

**RAJASTHAN FINANCIAL CORPORATION
(FR Division)**

MINUTES
Special HOLC Meeting
Dated : 30.01.2008

Present		
Shri B.N. Sharma, IAS Chairman & Managing Director	:	In Chair
Shri Pawan Arora, RAS Executive Director	:	Member
Shri Suman Kumar Vig, RAS, General Manager (Dev.)	:	Member Secretary
Shri R.S. Gupta Financial Advisor	:	Member
Shri R.P. Meena, DGM(Loans)	:	Member
Shri Dharmveer Jasnani, Incharge(Law)	:	Member

Shri K.K. Parashar, DGM(ARRC), Shri L.K. Ajmera, DGM(DDW), Shri N.K. Jain, Manager(FR-1), Shri Dinesh Mohan, Manager (FR-2), Shri M.C. Agrawal, Manager(DDW), Shri S.S. Agarwal, Manager (FR-3), Shri Deepak Verma, Manager(ARRC), Shri S.K. Gupta, DM(FR) and Shri Naveen Ajmera, DM(FR) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 17.12.07.

Minutes were confirmed.

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

1. M/s Hotel Barkha, Sirohi, (BO, Abu Road) (ARRC Case)

Shri Manohar Singh Mewara, promoter of the unit, appeared before the committee.

The case was placed before HOLC in its meeting held on 6.2.07 in which committee offered to settle the case by waiver of penal interest charged in the loan account of the unit since beginning but the promoter did not give consent within the stipulated time, hence, the case could not be settled. The health code category of the loan account as on 31.03.04 is "Sub

standard' therefore, the case was registered as a special case for HOLC after seeking necessary approval from the competent authority.

Aggrieved upon the decision of the HOLC, the unit had made an appeal to Special HOLC. The delay in making appeal has also been condoned by the competent authority. A loan of Rs. 15.00 lac was sanctioned on 20.03.97, out of which Rs. 14.45 lac were disbursed. On account of non payment of dues the assets were taken into possession on 9.5.07 by the Corporation u/s 29.

A sum of Rs. 50.47 lac is outstanding as on 01.12.2007 , (principal sum Rs. 14.20 lac, interest Rs. 35.97 lac and other money Rs. 0.30 lac). The simple interest for the possession period is Rs. 4.79 lac. Hence, total outstanding is Rs. 55.26 lac. The MRV of the financed assets is Rs. 26.80 lac and there is no collateral security or third party guarantee.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 35.00 lac less upfront amount of Rs. 2.13 lac (rounded off), i.e. at the net payable settlement amount of Rs.32.87 lac, which shall be paid by the unit in eight equal monthly instalments commencing from Feb., 2008 to September, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

2. M/s Bhati Industries, Sikar

The case was earlier placed in the meeting of Special HOLC dated 17.12.2007 but nobody turned up, hence, the case was deferred.

Smt. Shamim Bano, widow of the promoter of the unit and Shri Yunus, nephew, appeared before the committee.

A loan of Rs.3.57 lac was sanctioned (in A/c-I Rs. 1.74 lac and in A/c-II Rs. 1.83 lac on 6.9.93 and 30.5.94 respectively) for manufacturing of Polythene Bags & Pipes. Out of which Rs. 3.38 lac was disbursed in both the loan accounts. The unit was set up in a rented premises. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. A sum of Rs. 26.86 lac is outstanding as on 01.12.2007 in both the a/cs (P. sum Rs. 3.06 lac and interest Rs. 23.78 lac and other money Rs. 0.02 lac. The MRV of the financed assets is Rs. 0.10 lac and the value of collateral security is Rs. 16.99 lac. There is no third party guarantee is available. The promoter of the unit has

expired on 22.06.04 and his widow approached the Corporation for settlement. The ROD has been sent.

After detailed discussions with the representative and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 6.93 lac less upfront amount of Rs. 0.93 lac, i.e. at the net payable settlement amount of Rs. 6.00 lac, which shall be paid by the unit in five equal monthly instalments commencing from Feb., 2008 to June, 2008 without any interest.

The representative of the unit consented to the settlement.

3. M/s Satyog Marble Products & Suppliers, Sikar

The case was earlier placed in the meeting of Special HOLC dated 17.12.2007 but nobody turned up, hence, the case was deferred.

Shri Satya Dev Chouhan, partner and Shri Yogendra Chouhan, brother of the partner of the unit, appeared before the committee.

A loan of Rs. 13.50 lac was sanctioned on 24.08.98, out of which Rs. 13.03 lac was disbursed for setting up Marble slab unit. The category of the loan account was 'Doubtful' as on 31.03.04. A sum of Rs.48.60 lac were outstanding as on 01.09.2007, out of which Rs. 13.01 lac towards principal and Rs. 35.59 lac towards interest. The MRV of the financed assets(P&M) is Rs. 2.50 lac and value of collateral security is Rs. 4.00 lac. Value of third party guarantee is NIL. ROD has been sent but it was returned by the Collector.

After detailed discussions with the partner and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 28.91 lac less upfront amount of Rs. 3.91 lac, i.e. at the net payable settlement amount of Rs. 25.00 lac but the above offer of the committee was not accepted by the partner of the unit, therefore, no settlement could be reached and the case was rejected with the advise that BO should initiate action for recovery of dues.

4. M/s Saraswati Sangmarmar Udyog, Banswara

Shri Girish Upadhaya, brother of partner of the unit, appeared before the committee.

This case is registered for Special HOLC as a special case with the approval of competent authority. A loan of Rs.7.40 lac was sanctioned(In A/c- I Rs. 2.60 lac and in A/c-II Rs. 4.80 lac on 30.08.89 and 23.06.90 respectively) for setting up a unit of marble tiles. Out of which Rs. 7.10 lac were disbursed. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. A sum of Rs. 2.22 lac was outstanding as on 01.12.2007 in both

the accounts, out of which Rs. 0.68 lac towards principal and Rs. 1.54 lac towards interest. The MRV of the financed assets is Rs. 3.20 lac. The present value of collateral security (at the time of execution) is Rs. 19.80 lac and the value of third party guarantors is NIL. Action u/s 32(G) has been initiated.

After detailed discussions with the partner and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 2.12 lac **less** upfront amount of Rs. 0.20 lac (rounded off), i.e. at the net payable settlement amount of Rs. 1.92 lac, but the above offer of the committee was not accepted by the representative of the unit, therefore, no settlement could be reached and the case was **rejected** with the advice that the Branch Office should immediately take possession of the collateral security in exercise of powers conferred u/s 29 of SFCs Act, 1951.

5. M/s Sh. Ram Deo S/o Sh. Mansa Regar, Nagaur (DDW Case)

It is a write off/written back case. A loan of Rs. 0.27 lac was sanctioned on 12.09.88 for manufacturing of Leather Shoes. Out of which Rs. 26,500/- was disbursed. The unit is lying closed. This case has been written off in the year 1994-95. Amount written off is Rs. 26,500/- and amount written back is Rs. 15,584/-. MRV of the assets is Rs. 1.70 lac. Action u/s 32(G) has been initiated by the BO.

Since the security is available is more than 200%, therefore, the branch has forwarded the case at HO.

Nobody turned up for discussions. However, after detailed discussions and considering all the facts and position of the case, the committee decided to settle the account as recommended by the Branch Office i.e. Rs. 44,200/- **less** upfront amount of Rs. 27,825/-, i.e. at the net payable settlement amount of Rs. 16,375/-, which shall be paid by the unit upto 31st March, 2008 without interest.

6. M/s Dhakar Flour Mill, Chittorgarh (DDW Case)

Shri Bheru Lal Dangi, guarantor and Shri Suresh Kumar, friend of guarantor of the unit, appeared before the committee.

It is written off/decreetal case. A loan of Rs. 11,500/- lac was sanctioned and disbursed in the year 1983. A sum of Rs. 11,500/- and Rs. 24,277/- was write off/written back in the year 1994-95. The Corporation has filed suit for recovery in the year 2003 and court has awarded the decree of Rs. 70,533/- on 1.4.2004. The 6% interest is also chargeable till the payment of decreetal amount which works out to Rs. 6367/-. As per the provisions of Circular No. FR-406, a sum of Rs. 82,100/- are recoverable inclusive of MGE of Rs. 5,200/-. The guarantor has filed case against RFC in three different courts.

Since the security is available is more than 200%, therefore, the branch has forwarded the case at HO.

After detailed discussions with the guarantor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 76,000/- **less** upfront amount of Rs. 10,000/- **less** Rs. 35,000/- deposited after registration of the case i.e. at the net payable settlement amount of Rs. 31,000/-, which shall be paid by the unit upto 31st March, 2008 without any interest. Court case shall be withdrawn by the party.

The guarantor of the unit consented to the settlement.

7. M/s Mahendra Engineering Company, Jodhpur

Shri Mahendra Singh, promoter of the unit, appeared before the committee.

A loan of Rs.2.50 lac was sanctioned on 30.06.86 and entire amount was disbursed. There are two loan accounts, first represents to term loan account and second for funded interest account. It is a unit of auto parts for diesel engine compressor and Well Drilling Equipment. The unit is running one. The unit is located at Mandore Industrial Area developed by RIICO and there has been disputes between farmers and RIICO regarding land which has resulted in cultivated hindrance in regular production by the unit. Few portion of the area is reported to be under developed. Farmers have obtained stay from Hon'ble Court which is still in force. The category of the loan account was 'Doubtful' as on 31.03.04. A sum of Rs. 55.00 lac were outstanding as on 01.12.2007, out of which Rs. 3.10 lac towards principal and Rs. 51.90 lac towards interest. Earlier penal interest amounting to Rs.86,115/- was also considered for waiver. The MRV of the financed assets is Rs. 10.74 lac. The value of collateral security and third party guarantee is NIL.

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. 8.93 lac **less** upfront amount of Rs. 0.93 lac, i.e. at the net payable settlement amount of Rs. 8.00 lac, but the above offer of the committee was not accepted by the partner of the unit, therefore, no settlement could be reached and the case was **rejected** with the advise that BO should initiate action for recovery of dues.

8. M/s Kataria Plastic, Nawalgarh, Distt. Jhunjhunu (ARRC Case)

Shri Budh Ram Saini, promoter and Shri Tara Chand Saini, brother of promoter of the unit, appeared before the committee.

Earlier the case was placed before HOLC in its meeting held on 20.02.03 and the committee offered to settle the case on simple interest basis which was not accepted by the promoter, hence, the case was rejected.

Aggrieved with the decision of HOLC decision, the party made an appeal to Spl. HOLC. A loan of Rs. 4.12 lac was sanctioned on 28.09.96 and a sum of Rs. 3.48 lac was disbursed for setting up a unit of plastic carry bags. On account of non payment of dues, the assets of the unit was taken into possession on 24.02.2001. The P&M of the unit was sold on 23.02.05 in a consideration of Rs. 0.30 lac. The category of the loan account was 'Doubtful' as on 31.03.04. A sum of Rs. 5.48 lac is outstanding as on 01.12.2007(Principal sum Rs. 3.29 lac, interest Rs. 1.66 lac and other money Rs. 0.53 lac). The simple interest for the possession period is Rs. 6.57 lac, therefore, the total outstanding is Rs. 12.05 lac. MRV of the prime assets is Rs. 3.22 lac. Value of collateral security is Rs. 3.98 lac. There is no third party guarantee.

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.6.07 lac less upfront amount of Rs. 0.57 lac, i.e. at the net payable settlement amount of Rs. 5.50 lac, but the above offer of the committee was not accepted by the promoter of the unit, therefore, no settlement could be reached and the case was rejected with the advice that BO should initiate action for recovery of dues.

9. M/s Sumukhi Oil Mill, Deedwana, Distt. Nagaur

Smt. Saraswati Devi, promoter, Shri Dinesh Kumar Agrawal, son-in-law and Shri Tara Chand, relative of promoter of the unit, appeared before the committee.

Earlier this case was placed before HOLC in its meeting held on 15.02.02 and the committee offered to settle the case on simple documented interest basis which was not accepted by the promoter, hence, the case was rejected.

Aggrieved with the decision of HOLC decision, the party made an appeal. A term loan of Rs. 0.79 lac and working capital loan of Rs. 1.12 lac was sanctioned on 22.05.90, out of which Rs. 1.83 lac were disbursed for setting up the unit of Oil Mill. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. A sum of Rs.17.53 lac were outstanding as on 01.12.2007 in both the loan accounts, out of which Rs. 1.69 lac towards principal and Rs. 15.84 lac towards interest. The MRV of the financed assets(P&M) is Rs. 0.75 lac and value of collateral security is Rs. 3.72 lac. Value of third party guarantee is NIL. ROD has been sent. Husband of the proprietor expired after prolong illness and his widow Smt. Saraswati Devi (promoter) approached for settlement.

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. 4.51 lac less upfront amount of Rs. 0.51 lac (rounded off), i.e. at the net payable settlement amount of Rs. 4.00 lac, but the above offer of the committee was not accepted by the promoter of the unit, therefore, no settlement could be reached and the case was rejected with the advise that BO should initiate action for recovery of dues.

10. M/s Yadav Mineral, Newai, Distt. Tonk

Shri Gajanand Yadav, guarantor and Shri Rajendra Kumar Yadav, partner of the unit, appeared before the committee.

Earlier this case was placed before HOLC in its meeting held on 20.10.03 and father of the promoter was adamant to settle the case by paying principal only which was not accepted hence the case was rejected.

Aggrieved with the decision of HOLC decision, the party made an appeal. A loan of Rs. 2.35 lac was sanctioned on 28.04.90, out of which Rs. 2.09 lac was disbursed for setting up the unit of Quartz Powder. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. A sum of Rs.19.79 lac were outstanding as on 01.12.2007, out of which Rs. 2.09 lac towards principal, Rs. 17.67 lac towards interest and Rs. 0.03 lac other money. P&M reported to missing and value of collateral security is Rs. 17.24 lac. Value of third party guarantee is NIL.

After detailed discussions with the partner and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 7.04 lac less upfront amount (including the amount deposited in last one year) of Rs. 1.64 lac (rounded off), i.e. at the net payable settlement amount of Rs. 5.40 lac, which shall be paid by the unit upto 31st March, 2008 without any interest.

The partner of the unit consented to the settlement.

It has also been decided by the committee to seek explanation of the Branch Manager for not lodging of FIR for missing assets.

11. M/s United Commercial Institute, Nagaur

Earlier this case was placed before DLC in its meeting held on 11.02.04 and the committee settled the case in Rs. 1.50 lac but party did not deposited the amount and requested for appeal which was accepted by the competent authority.

A loan of Rs. 1.33 lac was sanctioned on 19.12.90, out of which Rs. 1.20 lac was disbursed for Photostat Machine. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is running one. A sum of Rs.4.90 lac were outstanding as on 01.12.2007, out of which Rs. 1.20 lac towards principal and Rs. 3.70 lac towards interest. Value of P&M is Rs. 0.11 lac. Though the collateral security was obtained for the loan but no valuation was reported to have been carried out at the time of execution also. Title documents of plot in Fauzi Pariwar Grah Nirman Shahkari Samiti Ltd. was submitted by the party but BM informed that the plot was not regularized and cancelled by the Nagarpalika. Finally the plot is not in the possession of the mortgager hence at present the MRV of collateral security is NIL. No third party guarantee has been taken.

Though no representative was appeared before the committee and a letter was received from the promoter of the unit showing his inability to attend the meeting but the case was discussed and decided by the committee suo-moto by approving the recommendations made by the Branch Manager i.e. party will pay principal sum of Rs. 1.20 lac plus other money, if any, plus 5% recovery charges (ROD) minus upfront amount of Rs. 36,500/- paid for appeal. The amount so worked out shall be paid by the party upto March, 2008 without any interest.

12. M/s Rathi Granites, Sikar

Shri J.S. Rathi, proprietor of the unit, appeared before the committee.

A loan of Rs. 2.10 lac was sanctioned on 29.08.96, out of which Rs. 1.58 lac could be disbursed for setting up the unit of Granite Slab. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. A sum of Rs.7.49 lac were outstanding as on 01.12.2007, out of which Rs. 1.57 lac towards principal, Rs. 5.88 lac towards interest and Rs. 0.04 lac towards other money. MRV of financed assets is Rs. 4.70 lac. The value of collateral security as well as value of third party guarantee is NIL. There is a court case pending with Hon'ble High Court, Jaipur. The promoter of the unit is also belonging to Faridabad (out of State).

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 3.98 lac less upfront amount of Rs. 0.48 lac (rounded off), i.e. at the net payable settlement amount of Rs. 3.50 lac, which shall be paid by the unit upto 31st March, 2008 without any interest.

The proprietor of the unit consented to the settlement.

13. M/s Chandrawati Stone Industries, Jhalawar (FR-DDW Case)

Shri Akhtar Ali and Shri Bal Kishan, guarantors of the unit, appeared before the committee.

It is a deficit case. The net deficit amount is Rs. 1,91,893/- after adjusting payment received from promoter and surplus amount in LGD. Financed assets already sold. Value of collateral security is Rs. 12.28 lac and third party guarantee is Rs. 18.69 lac. The mortgaged guarantor Shri Rahmet Ali expired and his sons are residing in the mortgaged property with family. The house is situated in Kunjara Mohalla, Jhalawar and taking over of possession of house can attract problem of law & order. One of the son of the mortgager guarantor, Shri Akhtal Ali and personal guarantor Shri Ishwar Lal approached for settlement.

After detailed discussions with the guarantors and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.2.30 lac less upfront amount of Rs. 0.30 lac, i.e. at the net payable settlement amount of Rs. 2.00 lac, but the above offer of the committee was not accepted by the guarantors of the unit, therefore, no settlement could be reached and the case was rejected with the advise that BO should initiate action for recovery of dues.

14. M/s Shiv Shakti Polychem Inds., Bagru, Jaipur (DDW Case)

Shri Ramesh Solanki, partner of the unit, appeared before the committee.

It is a deficit case. The case was earlier settled in SLC meeting dt. 28.02.01 in a net payable settlement of Rs. 28.00 lac which was to be paid in instalments but the unit failed to make the settlement amount, hence, the unit was taken into possession on 16.05.05 and sold on 18.10.05 in a consideration of Rs. 24.25 lac.

A sum of Rs.62,67,301/- were outstanding as on date of sale and after appropriation of sale proceed. A sum of Rs. 22,92.600/- in principal, Rs. 39,74,325/- towards interest and Rs. 376/- towards other money remaining in deficit. Financed assets already sold. Value of collateral security is Rs. 15.00 lac to 20.00 lac and value of third party guarantee is NIL. The property is situated at Delhi is in the name of Shri Ramesh Solanki mortgaged with the Corporation as collateral security. There is a court case between Shri Ramesh Solanki (mortgager guarantor and his brother) for sale/purchase of the aforesaid property.

After detailed discussions with the partner and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 22.93 lac less upfront amount of Rs. 3.47 lac, i.e. at the

net payable settlement amount of Rs. 19.46 lac, which shall be paid by the unit in twelve equal monthly instalments commencing from Feb., 2008 to Jan., 2009 without any interest.

The partner of the unit consented to the settlement.

15. M/s Shagun Sarees, Hanumangarh

Shri Shyam Sunder Arora, Shri Raj Kumar Arora, partners of the unit, Shri Raj Kumar Suman, friend of partner, Shri Prem Arora, brother of partner and Shri Dharamveer Godara, friend of partner of the unit, appeared before the committee.

A loan of Rs. 20.00 lac was sanctioned on 9.02.2000 and full sanctioned amount was disbursed. The loan was granted under the SSI Marketing Showroom Scheme. Since the loan was sanctioned for working capital, therefore, collateral security in the shape of house No. 187 located at Durga Colony was taken. The category of the loan account was 'Doubtful' as on 31.03.04. The show room is in operation. A sum of Rs.46.70 lac were outstanding as on 01.12.2007, out of which Rs. 4.25 lac towards principal not due, Rs. 15.75 lac towards principal overdue, Rs. 26.61 lac towards interest and Rs. 0.09 lac other money. MRV of financed assets is Rs. 6.00 lac. Value of third party guarantee is NIL.

On account of non payment of Corporation dues, the matter was referred to Revenue Authorities u/s 32(G) of the SFCs Act and the revenue authorities has already sold the collateral security in a consideration of Rs. 10.56 lac but the other family members have filed court case against the sale of house mortgaged as collateral security.

The family members of Shri Shyam Sunder Arora have availed different loans under the SSI marketing showroom schemes in other concern under different name and style. Total seven number units were financed by the Corporation where total loan sanctioned was Rs. 124.00 lac and disbursement was Rs. 79.00 lac including the abovesaid unit. The promoter of Shagun Saree have approached for OTS.

After detailed discussions with the partners and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 21.10 lac less upfront amount of Rs. 6.07 lac (rounded off), i.e. at the net payable settlement amount of Rs. 15.03 lac, which shall be paid by the unit in eleven equal monthly instalments commencing from Feb., 2008 to December, 2008.

No interest would be charged upto 31.03.08 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The main partner of the unit Shri Shyam Sunder Arora consented to the settlement.

16. M/s Bageshree Dairy Products (P) Ltd., Dungarpur

Shri Dhanesh Devnani, Director and Shri Kishan Lal Chandani, friend of Director of the unit, appeared before the committee.

The case was placed in the HOLC in its meeting held on 12.05.05 wherein an offer of Rs. 35.00 lac less upfront amount of Rs. 7.67 lac, therefore, net payable settlement amount of Rs. 27.33 lac, but the offer of the committee was not accepted by the unit, hence, the case was rejected.

Aggrieved with the decision of the HOLC the party made an appeal. The competent authority condoned the delay in appeal.

