Rs.9.54 lac. No collateral security / third party guarantee is available. Claim u/s 32(G) has been filed with Collector on 31.1.06. The category of the loan account is doubtful. A sum of Rs.0.44 lac was also debited in the account as other money after sale of assets.

After detailed discussions and considering all the facts and position of the case, the committee decided to **settle** the case for a sum of Rs. 7.08 lac less upfront amount of Rs.0.95 lac deposited for Special HOLC and Rs. 0.95 lac for DLC (rounded off), therefore, net settlement amount would be Rs.5.18 lac which shall be paid in 18 monthly instalments, first 17 instalments will be of Rs.0.30 lac per month and last 18th installment shall be of the remaining amount, commencing from December,2006.

No interest shall be charged upto 31.12.06 and thereafter simple interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The representatives of the promoter consented to the settlement. As more than 12 months time has been given for payment, therefore, case may be put up before the **Board** for ex post facto approval.

9. M/s Triveni Containers Pvt Ltd., Bassi, Jaipur Rural

Nobody on behalf of the unit appeared before the Committee, therefore, the case was **deferred**.

10. M/s Bajrang Bali Tel Udyog, Sikar

Shri Ramlal, Proprietor of the unit appeared before the committee.

This is a case of Oil Mill. The case was earlier placed before HOLC in its meeting held on 15.9.05. Aggrieved with the decision of HOLC, the party has made an appeal to Special HOLC. The financed assets are not available at factory site. Value of collateral security is Rs.4.60 lac. Value of third party guarantee is Rs.1.00 lac. The category of the loan account is Doubtful. The total outstanding in loan account is Rs.5.02 lac.

After detailed discussions and considering all the facts and position of the case, the committee decided to **settle** the case for a sum of Rs. 1.53 lac less upfront amount of Rs. 0.20 lac, therefore, net settlement amount would be Rs.1.33 lac which shall be paid as follows:

	(Rs. in lac)
By January, 2007	0.67
By February, 2007	<u>0.66</u>
	1.33

No interest shall be charged upto 31.12.06 and thereafter interest @ 13% p.a. on simple basis shall be charged on unpaid amount of settlement.

The promoter of the unit consented to the settlement.

11. M/s Pushkar Raj Granites, I.A. Raipur, Bhilwara

Shri Pushkar Lal, Proprietor of the unit appeared before the committee.

This is a case of Granite Tiles unit and presently lying closed. Value of financed assets is Rs.2.25 lac. No collateral security and third party guarantee is available. The category of the loan account is Doubtful. The total outstanding in loan account is Rs.11.81 lac. ROD has been filed with the Collector.

After detailed discussions and considering all the facts and position of the case, the committee decided to **settle** the case for a sum of Rs. 2.18 lac less upfront amount of Rs. 0.43 lac, therefore, net settlement amount would be Rs. 1.75 lac which shall be paid as follows:

By 30 th December, 2006	1.00 lac
By 31 st January, 2007	<u>0.75 lac</u>
	1.75 lac

No interest shall be charged upto 31.12.06 and thereafter interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The promoter of the unit consented to the settlement.

12. M/s Manoj Granites, SP 182 (C), I.A. Behror, Alwar

Nobody on behalf of the unit appeared before the Committee, therefore, the case was **deferred**.

13. M/s K G Oil Products, I.A. Bhinmal, District Jalore (ARRC case)

Shri Pataram Purohit, Partner & his friend Shri Raja appeared before the committee.

This is a case of Edible Oil Mill under possession of the Corporation since 16.2.06. The P&M was sold in a consideration of Rs.5.95 lac and the possession of P&M handed over to the purchaser on 12.9.06. The case was earlier placed before HOLC in its meeting held on 15.8.05. Aggrieved with the decision of HOLC, the party has made an appeal to higher committee. The value of land and building is Rs.5.00 lac. No collateral security and third party guarantee is available. The category of the loan account is Doubtful. The total outstanding in loan account is Rs.28.46 lac.

After detailed discussions and considering all the facts and position of the case, the committee decided to **settle** the case for a sum of Rs.10.00 lac less upfront amount of Rs. 2.50 lac (rounded off), therefore, net settlement amount would be Rs. 7.50 lac which shall be paid as follows:

	(Rs. in lac)
January, 2007	2.50
February, 2007	2.50
March, 2007	<u>2.50</u>
	7.50

No interest shall be charged upto 31.12.06 and thereafter simple interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The promoter of the unit consented to the settlement.

The committee also decided to call the explanation of Branch Manager, Jalore as to how and in what circumstances he made recommendations to settle the account on less than the principal outstanding.

14. M/s Lichman Ram s/o Shri Bhura Ram, Via Midiyan, Makrana

Nobody on behalf of the unit appeared before the Committee, therefore, the case was **deferred**.

15. M/s Tajak AC Pipe Factory, Nagaur

The committee **confirmed** the decision taken by the CMD for settlement of loan account.

16. M/s N R Jain Industries, Sirohi Road, Abu Road (ARRC case)

The committee **confirmed** the decision taken by the HO level Sale cum Negotiation Committee for settlement of loan account.

17. M/s Ambica Roller Flour Mills Pvt. Ltd., Udyog Vihar, Sri Ganganagar

Shri Krishna Kumar Goyal, Director of the unit appeared before the committee.

This is a case of Flour Mill. The case was earlier placed before HOLC in its meeting held on 03.08.06. Aggrieved with the decision of HOLC, the party has made an appeal to Special HOLC. The value of prime security is Rs.35.28 lac. No collateral security and third party guarantee is available. The category of the loan account is Doubtful. The total outstanding in loan accounts is Rs.38.82 lac.

After detailed discussions and considering all the facts and position of the case, the committee decided to **settle** the case for a sum of Rs. 22.17 lac less upfront amount of Rs. 2.17 lac (rounded off), therefore, net settlement amount would be Rs. 20.00 lac, which shall be paid as follows:

	(Rs in lac)
Upto 25.3.2007	5.00
April,2007	5.00
May, 2007	5.00
June, 2007	<u>5.00</u>
	<u>20.00</u>

No interest shall be charged upto 31.12.06 and thereafter simple interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The director of the unit consented to the settlement.

18. M/s Lumen Engineers, MIA, Jaipur (M/s Photoset India)

Shri V.K.Mathur, proprietor of the unit appeared before the committee but no one turned up on behalf of M/s Photoset India. The case was discussed at length. A committee comprising of following officers was constituted:

ED	—	Chairman
GM(D)	-	Member
Financial Adviser – GM(A/cs)	-	Member
General Manager (Finance)	-	Member
Manager (I/c) Law Section	-	Member Secretary

The committee shall examine the matter and **submit its report** within a period of 15 days.

19. M/s Kanchan Salt Udyog, Mohanpura, Teh Nawa, Makrana, Distt. Nagaur

Shri Arun Kumar Saraf, husband of promoter appeared before the committee.

This is a case of Salt unit and lying closed. The case has been registered directly for Special HOLC as a special case with the permission of competent authority. The value of prime security is Rs.7.90 lac. No collateral security and third party guarantee is available. The category of the loan account is Doubtful. The total outstanding in loan accounts is Rs.43.15 lac. ROD u/s 32G filed with the Collector on 5.12.05

After detailed discussions and considering all the facts and position of the case, the committee decided to **settle** the case for a sum of Rs. 8.30 lac less upfront amount of Rs. 1.18 lac, therefore, net settlement amount would be Rs.7.12 lac, which shall be paid as follows:

	(Rs. in lac)
December,2006	1.00
January, 2007	1.00
February, 2007	1.00
March, 2007	1.00
April,2007	1.00
May, 2007	1.00
June, 2007	<u>1.12</u>
	<u>7.12</u>

No interest shall be charged upto 31.12.06 and thereafter simple interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The representative of the unit consented to the settlement.

20 M/s Bhawani Chemical Industries, D 12, I.A. Hanumangarh

Nobody on behalf of the unit appeared before the Committee, therefore, the case was **deferred**.

21. M/s Hanuman Transport, P No. 16 Sainik Basti, Nagaur

Nobody on behalf of the unit appeared before the Committee, therefore, the case was **deferred**.