A sum of Rs.26.00 lac was sanctioned on 1.6.99 and Rs. 25.97 lac were disbursed. The category of the loan account was 'Sub Standard' as on 31.03.04. The unit is engaged in dairy product i.e. Ghee. The unit is running one. A sum of Rs.48.06 lac were outstanding as on 01.12.2007, out of which Rs. 23.78 lac towards principal, Rs. 24.28 lac towards interest plus other money. MRV of the financed assets is Rs. 31.35 lac. Value of collateral security located in Ahmedabad (calculated in 1999) is Rs. 14.40 lac (present value may be around Rs. 25.00 lakh). The personal guarantee of all the directors is also available. The last disbursement was made to the unit on 17.12.2000 i.e. beyond 31.03.2000, therefore, after the decision by Special HOLC the case will be placed before Board for ex-post-facto approval/confirmation.

After detailed discussions with the director and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs39.15. lac less upfront amount of Rs.7.15 lac i.e. at the net payable settlement amount of Rs.32.00 lac, which shall be paid by the unit upto 31.03.2008 without any interest.

It was also decided that the decision taken by the committee may be placed before the Board for ex-post-facto approval.

The Director of the unit consented to the settlement.

17. M/s Ashirwad Offset Printers (P) Ltd., Pali (ARRC Case)

Smt. Manju Surana, Director of the company, appeared before the committee.

A loan of Rs. 15.00 lac was sanctioned on 6.3.97, out of which Rs. 3.59 lac was disbursed. The project is abandoned. On account of non payment of Corporation dues, the possession was taken over on 4.01.05. A bid of Rs. 5.81 lac was received in the open auction on deferred payment basis. The company filed application against sale and Hon'ble High Court passed an order on 21.09.06 that the sale of the property may not be finalized. The Corporation filed an application before Hon'ble High Court for permission/approval of sale of assets in Rs. 5.81 lac. The Hon'ble High Court passed an order on 13.12.07 as under:-

"The writ petition is, therefore, disposed off with the direction and clarification that petitioner shall deposit requisite charges as per the scheme of One Time Settlement and there upon the matter of the petitioner shall be processed and decided within two months there from. The respondents shall be free to process the application of the petitioner for OTS and decide the matter in accordance with their procedure. Till such time the final decision is not taken on the application of the petitioner, auction which already took place shall not be confirmed and petitioner would abide by the final decision that may be taken in OTS."

Accordingly the company has got registered the case for OTS.

The category of the loan account was 'Doubtful' as on 31.03.04. A sum of Rs.14.45 lac were outstanding as on 01.12.2007, out of which Rs. 3.59 lac towards principal, Rs. 10.30 lac towards interest and Rs. 0.56 lac towards other money. The interest for the possession period upto 31.12.07 is Rs. 10.08 lac. MRV of the financed assets is Rs. 6.53 lac. No collateral security as well as third party guarantee is available.

After detailed discussions with the director and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 7.00 lac less upfront amount of Rs. 1.25 lac (rounded off), i.e. at the net payable settlement amount of Rs. 5.75 lac, which shall be paid by the unit as follows:-

Feb., 2008	Rs. 1.00 lac
March, 2008	Rs. 1.00 lac
April, 2008	Rs. 1.25 lac
May, 2008	Rs. 1.25 lac
June, 2008	Rs. 1.25 lac

Total	Rs. 5.75 lac

No interest would be charged upto 31.03.08 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The director of the company consented to the settlement.

18. M/s Pankaj Textile, Kishangarh

Smt. Kamlesh Agrawal, proprietor, Shri Gordhan Lal Goyal, husband of proprietor and Shri Mool Chand, Borhter of proprietor of the unit, appeared before the committee.

A loan of Rs.2.00 lac was sanctioned on 16.08.91 for setting up a Powerloom cloth unit in a rented premises. Out of sanctioned loan a sum of Rs. 1.71 lac was disbursed. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. A sum of Rs. 8.63 lac were outstanding as on 01.12.2007, out of which Rs. 1.71 lac towards principal and Rs. 6.92 lac towards interest. The P&M have been shifted from the site. Representative of the unit informed that machines have been stolen and FIR has been lodged by the party. Collateral security is not available. Value of third party guarantee is Rs. 2.00 lac. ROD has already been sent to Collector on 17.03.05.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 1.81 lac less upfront amount of Rs. 0.51 lac (rounded off), i.e. at the net payable settlement amount of Rs.1.30 lac, which shall be paid by the unit as under:-

50% of settlement amount (i.e. Rs. 0.65 lac) shall be paid upto 31st March, 2008 and remaining 50% (i.e. Rs. 0.65 lac) shall be paid in three equal monthly instalments from April, 2008 to June, 2008.

No interest would be charged upto 31.03.08 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

It was also decided by the committee that explanation of the concerned Branch Manager be called for not lodging FIR for missing of assets as well as for selling the security by the guarantor.

19. M/s Gafoor Mohd. Chhipa, Bhilwara

A loan of Rs.1.23 lac was sanctioned and disbursed in the year 1982 for acquiring tractor compressor. The category of the loan account was 'Doubtful' as on 31.03.04. The tractor compressor is lying in scrap condition in the State

of Maharashtra. In this case personal guarantee of Smt. Sayara Begum (wife of loanee) was obtained and BO has reported that the value of the said house is Rs. 2.08 lac. Case filed u/s 32(G) and Prapatra-5 got issued, but litigation arised as Smt. Sayara Begum had sold out her property to some one viz. Shri Sabir Mohd. Though the BO could be able to get the case decided in favour of the Corporation but the property in question is situated in Muslim Basti in old City of Bhilwara therefore it is difficult to dispose off the property.

A sum of Rs.35.16 lac were outstanding as on 01.09.2007, out of which Rs. 1.23 lac towards principal, Rs. 33.88 lac towards interest and Rs. 0.05 lac towards other money. Collateral security is not available. Value of third party guarantee is Rs. 2.08 lac. Since the tractor compressor is not traceable, therefore, MRV of the same has not been shown in the proposal.

Although no representative of the unit in person appeared before the committee, however, a FAX letter on the date of meeting was received from the promoter of the unit agreeing to settle his case on the amount equal to double the principal outstanding i.e. Rs. 2.46 lac + other money + 5% recovery charges (ROD) minus upfront amount of Rs. 39,000/-. The BM, Bhilwara has also recommended the case to settle on the above lines, therefore, the committee has decided to accept the recommendation of the BM, Bhilwara. The amount so worked out shall have to be paid by the party upto March, 2008 without any interest.

20. M/s Inder Colour Lab, Sikar

Shri Inder Chand Soni, promoter and Shri Man Mohan Soni, son of promoter of the unit, appeared before the committee.

A loan of Rs.10.00 lac was sanctioned on 16.08.95, out of sanctioned loan a sum of Rs. 9.55 lac was disbursed for setting up a colour lab unit in rented premises. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. A sum of Rs. 93.16 lac were outstanding as on 01.12.2007, out of which Rs. 9.55 lac towards principal, Rs. 83.57 lac towards interest and Rs. 0.04 lac towards other money. MRV of the financed assets is Rs. 0.68 lac. Value of the collateral security is Rs. 18.71 lac. No third party guarantee is available. The case has already been filed u/s 32(G) but party obtained stay from Hon'ble Court action against 32(G).

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.20.00 lac less upfront amount of Rs.3.00 lac, i.e. at the net payable settlement amount of Rs.17.00 lac, which shall be paid by the unit upto 31st March, 2008 without any interest.

The promoter of the unit consented to the settlement.

21. M/s M.B. Shoes Industries (P) Ltd., Bhiwadi (DDW Case)

Shri Ramesh Kumar son of Director and Shri Dharam Pal, brother of director of the unit, appeared before the committee.

It is a deficit case. The Corporation have sanctioned loan of Rs. 55.00 lac on 12.03.97 and Rs. 12.91 lac on 20.02.97, out of which Rs. 64.56 lac were disbursed to the unit. The unit was taken into possession on 3.12.98 and sold in a consideration of Rs. 45.31 lac leaving a deficit of Rs. 24.00 lac and other government dues. ROD was sent to Collector on 6.3.07.

The branch have forwarded the case as the value of collateral security is more than 200% than principal and other money deficit.

The total deficit amount in both the loan accounts is Rs. 24.00 lac, out of which Rs. 18.34 lac as principal, interest is Rs. 3.32 lac and other money is Rs. 2.34 lac. The value of the collateral security is Rs. 65.00 lac.

After detailed discussions with the director and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 21.73 lac less upfront amount of Rs.2.75 lac (rounded off), i.e. at the net payable settlement amount of Rs. 18.98 lac, which shall be paid by the unit in six equal monthly instalments commencing from Feb., 2008 to July, 2008.

The promoter will submit the No Dues Certificate from all the concerned Government Departments.

No interest would be charged upto 31.03.08 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The son of director of the company consented to the settlement.

22. M/s Ninama Stone Crusher, Banswara

Smt. Ratan Devi, promoter of the unit and Shri Sanjay Meena, Nephew of the promoter of the unit, appeared before the committee.

A loan of Rs. 6.15 lac was sanctioned on 19.12.91, out of which Rs. 4.22 lac was disbursed for setting up a stone crusher. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is running one. A sum of Rs.7.47 lac were outstanding as on 01.12.2007, out of which Rs.1.80 lac towards principal, and Rs. 5.67 lac towards interest. MRV of financed assets

is Rs. 2.10 lac. Value of collateral security is Rs. 2.54 lac. No third party guarantee is available. This is a case of ST entrepreneur who expired and unit is being looked after by his wife (promoter). The unit had already repaid more than Rs. 6.00 lac as against the disbursed loan of Rs. 4.22 lac.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 2.34 lac less upfront amount of Rs. 0.54 lac, i.e. at the net payable settlement amount of Rs. 1.80 lac, which shall be paid by the unit upto 31st March, 2008 without any interest.

The promoter of the unit consented to the settlement.

23. M/s Polar Marmo Agglomerates Ltd., Udaipur (ARRC Case)

Shri Alok Agrawal, Director of the company, appeared before the committee.

Assets of M/s Nav Kalyan Chini Mitti, Udaipur were put to auction and offer of M/s Polar Marmo Agglomerates Ltd., Udaipur was approved for an amount of Rs. 10.00 lac on 07.03.1989. As per terms & conditions purchaser M/s Polar Marmo Agglomerates Ltd., Udaipur paid Rs. 2.50 lac. The agreement to sale was executed and possession of the unit was handed over on 31.03.89. Balance sale price of Rs. 7.50 lac was to be paid in 19 quarterly instalments. first instalment fell due on 01.10.89.

Meanwhile Shri Nathu Lal, who had also reportedly advanced money to M/s Nav Kalyan Chini Mitti obtained a decree for Rs. 2,31,613/- on dated 28.11.89 and in execution of decree he got attachment of this land in question sold to M/s Polar Marmo Agglomerates Ltd., Udaipur

Against the above action M/s Polar Marmo Agglomerates Ltd., Udaipur filed a petition before executing court, however, by order dated 24.01.98. Court decided that the property was already under attachment of court and sale made by RFC was not valid.

Aggrieved by the decision of executing court M/s Polar Marmo Agglomerates Ltd., Udaipur and RFC went in appeal before High Court, Jodhpur. High Court by order dated 25.01.05 directed the trial court to re-hear the case. The case was reheard by the court and on behalf of RFC oral evidence was given to the effect that loan has been given by RFC by crediting mortgage of immovable property of M/s Nav Kalyan Chini Mitti situated at Industrial Area Pratap Nagar, Udaipur. However, original loan documents and mortgaged documents could not be produced before the court as the same were totally spoiled due to flood at Jaipur. The court did not accept certified true copy of registered mortgage and decided the case with the basis that no mortgage has been proved.

As against this order, Corporation has filed appeal in High Court, Jodhpur and High Court considering the case prima facie, stayed the order of Trial Court dated 4.3.06 by its order dated 11.05.06.

M/s Polar Marmo Agglomerates Ltd., Udaipur has cleared Corporation's dues and only a sum of Rs. 76,323/- is overdue principal sum, Rs. 5.60 lac towards interest and Rs. 0.22 lac towards other money total outstanding is Rs. 6.58 lac as on 01.12.2007. M/s Polar Marmo Agglomerates Ltd., Udaipur registered his case with BIFR vide Registration No. 199/98. BIFR in its hearing dated 7.7.06 issued show cause notice for winding up of the company. M/s Polar Marmo Agglomerates Ltd., Udaipur approached AAIFR in August, 2006 who stayed the BIFR orders for winding up.

The company is registered with BIFR and for their on going efforts for revival before the BIFR, company is requesting for following:-

- (a) To settle the term loan account by accepting principal sum of Rs. 76,323/- and waiver of interest and other money etc.
- (b) While granting approval for waiver, RFC to mention that lease deed will only be executed upon final disposal of the pending case by Hon'ble High Court, Jodhpur.

Shri Agrawal, Director of the unit also stated in the meeting that his company has already repaid the entire balance outstanding of the Corporation and nothing remains to be paid towards dues, the sale deed of the land has not yet been executed in their favour. Moreover, the possession of the entire land sold to their company was not handed over(i.e. lesser land by 1800 yards).

After detailed discussions with the director and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 1.75 lac less upfront amount of Rs. 0.75 lac, i.e. at the net payable settlement amount of Rs. 1.00 lac(further payment), which shall be paid by the unit upto March, 2008 without any interest

It was also decided that the lease deed will not be executed till the final outcome of the Hon'ble High Court and the High Court decision shall be binding upon the company.

The Director of the company consented to the settlement conditionally stating that the sale deed will be executed in favour of the company by the RFC.

Since the director was required to give consent without any condition, the settlement may be considered as reached if the company deposits Rs. 1.00 lac upto 31.03.2008 and did not insist for executing of sale deed till the final outcome of the court case pending in the Hon'ble High Court, Jodhpur.

24. M/s Kamla Salt Industries, Adaka Bas, Didwana, Nagaur

Shri Gordhan Lal Saini, promoter of the unit, appeared before the committee.

Due to non payment of Corporation dues, action u/s 32(G) has been initiated by the Corporation and against this, party has gone into litigation. The court has decided the case in its judgement dated 14.11.2007 as under:-

"It is a question of public money being involved, the petitioner is directed to deposit a sum of Rs. 3.00 lac (Rupees three lac only) within a period of two months from today with the respondent RFC. On the deposit of the said amount, the respondent RFC should also consider the case of the petitioner for waiver of penal interest in the spirit of settlement of dues which has swollen upto 25.00 lac."

The court has also directed that "decision of respondent RFC is expected to be placed on the record of this court within a period of three months from today " i.e. prior to 14.2.2008. In compliance of court, the party has deposited Rs. 3.00 lac on 11.01.08 which has been treated as upfront amount and accordingly, the case has been placed before Special HOLC dt. 30.01.08.

A loan of Rs. 2.45 lac was sanctioned on 26.06.92, out of which Rs. 2.34 lac was disbursed for setting up a salt unit at Deedwana. The category of the loan account was 'Doubtful' as on 31.03.04. The unit is lying closed. A sum of Rs.38.59 lac were outstanding as on 01.12.2007, out of which Rs.2.34 lac towards principal, Rs. 36.22 lac towards interest (including penal interest of Rs. 4.30 lac) and Rs. 0.03 lac towards other money. MRV of financed assets(Land) is Rs. 8.30 lac. P&M is reported to be destroyed in flood. No collateral security as well as third party guarantee is available.

In compliance of the verdict of Hon'ble High Court, Johdpur, 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. 5.37 lac **less** upfront amount of Rs. 3.00 lac, i.e. at the net payable settlement amount of Rs. 2.37 lac, which shall be paid by the unit in four equal monthly instalments commencing from April, 2008 to July, 2008

No interest would be charged upto 31.03.08 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit, however, not furnishes his consent to the above decision instantly and sought the time of one month for giving his consent, hence, the case was **deferred**.

Since the committee has taken a decision in compliance of orders of Hon'ble High Court, therefore, as directed, the above decision of the committee may be submitted to the Hon'ble High Court for record.

25. M/s Paras Oil Industries, Jodhpur(DDW Case)

Nobody turned up for attending the meeting but the case was discussed in light of the directions of Hon'ble High Court and it was decided that the case will be placed again in the next meeting of the Special HOLC. It was also decided that as per court directions a reasonable opportunity of being heard is to be provided to the promoters of the unit, hence, the Branch Manager will ensure that the notice/information of the meeting is delivered personally to the promoters and send the acknowledgement of the notice at HO for record.

26. M/s Merta Cement (P) Ltd., Merta City, Nagaur (DDW Case)

Nobody turned up for attending the meeting but the case was discussed and decided by the committee.

It is a deficit case. The Corporation have granted loan of Rs. 83.00 lac on 18.06.92, out of which Rs. 75.78 lac was disbursed upto 30.01.95. The unit was taken into possession on 26.03.98 and sold in a consideration of Rs. 81.00 lac leaving a deficit of Rs. 19.21 lac in principal head and Rs. 0.07 lac towards other money.

The prime assets has already been sold and no collateral/third party guarantee is available in the case.

Nobody turned up for discussion. However, after detailed discussions and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 19.28 lac less upfront amount of Rs. 2.90 lac, i.e. at the net payable settlement amount of Rs. 16.38 lac, which shall be paid by the unit upto June, 2008 in five equal instalments.

No interest would be charged upto 29.02.08 and thereafter w.e.f. 01.03.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of 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 paid 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.

GENERAL MANAGER(DEV.)

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
Special HOLC Meeting
Dated : 01.09.2008

Present:		
Shri Atul Kumar Garg, IAS Chairman & Managing Director	:	In Chair
Shri Pawan Arora, RAS Executive Director	:	Member
Shri R.P. Meena, DGM(Loans)	:	Member
Shri Dharmveer Jasnani Incharge(Law)	:	Member
Shri K K Parashar, DGM(ARRC)	:	Member Secretary

Shri P.K.Singh, DGM(FR-2), Shri L.K. Ajmera, DGM(DDW), Shri A.P. Mathur, DGM(FR-1), Shri N.K. Jain, Manager(FR-1), Shri Dinesh Mohan, Manager (FR-2), Shri P.D.Verma, Manager(FR-3), Shri Deepak Verma, Manager(ARRC), Smt. Neelima Deshmukh, DM(DDW) and Shri Naveen Ajmera, DM(FR) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 19.07.08.

Minutes were confirmed.

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

1. M/s Shree Raja Industries, B 140(A), MIA, Udaipur

Shri Raja Lodha, partner and Shri D.C.Singhvi, Brother-in-law of partner appeared before the committee.

A loan of Rs. 4.00 lac was sanctioned on 31.3.87, out of which Rs. 3.72 lac was disbursed to the unit for setting up a unit of manufacturing of Engineering Goods.

A sum of Rs. 7.31 lac was outstanding as on 01.09.2008, (principal sum Rs. 1.21 lac, interest Rs. 6.05 lac and other money Rs. 0.05 lac) against which security available with the Corporation is Rs.47.00 lac (land Rs.37.50 lac + building Rs.8.00 lac+ P&M Rs.1.50 lac). The unit is a running one. Category of the loan account was "Doubtful" as on 31.03.05. No collateral security or third party guarantee is available.

Due to default, action u/s 32(G) has been initiated. ROD is pending with Tehsildar Girwa who has issued attachment order dated 22.10.05. The party filed Writ Petition in the Hon'ble High Court at Jodhpur who in its order dated

29.10.07 has observed that the petitioner shall make an appropriate application for settlement of the account under the scheme floated by the RFC within a period of one month. The respondents are directed to settle the account of the petitioner according to the scheme for settlement within a period of one month thereafter. On the facts and in the circumstances of the case, it is ordered that the further proceedings in pursuance of Annexure 8 dated 28.10.2005 shall remain stayed till the aforesaid exercise in terms of the scheme for settlement of the account is completed.

Party did not get its case registered for OTS within the stipulated period, therefore, the BO, Udaipur initiated legal action against the concern on 27.3.08. The party then got registered its case for settlement of account on 23.5.08 and deposited requisite registration fee and upfront amount.

After detailed discussions with the representatives of the firm and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.6.10 lac(i.e. the amount comes after waiver of penal intt. amounting to Rs.1.21 lac) **less** upfront amount of Rs. 0.20 lac, i.e. at the net payable settlement amount of Rs. 5.90 lac payable within 30- days but the representatives of the firm did not accept the offer and raised certain issues on maintaining the account and claiming that the decision made earlier by the then DGM(R) should be taken into account. The committee, therefore, decided to **defer** the case and call the files of BO and RO for examination and thereafter to place the case again before the committee.

2. M/s Shri Soap Industry, Jhunjhunu

Shri Puran Singh Shekhawat s/o Shri Sultan Singh, proprietor of the concern, appeared before the committee.

A loan of Rs. 1.51 lac was sanctioned on 24.01.83 for manufacturing of soap, out of which Rs.1.48 lac was disbursed to the unit.

A sum of Rs. 41.13 lac was outstanding as on 01.06.2008, (principal sum Rs. 1.48 lac, interest Rs. 39.64 lac and other money Rs. 0.01 lac). Category of the loan account was "Doubtful" as on 31.03.05. MRV of assets (L&B) is Rs. 1.23 lac. No collateral and third party guarantee is available.

The financed assets i.e. P&M are missing. Registered letter issued to the party to restore the P&M on 09.07.2008. ROD u/s 32 (G) has been sent to Collector, Jhunjhunu on 6.02.07 and matter is under process with SDM, Udaipurwati.

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. 3 lac **less** upfront amount of Rs. 0.15 lac, i.e. at the net payable settlement amount of Rs.2.85 lac, but the proprietor did not accept the offer, hence the case was **rejected**. The committee also directed to lodge the FIR against the proprietor as the Plant & Machineries are missing. Accordingly, Branch Office may take necessary action and ensure the compliance.

3. M/s Rathore Crushing Company, V&P Setrawa, Tehsil Shergarh, Distt. Jodhpur

Shri Ummed Singh and Shri Mahesh Bhatt, partners of the firm, appeared before the committee.

A loan of Rs. 3.52 lac was sanctioned on 03.06.1989 out of which Rs. 3.15 lac was disbursed to the unit.

A sum of Rs. 5.02 lac was outstanding as on 01.09.2008, (principal sum Rs.0.86 lac, interest Rs. 4.12 lac and other money Rs. 0.05 lac). Category of the loan account was "Doubtful" as on 31.03.05. The status of the unit has been reported closed and category of loan A/c is doubtful on 31.3.04 to 31.3.08. For recovery of Corporation dues, action u/s 32 (G) has been initiated and ROD filed on 28.07.06.

The land was allotted by the Mining Department on lease. The primary security is not available at site hence MRV has been shown Nil as the P&M is in scrap condition. The value of collateral security assessed on 21.2.07 was Rs.1.74 lac.

This case was earlier considered by special HOLC in its meeting held on 6.7.2007 and after detailed discussions with the partner and considering all the facts and position of the case, the committee took a decision to settle the account in a consideration of Rs.3.17 lac less upfront amount of Rs.0.27 lac i.e. at the net settlement amount of Rs.2.90 lac payable up to 31.7.2007. Shri Ummed Singh Rathore, partner of the unit agreed before the committee for the above settlement but he did not give his consent in writing and requested to settle the A/c for net settlement amount of Rs.2.25 lac which was not accepted and the case was rejected

The claim filed u/s 32 (G) was regularly being followed up on which the SDM, Shergarh issued auction notice for sale of 52 bigha (MRV Rs.52 lac approx.) Agricultural land of promoter for recovery of the dues. The auction was scheduled on 28.6.2008 but could not be held as the party registered its case for settlement with a request to grant relief in interest. Simultaneously vide its letter dated 28.6.2008 addressed to Hon'ble Industries Minister, Government of Rajasthan, party agreed to pay Rs.2.80 lac (instead of Rs.2.90 lac as decided by Spl. HOLC)

After detailed discussions with the representative and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.3 lac less upfront amount of Rs.0.33 lac, i.e. at the net payable settlement amount of Rs.2.67 lac which shall be paid by the unit by 30.9.08.

The promoter of the unit **consented** to the settlement.

4. M/s Kailash Chand Somani, Near Bada Mandir, Nala Bazar, Bhilwara

The case was placed in the Special HOLC meetings held on 28.06.2008, and 19.07.08 but nobody turned up to attend the meeting, hence, the case was **deferred**.

The case was again submitted before the committee.

Shri Ladu Lal Gattani, relative of the promoter Kailash Chand Somani, appeared before the committee.

Earlier the case was placed before HOLC in its meeting held on 7.3.03. The committee offered to settle the case on simple interest to which the party did not agree hence the case was rejected.

A loan of Rs. 1.23 lac was sanctioned on 30.12.82, out of which Rs. 1.19 lac was disbursed for blasting of mines (purchase of Tractor compressor RJE-3812).

A sum of Rs. 9.90 lac was outstanding as on 01.06.2008, (principal sum Rs. 0.73 lac, interest Rs. 9.12 lac and other money Rs. 0.05 lac). Category of the loan account was "Doubtful" as on 31.03.04.

The financial position of the promoter is very poor. He has no definite source of income. No collateral security is available in the case. Guarantor expired on 3.2.01 and his property reported to be sold. For recovery of dues of the Corporation, application filed u/s 31(1)(aa) on 17.9.01 i.e. decided in favour of loanee against which the Corporation has filed an appeal before Hon'ble Court and appeal is under the stage of servicing of summons.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.1,55,500/- **less** upfront amount of Rs. 15,500/-, i.e. at the net payable settlement amount of Rs.1,40,000/-, which shall be paid upto 30th September,08.

The representative of the unit **consented** to the settlement.

5. M/s Pathan Oil Mill, Merta Road, Nagaur

Shri Suleman Khan, s/o Shri Aziz Khan, Proprietor of the unit appeared before the committee.

It is a deferred sale case. The proprietor of the unit purchased P&M of M/s.SMB Oil Mill, Hanumangarh on deferred payment basis on 26-7-2000. The deferred amount was Rs.1.52 lac. Shri Aziz Khan, father of Shri Suleman Khan deposited original patta of residential land No. 7/21 issued by Gram Panchayat, Merta Road towards collateral security of the deferred loan. Shri Aziz Khan has expired on 15.3.2003. The unit has been established on the site mortgaged with the Corporation as collateral security.

A sum of Rs. 4.39 lac was outstanding as on 01.06.2008, (principal sum Rs. 1.52 lac, interest Rs. 2.87 lac). Category of the loan account was "Doubtful" as on 31.03.05. The unit is partially running.

Earlier in the year 1986 M/s Pathan Oil Mill availed a loan of Rs.42,600/- from the Corporation. Shri Aziz Khan was the proprietor of the unit. Entire loan was repaid in the year 1997 and charge was also released.

It has been reported by BM vide letter dt. 21.7.2008 that the unit is partially running but P&M purchased on deferred payment basis by Shri Suleman not found installed. P&M purchased on deferred payment basis are not available at site. At present old P&M available (non financed) at the site which were installed in the year 1986 by Shri Aziz Khan.

For the missing P&M, FIR was not lodged. However B.O. issued letter to the borrower to restore all missing P&M. In turn the party vide letter dated 15.7.2008 has informed that he has sold the P&M which were purchased on deferred payment.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.3.66 lac **less** upfront amount of Rs. 0.16 lac i.e. at the net payable settlement amount of Rs.3.50 lac, which shall be paid in 6 equal monthly instalments commencing from Sept'08 to Feb'09.

No interest would be charged upto 30-9-2008 and thereafter w.e.f. 1-10-08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representative of the unit **consented** to the settlement.

6. M/s Mohan Industries, I.A. Bishangarh, District Jalore

Shri Mohan Singh s/o Shri Hari Singh Rajpurohit promoter of the unit,, appeared before the committee.

A loan of Rs. 5.19 lac was sanctioned on 26.03.1992 out of which Rs. 3.93 lac was disbursed for manufacture of biscuits.

A sum of Rs. 53.29 lac was outstanding as on 01.09.2008, (principal sum Rs.3.93 lac and interest Rs. 49.36 lac). MRV of the financed assets is Rs.6.39 lac. No collateral security and third party guarantee is available in the case. The status of the unit has been reported closed and category of loan A/c is doubtful on 31.3.05. For recovery of Corporation dues, action u/s 32 (G) was initiated on 25.03.06 but same was withdrawn on 28.6.08 as no action was taken by the SDO. Thereafter action u/s 30/29 was initiated. Possession was scheduled on 4.7.08 but was not taken as party shown its inclination to settle the account.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.10.10 lac **less** upfront amount of Rs. 0.60 lac, i.e. at the net payable settlement amount of Rs.9.50 lac, which shall be paid in 7 equal monthly instalments commencing from September, 2008. The last instalment shall be paid by 15th March, 2009.

No interest would be charged upto 30.9.2008 and thereafter w.e.f. 1.10.2008 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representative of the unit **consented** to the settlement.

7. M/s Mamta Restaurant, Opp Roadways Bus Stand, Sikar

Shri Bajrang Lal Jat, Promoter of the unit appeared before the committee.

A loan of Rs. 2.87 lac was sanctioned on 14.10.2000 out of which Rs.2.05 lac was disbursed to the unit for setting up a Restaurant.

A sum of Rs. 5.65 lac was outstanding as on 01.09.2008, (principal sum Rs.2.05 lac and interest Rs. 3.60 lac). The MRV of the financed assets is Rs.1.56 lac. No collateral security and third party guarantee is available in the case. The status of the unit has been reported to be running and category of loan A/c is doubtful on 31.3.05. For recovery of Corporation dues, action u/s 32 (G) was initiated and ROD has been sent to the Collector, Sikar on 20.10.05, the same is pending with Tehsildar.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.2.71 lac **less** upfront amount of Rs. 0.31 lac, i.e. at the net payable settlement amount of Rs. 2.40 lac, which shall be paid in five equal monthly instalments commencing from September,2008 i.e. upto January, 2009.

No interest would be charged upto 30.9.2008 and thereafter w.e.f. 1.10.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representative of the unit **consented** to the settlement.

8. M/s Arjento Jewellery Pvt. Ltd., 2GF, 2/1 RIICO Stone I.A. Durgapura, Jaipur

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

9. M/s Choudhary Steel Udyog, Nawalgarh Road, Sikar

Shri Prakash Choudhary, Promoter of the unit, appeared before the committee.

A loan of Rs. 4.80 lac was sanctioned on 19.07.2000 (term loan Rs.2.80 lac and WC loan Rs.2.00 lac) out of which Rs. 3.94 lac ((Rs. 2.34 lac term loan and Rs.

1.60 lac towards working capital) was disbursed upto 16.08.2000 to the unit for manufacturing of steel furniture.

A sum of Rs. 12.91 lac was outstanding as on 01.06.2008, (principal sum Rs.3.94 lac, interest Rs. 8.96 lac and other money Rs.0.01 lac). Financed assets (P&M) are missing and Branch Office has lodged FIR against the part on 16.4.08. For recovery of Corporation dues, action u/s 32 (G) has been initiated and ROD sent to Collector, Sikar on 20.10.05 and the same is pending with Tehsildar. The category of loan A/c is doubtful on 31.3.05.

Collateral security of residential house of Guarantor at village Katrathal, District Sikar was taken. The MRV of which is reported to be Rs.2.50 lac while the value considered at the time of execution was Rs.6.00 lac.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account on the outstanding arrived at on the basis of calculation on simple interest basis that is Rs.8.38 lac as on 1.6.08. But the proprietor did not agree to the offer given by the committee, therefore, the case was **rejected** with the following directions:

- i) Branch Manager to pursue with police authorities for speedy action on the FIR lodged against the proprietor
- ii) Reason for the reduction in MRV of collateral security may be enquired.

10. M/s Chandrika Flour Mill, Bundi

Smt Kamlesh Kumar Sharma, Promoter of the unit appeared before the committee.

Fixed assets of the unit viz. M/s Reliable Engineering Works were purchased on mutual consent basis by M/s Chandrika Flour Mill in a consideration of Rs.2.50 lac and deferred loan was Rs.1.50 lac (16.09.2000), thereafter term loan of Rs.18.15 lac (Rs.12.15 lac term loan and Rs.6.00 lac working capital loan) was sanctioned on 19.12.2000 against which a sum of Rs.13.01 lac (term loan Rs.7.01 lac and working capital loan of Rs.6.00 lac) were disbursed. Last disbursement was made on 29.12.01.

The case is not eligible to be registered under on going settlement scheme, because of the fact that the last date of disbursement of WCTL is beyond 31.3.2001 (26.12.2001). The competent authority has granted permission to register as a special case for OTS.

A sum of Rs. 35.18 lac was outstanding as on 01.06.2008, (principal sum Rs.13.62 lac, interest Rs. 21.52 lac and other money Rs.0.04 lac). The MRV of financed assets is Rs.10.84 lac. The present value of collateral security is Rs.43.37 lac. Third party guarantee is not available. The category of loan A/c is doubtful on 31.3.05. The case has been filed under section 32 (G) on 11.7.2006 and the collateral security has been attached on 15.12.2007. Auction of the same is yet to be conducted by revenue authorities.

This is an abandoned project and due to shortage of working capital and raw material, unit could not run properly and lying closed. Financial position of promoter is not good. Guarantor has also expired.

The complaint has been filed u/s 138 (b) of NI Act on account of bouncing of cheque. The case is at the stage of serving of summons.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 26.36 lac (comes as per simple interest) less upfront amount of Rs.2.70 lac i.e. at the net payable settlement amount of Rs. 23.63 lac, payable in five equal monthly instalments commencing from September, 2008.

No interest would be charged upto 30.09.008 and thereafter w.e.f. 1.10.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representative of the unit sought time for giving consent to the above offer, hence keeping in view the request. Committee decided to **defer** the case.

11. M/s Ankita Marbles, Plot No. H-1/53 RIICO I.A., Tehsil Banera, District Bhilwara

Smt Asha Jha, Proprietor and her husband Shri Arun Kumar Jha, appeared before the committee.

The husband of the promoter raised his grievances before committee and after hearing him, it was decided to **defer** the case with the advise to submit his grievances separately. Thereafter, the case may be placed before the committee.

12. M/s Kamal Industries, Neem Ka Thana, Sikar

Shri Nanak Ram Totlani, proprietor of the unit appeared before the committee.

Borrower purchased fixed assets of one of the closed unit from the Corporation in a consideration of Rs.3.50 lac on deferred payment basis in March 2001 for manufacturing PVC wire unit.

The borrower failed to make repayment of the dues, therefore, Branch initiated legal action. Aggrieved with this action of the Corporation, party filed a writ petition (SB civil writ petition No.1338/2005) before Hon'ble High Court, Jaipur and obtained stay on 28.2.05.

The Hon'ble High Court on 19.5.08 disposed off the stay application as well application under Article 226 (3). Operating para of order passed by the Hon'ble High Court is as under.

“After considering the submissions of the learned counsel for the parties, the interim stay order dated 28.2.2005 is modified, and it is directed that the petitioner will deposit a sum of Rs.4,80,000/- (amount of eight dishonoured cheques of Rs.60,000/- each) within a period of four-weeks from today, failing which the interim stay order will be deemed to have been vacated, and it will be open for the respondents to proceed with the matter in accordance with the law”

Instead of making payment as per order passed by Hon'ble High Court, party requested to consider its case for settlement. This request was placed before competent authority and it was decided to register the case for settlement. Accordingly, the case was placed before committee for appropriate decision.

A sum of Rs. 6.38 lac was outstanding as on 01.06.2008, (principal sum Rs.2.63 lac, interest Rs. 3.66 lac and other money Rs.0.09 lac). The MRV of the financed assets is Rs.6.77 lac as on 20.8.08. No collateral security or third party guarantee is available. The category of the account is doubtful as on 31.3.05.

The promoter has also entered into agreement with Shri Mali Ram Agarwal for sale / transfer of the unit without prior permission of the Corporation as per application filed by Shri Agarwal before Hon'ble High Court to become co-petitioner in the writ petition.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 6.41 lac less upfront amount of Rs. 0.41 lac, i.e. at the net payable settlement amount of Rs. 6.00 lac. But the promoter did not agree to the offer given by the committee, therefore, the case was **rejected** with the direction to BO to initiate legal action for recovery as per norms immediately.

13. M/s Kishangarh Granites Pvt. Ltd., Kishangarh

The case has been registered as a grievance case as per order of the competent authority i.e. CMD without depositing registration fee & upfront amount.

In the case after getting payment of entire dues, no dues certificate was issued by the Corporation on 2.12.99 and the original title deed was sent to Bank of Baroda, Kishangarh on 29.03.2000. The Branch Office, Kishangarh also refunded an amount of Rs.16,819/- being surplus amount lying in the account of the company in January, 2001.

Thereafter interest on subsidy amount which was to be debited in the loan account of this Company which was wrongly debited in the loan account of M/s. Peeyush Marble (P) Ltd., Kishangarh was noticed and accordingly this account was debited by Rs.39647/- on 1.2.2002 giving effect from 1.7.98. The total amount has now increased to Rs. 2.35 lac. The BO, therefore, advised party to deposit this amount but the party did not deposit the amount, therefore, BO has issued notice U/s 32(G) on 14.12.07. The unit has been regular in the repayment and was our Good Borrower.

After detailed discussions and considering all the facts and position of the case, the committee decided **to settle** the account for payment of Rs.39,647/- as requested by the party, which will be paid by 30.09.08.

Further, an enquiry may be made into the irregularities occurred in the case.

14. M/s Vinayak Stone Crusher, 3 Lakhawa I.A., Kota

Shri S.K.Goyal, Proprietor and Shri S.K. Mathur, Manager of the unit, appeared before the committee.

It is a deferred sale case. The assets of the unit namely M/s Bhagirath Stone Crusher 3 Lakhawa Industrial Area, Kota were purchased by the concern in consideration with Rs.31.11 lac on 30.08.2002. Deferred loan was of Rs.23.23 lac after receipt of initial payment of Rs.7.77 lac. Agreement to sale was executed and possession handed over on 19.09.2002. The original loanee namely M/s Bhagirath Stone Crusher filed a suit before Hon'ble H.C. Jaipur and status quo ordered on 23.10.02 by court.

On 1.4.2003 High Court held that the interim orders of status quo shall remain effective till 17th April,2003. Stay was vacated on dated 23.04.2003.

Payment of Rs.37,983/- was made by the RFC to JVVNL on 22.7.2003 against its dues as per policy 70:30 after getting an undertaking executed. Power connection could be released on dated 27.2.04.

The party has been submitting request / representation for waiver of interest / penal interest for the period during which it was restrained to run the unit by the court and thereafter up to the date of release of power connection such request could not be considered favourably and for recovery of dues legal action initiated.

Aggrieved with the legal action, the party has filed a suit before Hon'ble High Court Jaipur (SBCWP 9176/2005). Hon'ble court held on 15.7.2008 "Two months time is given to the parties for negotiation. Petitioner is directed to appear before the Managing Director alongwith fresh representation. The report of negotiation will be submitted before this court after two months."

The party has submitted representation dated 14.8.08 to the BM, Kota for consideration.

The case is not eligible for settlement as per the on going settlement scheme. In the light of orders of Hon'ble High Court, it has been considered as a grievance case.

After detailed discussions and considering all the facts and position of the case, the committee offered waiver of interest for the period from the date of handing over possession (19.9.2002) upto the date 22.7.03 when payment to JVVNL

made by RFC as per the policy of 70:30. The interest for this period reported by the branch is Rs. 2.94 lac. The balance remains after waiver of interest of Rs.2.94 lac will be paid by the party in six equal monthly instalments commencing from September,08, the last instalment shall be payable on 15th February, 2009. The party shall pay the interest as and when it will fall due @ 13% p.a. or the documented rate of interest, whichever is higher.

The representative of the unit **consented** to the settlement.

15. M/s Kandoola Marbles, Dungarpur (ARRC case)

Shri Harish Chand Shah father of patner Shri Amit Shah, appeared before the committee.

A loan of Rs. 16.00 lac was sanctioned on 31.03.1999 out of which Rs. 7.45 lac was disbursed upto 22.12.2000 to the unit for manufacturing cutting of Marble Blocks.

A sum of Rs. 19.44 lac was outstanding as on 01.06.2008, (principal sum Rs.7.45 lac, interest Rs. 11.02 lac and other money Rs.0.97 lac). The category of loan A/c is doubtful on 31.3.04 & 31.3.05. The MRV of the financed assets is Rs.13.00 lac as on 10.6.08. and that of collateral security is Rs.10.00 lac. No third party guarantee is available.

Due to non payment of Corporation dues possession of the unit was taken on 23.1.06. There is ban on transfer of mines in tribal area to a person other than scheduled tribe as per Branch Office letter dated 7.4.07, 20 attempts have been made to auction the assets but only one bidder turned up in the first attempt for Rs.1.10 lac.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 12.53 lac **less** upfront amount of Rs.2.53 lac, i.e. at the net payable settlement amount of Rs. 10.00 lac, which shall be paid in six equal monthly instalments commencing from September,08. The last instalment shall be paid on 15.2.2009.

No interest would be charged upto 30.9.2008 and thereafter w.e.f. 1.10.2008 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representative of the unit verbally **consented** to the settlement but has not given in writing. The Branch Office is advised to take consent from the party in writing within 15 days, if party does not give his consent, then the case will be **treated as rejected** and Branch Office to take effective steps for recovery of Corporation dues.

16. M/s Jai Balaji Cement Ltd., Alwar (ARRC case)

Shri Kailash Agarwal, Director of the Company, appeared before the committee.

This case was earlier placed before Spl HOLC in its meeting held on 26.6.08 but nobody turned up hence consideration of the case was deferred. Thereafter, again placed before Spl HOLC in its meeting held on 19.07.2008 in which the committee offered to settle the account in a consideration of Rs.375.00 lac **less** upfront amount of Rs. 15.06 lac (rounded off), i.e. at the net payable settlement amount of Rs. 359.94 lac. But the director has made a request to give some more time to discuss with other directors and family members. Therefore, it was decided to defer the case.

M/s Umesh Cement (P) Ltd. a sick unit under possession of Corporation was sold in a consideration of Rs.100.00 lac under the conditional deed of conveyance dated 22.7.96. The deferred amount was Rs. 75.00 lac. The present value of MRV is Rs.123.00 lac as on 12.5.08 and category of the account is doubtful as on 31.3.04 and 31.3.05.

The unit is under possession with Sale Tax Department since 17.03.2000.

Even after correspondence with the Commissioner, Sales Tax to release possession of the unit to corporation as corporation has first charge over the assets of the unit no action was initiated by the Sales Tax Department. The party had also filed a suit in local court on 18.10.06 to stop the auction proceeding of Sales Tax Department but the application of the party has been dismissed vide order dated 10.04.08 of Hon'ble ADJ-2 Alwar.

BO filed an application in the court ADJ-2, Alwar on 06.10.2000 U/s 31(1) (aa) against the party.

After detailed discussions and considering all the facts and position of the case, the committee again offered to settle the account in a consideration of Rs.375.00 lac **less** upfront amount of Rs. 15.06 lac (rounded off), i.e. at the net payable settlement amount of Rs. 359.94 lac. But again the director (representative of the company) requested to give some more time with a view to discuss with other directors and family members. Keeping in view the request of the director, the committee advised him to attend the next meeting alongwith other directors of the company (decision makers) and so the case was **deferred**.

17. M/s Laxmi Lal Panchal, Dungarpur (DDW case)

Shri Laxmi Lal Panchal, proprietor of the unit, appeared before the committee.

A loan of Rs. 5.00 lac was sanctioned on 1.5.99 out of which Rs. 2.525 lac was disbursed upto 1.10.99 for mining.