22. M/s Smt Asha Swami, Jaipur City (Transport loan)

The committee after considering facts of the case decided that the upfront amount of Rs.0.86 lac which was deposited by party on 31.3. 2005 may be adjusted against the settlement amount as per provisions of ongoing settlement scheme for settlement of transport loan cases and party to

register his case by **depositing registration fees and upfront amount afresh.**

23. M/s. K K Granites, G 56 (A), RIICO I.A. Bishangarh, Distt. Jalore

Shri Kana Ram Choudhary, Proprietor & Shri Gokul Prasad, friend of the promoter appeared before the committee.

This is a case of Granite unit lying closed. The case has been registered for Special HOLC as a special case with the permission of competent authority. The value of prime security is Rs.4.54 lac. No collateral security and third party guarantee is available. The category of the loan account is Doubtful. The total outstanding in loan accounts is 43.36 lac.

After detailed discussions and considering all the facts and position of the case, the committee decided to **settle** the case at a sum of Rs. 11.30 lac less upfront amount of Rs. 2.30 lac, therefore, net settlement amount would be Rs.9.00 lac, which shall be paid as follows:

	(Rs. in lac)
January, 2007	3.00
February, 2007	3.00
Upto 25 th March, 2007	<u>3.00</u>
	9.00

No interest shall be charged upto 31.12.06 and thereafter interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

24. M/s Kankaria Udyog, H-120 New Indl. Area, Behind New Power House, Jodhpur

Nobody on behalf of the unit appeared before the Committee, therefore, the case was **deferred.**

25. M/s Jassa Ram Ramdeen, Jodhpur

The committee after considering facts of the case decided that party may be allowed to deposit the balance settlement amount as per decision taken in the year 2001-02 alongwith interest @ 13% p.a. While working out settlement amount, the amount that was deposited by the party after the decree awarded by the court may be reduced.

26. M/s Kuber Plaster Udyog, G-1-159, I.A. Sardar Shahar, Churu

Shri Paras Mal Pugalia, relative of proprietor appeared before the committee.

This is a deficit case. The assets were sold in a sale consideration of Rs.7.50 lac on 26.11.05 leaving deficit of Rs.17.11 lac. A sum of Rs. 2.26 lac was debited as other money in the account after the assets were sold. The case was earlier placed in HOLC in its meeting held on 25.3.06. Aggrieved with the decision of HOLC, party has preferred an Appeal to higher committee. . The category of the loan account as on 31.3.04 is Doubtful 'B'. No collateral security / third party guarantee is available.

The committee after discussions and consideration of facts and position of the case, offered to settle the account in further payment of Rs. 3.29 lac, out of which Rs. 1.00 lac was to be deposited in the month of February, 2007 and balance upto June, 2007. The party will pay the dues of other Government Departments and will produce NOC from all Government Departments before issue of No dues certificate and in case RFC has released any payment against Government Department(s) as per 70:30 then the party will have to deposit the amount over and above the settlement amount of Rs. 3.29 lac. No interest shall be charged upto 31.12.06 and thereafter simple interest @ 13% p.a. shall be charged on unpaid amount of settlement. The party did not give consent in writing to the offer given by the committee hence, the case was **rejected** and branch to initiate recovery action.

27. M/s Rajnish Link Chain Pvt. Ltd., Kashipuri, Distt. Bhilwara

The committee confirmed the decision taken by CMD.

28. M/s Raghunath Granites, H32, RIICO I.A. Bishangarh, Distt. Jalore

Shri Dhannaram, Proprietor of the unit appeared before the committee. This is a case of Granite tiles unit, lying closed. The case has been registered for Special HOLC as a special case with the permission of competent authority. The value of prime security is Rs.4.10 lac. No collateral security and third party guarantee is available. The category of the loan account is Doubtful. The total outstanding in loan account is Rs..51.85 lac.