A sum of Rs. 4.06 lac was outstanding (principal sum Rs.2.87 lac including Government dues of Rs.0.33 lac, interest Rs.1.18 lac and other money Rs.0.01 lac). The financed assets have already been sold on 5.2.05 in consideration of Rs.1.13 lac. The MRV of collateral security i.e. residential house at village Kalyanpur, District Dungarpur has been assessed at Rs.16.00 lac as on 16.4.08. Third party guarantee is not available in the case.

It is a deficit case. ROD u/s 32-G is pending at Tehsil Kherwara.

The MRV of the collateral security is more than 200% of principal sum outstanding, therefore, Branch Office has forwarded for Spl HOLC.

As per policy where security available is more than 200% of principal deficit amount in the cases including principal deficit amount more than Rs.1.00 lac, such cases will be placed before Spl HOLC for taking decision for settlement.

After detailed discussions and considering all the facts and position of the case, the committee decided **to settle the** account in a consideration of Rs. 4.28 lac **less** upfront amount of Rs. 0.43 lac (rounded off), i.e. at the net payable settlement amount of Rs. 3.85 lac, which shall be paid in six equal monthly instalments commencing from September, 08 to 15th February,2009.

No interest would be charged upto 30.09.2008 and thereafter w.e.f. 1.10.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representative of the unit consented to the settlement.

18. M/s Matadeen Sardhana, Jaipur City (DDW case)

Shri Matadeen Saradhana owner of the vehicle appeared before the committee.

It is deficit/decreetal/write off case of transport loan (Truck). The borrower purchased the vehicle in a consideration of Rs.2.05 lac on deferred payment basis. The deferred amount was Rs.1.54 lac. The party failed in depositing the Corporation dues hence vehicle was taken into possession on 23.01.93 and sold in consideration of Rs.89,000/- on 25.08.94.

The Corporation has filed case under section 31(1)(aa) in the court of ADJ-2, Alwar. The court awarded decree on 20.10.03 for Rs.181208/- alongwith interest @ 20% w.e.f. 06.04.96. Execution application already filed. In the meantime Corporation has written off the account in the year 1994-95.

The present value of collateral security is Rs.18.25 lac assessed on 8.7.08 i.e. more than 200% of principal deficit/decreetal/write off. Therefore Spl HOLC is the competent authority to decide the case as per the provisions of ongoing scheme of settlement.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.6.34 lac **less**

upfront amount of Rs.0.18 lac (rounded off), i.e. at the net payable settlement amount of Rs. 6.16 lac

The representative (loanee) did not give his consent to the settlement, therefore, the case was **rejected** with the advice to the Branch Manager to take immediate effective action for recovery of the dues of the Corporation.

19. M/s Khem Singh, s/o Bhaga Ram, Parbatsar, Makrana (DDW case)

Shri Khem Singh son of loanee Shri Bhagu Ram, appeared before the committee.

It is deficit transport loan case. An amount of Rs.2.73 lac was sanctioned on 05.08.89 with seed capital loan of Rs.54,700/- Term loan of Rs.2,57,500 was disbursed on 8.3.90 and seed capital Rs.52,200/- on 20.2.90.

A sum of Rs. 5.19 lac lac was outstanding as on 1.3.08 (principal sum Rs.2.82 lac, interest Rs.2.29 lac and other money 0.08 lac). The financed vehicle has already been sold and the MRV of collateral securities have been assessed at Rs.12.25 lac on 18.3.08.

ROD sent on 19.9.06. Legal notice u/s 30 also issued on 31.1.08.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 5.45 lac **less** upfront amount Rs. 0.33 lac (rounded off), i.e. at the net payable settlement amount of Rs. 5.12 lac, which shall be paid in six equal monthly instalments commencing from September, 2008.

No interest would be charged upto 30.9.2008 and thereafter w.e.f. 1.10.2008 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representative of the loanee verbally **consented** to the settlement but has not given in writing. The Branch Office is advised to take consent from the party in writing within 15 days, if party does not give his consent, then the case will be treated as **rejected** and Branch Office to take effective steps for recovery of Corporation dues.

20. M/s B.K.Enterprises, Dungarpur (DDW case)

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

21. M/s Arihant Weaving mill Pvt. Ltd., Bhilwara (DDW case)

Shri Mitha Lal Singhvi, Director, Shri Sushil Singhvi son of the director Shri Mithalal Singhvi and Shri Mahaveer Prasad Sharma, friend of the director, appeared before the committee.

A loan of Rs. 20.00 lac was sanctioned on 4.11.97 out of which Rs. 11.70 lac was disbursed upto 18.03.98 for manufacture of cotton ginning and processing unit.

A sum of Rs. 74.22 lac was outstanding (principal sum Rs.11.70 lac, interest Rs. 62.43 lac and other money Rs.0.09 lac). The MRV of financed assets is assessed to Rs.9.52 lac and the MRV of collateral security has been assessed at Rs.9.97 lac on 16.6.08. Third party guarantee is not available in the case.

It is a decreetal case. Legal action u/s 31(1)(aa) was taken and property of collateral security attached by the court. After persuasion the case was registered for settlement.

The case was decided at Branch Level (DLC) for Rs.2178000/- i.e. on decreetal amount + OM and Interest @ 13% from 01.08.08. Aggrieved with the decision, party has approached/appealed for Spl.HOLC.

After detailed discussions and considering all the facts and position of the case ie. MRV of the financed assets Rs.9.52 lac and collateral security Rs.9.97 lac total Rs.19.49 lac, the committee decided **to settle the** account in a consideration of Rs. 19.49 lac (equivalent to MRV of the assets) **less** upfront amount of Rs.3.94 lac i.e. at the net payable settlement amount of Rs.15.55 lac, which shall be paid in six equal monthly instalments commencing from September,08 to 15th February,2009.

No interest would be charged upto 30.9.2008 and thereafter w.e.f. 1.10.2008 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representatives of the company **consented** to the settlement.

Since the case is decided below the decreetal amount, hence, necessary approval from the Board of the Corporation may be taken.

22. M/s Shree Ram Chemicals, Phulera, Jaipur Rural (DDW case)

Shri Shyam Sunder Singhaniya, Shri M.C.Singhaniya and Shri Ram Mohan Sharma, partners of the firm, appeared before the committee.

M/s. Shree Ram Chemicals has purchased a sick unit namely M/s. Jai Ambey Yantralaya from the Corporation on 17.05.94 in auction in a sale consideration of Rs.1.82 lac. After depositing margin money a sum of Rs.136400/- remained as deferred payment loan.

A further loan of Rs.343000/- was sanctioned on 30.09.94 out of which Rs.221400/- was disbursed.

Due to non payment of corporation dues legal notice was issued to the party on 08.02.2000 but instead of depositing overdue amount party vide its letter dated

10.10.2000 requested to take over the possession of the unit. As 37 units were already in possession and response of buyers was not encouraging, therefore, corporation did not take possession of the unit.

The party has applied for OTS on 01.04.02 and party was called for HOLC on 02.08.02, 19.08.02 & 17.09.02 but no body turned up therefore HOLC has decided to close the case and decision was conveyed to the party on 17.10.02.

The possession of the unit was taken on 14.06.05. The unit was sold in the 13th attempt on 06.12.06 in a consideration of Rs.7.01 lac on 50% deferred payment basis.

For recovery of deficit, notice was issued to all the partners of the unit on 20.04.07.

Aggrieved with the notice, party has filed case against the corporation before Hon'ble High Court.

Hon'ble High Court directed on 31.01.08 as under:

"The parties through their representatives shall appear before the settlement committee on 3rd March, 08. The committee may take up the matter on that day or any other date that may be fixed by it."

After taking legal opinion from Manager(Law) and from penal advocate the BO Jaipur (Rural) vide its registered A/D letter to all the partners on 27.02.08 to call them for 03.03.08 because as per delegation of powers BM is empowered to settle the deficit case.

The case was placed before Branch Level DLC meeting held on 03.03.08 and decided to settle the account in Principal deficit + OM i.e. Rs.401107 + 1955 = Rs.420662/- which was to be paid by the firm in 4 equal monthly instalments 25% of settlement was to be paid upto 31.03.08 and remaining from April to June, 08 alongwith 16% interest on unpaid amount remained as on 31.03.08.

The party failed to deposit the settlement amount upto 31.03.08 and filed an appeal against the decision of DLC by depositing a DD dated 31.03.08 of Rs.5000/- to register their appeal against the decision of Branch Level Committee i.e. DLC. As the party has not deposited the upfront amount to register the appeal, party was advised to deposit upfront amount upto 31.07.08. The party has deposited upfront amount of Rs. 42700/- at BO, Jaipur City on 31.07.08.

As per prevailing policy the case can be considered on Principal deficit + OM + 5% MGE.

An amount of Rs.11.92 lac is outstanding (principal sum Rs.4.01 lac, interest Rs. 7.66 lac and other money Rs.0.25 lac). The financed assets have already been sold out and neither any collateral security nor third party guarantee is available in the case.

After detailed discussions and considering all the facts and position of the case, the committee decided **to settle the** account in a consideration of Rs. 4.27 lac **less** upfront amount of Rs.0.43 lac (rounded off), i.e. at the net payable settlement amount of Rs. 3.84 lac, which shall be paid in six equal monthly instalments commencing from September,08 to 15th February,09.

No interest would be charged upto 30.9.08 and thereafter w.e.f. 1.10.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representative of the unit **consented** to the settlement.

23. M/s Mangalam Feeds, Kuncheli, Udaipur (DDW case)

Shri Devendra Singh, promoter of the unit, appeared before the committee.

It is a deficit case, after sale of primary assets. Collateral security has been taken into possession on 05.08.08. ROD filed, which is under process with Tehsildar Mavli.

A loan of Rs. 21.00 lac was sanctioned on 27.3.99 out of which Rs. 3.12 lac was disbursed upto 15.4.99 for manufacture of cattle and poultry feeds.

Due to non payment of dues, the financed assets taken over under possession on 19.3.01 and sold out in auction on 4.10.07 in a consideration of Rs.2.25 lac on cash down basis. In the deficit account, the outstanding balance as on 1.6.08 is Rs.2,38,866/- (only principal sum).

The financed assets have already been sold and the MRV of collateral security has been assessed at Rs.14.00 lac as on 07.8.08. Third party guarantee is not available in the case.

After detailed discussions and considering all the facts and position of the case, the committee decided **to settle the** account in a consideration of Rs.5.00 lac **less** total upfront amount of Rs. 0.49 lac (rounded off), i.e. at the net payable settlement amount of Rs.4.51 lac, which shall be paid in five equal monthly instalments commencing from September,08 to 15th January,09.

No interest would be charged upto 30.9.2008 and thereafter w.e.f. 1.10.2008 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representative of the unit **consented** to the settlement.

24. M/s Nakoda Electrodes, KOTA (ARRC Case)

Shri Prem Chand Jain, Guarantor and his son Shri Manglesh Jain, appeared before the committee.

It is a deficit case and for recovery of deficit amount, Corporation had filed application u/s 31(1)(a)(a). Hon'ble Court has awarded decree on 2.12.2000 for Rs.3.92 lac. Application for execution has also been filed in the court on 4.3.2002, which is pending at ADJ, Aklera.

The promoter of the unit left Kota and is not traceable since long time. In this case collateral security of house of Shri Prem Chand Jain, is available having value of Rs. 5.30 lac.

The mortgagor guarantor is residing in the house and is heart patient. Branch Manager has recommended to settle the account on principal deficit + OM + MGE + further legal expenses i.e. on Rs. 3.00 lac.

The mortgagor guarantor Shri Prem Chand Jain is ready to settle the account in principal sum of Rs. 2.74 lac.

The present policy for settlement of deficit / decreetal cases where collateral security is available is silent, therefore, the Branch Manager has referred the case to HO for consideration.

After detailed discussions and considering all the facts and position of the case, the committee decided **to settle the** account in a consideration of Rs. 4.13 lac **less** upfront amount of Rs. 0.40 lac (rounded off), i.e. at the net payable settlement amount of Rs.3.73 lac, which shall be paid in six equal monthly instalments commencing from September,08 to February,09. Keeping in view the financial condition and ill-health of the guarantor, it was also decided that interest may not be charged till 28th February,09 as requested by the guarantor, provided the party pays the monthly instalments in time for which Branch Office may obtain PDCs.

The representative of the unit **consented** to the settlement.

25. M/s Sourabh Polyprint, Village Irans, Bhilwara (DDW case)

It is a deficit write off case, where collateral security is not available.

It was within the powers of Branch Manager to settle on principal sum+OM+5% MGE. But the party wants to make the payment of settlement amount within 8 months time and does not want to pay interest on settlement amount as per norms. As the competency of waiver of interest not vest with the Branch Manager, therefore the case has been sent for consideration at HO.

It was a deferred sale case having deferred payment of Rs.389270/- as on 29.1.97. The assets were taken over by the Corporation on 8.12.2000 and sold out in a total sum of Rs.2.98 lac (P&M Rs. 1.12 on 20.7.01, L&B Rs.1.86 on 4.10.02).

The dues in the account was written off in the year 2006-07. The amount written off was Rs.341853/- and written back was Rs.440683/- as no collateral security or personal guarantee was available.

After detailed discussions and considering all the facts and position of the case, the committee decided **to settle the** account in a consideration of Rs.3.59 lac (inclusive of 5% to be paid to revenue officers) **less** upfront amount of Rs. 0.35 lac (rounded off), i.e. at the net payable settlement amount of Rs.3.24 lac, which shall be paid in six equal monthly instalments commencing from September,2008 to February, 2009.

The request of the party as recommended by Branch Manager is also considered by the committee and **decided that no interest may be charged upto February,09 provided party pays the settlement amount till then.**

26. M/s Bansi Paharpur Stone Pvt. Ltd., Bharatpur (DDW case)

Shri Dharamveer Singh, Director of the Company appeared before the committee.

The above case was placed before Special HOLC in the meeting held on 17.12.07. The decision taken by the committee is reproduced below:

It is a deficit case. A loan of Rs.27.50 lac was sanctioned on 25.03.98 and Rs. 22.03 lac was disbursed for setting up Gangsaw unit. On account of non payment of dues, the Corporation has taken over the assets into possession on 16.5.02 and sold on 28.08.02 in a consideration of Rs. 26.62 lac. In the instant case the deficit amount arises only on account of payment made and to be made to other Govt. Deptt. as per 70:30 policy. A sum of Rs. 143216/- and Rs. 56434/- has been remitted to JVVNL and Sales Tax Department respectively further a sum of Rs. 116057/- and Rs. 45731/- are yet to be paid to JVVNL and Sales Tax Deptt. respectively. In this manner, the total payment of Rs. 3,61,438/- paid or to be paid to Government Departments. ROD sent to Collector. The Corporation is having collateral security of Rs. 15.85 lac.

Since the security available is more than 200%, therefore, the branch has forwarded the case to HO.

After detailed discussions with the director and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.4.59 lac **less** upfront amount of Rs.0.59 lac (rounded off), i.e. at the net payable settlement amount of Rs. 4.00 lac, which shall be paid by the unit upto 29th Feb., 2008.

No interest would be charged upto 31.01.08 and thereafter w.e.f. 01.02.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

Though the representative who attended the meeting agreed in the meeting on the above settlement but he did not give the consent in writing, therefore, it has been decided that party to give consent at Branch Office upto 31.12.2007, otherwise the settlement will be automatically cancelled".

The decision of the Spl.HOLC was conveyed to the BO vide letter dated 27.12.07.

In compliance of the decision of Spl.HOLC, the promoter was to give consent at BO, Bharatpur upto 31.12.07.

As per the decision net payable settlement amount of Rs.4.00 lac was to be paid upto 29.2.08, but neither consent was furnished by the directors upto 31.12.07 nor deposited any amount except upfront amount upto 29.2.08. However, later on the directors have deposited Rs.3.21 lac in addition to the upfront amount Rs.59,000/- deposited on 9.10.07, as per details given below:

Date	Amount (Rs.)
09.10.07	59000 (Upfront amount)
19.04.08	99800
16.05.08	82000
07.08.08	90000
20.08.08	324000
02.07.08	16800 (Directly deposited by the party at Sales Tax Deptt.)
Total	380000/-

The party has requested to treat its account settled on principal deficit + 5% recovery charges, which work out to Rs.3.80 lac as against settlement amount of Rs.4.59 lac. Further it has also been requested to condone the delay and to waive the interest for delayed period.

Since the party has deposited major amount of the settlement i.e. Rs.3.80 lac as against Rs.4.59 lac, the request of the party is submitted for kind consideration of Spl. HOLC.

After detailed discussions and considering all the facts and position of the case, the committee decided to **treat the account as settled** since payment of deficit amount with 5% recovery charges has been made by the party. Branch Manager may take necessary action for issuing NOC treating the case as settled but before issuing of NOC, party will submit no dues certificate / receipt from Sales Tax Department / other concerned Government Departments.

The representative of the unit **consented** to the settlement.

27. Decreeal cases (other than deficit – 8 nos.) of Kota Branch Office

The matter was discussed at length. It has been decided to advise the Branch Manager **to register the cases as per norms and send the proposals to HO.**

28. M/s Aravali Industries, E37, RTR Indl. Area, Sawai Madhopur (ARRC case)

Mr Abdul Jahid Hussain, Partner of the firm alongwith his sons Mr Qayyum Khan, Mr Taufiq Khan and Shir P.C. Bhargava appeared before the committee.

A loan of Rs. 55.00 lac was sanctioned on 31.3.99 and the same was disbursed upto 22.6.2000 for setting up a Cold Storage & Ice unit.

A sum of Rs. 110.44 lac was outstanding (principal sum Rs.54.08 lac, interest Rs. 54.48 lac and other money Rs.1.88 lac). The MRV of financed assets is assessed to Rs.102.27 lac and the MRV of collateral security has been assessed at Rs.36.73 lac as on 9.6.08. Third party guarantee is not available in the case.

The case has been registered by accepting 50% of the requisite upfront fee, as per orders of competent authority. The promoters approached State Consumer Forum and obtained stay against auction. However, the same was vacated lateron.

The Waqf Tribunal passed order on 5.5.07 for maintaining status quo. In another case Waqf Tribunal passed order on 30.5.07 that RFC can auction the land area of 4000 sq.mtr. (with building and plant & machinery built/installed on it) mortgaged to the Corporation.

The NIT was published after demarcation of land by Tehsildar and RIICO Ltd., Sawaimadhopur.

6 auctions have been attempted but no bid received.

The Promoters approached Hon'ble High Court in SBCWP 9105/2007 against order of Waqf Tribunal, which is in due course.

After detailed discussions and considering all the facts and position of the case, the committee decided **to settle the** account in a consideration of Rs.90.58 lac **less** upfront amount of Rs. 5.58 lac, i.e. at the net payable settlement amount of Rs.85.00 lac, which shall be paid in twelve equal monthly instalments commencing from September,2008 to August, 2009.

No interest would be charged upto 30.09.08 and thereafter w.e.f. 01.10.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The partner of the firm **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 paid 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.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

(K.K.Parashar)
Dy. General Manager (FR-ARRC)
MEMBER SECRETARY

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
Special HOLC Meeting
Dated : 25.09.2008

Present:		
Shri Atul Kumar Garg, IAS Chairman & Managing Director	:	In Chair
Shri Pawan Arora, RAS Executive Director	:	Member
Shri R.P. Meena, DGM(Loans)	:	Member
Shri Dharmveer Jasnani Manager (Incharge-Law)	:	Member
Shri N.P.Gupta. DGM(FR-ARRC)	:	Member Secretary

Shri P.K.Singh, DGM(FR-2), Shri L.K. Ajmera, DGM(DDW), Shri A.P. Mathur, DGM(FR-1), Shri N.K. Jain, Manager(FR-1), Shri Dinesh Mohan, Manager (FR-2), Shri P.D.Verma, Manager(FR-3), Shri Deepak Verma, Manager(ARRC), Shri H.C.Khunteta, Manager (FR-DDW) and Shri Naveen Ajmera, DM(FR) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 01.09.08.

Minutes were confirmed.

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

1. M/s Jai Balaji Cement Ltd., Alwar (ARRC case)

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

2. M/s Mahadev Green Marble, Rishabdev, Udaipur (ARRC case)

Shri Ram Niwas Choudhary, Proprietor of the concern, appeared before the committee.

A loan of Rs. 9.40 lac was sanctioned on 28.2.97 and Rs.6.72 lac was disbursed for mining of Marble blocks. On account of non payment of dues the Corporation took the assets into possession on 20.12.2000.

The outstanding as on 01.09.2008 as reported by Branch Office was Rs.13.58 lac (principal sum Rs.4.48 lac, other money Rs. 0.13 lac and interest from the date of possession to 31.8.08 Rs.8.97 lac). Category of the loan account was "Doubtful" as on 31.03.05. MRV of financed assets

(Mines) is Rs. 8.50 lac and the MRV of collateral security is Rs.5.30 lac. No third party guarantee is available.

The Branch Manager mentioned that mines could not be sold due to Govt. order dated 5.9.2000 in Tribal area. Hence mines are still in possession.

The case was placed before HOLC on 14.12.04. The committee decided as follows:

"The promoter offered to pay a sum of Rs. 3.00 lac which was not acceptable to the committee. However, the committee offered to settle account for Rs. 10.00 lac but the party did not agree. The committee also offered them to take the possession back in the original hands by depositing 25% of the outstanding balance, including simple interest for the possession period by 31.01.2005 and reschedulement may be made by Branch Office. As token amount, the party will deposit Rs 1.00 lac in December, 2004 and remaining amount of the 25% of the outstanding balance shall be deposited by 31.01.05 and thereafter possession of the assets would be given to the original party. If party fails to deposit the above amount, the BO/RO may auction the unit immediately."

Case is pending u/s 32-G. P&M has already been sold on 27.8.03 for Rs. 0.32 lac.

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. 6.69 lac less upfront amount of Rs. 0.69 lac (rounded off), i.e. at the net payable settlement amount of Rs. 6.00 lac, which shall be paid in six equal monthly instalments commencing from October, 2008 to 15th March, 2009.

No interest would be charged upto 31.10.2008 and thereafter w.e.f. 1.11.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representative of the unit **consented** to the settlement.

3. M/s Arjento Jewellery Pvt. Ltd., 2GF, 2/1 RIICO Gem Stone Industrial Park, Durgapura, Jaipur

Shri Padmesh Sharma, Director of the Company, appeared before the committee.

A loan of Rs. 9.00 lac was sanctioned on 28.07.1999 out of which Rs. 8,29,500/- was disbursed upto 02.11.2000 to the unit for processing of Gem Stone in Gem Stone Industrial Park, Durgapura, Jaipur.

A sum of Rs. 29.28 lac was outstanding as on 01.09.2008, (principal sum Rs.8.29 lac, interest Rs. 20.96 lac and other money Rs.0.03 lac). MRV of the financed assets is Rs.16.30 lac and present value of collateral security

is Rs.9.60 lac The unit has been reportedly lying closed. The category of loan A/c is doubtful on 31.3.04. For recovery of Corporation dues, action u/s 31 (1) (aa) has been initiated on 4.4.03 and the same is pending with ADJ Court, Jaipur.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.18.29 lac **less** upfront amount of Rs.1.67 lac (rounded off), i.e. at the net payable settlement amount of Rs. 16.62 lac, but the proprietor did not accept the offer, hence the case was **rejected** with the directions to BO to take necessary action for recovery of Corporation dues.

4. M/s Jai Jeerawala Finishing Work, Pali

Shri Nemi Chand Kochar, Partner of the unit, appeared before the committee.

A term loan of Rs.1.36 lacs was sanctioned for acquisition of plant & machinery to be installed in the rented premises of M/s Nemi Chand Bhanwar Lal Textile Industry on dt. 21.02.1985 and Rs.1.29 lacs was disbursed upto 17.09.1985.

A sum of Rs. 27.72 lac was outstanding as on 01.09.2008, (principal sum Rs.1.22 lac and interest Rs. 26.50). Category of the loan account was "Doubtful" as on 31.03.05.

The MRV of financed assets (P&M) is reported nil as it has become scrap and sold as informed by party to B.O. on 22.01.2003. There is no collateral security & the value of property of third party guarantor is Rs.16.00 lac as on 13.2.2003.

This case was considered by HOLC in its meeting held on 10.10.2005 alongwith case of M/s Nemi Chand Bhanwar Lal Textile Industries and committee offered to settle the case in a consideration of Rs.12.00 lac but party did not agree, hence the case was rejected.

The Hon'ble ADJ Court (Fast track No.2) Pali. On 17.4.06 directed to the Corporation to treat both the cases a separate unit and not link with each other.

This case was placed before the Spl. HOLC in its meeting held on 09.03.2007 and the decision of the committee is as under:

"Nobody turned up. However, the son of Shri Nemi Chand who is one of the partner of the firm Shri Bhanwar Lal who represented his case of M/s Nemi Chand Bhanwar Lal Textile was present and he was advised to settle the loan account but he mentioned that this unit was promoted by his father and was set up in a portion rented out of the premises of his firm but he is not concerned with this loan account as he is residing separately. However, he promised to pursue his father and other partners of M/s Jai Jeerawala Finishing Works to get the loan account settled. The committee clearly indicated to Shri Bhanwar Lal that in case no response is received

within 7 days then the Corporation will go ahead for lodging FIR against the partners of the firm for missing P&M as well as action under Section 32 (G)".

No response from the party received therefore Corporation lodged FIR for missing P&M on 21.09.07 and also filed a claim U/s 32 (G) of SFC's Act on 13.06.07.

Aggrieved upon above action the party filed a court case before ADJ, Pali. The party agreed for registration for settlement therefore compromise reached between the party & the Corporation and accordingly the Hon'ble court passed orders on 2.08.08 directing the Corporation as under:

- a) To decide the case after giving notice and full opportunity of hearing to the party.
- b) Not to take action for recovery of dues till decision is taken by settlement committee.
- c) Corporation will treat the party equal and at par with other parties in the settlement committee.

In compliance of the aforesaid orders, the party has got its case registered for settlement.

No settlement could be reached even after lengthy discussions as the party was not agreeing to settle its loan account for more than the principal sum of Rs.1.22 lac as against the total outstanding of Rs.27.72 lac i.e. the party was not willing to pay any amount on account of interest hence, the case was **rejected** with the advice to Branch Manager to effect recovery of Corporation dues early. It was also decided that the Branch Manager should immediately initiate legal action against the third party guarantors besides identifying other properties of partners and initiating action against those properties. It was also decided to pursue the police authorities for expeditious action on the FIR lodged by the Corporation.

5. M/s Pinkcity Group of Industries, V&P Manda, District Sikar

Shri Pokarmal Sundha, Proprietor of the concern and Shri Sundha Ram, Relative of proprietor, appeared before the committee.

A loan of Rs. 13.57 lac was sanctioned on 28.2.01 and Rs.6.31 lac was disbursed for manufacturing mineral water.

A sum of Rs. 10.64 lac was outstanding as on 01.09.2008 (principal sum Rs.6.31lac and interest Rs. 4.33 lac). Category of the loan account was "Doubtful" as on 31.03.05. MRV of financed assets is Rs. 14.16 lac and the MRV of collateral security is Rs.7.50 lac. No third party guarantee is available.

The project has not been fully implemented and there was also a dispute between the promoter & supplier of P&M.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account by waiving the entire penal interest debited since beginning to 1.9.2008 which is Rs. 1.42 lac. The committee, therefore, offered to settle the account on a sum of Rs.10.64 lac – Rs. 1.42 lac = Rs. 9.22 lac **less** upfront amount of Rs. 0.95 lac i.e. at the net payable settlement amount of Rs. 8.27 lac but the proprietor did not accept the offer, hence the case was **rejected** with the directions to Branch Manager to take necessary action for recovery of Corporation dues.

6. M/s Usha Salt Industry, Tehsil Nawa, District Nagaur

Shri Kailash Choudhary and Shri Amarchand Choudhary, representatives of the promoter of the unit, appeared before the committee.

A loan of Rs. 3.00 lac was sanctioned on 29.03.1993 out of which Rs. 2.08 lac was disbursed for manufacture of common salt.

A sum of Rs. 42.18 lac was outstanding as on 01.09.2008, (principal sum Rs.2.08 lac, interest Rs. 40.10 lac and other money Rs. 0.01 lac). MRV of the financed assets is Rs.7.50 lac. No collateral security and third party guarantee is available in the case. The status of the unit has been reported closed and category of loan A/c is doubtful on 31.3.05.

Case lodged u/s 32 (G) on 3.5.2006. The Tehsildar, Nawa has conducted auction on 31.07.2008 in which a bid of Rs.4.80 lac was received which is under consideration.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.6.22 lac **less** upfront amount of Rs. 0.32 lac, i.e. at the net payable settlement amount of Rs. 5.90 lac, which shall be paid in 5 equal monthly instalments commencing from September, 2008 to 15th Feb, 09.

No interest would be charged upto 31.10.2008 and thereafter w.e.f. 1.11.2008 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representatives of the unit **consented** to the settlement.

7. M/s Bholaram Cement Pipe & Jali Udyog, Village Roll Chandawata, Merta City, District Nagarur

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

8. M/s Shiv Om Shakti Mill, Jaisalmer

Shri Shiv Gopal Vyas, Promoter of the unit and his Nephew Shri Ramdev Vyas, appeared before the committee.

A loan of Rs.55.86 lac was sanctioned on 06.04.1998 out of which Rs.10.19 was disbursed to the unit for manufacturing of coolers & pumps.

A sum of Rs. 58.87 lac was outstanding as on 01.09.2008, (principal sum Rs.10.19 lac, interest Rs.45.63 lac and other money Rs.0.05 lac). The MRV of the financed assets is Rs.36.40 lac No collateral security or third party guarantee is available in the case. The status of the unit has been reported closed and category of loan A/c is doubtful on 31.3.05.

Mrs. Hemlata W/o Shri Madhu Bhai Ramdev and Mrs. Parmeshwari Devi W/o Shri Shankar Puri has filed a court case against RFC & Proprietor of the unit disputing ownership right. They lost this case in the Court of Civil Judge on 22.5.2007. Against this decision petitioners filed an appeal at DJ Court, Jaisalmer and Hon'ble DJ Court granted stay against takeover of the unit on 26.05.2007 which is in force.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 30.07 lac **less** upfront amount of Rs.2.07 lac (rounded off) i.e. at the net payable settlement amount of Rs.28.00 lac, which shall be paid by 30.09.2008.

The promoter of the unit **consented** to the settlement.

9. M/s G.D.Woodlum Pvt. Ltd., Chak 20, SDS Lalgarh Jadan Tehsil Sadul Shahar, Sri Ganganagar

Shri Bansidhar Jindal and Shri Yogesh Jindal, directors of the company, appeared before the committee.

A loan of Rs.37.50 lac was sanctioned on 19.12.96, out of which a sum of Rs.25.60 lac was disbursed upto 17.12.1998 for manufacturing of particle board. The unit has been set up on a converted piece of land located at the State Highway. The remaining non converted agriculture land belongs to the promoters.

A sum of Rs.143.85 lac is outstanding as on 01.09.2008, (principal sum Rs.23.26 lac, interest Rs. 119.30 lac and other money Rs.1.29 lac). The MRV of the prime assets is Rs.34.02 lac (Land 15.20 lac, building Rs. 9.68 lac, P&M Rs.9.14 lac). Category of the loan account was "Doubtful" as on 31.03.05. No collateral security or third party guarantee is available.

Since inception the unit remained irregular in repayment of the Corporation dues. It was brought to the notice of the committee that party has deposited Rs. 3.47 lac against Rs.4.68 lac towards upfront and as such there was shortfall of Rs. 1.21 lac. The Branch Manager has considered the surplus Rs.1.21 lac, towards upfront, which was available during the sale of sister / family concern viz. M/s Jindal Udyog.

Settlement could not be arrived at even after lengthy discussions. However, the directors sought time for giving their offer. In view of the

above, the committee decided to **defer** the case with the advice to place it in the next meeting.

10. M/s Chandrika Flour Mill, Bundi

The case was earlier placed before Spl HOLC in its meeting held on 1.9.2008. The committee noted the decision of the earlier meeting. A report from BO on realistic value and marketability of the collateral security is still awaited. For want of report, the case was deferred with the advice to place the case in next meeting alongwith report.

11. M/s Churu Fertilizers, N.H. 65, Saldulpur Road, Churu

Shri V.S.Shekhawat and Shri Moti Singh Shekhawat, attorney holder of the promoter, appeared before the committee.

The case was mutually sold on 25.7.86 for a sum of Rs.1,07,776/- (deferred payment was of Rs.0.81 lac) & further loan of Rs.1,44,000/- was sanctioned on 25.10.86 out of which Rs.0.92 lac was disbursed upto 7.3.89 for establishing a unit of bone crushing.

A sum of Rs.31.70 lac was outstanding as on 01.09.2008, (principal sum Rs.1.73lac and interest Rs. 29.97 lac). The MRV of the prime assets is Rs.6.14lac (Land 3.50 lac, building Rs. 2.64 lac). Category of the loan account was "Doubtful" as on 31.03.05. No collateral security or third party guarantee is available.

On account of Government dues, the unit was seized by the Tehsildar on 13.7.89. As per decision of High Court, possession to the loanee handed over on 13.8.08. Now there is no litigation.

The unit is situated 5-6 kms far from Churu City on National Highway No.65. There is no any other industry in the area, hence, poor potentiality of disposal of the unit u/s 29/30.

The party has not deposited any amount since beginning except upfront and initial amount for last 20 years.

No settlement could be reached even after lengthy discussions, the case was therefore **rejected** with the advice to Branch Manager to take immediate action u/s 29 / 30 of SFCs Act, 1951 as per the norms. Further, the Branch Manager may take necessary action in the matter related to sale of the fixed assets, if any, without permission from RFC.

12. M/s B.K.Enterprises, Dungarpur (DDW case)

Shri Karnail Singh, Representative of the promoter appeared before the committee.

A loan of Rs.4.40 lac was sanctioned on 28.11.86, out of which a sum of Rs.2.74 lac was disbursed upto 17.04.1987 for mining of marble blocks.

It is a deficit case. The deficit amount as on the date of sale, after appropriation of sale price was Rs. 3.71 lac (principal Rs.2.78 lac and interest Rs.0.93 lac). ROD sent to Collector, Sri Ganganagar and is in process with Tehsil Karanpur. The MRV of the collateral security is more than 200% of principal deficit sum therefore, Spl. HOLC is the competent authority to decide the case. Collateral security is available in this case, MRV of which is Rs.23.50 lac. However, no third party guarantee is available.

After discussions, the party was offered to pay the deficit amount as on date of sale plus simple interest thereon till date for which party did not agree. Hence, no settlement could be arrived at with the party and the case was **deferred**.
06.10.2008

13. M/s Anurag Cotton Textile Mills Pvt. Ltd., Sri Ganganagar (DDW case)

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

14. M/s Vishal Engineering Works, Udaipur (ARRC case)

Shri Paras Ram Soni, brother of promoter of the unit, appeared before the committee.

A loan of Rs.1.14 lac was sanctioned on 28.01.1986 out of which Rs.1.04 was disbursed upto 7.11.86 to the unit for repairing of machine parts and manufacturing roller shutters.

A sum of Rs. 8.00 lac was outstanding as on 01.06.2008, (principal sum Rs.1.04lac, interest Rs.6.93 lac and other money Rs.0.03 lac). The MRV of the financed assets is negligible and the MRV of collateral security is Rs.7.50 lac. No third party guarantee is available in the case. The status of the unit has been reported closed, the collateral security is under possession since 2.6.08 and category of loan A/c is doubtful on 31.3.05.

Party approached High Court against section 32(G). The Court did not accept appeal of the party. The case was earlier placed before HOLC on 27.4.2000. Since party did not agree to settle the account on simple rate of interest, hence rejected.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 1.60 lac **less** upfront amount of Rs.0.10 lac (rounded off) i.e. at the net payable settlement amount of Rs.1.50 lac, which shall be paid in five equal monthly instalments commencing from October, 2008.

No interest would be charged upto 31.10.2008 and thereafter w.e.f. 1.11.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representative of the unit **consented** to the settlement.

15. **M/s Sitara Cements Pvt. Ltd., Churu (DDW case)**

Shri Ayub Amin son of Director Shri Amin Hassan, appeared before the committee.

A loan of Rs.79.00 lac was sanctioned on 17.06.92 out of which Rs.58.76 lac was disbursed upto 27.07.95 to the unit for setting up a mini cement plant.

The assets of the unit were taken over into possession on 23.07.97 and sold out on 31.03.03 in a consideration of Rs.29.11 lac.

It is a deficit case. The deficit amount as on date of sale after appropriation of sale price was Rs.87.03 lac (principal Rs.57.88 lac, interest Rs.20.35 lac, other money Rs. 0.06 lac, Government dues Rs.8.73 lac).

For recovery of deficit amount, ROD filed with District Collector, Churu. Promoter directors obtained stay against the action u/s 32G from Revenue Board, Ajmer and presently the case is pending at Revenue Board, Ajmer. CMD has considered the request of the party and allowed to register the case for settlement on 50% of upfront amount required as per norms. BM has recommended to settle the case as per FR-516 dt.17.4.08. As per the direction issued by the Industries Deptt. Govt.of Rajasthan vide letter No.F-12(34)/Inds./I/ 92 dated 13.6.95 "the unit receiving the investment subsidy will be deemed to be in continuous protection even if the management is changed or the assets against which subsidy has been availed are sold out to a new promoter." As per norms, the case may be settled on principal deficit + OM + 5% recovery charges where 32G case has been filed with the Collector concerned.

The case was discussed in detail and decided by the committee that DGM (DDW) may examine the case in detail in the light of grievances made by the representative of the company and in particular as follows:

- a) Details of auction proceedings.
- b) Participation of the promoter / directors in the auction and relationship with the purchasers.
- c) Present position of the unit.
- d) MRV of the assets on different occasions i.e. at the time of possession and at the time of sale.
- e) Outstanding on simple interest basis since beginning.

Thereafter, put up before the committee. In view of the above, the consideration of the case was **deferred**.

16. **M/s United PVC Pipe Factory, Rajgarh Road, Pilani, Jhunjhunu**

Shri Chhagan Lal Bhati, Guarantor of the unit, appeared before the committee.

A loan of Rs.1.83 lac was sanctioned on 30.11.82 out of which Rs.1.82 lac was disbursed upto 08.03.1984 to the unit for setting up a PVC Pipe manufacturing unit in rented premises.

A sum of Rs.55.22 lac was outstanding as on 01.09.2008, (principal sum Rs.1.82lac, interest Rs.53.33 lac and other money Rs.0.07 lac). Financed assets i.e. P&M is missing. No collateral security is available. However, personal guarantee of brother of one of the partner has been taken. The status of the unit has been reported closed and category of loan A/c is doubtful on 31.3.05.

Notice u/s 32(G) issued on 19.02.2008 but claim could not be filed due to non identification of property. FIR has not been lodged for missing P&M.

No settlement could be reached even after lengthy discussions, the case was therefore, **rejected** with the advise to Branch Manager to effect recovery of Corporation dues. Property of the loanee and third party guarantor may be identified and ROD be sent immediately.

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 paid 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.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

Dy. General Manager (FR-ARRC)
MEMBER SECRETARY

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
Special HOLC Meeting
Dated : 07.11.2008

Present:		
Shri Atul Kumar Garg, IAS Chairman & Managing Director	:	In Chair
Shri Pawan Arora, RAS Executive Director	:	Member
Shri V. P. Singh, RAS General Manager (Dev.)	:	Member Secretary
Shri Suresh Singhal, FA/GM(A/c's)		Member
Shri R.P. Meena, DGM(Loans)	:	Member

Shri K.K. Parashar, DGM(ARRC), Shri P.K.Singh, DGM(FR-2), Shri L.K. Ajmera, DGM(DDW), Shri A.P. Mathur, DGM(FR-1), Shri H.C.Khunteta, Manager (FR-DDW) Shri J.N. Sharma, Manager(FR-1), Shri P.D.Verma, Manager(FR-3), Shri Deepak Verma, Manager(ARRC), Shri A.K. Sood, Manager (Law) and Shri Naveen Ajmera, DM(FR) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 25.09.08.

Minutes were confirmed.

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

1. M/s Deepak Ent Udyog, Bharatpur (ARRC case) :

Shri Raj Pal Singh S/o Proprietor of the concern, appeared before the committee.

A loan of Rs. 9.60 lac was sanctioned on 29.12.2000 and Rs. 6.22 lakh was disbursed for Ent Bhatta. On account of non payment of dues, the Corporation took the assets into possession on 21.09.2007. A sum of Rs. 9.82 lakh were outstanding (P.sum 8.55 lakh, Interest Rs. 0.96 lakh & Other Money Rs. 0.31 lakh) excluding interest for possession period. Interest for the possession period on simple basis comes to Rs. 1.26 lakh, thus total outstanding as on 01.09.08 is Rs. 11.08 lakh. The funded interest of Rs. 2.34 lakh is considered as a P. sum.

The MRV of financed assets reported is Rs. 14.30 lakh on 01.08.08 (Land Rs. 9.80 lakh, Building Rs. 2.20 lakh and P&M Rs. 2.30 lakh) and the MRV of collateral security is Rs. 6.50 lakh. No third party guarantee is available.

11 auctions have been attempted but no bidder turned-up. Promoter of the unit expired on 22.12.07. The unit is situated in rural area. Interest was funded in the financial year 2004-05 under prevailing Scheme of the Corporation.

In this case last date of disbursement is 05.05.01 and category of account on 31.03.05 was Standard, whereas as per Scheme case disbursed upto 31.03.01 and Doubtful account as on 31.03.05 are eligible. Relaxation in the eligibility criteria has been given by the competent authority.

The son of proprietor has registered the case for OTS under the ongoing Settlement Scheme by depositing requisite registration fee and upfront payment.

After detailed discussions and considering all the facts and position of the case, the Committee offered to settle the account in a consideration of Rs. 10.00 lakh (inclusive of UPF of Rs. 97,200/-) but the party did not accept the settlement offered by the Committee, therefore, the case was **rejected** with the directions to Branch Office to take action for recovery of the dues.

2. M/s Mehta Printers, Dungarpur (ARRC case) :

Shri Bhagawati Lal Mehta, Proprietor and his brothers namely Narayan Lal Mehta, Jagdish Mehta and Bhagwan Mehta appeared before the committee.

A loan of Rs. 3.90 lac was sanctioned on 31.08.2000 out of which Rs. 3.31 lakh was disbursed upto 25.06.01 to the unit for establishment of printing press, at Aspur, Dungarpur.

The unit is in possession since 28.12.05. 26 attempts of auctions have been made so far but no bid received.

In this case last date of disbursement is 25.06.2001 whereas as per the Scheme cases disbursed upto 31.03.01 are eligible. The competent authority has relaxed the eligibility criteria and allowed for registration under OTS. The category of loan account as on 31.03.05 was **Doubtful**.

A sum of Rs. 5.81 lakh was outstanding as on the date of the possession if interest on simple basis for possession period charged, the outstanding becomes Rs. 8.16 lakh (P. sum of Rs. 3.31 lakh , Interest of Rs. 4.60 lakh and Rs. 0.25 lakh as other money). MRV of the financed assets is Rs.1.62 lakh. The present value of collateral security is Rs.3.55 lakh.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.5.00 lakh inclusive of upfront amount of Rs.53,500/- but the promoter of the unit did not accept the offer, hence the case was **rejected** with the directions to BO to take necessary action for recovery of Corporation dues.

3. M/s Jai Balaji Cement Ltd., Alwar (ARRC case) :

Shri Kailash Chand Agarwal, Director of the company, appeared before the Committee.