After detailed discussions and considering all the facts and position of the case, the committee decided to **settle** the case for a sum of Rs. 9.83 lac less upfront amount of Rs. 1.83 lac, therefore, net settlement amount would be Rs.8.00 lac, which shall be paid as follows:

	(Rs. in lac)
December,2006	2.00
January, 2007	2.00
February, 2007	2.00
Upto 25 th March, 2007	<u>2.00</u>

8.00

No interest shall be charged upto 31.12.06 and thereafter simple interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

29. M/s Rajasthan Presstress Concrete Sleepers Pvt. Ltd., Sawai Madhopur

Shri Prahlad Goyal & Ramesh Goyal, Directors of the Company and Basant Goyal s/o director, appeared before the committee.

This is a case of Railway line sleeper unit, in possession of the Corporation since 29.6.93. P&M was sold in a consideration of Rs. 7.77 lac on 12.4.01 but possession not handed over to purchaser as per directions of Anti Corruption Department. The case is pending under investigation with ACD. The land and building is in possession of the Corporation but this cannot be disposed off as per the orders of Court. Land is from Railway on license. The case has been registered for Special HOLC as a special case with the permission of competent authority. The value of collateral security is Rs.150.00 lac. No third party guarantee is available. The category of the loan account is Doubtful. The total amount payable is Rs.83.03 lac (with simple interest).

After detailed discussions and considering all the facts and position of the case, the committee decided to **settle** the case for a sum of Rs. 38.14 lac less upfront amount of Rs. 4.14 lac (rounded off), therefore, net settlement amount would be Rs.34.00 lac, which shall be paid as follows:

Upto 25 th March, 2007	Rs. 17.00 lac
April, 2007 to September, 2007	Rs. 17.00 lac in equal monthly installments

No interest shall be charged upto 31.12.06 and thereafter simple interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The Director of the unit consented to the settlement.

30. Shri Pawan Kumar s/o Shri Vijay Singh, Purchaser of M/s Yogesh Kumar Gupta / M/s SRL Automotive Pvt Ltd., H 865, 866 I.A. Bhiwadi, District Alwar (ARRC)

The committee decided to get the **issue examined** from GM(Accounts) on file since the issue relates to waiver of penal interest for the period of delay in execution of documents.

31. M/s Shri Sunil Chand Mathur, 632, Moti Katla, Chardarwaja, Jaipur (City)

Shri Sunil Chand Mathur, Proprietor and Smt Arunesh Mathur w/o proprietor appeared before the committee.

This is a case of Transport loan (Mini bus). The vehicle was sold in a sale consideration of Rs. 0.95 lac on 7.10.92 leaving a deficit of Rs.2.40 lac (rounded off). The party got his case registered for settlement of account under the provisions of ARRC circular No. 100 dated 2.5.05. The case was settled by Branch Manager for a sum of Rs.2.78 lac but the settlement amount was not deposited by the party. He made request to the CMD to place his case before higher committee. The case is, therefore, placed before Special HOLC as an Appeal case with the permission of competent authority. No collateral security and third party guarantee is available. The category of the loan account is Doubtful.

After detailed discussions and considering all the facts and position of the case, the committee decided to **settle** the case for a sum of Rs. 1.42 lac less upfront amount of Rs.0.20 lac deposited for Special HOLC & Rs. 0.27 lac (rounded off) at Branch level, therefore, net settlement amount would be Rs. 0.95 lac, which shall be paid as follows:

December,2006	0.50 lac
January, 2007	0.15 lac
February, 2007	0.15 lac
Upto 25 th March, 2007	<u>0.15 lac</u>
	<u>0.95 lac</u>

No interest shall be charged upto 31.12.06 and thereafter simple interest @ 13% p.a. shall be charged on unpaid amount of settlement.

The promoter of the unit consented to the settlement.

32. **Method of calculation of interest to be charged for delayed payment**

There have been instances where the parties commit default in making payments within the time schedule decided by the respective Empowered Settlement committees. In such cases, settlement amount is accepted by charging interest @ 13% p.a. for the delayed period. Though the policy is amply clear that interest for the delayed period should be charged on simple basis, still there is confusion in this regard at some corners.

The matter was brought to the notice of Committee. The committee made it clear that the interest for the delayed period @ 13% p.a. shall be charged on simple basis. However, if in any case, the settlement amount accepted by charging interest for the delayed period @ 13% p.a. on compounding basis and account squared up, such cases shall not be reopened.

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