M/s Umesh Cement (P) Ltd. a sick unit under possession of the Corporation was sold to above said company in a consideration of Rs. 100 lakh the conditional deed of conveyance was executed on 22.07.1996, the deferred amount was Rs. 75.00 lakh.

The outstanding as on 01.06.2008 as reported by Branch Office was Rs.699.89 lakh (principal sum Rs.75.28 lakh, Interest Rs. 624.53 lakh other money Rs. 0.08 lakh). Category of the loan account was "Doubtful" as on 31.03.05. The unit is under possession with Sales-Tax Department since 17.03.2000. The BO as well as HO has issued letters to Dy. Commissioner, Sales Tax Department for handing over possession to the Corporation as Corporation has first charge over the assets of the unit but no action was initiated by the Sales Tax Deptt. Party has also filed a suit in local court on 18.10.05 to stop the auction proceedings of Sales Tax Deptt. The BO filed an application in the Court of ADJ-2 Alwar on 06.10.2000 u/s 31 (1)(aa) against the party. The case was registered for OTS after getting the approval from competent authority. MRV of financed assets was Rs. 123.00 lakh on 12.05.08 and no collateral security and third party guarantee is available.

The Committee in its meeting held on 19.07.2008 offered to settle the account in a sum of Rs. 375.00 lakh minus upfront amount of Rs. 15.06 i.e. net payable of Rs. 359.94 lakh but the directors requested to allow them more time to discuss with other directors and family members, therefore, the case was deferred.

The case was again placed in the meeting held on 01.09.2008 and the Committee reiterated the earlier offer of Rs. 375 lakh but the directors requested to allow them more time to discuss with Directors / family members, therefore, the case was deferred.

After detailed discussions with the Director and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 228.72 lakh **less** upfront amount of Rs. 15.06 lakh (rounded off), i.e. at the net payable settlement amount of Rs. 213.66 lakh, but the party has sought a period of seven days for giving its consent to the settlement. Considering the request of the Director, the Committee has allowed a period of seven days for submission of consent to the settlement, with the stipulation that if the consent is not submitted within the stipulated period, the above settlement will be treated as cancelled and **rejected**.

4. M/s B.K. Enterprises, Dungarpur (DDW case) :

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

5. M/s Anurag Cotton Textile Mill (P) Ltd., Sriganganagar :

A fax message received on 06.11.08 from Shri R.K. Midda informing to Member Secretary, GM(Dev.) that Director out of station upto 14.11.2008 so requested to call him somewhere in December, 2008. In this consideration, the case is **deferred**.

6. M/s Vishwakarma Furniture House, Kota :

Smt. Kamla Devi Wife and Guarantor of the promoter of the unit, appeared before the committee.

A loan of Rs.0.49 lakh was sanctioned on 27.03.1992 and the same was disbursed upto 03.09.1992 for manufacturing of wooden furniture.

It is a decretal case, no primary / collateral security is available except personal guarantee of wife of the promoter. The court of law has awarded the decree on 19.03.2002 of Rs. 1,44,269/- plus further interest at the rate of 14.5% p.a.

A sum of Rs. 4.67 lakh was outstanding as on 01.09.2008, (principal sum Rs.0.49 lakh, interest Rs.4.15 lakh, other money and MEG of Rs.0.03 lakh). The category of loan account as on 31.03.2005 was **Doubtful**.

Decree execution petition pending in the court.

Earlier the case was settled under OTS in a consideration of Rs. 192519/- as per ARRC Circular no. 24 dated 21.03.2006 but the party could not deposit the settlement amount.

Guarantor Smt. Kamla Devi is old lady and belongs to BPL category. Promoter / her husband left Kota since long back.

As per policy, case can be settled on decretal amount plus other money.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 0.75 lakh **less** upfront amount of Rs.0.22 lakh (rounded off) i.e. at the net payable settlement amount of Rs.0.53 lakh which shall be paid by 31st December, 2008. No interest would be charged upto 30.11.2008 thereafter w.e.f. 01.12.2008 interest @ 13% p.a. shall be charged on simple basis on the unpaid amount of settlement.

Smt. Kamla Devi has consented to the settlement vide letter dated 11.11.2008 received through fax and before finalization of the minutes.

Since the case is settled below the decretal amount, ex-post-facto approval is to be obtained from the Board.

7. M/s Alwar Rubber (P) Ltd., Alwar :

Nobody attended the meeting, however, as informed by the DGM(DDW). The party was approached during the visit of Manager (DDW) at Kolkata. The party has deposited upfront amount and registration fee at HO on 09.09.2008.

The details of the case are as below:-

A loan of Rs.12.50 lakh was sanctioned on 10.09.1982 out of which Rs.7.71 lakh upto 31.10.1984 was disbursed to the unit for manufacturing of Rubber Tubes.

On account of non-payment of dues, the assets of the unit were taken over into possession on 09.12.1991 and sold out on 17.04.2006. This is a deficit case in which the deficit as on the date of sale after appropriation of sale price but without adjusting upfront amount was Rs. 8.70 lakh (P. sum 7.71 lakh and interest Rs. 0.99 lakh). The amount paid to Govt. as per policy 70:30 was Rs. 0.19 lakh. Outstanding as on 01.09.2008 was Rs. 8.89 lakh (P. sum Rs. 7.90 lakh and Interest Rs. 0.99 lakh). Action u/s 32(G) taken and ROD sent. No collateral security is available in this case. As per prevailing norms, case can be considered for settlement on principal deficit amount plus other money plus 5% recovery charges (motivational incentive to Revenue officials).

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 8.30 lakh (P. sum 7.90 lakh plus 5% i.e. Rs. 0.40 lakh) less upfront amount of Rs.0.80 lakh (rounded off) i.e. at the net payable settlement amount of Rs.7.50 lakh, which shall be paid in 12 EMI commencing from 1st December, 2008.

No interest would be charged upto 30.11.2008 and thereafter w.e.f. 01.12.2008, interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

Accordingly, party may be conveyed.

8. M/s Vikas Stone Industries, Nadbai (Bharatpur) :

Shri Shiv Singh and Shri Ram Kishan, partners of the concern, appeared before the committee.

It is a deferred sale case. The fixed assets of M/s Sardar Stone Industries were sold to the concern in consideration of Rs. 9.06 lakh on 15.01.2003. The deferred amount was Rs. 6.795 lakh, the unit is lying closed.

The outstanding as on 01.06.08 was Rs. 10.35 lakh (P. sum Rs. 6.80 lakh and interest Rs. 3.55 lakh). The MRV of mortgaged land is Rs. 4.00 lakh. No Building and P&M is available.

The case was not eligible for settlement under provisions of OTS Scheme : 2008-09 as it is a sanctioned (deferred sale) case after 31.03.2001 and not classified in **Doubtful** category as on 31.03.2005 but looking to the facts of the case and genuine request of the party the competent authority has accorded permission to get the registered under ongoing settlement scheme. No collateral security or third party guarantee is available.

Action u/s 32(G) initiated for recovery of dues, the ROD is pending with SDM, Nadbai.

A piece of land i.e. around 600 Sq.mtr. (out of the total area of plot i.e. 1000 Sq. mtr.) of the unit acquired by NHAI. The compensation @ Rs. 430/- per Sq. mtr. i.e. Rs. 2,58,000/- is pending with SDO, Nadbai, is to be received by the party.

The P&M is missing also complete GI Sheets alongwith trusses have been removed during the course of removal of the sheets and trusses extensive damage have been caused to the walls and shed.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 7.17 lakh (inclusive of 5% motivational incentive to be paid to Revenue officials) **less** upfront amount of Rs.1.02 lakh (rounded off) i.e. at the net payable settlement amount of Rs.6.15 lakh, which shall be paid as under:-

- i) Rs. 3.27 lakh by 30.11.2008
- ii) Rs. 2.88 lakh before 28th Feb.,2009

No interest would be charged upto 30.11.2008 and thereafter w.e.f. 01.12.2008, interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The partners of the unit consented to the settlement.

9. M/s Bhola Ram Cement Pipe & Jali Udyog, Nagaur :

Shri Kailash Ram, Proprietor of the concern, appeared before the committee.

A loan of Rs.4.07 lakh was sanctioned under Singal Window Scheme (Rs. 3.34 lakh for fixed assets and Rs. 0.73 for Working Capital) on 17.08.1993 out of which Rs.2.95 lakh upto 21.10.1994 was disbursed (Rs. 2.43 lakh for fixed assets and Rs. 0.52 lakh for working capital) to the unit for manufacturing of cement pipes.

A sum of Rs.46.22 lakh was outstanding as on 01.09.2008 (P. sum 2.94 lakh interest 43.26 lakh other money Rs. 0.02 lakh). The MRV of the financed assets is Rs.3.63 lakh (L&B Rs. 3.43 lakh P&M Rs. 0.20 lakh) and present value of collateral security is Rs.15.25 lakh.

The unit has been reported lying closed from 2000. The category of loan account as on 31.03.2005 was **Doubtful**. The collateral property of the guarantor is situated in village – Gaju near Kuchera (Nagaur) wherein six families are residing and they are relatives. On account of rural location chances of sale, if taken in possession are remote. Action u/s 32(G) already initiated. ROD was sent in June, 2007. The case was earlier placed before HOLC in its meeting held on 22.05.2003. Decision is reproduced as under :

Shri Jhumer Ram, Guarantor attended the meeting. No settlement could be reached even after lengthy discussions. The case, therefore, was **rejected** with the advice to the BM to effect recovery of Corporation dues early.“

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 9.23 lakh (comes as per simple interest) **less** upfront amount of Rs.0.45 lakh (rounded off) i.e. at the net payable settlement amount of Rs.8.78 lakh. The proprietor has requested in writing to give him an other opportunity of giving consent, since his father (Guarantor) was hospitalized and the proprietor was not in a position to take decision on the settlement, therefore, in consideration with the request of the proprietor, the case was **deferred** for next meeting.

10. M/s Shiv Stone Industries, Chittorgarh :

Shri Shri Madan Lal, Proprietor of the concern, appeared before the committee.

A loan of Rs.1.60 lakh was sanctioned and disbursed to the unit upto 1st Nov., 2000 for Stone cutting and polishing unit.

A sum of Rs.3.05 lakh was outstanding as on 01.09.2008, (principal sum Rs.1.39 lakh, interest Rs. 1.61 lac and other money Rs. 0.05 lakh). The MRV of the prime assets is Rs.3.74 lakh and the MRV of collateral security is reported Rs. 17.00 lakh. No third party guarantee is available. The status of the unit has been reported closed. The category of the loan account as on 31.03.2005 was **Doubtful**.

For recovery action u/s 32(G) of SFCs Act initiated. The matter is pending with Revenue officials.

Tehsildar concerned has attempted auctions of the attached property two times but no bidder turned-up. The Branch Manager reported that the assets (collateral security) are situated in Harijan Basti, so not easily marketable.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 3.20 lakh (inclusive of 5% motivational incentive to be paid to Revenue officials) **less** upfront amount of Rs.0.15 lakh (rounded off) i.e. at the net payable settlement amount of Rs.3.05 lakh, but the proprietor did not accept the offer hence, the case was **rejected** with the direction to BO to take necessary action for recovery of Corporation dues.

11. M/s Shri Raja Industries, Udaipur :

Shri Raja Loda partner and D.C. Singvi relative of the partner, appeared before the committee.

Earlier, the case was placed before Spl. HOLC in its meeting held on 01.09.2008. The decision of the Committee is reproduced hereunder:

"Shri Raja Lodha, partner and Shri D.C.Singhvi, Brother-in-law of partner appeared before the committee.

A loan of Rs. 4.00 lac was sanctioned on 31.3.87, out of which Rs. 3.72 lac was disbursed to the unit for setting up a unit of manufacturing of Engineering Goods.

A sum of Rs. 7.31 lac was outstanding as on 01.09.2008, (principal sum Rs. 1.21 lac, interest Rs. 6.05 lac and other money Rs. 0.05 lac) against which security available with the Corporation is Rs.47.00 lac (land Rs.37.50 lac + building Rs.8.00 lac + P&M Rs.1.50 lac). The unit is a running one. Category of the loan account was "Doubtful" as on 31.03.05. No collateral security or third party guarantee is available.

Due to default, action u/s 32(G) has been initiated. ROD is pending with Tehsildar Girwa who has issued attachment order dated 22.10.05. The party filed Writ Petition in the Hon'ble High Court at Jodhpur who in its order dated 29.10.07 has observed that the petitioner shall make an appropriate application for settlement of the account under the scheme floated by the RFC within a period of one month. The respondents are directed to settle the account of the petitioner according to the scheme for settlement within a period of one month thereafter. On the facts and in the circumstances of the case, it is ordered that the further proceedings in pursuance of Annexure 8 dated 28.10.2005 shall remain stayed till the aforesaid exercise in terms of the scheme for settlement of the account is completed.

Party did not get its case registered for OTS within the stipulated period, therefore, the BO, Udaipur initiated legal action against the concern on 27.3.08. The party then got registered its case for settlement of account on 23.5.08 and deposited requisite registration fee and upfront amount.

*After detailed discussions with the representatives of the firm and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.6.10 lac(i.e. the amount comes after waiver of penal intt. amounting to Rs.1.21 lac) **less** upfront amount of Rs. 0.20 lac, i.e. at the net payable settlement amount of Rs. 5.90 lac payable within 30 days but the representatives of the firm did not accept the offer and raised certain issues on maintaining the account and claiming that the decision made earlier by the then DGM(R) should be taken into account. The committee, therefore, decided to **defer***

the case and call the files of BO and RO for examination and thereafter to place the case again before the committee."

During the course of discussions, Shri Raja Loda has informed that the Corporation vide his letter dated 28.01.1997 reported net payable sum amounting Rs. 64,841/- as on 01.01.1997 after allowing rebate of penal interest under the then prevailing OTS Scheme. While the Corporation reported present P.sum outstanding of Rs. 1,21,065/- only. Shri Loda argued that how the outstanding which was reported to Rs. 64,841/- as on 01.01.1997 has been increased to Rs. 1,21,065/- without any disbursement. It was explained to Shri Loda that as per the prevailing OTS scheme : 1996-97 on recalculating the loan account by giving the effect of penal interest the balance outstanding worked out and reduced to Rs. 64841 from Rs. 1,38,897/- as on 01.01.1997. The party did not deposit Rs. 64,841/- as per the prevailing OTS Scheme: 1996-97. Due to not depositing the amount of Rs. 64841/- by the concern, the balance outstanding in the loan account as on 01.01.1997 was Rs.138897/- (inclusive of Rs. 1,21,065/- as Principal outstanding and Rs. 17,832/- as interest outstanding.) As per the prevailing OTS Scheme : 1996-97 the party has not deposited the amount of Rs. 64841/- and, therefore, the benefit of waivment of penal interest could not be given.

After detailed discussions with the representatives of the firm and considering the all the facts and Hon'ble court order the Committee offered to settle the account in a consideration of Rs. 6.10 lakh (after waiving of balance penal interest amounting to Rs. 1.21 lakh) less upfront amount of Rs. 0.20 lakh i.e. at the net payable amount of Rs. 5.90 lakh but the party did not agree and offer to settle the account by paying principal outstanding of Rs. 121065/- as on 01.01.1997 alongwith simple interest till date. After discussions, the Committee decided that the offer of the party may be examined in the light of prevailing OTS Scheme and the case may again be placed in the next meeting.

12. M/s Shyam Flour & Rice Mill, Hanumangarh :

Shri Shri Shyam Lal, Brother of the promoter of the concern, appeared before the committee.

A loan of Rs.1.94 lakh was sanctioned on dated 25.01.1997 out of the sanction amount a sum of Rs. 1.67 lakh was disbursed to the unit upto 17.11.1997 for establishment of a flour & mini rice mill.

A sum of Rs.1.97 lakh was outstanding as on 01.09.2008, (principal sum Rs.1.10 lakh, interest Rs. 0.87lakh). The MRV of the prime assets is Rs.1.91 lakh. No collateral security and third party guarantee is available. The status of the unit has been reported by the BO is running. The category of the loan account as on 31.03.2005 was **Doubtful**.

The unit is situated near Bhatner Fort at Hanumangarh Town. Archaeological Department has given notice to the party for removal the

construction as the unit is situated within a radius of 100 mtrs. of the Fort i.e. protected limits of the fort and as such the unit may not be allowed to run in existing premises.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 1.50 lakh **less** upfront amount of Rs.0.11 lakh (rounded off) i.e. at the net payable settlement amount of Rs.1.39 lakh, but the proprietor did not accept the offer hence, therefore, the case was **rejected** with the direction to BO to take necessary action for recovery of Corporation dues.

13. M/s G.D. Woodlum (P) Ltd., Sriganaganagar :

It was brought to the notice of the Committee that a letter was received from the Director the Company stating that he is suffering from pain in the backbone and also met with an accident so unable to attend the meeting and requested to give him an opportunity in the next meeting. In consideration of his request, the case was **deferred**.

14. M/s Chandrika Flour Mill, Bundi :

Shri Kamlesh Kumar, Proprietor of the unit and his friend Shri Pankaj Kumawat, appeared before the committee.

The case was earlier placed before Spl. HOLC in its meeting held on 01.09.2008. The operative part of the decision is reproduced below:

The Committee offered to settle the account in a consideration of Rs. 26.36 lakh (comes as per simple interest) less upfront amount of Rs. 2.70 lakh i.e. of the net payable settlement amount of Rs. 23.63 lakh but the representative of the unit sought time for consent the offer. In consideration with request of the party, the case was deferred.

Again the case was placed before the Spl. HOLC in its meeting held on 25.09.2008. The decision of the Committee is reproduced below:

“The case was earlier placed before Spl. HOLC in its meeting held on 01.09.2008, the Committee noted the decision of the earlier meeting. A report from BO on realistic value and marketability of the collateral security is still awaited. For want of report, the case was deferred with the advice to place the case in next meeting alongwith report.”

The fixed assets of M/s Reliable Eng. Works were purchased by the concerned on mutual consent basis in consideration with Rs. 2.50 lakh on 16.09.2000 on deferred payment basis. The deferred amount was Rs. 1.50 lakh. Thereafter a loan of Rs. 18.15 lakh under Single Window Scheme (term loan Rs. 12.15 lakh and working capital loan Rs. 6.00 lakh) was sanctioned on 29.12.2000. Out of which Rs. 7.01 lakh and Rs. 6.00 lakh respectively were disbursed. Last disbursement was made on 29.12.2001. Since last disbursement was made after 31.03.2001 so the case was not

eligible for OTS under the provisions of ongoing Scheme, however, the competent authority has granted permission to register the case for OTS relaxing the condition. The category of loan account was **Doubtful** as on 31.03.2005. This is an abandoned project and due to shortage of working capital and raw-material could not run properly and lying closed. Financial position of the promoter is not good, the guarantor has also expired.

A total sum of Rs.36.67 lakh was outstanding as on 01.09.2008, (principal sum Rs. 13.61 lakh, interest Rs. 23.02 lakh and other money Rs. 0.04 lakh) in all three accounts. The MRV of the prime assets is reported to Rs.10.84 lakh. The collateral security having value Rs. 43.37 lakh is available in this case.

The BO vide letters dated 06.10.2008 and 15.10.2008 has reported that eight legal heirs including his wife two sons and five daughters are there. In addition to the proprietor, old widow mother, bother with his family and divorced sister are residing in different portions of the mortgaged house. One of the legal heir of guarantor namely Shri Hemant Sharma, has filed a suit before the Distt. Court praying for partition of the property. The MRV of the collateral security reported to Rs. 43.37 lakh but the BO has reported that it would be quite difficult to get the property vacated from the legal heirs of the guarantor. Besides, there would be problems if action u/s 29 is exercised. The promoter explained about various difficulties and requested to settle the case on the principal outstanding i.e. Rs. 13.61 lakh only.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.16.51 lakh (inclusive of 5% recovery charges) **less** upfront amount of Rs.2.74 lakh (rounded off) i.e. at the net payable settlement amount of Rs.13.77 lakh, which shall be paid in four equal monthly instalments commencing from December, 2008 to 20th March, 2009.

No interest would be charged upto 30.11.2008 and thereafter w.e.f. 01.12.2008 interest at the rate of 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

15 M/s Gokul Group of Industries, Karoli :

Shri Pushpenda Gupta, proprietor and his father Shri Giriraj Prasad Gupta, appeared before the committee.

A loan of Rs.5.00 lakh was sanctioned on dated 23.02.1998 out of the sanctioned amount a sum of Rs. 4.52 lakh was disbursed to the unit upto 20.12.2000 for manufacturing of poly pipe.

A sum of Rs.15.32 lakh was outstanding as on 01.09.2008, (principal sum Rs.4.51 lakh, interest Rs. 10.58 lakh and other money Rs. 0.23 lakh). Interest for possession period on simple basis comes to Rs. 2.11 lakh then

outstanding would be Rs. 17.43 lakh The MRV of the prime assets reported is Rs.10.87 lakh. No collateral security and third party guarantee is available. The category of the loan account as on 31.03.2005 was **Doubtful**.

The unit is under possession since 10.12.2007. High Court has directed to maintain status-quo which is still in operation.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 8.75 lakh less upfront amount of Rs.0.75 lakh i.e. at the net payable settlement amount of Rs.8.00 lakh, but the proprietor did not accept the offer hence, the case was **rejected** with the direction to BO to take necessary action for recovery of Corporation dues.

16. **M/s Newar Marble Industries (P) Ltd., Ambaji, I.A, Abu Road :**

Shri L.N. Muchhal and Shri N.Daga representatives of the company, appeared before the committee.

A loan of Rs.27.75 lakh was sanctioned on dated 28.03.1985 the same was disbursed upto 21.08.1987 for manufacturing of mirror polished marble tiles. It was a joint finance case with RIICO.

A sum of Rs. 47.58 lakh was outstanding as on 01.09.2008, (exluding interest for possession period). The interest for the possession period on simple basis works out to Rs. 77.75 lakh as such the outstanding inclusive of interest for possession period comes to Rs. 125.33 lakh as on 01.09.2008 The MRV of the prime assets is Rs.86.09 lakh as on 15.10.2008. No collateral security and third party guarantee is available. The category of the loan account as on 31.03.2005 was **Doubtful**.

The unit is under possession since 08.05.1992. The party approached to Hon'ble High Court Kolkata and the Court ordered on 23.06.1992 to maintain status quo. Hon'ble High Court Kolkata passed order on 08.08.2008 and allowed the Corporation to auction the unit for realization of its dues.

The promoters approached for One Time Settlement and competent authority allowed to register the case by depositing 50% of upfront amount.

A sum of Rs. 9,32,920/- have been received from SDM, Mount Abu on 20.12.2007 against the compensation for land acquired National Highway Authority of India. The amount shall be adjusted in the account of RFC and RIICO.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 93.66 lakh **less** upfront amount of Rs.3.56 lakh i.e. at the net payable settlement amount of Rs.90.10 lakh, but the promoters / representative did

not accept the offer and requested to give some more time to discuss with other directors and family members, therefore, it was decided to defer the case.

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 paid 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.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

**General Manager (Dev.)
MEMBER SECRETARY**

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
Special HOLC Meeting
Dated : 31.12.2008
& 1-1-2009

Present		
Shri Atul Kumar Garg, IAS Chairman & Managing Director	:	In Chair
Shri Suresh Singhal, FA/GM(A/c)	:	Member
Shri K K Parashar, DGM(ARRC)	:	Member Secretary
Shri R.P. Meena, DGM(Loans)	:	Member
Shri Dharmveer Jasnani Incharge(Law)	:	Member

Shri P.K.Singh, DGM(FR-2), Shri L.K. Ajmera, DGM(DDW), Shri A.P. Mathur, DGM(FR), Shri H.C.Khunteta, Manager(DDW), Shri J.N.Sharma, Manager(FR-1), Shri P.D.Verma, Manager(FR-3), Shri Deepak Verma, Manager(ARRC), and Shri Naveen Ajmera, DM(FR) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 7.11.08.

Minutes were confirmed.

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

1. M/s Newar Marble Ind. P.Ltd., Abu Road (ARRC Case)

Nobody turned up, however; message through E-mail received from the representative of the company showing his inability to attend the meeting due to certain preoccupation. Keeping this in view, the consideration of the case was deferred.

2. M/s Shri Har Narain Singh S/o Sh. Kishan Lal, Kota (DDW Case)

Shri Har Narain Singh s/o Shri Kishan Lal, proprietor of the concern, appeared before the committee.

It is a case of mutual sale. The deferred payment (loan) of Rs. 0.78 lac was sanctioned on 26.06.84. It is a transport case, loan sanctioned for purchase of Metador loading van.

A sum of Rs. 16.26 lac was outstanding as on 01.06.2008, (principal sum Rs. 0.65 lac, interest Rs. 15.58 lac & other money Rs.0.03 lac).

It is a decreetal case, no primary/collateral security is available. The court of law has awarded the decree on 5-8-98 of Rs.304917/- plus interest thereon @ 20% p.a. from 5-12-94. Since in the said case ex-parte decree was obtained by the Corpn. on 5.8.98, after filing of decree execution petition, the party appeared in the Court and submitted objection before the Hon'ble court against the ex-parte decision of the case. The Hon'ble Court set aside the ex-parte decree order dated 5.8.98. Therefore, the Corpn. moved for revised decree which was passed by the Hon'ble court on 29.1.05.

The financial position of the promoter is very weak. He is working as Chowkidar. One of the guarantors has expired and the financial position of the another guarantor is very weak, he is residing in a house which is constructed on encroached land (not saleable).

As per norms, case can be considered on decreetal amount plus other money.

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. 1.36 lac less upfront amount of Rs. 0.06 lac,(rounded off) i.e. at the net payable settlement amount of Rs.1.30 lac, which shall be paid in four equal monthly instalments commencing from Jan'09.

No interest would be charged upto 31-1-09 and thereafter w.e.f. 1-2-09, interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

Since the settlement is decided below the decreetal amount, therefore, ex-post-facto approval is to be taken from the Board.

3. M/s Uprity Enterprises,Kota (DDW Case)

Shri Naresh Uprity S/o Shri Bishan Swaroop Uprity, promoter of the concern, appeared before the committee.

A loan of Rs. 0.47 lac was sanctioned on 04.07.1984 out of which Rs. 0.42 lac was disbursed to the unit.

A sum of Rs. 12.94 lac was outstanding as on 01.09.2008, (principal sum Rs.0.42 lac, interest Rs. 12.47 lac and other money Rs. 0.05 lac). Category of the loan account was "Doubtful" as on 31.03.05.

It is a non deficit decreetal case passed for Rs.293678/- plus interest @ 13.5%. The decree was awarded by the court of law on 23.1.01 and the application for execution of decree has been filed on 8.5.03. Guarantor had already sold the property long back and expired 15 years back. Financed assets are also missing. Promoter shifted to Agra and working in a private company. Shri Kumar Raman Sharma, purchaser of the house of guarantor, has filed objection against decree orders passed by the court. Decree execution petition pending in the court. The promoter has requested to settle the a/c in Rs.1.00 lac. As per the policy, case can be settled on decreetal amount plus other money.

After detailed discussions with the representative and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.2.00 lac **less** upfront amount of Rs.0.05 lac, i.e. at the net payable settlement amount of Rs.1.95 lac which shall be paid in three EMIs commencing from Jan'09 to 15-3-09.

No interest would be charged upto 31-1-09 and thereafter w.e.f. 1-2-09, interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit **consented** to the settlement.

Since the settlement is decided below the decretal amount, therefore, ex-post-facto approval is to be taken from the Board.

4. M/s Hem Chand Panwar S/o Sh. Chhitar Lal Panwar, Kota

Shri Hem Chand Panwar S/o Shri Chhitar Lal Panwar, proprietor of the concern, appeared before the committee.

A loan of Rs. 0.90 lac was sanctioned on 05.02.1982 and the same was disbursed on 31.3.82 for purchase of Metador Mini Bus..

A sum of Rs. 89.53 lac was outstanding as on 01.09.2008, (principal sum Rs.0.80 lac, interest Rs. 88.63 lac and other money/MGE Rs. 0.10 lac). Category of the loan account was "Doubtful" as on 31.03.05.

It is a decretal case and decree is under execution. The decree was awarded by Hon'ble court of law on 22-9-98 for Rs.648281/- plus interest @ 17.5% on the amount of loan disbursed from 21-1-94. Promoter and Guarantor belongs to SC. The property of guarantor (house) is in Harijan Basti and looking to the locality, property is not easily saleable. Promoter is also a corporater in Nagar Nigam, Kota.

In view of the position narrated by the Manager (Br), the committee decided to get the MRV recalculated considering all the facts including its saleability. Hence the consideration of the case was **deferred**.

5. M/s Monika Traders & Engg., Kota (DDW Case)

Nobody turned up, consideration of the above case was deferred.

6. M/s State Auto Garage, Pali (FR Case)

Shri Hanuvant Singh, promoter of the unit, and his brother Shri Chain Singh appeared before the committee.

A loan of Rs 4.00 lac was sanctioned on 29.11.1997 out of which Rs. 3.86 lac was disbursed for establishing a unit of vehicle servicing, wheel balancing and alignment.

A sum of Rs. 16.94 lac was outstanding as on 01.09.2008, (principal sum Rs.3.86 lac and interest Rs. 13.07 lac & other money 0.01 lac). MRV of the financed assets is Rs.0.50 lac and the MRV of collateral security is reported Rs.6.75 lac. No third party guarantee is available in the case. The status of the unit has been reported closed and category of loan A/c is doubtful on 31.3.05. For recovery of Corporation dues, action u/s 32 (G) was initiated and ROD sent on 20.06.06. The B.O. made a request to Collector, Pali on 16-3-08 to keep the proceedings under LR Act in abeyance. Thereafter legal notice u/s 30, 29, 31 & 46-B of SFCs Act and Section 58 & 59 of IP Act was issued on 20.8.08 and the date of possession of collateral security was fixed for 24.9.08.

On the date of possession, party approached B.O. for OTS and got registered its case under ongoing scheme of OTS.

The case was earlier placed before HOLC on 25-3-04. The committee offered to settle the a/c on simple interest basis for which the party did not agree hence the case was rejected.

After availing loan, there was a theft in the shop and major parts of the machines were reported to be stolen for which FIR was lodged by the party on 26-9-98.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.8.00 lac less upfront amount of Rs. 0.58 lac, i.e. at the net payable settlement amount of Rs.7.42 lac, which shall be paid in 5 equal monthly instalments commencing from Jan'09.

No interest would be charged upto 31-1-09 and thereafter w.e.f. 1.2.09 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit **consented** to the settlement.

7. M/s Rajat Iron P.Ltd., Jaitaran, Distt.Pali (FR Case)

Nobody turned up, however; letter received from the company showing inability to attend the meeting due to ill health. Considering the request of the party, the case was deferred.

8. M/s Bhuwan Enterprises, Pali (FR Case)

Shri Bhagwati Prasad Dave, Promoter of the unit, appeared before the committee.

A loan of Rs. 1.57 lac was sanctioned on 29.9.95 out of which Rs.1.53 lac was disbursed upto 6.08.96 to the unit for establishing Computer job work.

A sum of Rs. 7.89 lac was outstanding as on 01.12.2008, (principal sum Rs.1.47 lac, interest Rs. 6.41 lac and other money Rs.0.01 lac). Financed assets (P&M) are missing. MRV of collateral security is reported Rs.2 lac. Though, at the time of sanction of loan in the year 1995, MRV of this collateral security was Rs.2.50 lac. No third party guarantee is available. The category of loan A/c is doubtful on 31.3.05.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account on the outstanding arrived at on the basis of calculation on simple interest basis that is Rs.4.10 lac as on 1.12.08. But the proprietor did not agree to the offer given by the committee, therefore, the case was **rejected** with the directions to the B.O. to take necessary action for recovery of Corporation dues.

9. M/s Hotel Yug Tarang, Pali (FR Case)

Shri Chandra Ram Gehlot, father of proprietor, and Shri Dushyant Singh, friend of the proprietor, of the unit appeared before the committee.

A loan of Rs. 2.50 lac was sanctioned on 17.12.1999 out of which Rs. 2.38 lac was disbursed upto 29.5.2000 to the unit for setting up a restaurant.

A sum of Rs. 3.43 lac was outstanding as on 01.12.2008, (principal sum Rs.2.38 lac and interest Rs. 1.05 lac). The category of loan A/c is doubtful on 31.3.05. The MRV of the financed assets is Rs.12.62 lac as on 22.10.08. and that of collateral security is Rs.10.00 lac. No third party guarantee is available.

This case was registered under the scheme of waiver of penal interest for the year 2007-08 but party did not adhere the settlement. Now the case is registered under the under the ongoing scheme for OTS of NPA cases.

After detailed discussions and considering all the facts and position of the, the committee decided to waive the penal interest amounting to Rs.0.40 lac. The balance outstanding which was Rs.3.03 lac **less** upfront amount of Rs.0.36 lac (rounded off), i.e. at the net payable settlement amount of Rs. 2.67 lac, which shall be paid in three equal monthly instalments commencing from Jan'09.

It is a case of waiver of penal interest, therefore, interest at documented rate of interest shall be charged from 1-12-08.

The B.O. may reconcile the account and ensure that the amount equal to the penal interest charged upto 30-11-08 amounting to Rs.0.40 lac is waived and balance with interest is recovered by Feb'09.

The representatives of the proprietor consented to the settlement.

10. M/s G. D. Woodlum P.Ltd., Sri Ganganagar (FR Case)

Shri Banshi Dhar Jindal and Shri Yogesh Jindal, directors of the company, appeared before the committee.

Earlier, the above said case was placed before Spl.HOLC on 25-9-08 wherein settlement could not be arrived at even after lengthy discussions, however; the director sought time for giving their offer. In view of above, the committee decided to defer the case. It was again placed before Spl.HOLC in its meeting held on 7.11.08. The directors of the company could not attend the meeting as Shri Banshidhar Jindal

was not well. A letter to this effect was received from the director of the company, in that consideration, the case was deferred by the committee.

A loan of Rs.37.50 lac was sanctioned on 19-12-96 out of which, a sum of Rs. 25.60 lac was disbursed upto 17-12-98 for manufacturing of particle board. The unit has been set up on a converted piece of land located at the state highway.

A sum of Rs.149.49 lac was outstanding as on 1.12.08 (P.sum Rs.23.26 lac, interest Rs.126.15 lac and other money Rs. 0.08 lac). The MRV of the financed assets is Rs.34.02 lac (L&B Rs.24.88 lac & P&M Rs.9.14 lac). No collateral security and third party guarantee is available. The category of the loan a/c as on 31.3.05 was doubtful.

Since inception, the unit remained irregular in making the payment of Corpn dues due to poor response in market of the product, higher rate of interest i.e. 19%, freezing of sales-tax incentive and fire accidents, it remained in production for a short period. Presently the unit is reported lying closed.

Fire took place in the premises of the company two times i.e. on 13.8.2000 and 23.3.01. A claim of Rs.3.47 lac was received by the Corpn. from the Insurance Co. and was adjusted against overdues.

ROD u/s 32-G was sent to Revenue Authorities on 22-5-02 and is pending with Tehsildar because of stay against action u/s 32-G granted by ADJ court, Sri Ganganagar in Jan'07 which is still continuing.

Success in 32G depends upon the availability of properties in the name of defaulters. In order to have knowledge about such properties information was called from the BM, Sriganganagar.

The BM, unfortunately, has sent some information that was not supported by any title deeds or other accompanying documents. The information, as given by the BM along with the position narrated by Shri Banshidhar Jindal during the course of hearing before the Spl.HOLC was as follows:

1. Industrial unit in the name of M/s G.D.Industries adjacent to the unit (G.D. Woodlam Pvt.Ltd. belongs to Shri Vinay Jindal, Ex-director of the company. However, as per Mr.Jindal, the unit is having CC limit of Rs.5.00 lac from PNB, Sriganganagar and the assets are pledged with bank. Hence this property would not be available for recovery purposes to RFC.
2. Residential house at 93 L-Block, a shared property in which director Shri Banshidhar Jindal and his brother are residing along with their family, which is in the name of some other person. Shri Banshidhar Jindal, director disclosed that this property is in the name of Smt.Kajal Jindal, his daughter-in-law.
3. Another residential house is also a shared property having value of around Rs.30.00 lac, in which Shri Banshidhar Jindal, director is having 1/3 share, but being joint property, difficult to attach.
4. Property situated in Industrial Estate, Sriganganagar reported in the name of Shri Banshidhar Jindal has been sold out 3 – 4 times and presently it is in

possession of another party as informed by BO and also as stated by Shri Banshidhar Jindal.

5. One shop situated in Sukhadia market, though reported to be in the name of Shri Banshidhar Jindal, but without having valid title and as disclosed by the director his son is running a business in the name of M/s G.D.Tyres and CC limits of Rs. 5.00 lac are availed from PNB, Sriganganagar. Hence this property too would not be available to RFC for recovery purposes.
6. Another shop situated in Tractor & Automobile market is rented out value of which reported to Rs.5.00 lac approx.

As such the Corpn. may not be able to realize the dues by enforcing section 32G of SFCs Act against the aforesaid properties, which at the moment is also stayed by the ADJ Court, Sriganganagar.

An affidavit from the directors may be taken containing the above factual position of the properties by the Branch Office, before issue of NOC.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 36 lac less upfront amount of Rs. 4.68 lac, i.e. at the net payable settlement amount of Rs. 31.32 lac which shall be payable in 12 EMIs commencing from Jan'09.

No interest would be charged upto 31-1-09 and thereafter w.e.f. 1.2.09 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The directors of the company consented to the settlement.

11. M/s B.K.Enterprises, Dungarpur(DDW Case)

Nobody turned up. However, the facts of the case are as under :

Earlier this case was placed before Spl.HOLC on 19.7.08, 1.9.08 but since nobody turned up, so consideration of above case was deferred on both the occasions. Again it was placed on 25.9.08 and decision of the committee was as below :

“Shri Karnel Singh, representative of the promoter, appeared before the committee.

A loan of Rs.4.40 lac was sanctioned on 28.11.86 out of which a sum of Rs.2.74 lac was disbursed upto 17.4.87 for mining of marble blocks.

It is a deficit case. The deficit amount as on the date of sale after appropriation of sale price was Rs.3.71 lac (P.Sum Rs.2.78 lac & interest RS.0.93 lac). ROD sent to Collector, Sri Ganganagar and is in process with Tehsil, Karanpur. The MRV of collateral security is more than 200% of P.sum. Therefore, Spl.HOLC is the competent authority to decide the case. Collateral security is available in this case, MRV of which is Rs.23.50 lac. However, no third party guarantee is available.

After discussions, the party was offered to pay the deficit amount as on date of sale plus simple interest thereon till date for which party did not agree. Hence, no settlement could be arrived at with the party and the case was deferred.”

Again the case was placed before the committee on 7.11.08 but was deferred as nobody turned up.

The consideration of above case was deferred and decided to give one more opportunity.

12. M/s Anurag Cotton Textile Mill Pvt. Ltd.,Sriganganagar.(DDW Case)

The case was earlier placed before Spl.HOLC on 25.9.2008 and 7.11.2008 and the following decision was taken :

“A fax message received on 6-11-08 from Shri R.K.Midha informing to Member Secretary, GM(D) that director out of station upto 14-11-08 so requested to call him somewhere in Dec’08. In this consideration the case is deferred.”

Nobody turned up before the committee so decided to defer the case and give one more opportunity.

13. M/S Ajay Kumar Jain S/o Nemi Chand Jain, Kota.(DDW Case)

Shri Anand Kumar Jain, brother of the Proprietor & guarantor, appeared before the committee.

It was a deferred sale case. Due to non payment of corporation’s dues legal action u/s 31(i) (aa) initiated against guarantor. Hon’ble Court awarded the decree on 31.03.2003 of Rs.2.28,116/- plus interest @ 12.5% from the date of filing of a application i.e. 2.9.94.

A sum of Rs.12.71 lac was outstanding as on 1.9.2008 (p.sum Rs.0.84 intt.Rs.11.80 and other money /MGE Rs.0.07 lacs).The category of loan a/c was doubtful on 31.03.2005. The vehicle financed by the Corpn.is reported to be in scrap condition and the collateral security is disputed as it was considered as encroachment in the year 1996 and PWD has constructed road through that plot as per court proceeding provided by the party. Party has filed the case in the court against PWD and thereafter case for contempt of court was also filed by the party against PWD.

Application for execution of decree filed by the corporation on 1.8.2003.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 2.00 lac less upfront amount of Rs. 0.08 lac (rounded off) i.e. at the net payable settlement amount of Rs. 1.92 lac which shall be payable in 3 EMIs commencing from Jan’09 to 15-3-09.

No interest would be charged upto 31-1-09 and thereafter w.e.f. 1.2.09 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The guarantor of the unit **consented** to the settlement. Since the settlement is decided below the decretal amount, therefore, ex-post-facto approval is to be taken from the Board.

14. M/s Sitara Cement (P) Ltd.,(DDW case)

Shri Ayub Amin S/o director Shri Amin Hasan appeared before the committee. In the background the decision of the earlier Spl.HOLC taken in its meeting held on 25-9-08 is reproduced below:

“Shri Ayub Amin son of one Director Shri Amin Hassan, appeared before the committee.

A loan of Rs.79.00 lac was sanctioned on 17.06.92 out of which Rs.58.76 lac was disbursed upto 27.07.95 to the unit for setting up a mini cement plant.

The assets of the unit were taken over into possession on 23.07.97 and sold out on 31.03.03 in a consideration of Rs.29.11 lac.

It is a deficit case. The deficit amount as on date of sale after appropriation of sale price was Rs.87.03 lac (principal Rs.57.88 lac, interest Rs.20.35 lac, other money Rs. 0.06 lac, Government dues Rs.8.73 lac).

For recovery of deficit amount, ROD filed with District Collector, Churu. Promoter directors obtained stay against the action u/s 32G from Revenue Board, Ajmer and presently the case is pending at Revenue Board, Ajmer. CMD has considered the request of the party and allowed to register the case for settlement on 50% of upfront amount required as per norms. BM has recommended to settle the case as per FR-516 dt.17.4.08. As per the direction issued by the Industries Deptt. Govt.of Rajasthan vide letter No.F-12(34)/Inds./I/ 92 dated 13.6.95 “the unit receiving the investment subsidy will be deemed to be in continuous production even if the management is changed or the assets against which subsidy has been availed are sold out to a new promoter.” As per norms, the case may be settled on principal deficit + OM + 5% recovery charges where 32G case has been filed with the Collector concerned.

The case was discussed in detail and decided by the committee that DGM (DDW) may examine the case in detail in the light of grievances made by the representative of the company and in particular as follows:

- a) Details of auction proceedings.*
- b) Participation of the promoter / directors in the auction and relationship with the purchasers.*
- c) Present position of the unit.*
- d) MRV of the assets on different occasions i.e. at the time of possession and at the time of sale.*
- e) Outstanding on simple interest basis since beginning.*

*Thereafter, put up before the committee. In view of the above, the consideration of the case was **deferred.**”*

In view of the above, the agenda was further discussed in the meeting. The promoter of the unit informed in the meeting that after 15 days of the auction of their unit by the Corpn., the purchaser sold out the land & building other than P&M in a

consideration of Rs.64 lac and further the machinery were sold at Rs.16.25 lac thereby total sale value of the property comes to Rs.80.25 lac whereas the total sale value just 15 days back was a meager 29.11 lac of rupees. However, as per the branch report on this issue, the unit was sold to Shri Ali Sher Sayed, who is a nephew of the original promoter himself, and the final auction had been preceded by about 37 efforts.

After discussions, keeping in view the fact that the promoter could get only two years time to run the unit after the last disbursement as well as the promoters had made payment of Rs.53.63 lac including sale consideration of Rs.29.11 lac, since beginning, the committee took the view to obtain the maximum offer from the representative of the unit since the party was not agreeable to settle the amount on principal deficit plus other money plus 5% recovery charges towards 32-G case having been filed with the Collector concerned in the matter as per norms. Accordingly, the representative made an offer to settle the loan a/c at Rs.30.00 lac.

As the committee was not competent to decide the above offer for settlement in view of the norms, it took the view to place the said offer before the Board of Directors of the Corpn. for taking a decision in the case. It was also considered by the committee that the unit was taken into possession by the Corpn. on 23-7-97 and after various repeated attempts of auction under special drive, the bid of Rs.29.11 lac for complete unit was approved on 20-3-03 by the auction committee on deferred payment basis in favour of Shri Ali Sher Sayeed, Sardar Shahar on standard terms & conditions in view of the mini cement plant having a very bad period. In this light the committee decided to place the party's offer of Rs.30.00 lac for settlement of loan a/c before the Board for taking a decision.

15 M/s Meenaxi Oil Mill, Jalore, (DDW case)

Smt. Saraswati Devi, w/o deceased promoter and Shri Lalit Chand Khatri, brother of the deceased promoter of the unit, appeared before the committee.

It is a deficit case. A loan of Rs.5.40 lac was sanctioned to the concern on 27.3.1993 for establishing a unit of Edible Oil out of which Rs.4.93 lac was disbursed upto 28.1.94. For recovery of the Corpn's dues legal action u/s 29 of the SFC Act was taken and the unit was taken over under possession on 2.3.2006 and sold out the assets in a total consideration of Rs.7.75 lac in the year 2006-07.

The deficit amount as on date of sale after appropriation of sale price was Rs.16.96 lac (P.sum Rs.3.70 lac and interest Rs.13.26 lac).

Promoter expired. For recovery of deficit amount, action u/s 32 (G) taken and the ROD sent on 10.12.2007 to Revenue Authority but returned back with the remarks that no recovery action can be taken against expired debtor. Legal heir Smt Saraswati Devi Khatri (widow of deceased loanee) does not have financial means to settle the account under our standard scheme of settlement for deficit cases.

Deficit amount can be settled at Branch Office level accepting payment equal to principal sum plus other money outstanding in the account.

The BM has recommended considering the request of the party sympathetically. The proposal submitted by legal heir of deceased debtor is below the amount of principal sum deficit, hence the proposal is forwarded to Head Office for decision.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.3.71 lac **less** upfront amount of Rs. 0.50 lac (rounded off), i.e. at the net payable settlement amount of Rs. 3.21 lac which shall be paid in 3 EMIs commencing from Jan'09.

No interest would be charged upto 31-1-09 and thereafter w.e.f. 1.2.09 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representative of the unit **consented** to the settlement.

16. M/s Rahul Enterprises, Chittorgarh, (DDW case)

Shri Bhag Chand Khatik, relative of the proprietor of the unit, appeared before the committee.

A loan of Rs. 3.38 lac was sanctioned on 27.8.1994 out of which Rs. 2.44 lac was disbursed upto 29.05.95 for establishing a unit of Stone cutting and polishing unit.

A sum of Rs.8.41 lac was outstanding (principal sum Rs.1.98 and interest Rs.6.43 lac). The MRV of financed assets is Rs.4.73 lac (land & building Rs.4.23 lac, plant & machinery Rs.0.50 lac) and MRV of collateral security is Rs.4.98 lac.

For recovery of corporation's dues legal action under section 31(1)(aa) was taken and the Hon'ble Court has awarded the decree on 29.10.2003 for Rs.3,02,713/-the concern has filed appeal/stay petitions before the Hon'ble High Court, Jodhpur in the year 2004. The court has dismissed the petition on 1.11.2006. The Branch Office filed execution application.

It is a decretal case. The promoter belongs to SC. The unit is lying closed for last 7-8 years. Collateral security is situated in Khatik Mohalla and not easily saleable.

The Branch Office has decided the settlement in a consideration of Rs.4.05 lac in the light of on going settlement scheme (FR -516).

The party has filed an appeal against the decision of Branch Office and has not given any specific proposal for repayment.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 4.05 lac **less** upfront amount of Rs. 0.78 lac (Rs.0.33 lac deposited on 6.10.08 and Rs.0.45 lac deposited on 17-12-08 for appeal to Spl.HOLC), i.e. at the net payable settlement amount of Rs. 3.27 lac, which shall be paid in three equal monthly instalments commencing from Jan'09 to 15-3-09.

No interest would be charged upto 31.01.2009 and thereafter w.e.f. 1.2.09 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representative of the unit consented to the settlement.

17 M/s S.M. Stone Industries,Kota.(FR case)

Shri Shafiq Mohd. Proprietor of the concern and his relatives namely Shri Abdul Salam and Fakhruddin appeared before the committee.

A loan of Rs.6.15 lac was sanctioned on 20.10.94 out of which Rs.5.67 lac was disbursed upto 29.08.85 to the concern for establishing a unit of Stone splitting.

A sum of Rs.22.05 lac was outstanding as on 1.12.08 (p.sum Rs.4.92 and interest Rs.17.13 lac).The MRV of the financed assets is Rs.5.00 lac and the value of third party guarantee is Rs.4.20 lac.No collateral security is available in the case.

The unit is lying closed since a long time. It is situated on the converted land in the remote area of village Asakali. The approach to the unit is not proper so it is difficult to sale the unit under section 29 of the SFCs act,hence action u/s 32 (G) has been preferred. ROD was sent on 17.05.2003.

Prime assets have been attached by the Revenue Authority. The unit was put up to auction on dt.20.06.2008, but the party proposed for settlement.

The guarantor's house is located at village Kheemach about 60 Km far from Kota. The home is old and occupied by relatives of the guarantor. The house is situated in the area of the particular community and buyers may not be easily available.

After detailed discussions and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.6.30 lac less upfront amount of Rs.0.74 lac (rounded off), i.e. at the net payable settlement amount of Rs. 5.56 lac which shall be paid in three EMIs commencing from Jan'09 to 15-3-09.

No interest would be charged upto 31.01.2009 and thereafter w.e.f. 1.2.09 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representative of the unit consented to the settlement.

18. M/s Bhola Ram Cement Pipe and Jali Udyog, Nagaur(FR case)

Nobody turned up. However, a fax message received from the promoter of the unit showing his inability to attend the meeting due to illness. In this consideration, the case was deferred.

19. M/s Shree Raja Inudstries, Udaipur. (FR case)

Shri Raja Lodha, partner of the unit has submitted an application dt.31.12.2008 for granting leave of absence and requested for giving him an opportunity in the next meeting. The committee, in consideration with the request of the partner decided to defer the case with the direction to place it to next meeting

20 M/s. Nalwaya Udyog, Alwar(ARRC Case)

Mr. M.K. Nalwaya, partner appeared before the committee.

The matter regarding Redressal of grievance/settlement of loan account of M/s. Nalwaya Udyog, Alwar was placed before the committee. Vide letter dated 22.6.08 and 29.9.08 to CMD, the partner Mr. M.K. Nalwaya had requested to charge interest on simple basis upto date of possession i.e. upto 8.8.89 on principal sum outstanding and settle his account as no interest is charged after the unit is taken into possession.

Loan of Rs.3.50 lac was sanctioned to above unit in Jan.,1977 out of which Rs.2.69 lac was disbursed. Interest free loan of Rs.24000/- was also disbursed in 1981-82. The unit could not run properly and rehabilitation assistance of Rs.4.68 lac was also sanctioned in 1986 out of which Rs.4.57 lac was disbursed. A sum of Rs.0.65 lac was waived as penal interest for closure period on 1.1.87.

Due to default of dues, RIICO took possession of the unit on 8.8.1989. As on date of take over i.e. on 8.8.89, the dues of RIICO & RFC were as under :

Dues as on 8.8.1989
(i.e. on date of take over)

RIICO	Rs. 101308/-	Say Rs.1.01 lac
RFC	Rs.1120860/-	Say Rs.11.21 lac

The unit was sold by RIICO on 14.9.07 in a consideration of Rs.95.11 lac. The RIICO incurred an expenditure of Rs.181655/- upto the date of sale. Final apportionment is yet to be done by RIICO after which the Corporation will get its share out of sale proceeds.

As per the policy of the Corporation, interest is to be charged for the period of possession (i.e. from date of take over to date of sale). As per the Board meeting decision dated 8.12.08, CMD has been authorized to take decision for charging interest for the period of possession at documented rate without penal on simple basis i.e. without compounding and without penal considering merit of the individual case where the unit has been sold in surplus.

Mr. M.K. Nalwaya, partner pleaded his case. He informed the committee that inspite of his best efforts for running the unit; he could not succeed even after getting rehabilitation assistance from the Corporation due to the external circumstances beyond his control. However, RIICO took a long period of 18 years for disposing off his unit causing heavy economic loss and mental agony. Mr. Nalwaya argued before the committee that interest on simple basis should be charged only upto date of possession and thereafter no interest should be charged and his account should be settled. This request was declined by the committee. Mr. Nalwaya further argued that if at all, interest for possession period is to be charged, it may be charged on simple basis on the principal sum outstanding and not on the balance outstanding as on date of possession. This request was also declined by the committee.

The agenda placed before the committee was discussed in detail. After discussion, the committee considered it as a case of sale in surplus. Looking to the facts and circumstances of the case, especially the fact that RIICO took about 18 years in selling off the factory, the committee decided that this is a fit case where interest for the possession period is to be charged at documented rate without penal on simple basis i.e. without compounding and without penal on the balance outstanding as on date of take over (i.e. Rs.11.21 lac). Surplus will be worked out after receipt of payment from RIICO and refund of surplus will be made as per norms of the Corporation. Accordingly, the opinion of the committee may be placed before the competent authority for approval.

21. M/s.Puneet Strips P.Ltd., Bhiwadi (DDW Case)

Shri R K Madan, Director of the company appeared before the committee.

Two loans of Rs.240.00 lac & Rs.276.00 lac were sanctioned on 21.12.98 & 10.05.2001 respectively, out of which Rs.239.07 lacs and Rs.207.00 lac totaling to Rs.446.07 lac was disbursed to the unit for manufacturing of S S Sheet.

The assets of the unit were taken over into possession on 25.05.2005 and sold out on 16.02.2006 & 07.03.2006 in a consideration of Rs.231.30 lac.

It is a deficit case. The deficit amount as on date of sale after appropriation of sale proceeds was Rs.229.18 lac (Principal Rs.228.17 lac and OM Rs.1.01 lac). No provision for government dues on account of 30:70 policy was created nor any amount was paid towards it as no communications were received from these departments. The total amount repaid since beginning to till date including upfront was Rs.544.79 lac (including sale proceeds of Rs.231.30 lac).

For recovery of deficit amount RoD has been filed in the case. The residential property under collateral security situated at 152 Jagrati Enclave, New Delhi is occupied by Shri Rakesh Madan, brother of the borrower, Shri Ramesh K. Madan and is not vacant. Shri Rakesh Madan and his sister Mrs. Neelam Luthra have initiated a litigation pending at Hon'ble High Court, Delhi. The High Court vide their order dated 19.11.2008 has stayed the taking over of possession till next date of hearing. The possession of security would also be a tough task in the present context because of a decision of the Apex Court in the Karnataka State Financial Corporation Vs. N. Narasimahaiah & Others, the details of which are also narrated below. DIC, Bhiwadi has communicated vide its letter no.377 dated 29.04.2006 that there are no dues pertaining to DIC. As per the norms the case can be settled on Principal + O.M. + 5% recovery charges for RoD filed.

Keeping in view the quantum of deficit amount Rs.228.17 lac (Principal Deficit), the CMD has allowed to place the case before the committee.

In view of above after discussions and keeping in view the judgement pronounced by the Hon'ble Supreme Court in the case of Karnataka State Financial Corporation Vs. N. Narasimahaiah & Others (Civil appeal Nos.610-612 of 2004) dated 13.3.2008 appeal against the High Court verdict by KSFC is inter-alia directed not to proceed against the property of the surety, mortgaged/hypothecated in its favour u/s 29 of the SFCs Act. The Apex Court dismissed the appeal. It came to the notice that the

mortgagor guarantor had already expired on 19.12.2001 and the collateral security is in occupation of his children/legal heirs other than the promoter himself. The occupants have also initiated litigation against the property and have also obtained a stay from the Hon'ble High Court, Delhi. Other properties are reportedly sold out by Bank against their dues. The committee decided to settle the loan account at Rs.183.00 lac (inclusive of recovery charges for RoD) less upfront amount Rs.23.00 lac to be recoverable within 30 days.

The said amount is stated to be arranged by the unit against Collateral Security subject to deposition of the entire settlement amount.

All the pending litigations shall be withdrawn by both the parties.

No dues certificates of relevant government departments i.e. electricity department, state excise, public health & Engg. Deptt. (PHED), transport department, commercial tax department (sale tax), land & building department (local body), department of industries, provident fund, ESIC, Rajasthan Pollution Control Board, Inspector of Factory & Boilers and Labour Department in respect of the company shall be furnished by the promoters.

Title documents of the collateral security and no dues certificate of RFC shall be issued on compliance of the above terms and conditions for settlement. The promoter Director consented to the settlement as above.

Since the settlement amount is below the principal + O.M. + 5% recovery charges for RoD filed as per the norms as well as to avoid further litigation and to realize the deficit amount within a period of 30 days as consented by the promoter, therefore, the committee decided to place the case before the Board for its ex post facto approval.

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 paid 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 PDCs are invariably taken in such cases.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

Dy. General Manager (FR-ARRC)
MEMBER SECRETARY

**RAJASTHAN FINANCIAL CORPORATION
(FR Division)**

MINUTES
Special HOLC Meeting
Dated : 21.02.2008

Present		
Shri B.N. Sharma, IAS Chairman & Managing Director	:	In Chair
Shri Pawan Arora, RAS Executive Director	:	Member
Shri Suman Kumar Vig, RAS, General Manager (Dev.)	:	Member Secretary
Shri R.S. Gupta Advisor Finance	:	Member
Shri R.P. Meena, DGM(Loans)	:	Member
Shri Dharmveer Jasnani, Incharge(Law)	:	Member

Shri L.K. Ajmera, DGM(DDW), Shri A.P. Mathur, DGM(FR), Shri N.K. Jain, Manager(FR-1), Shri Dinesh Mohan, Manager (FR-2), Shri S.S. Agarwal, Manager (FR-3), Shri Deepak Verma, Manager(ARRC), Shri S.K. Gupta, DM(FR) and Shri Naveen Ajmera, DM(FR) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 30.01.08.

Minutes were confirmed.

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

1. M/s Bali Cables Pvt. Ltd.,Pali

Shri Sunil Jain son of Late Shri C.D. Jain, Director of the company and Shri Bal Kishan, representative of the unit, appeared before the committee.

This unit was set up in 1982. A term loan of Rs. 2.60 lac was sanctioned on 12.05.92, out of which Rs. 2.34 lac were disbursed on 9.11.92 and IFL of Rs. 22,450/- was also disbursed on 4.1.91. The company has squared up all the previous accounts except the term loan account and IFL account. Due to recession in the industry, the unit could not run and subsequently operations were closed in the year 1997. There had been

many litigation including a case in DRT and stay by Hon'ble High Court for possession of the unit.

A sum of Rs. 31.20 lac is outstanding(Term Loan) and Rs. 52,812/- is outstanding (IFL) as on 01.12.2007 , (principal sum Rs. 2.16 lac(Term Loan and P.sum Rs. 22,000/- (IFL), interest Rs. 29.00 lac(Term Loan and interest Rs. 30812/-(IFL), other money Rs. 0.04 lac(Term Loan). The unit is lying closed. Original LDR has already been expired on 01.05.97 of the term loan account. The MRV of the financed assets (L&B) is Rs. 5.50 lac(MRV as per revised guidelines works out to Rs. 5.65 lakh) and there is no collateral security or third party guarantee. P&M had been disposed of by the party without prior permission of the Corporation.

After detailed discussions with the representatives and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.7.66 lac less upfront amount of Rs. 0.66 lac (rounded off), i.e. at the net payable settlement amount of Rs. 7.00 lac, which shall be paid by the unit as under:-

- a) Rs. 1.00 lac in the month of March, 2008
- b) Remaining amount i.e. Rs. 6.00 lac in six equal monthly instalments commencing from April, 2008 to September, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

IFL shall be paid separately by the unit as per norms.

The representatives of the unit consented to the settlement.

2. M/s Steque Equipment (P) Ltd., Pali

Shri Sunil Jain son of Late Shri C.D. Jain, Director of the company and Shri Bal Kishan, representative of the unit, appeared before the committee.

A loan of Rs. 4.50 lac was sanctioned on 30.08.86, out of which Rs. 4.34 lac were disbursed for setting up conductor manufacturing unit.

A sum of Rs. 4.91 lac is outstanding as on 01.12.2007, (principal sum Rs. 0.83 lac, interest Rs. 4.08 lac, other money Rs. 162/-. The unit is lying closed for last 15 years. Original LDR has already expired on 01.05.95. The MRV of the financed assets is NIL and value of collateral security is Rs. 3.50 lac (MRV as per revised guidelines works out to Rs. 4.03 lac). No third party guarantee is available. P&M had been disposed of by the party without prior permission of the Corporation.

After detailed discussions with the representatives and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.3.50 lac less upfront amount of Rs. 0.25 lac, i.e. at the net payable settlement amount of Rs. 3.25 lac, which shall be paid by the unit as under:-

- a) Rs. 0.50 lac in the month of March, 2008
- b) Remaining amount i.e. Rs. 2.75 lac in six equal monthly instalments commencing from April, 2008 to September, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representative of the unit consented to the settlement.

3. M/s Om Granites, Bhilwara

Shri Pyar Chand, promoter of the unit, appeared before the committee.

A loan of Rs. 4.75 lac was sanctioned on 16.02.91, out of which Rs. 2.66 lac were disbursed for manufacturing of Granite Tiles.

A sum of Rs. 27.51 lac is outstanding as on 01.12.2007, (principal sum Rs. 2.66 lac and interest Rs. 24.85 lac). The unit manufacturing granite tiles of size 6"x12" remained unviable in the entire state. The unit is lying closed since inception. The possibility of disposal financed assets is also dim. The MRV of the financed assets is Rs. 2.63 lac and collateral security as well as third party guarantee is not taken.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.3.80 lac less upfront amount of Rs. 0.80 lac, i.e. at the net payable settlement amount of Rs. 3.00 lac, which shall be paid by the unit as under:-

Rs. 1.00 lac in the month of March, 2008
Remaining amount i.e. Rs. 2.00 lac in three equal monthly instalments commencing from April, 2008 to June, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

4. M/s Saras Veg Oil Pvt. Ltd., Jodhpur

Shri Ram Niwas, Director of the unit, appeared before the committee.

A loan of Rs. 35.92 lac was sanctioned on 07.11.92, out of which Rs. 31.68 lac were disbursed for setting up an oil refinery.

On non payment of dues, the possession of fixed assets was taken on 27.04.05. The BO has reported that financed P&M have already been sold by the unit without permission. FIR has not been lodged by BO.

The case was placed before HOLC in its meeting held on 15.09.05. The committee found no justification for giving any relief to the unit in view of sufficient MRV of assets. Hence, the case was rejected with the direction that BO may immediately put the unit to auction for effecting recovery.

The unit has submitted a request to postpone the auction to be held on 17.10.05 with deposition of cash Rs. 2.00 lac and PDCs of Rs. 8.00 lac. The BO has advised the unit for deposition of Rs. 4.41 lac (i.e. interest for possession period as per norms) in addition to Rs. 10.00 lac (which have been deposited by the unit) immediately so that necessary action for handing over the possession may be taken.

The party approached to Hon'ble Court on 18.11.05 for getting stay but the court directed to first deposit the balance amount i.e. Rs. 4.41 lac. Later-on the court ordered to deposit Rs. 1.00 lac immediately, which was deposited by the party. For Rs. 6.00 lac the court ordered to deposit before 5th January, 2006. However, the court was silent on giving back the possession.

The party has deposited Rs. 17.00 lac after possession but possession of the unit could not be handed over back to the original borrower as his application for handing over the possession was pending before Hon'ble High Court.

Meanwhile, this case was registered for waiver of penal interest under the scheme of waiver of penal interest.

This case was placed before PC & CC in its meeting held on 5th October, 2006 and it was decided by the committee to waive penal interest charged since beginning amounting to Rs. 8,68,651/- with the following conditions:-

- a) The concern to withdraw the court case filed.
- b) Interest for the possession period as per norms will also be paid by the concern as per provisions of the scheme.

c) Possession of the unit will be handed over after squaring up the account.

In compliance of Hon'ble Court directives the possession of the fixed assets were handed over on 16.01.07 in the presence of Notary Public and after taking back possession of the unit the party paid following amounts:-

Rs. 6,46,330/- dt. 30.12.06(Cash)

Rs. 6,46,330/- dated 29.03,07

Rs. 12,92,660/- Total

The said amount was deposited under protest that they shall not deposit the interest for the possession period. Later-on since, the party failed to comply with the conditions of PC&CC decision.

The party is time and again requesting to waive off the interest for the possession period but as per policy of the Corporation, the interest for possession period is charged if the unit is handed over back to the original promoter and accordingly in the light of this policy specific condition was laid down while taking decision for waiver of penal interest by the PC&CC in its meeting dated 5.10.06 that interest for possession period will be charged as per norms.

Now the issue being raised by the party is that when they have deposited 25% of the balance outstanding on 15.12.05, the Corporation should have handed over the possession but the Corporation did not hand over the possession, hence, for the period from 15.12.05 to 16.10.07 should not be charged.

This case is also not eligible for registration for OTS because the MRV of the assets is much more than 150% of balance outstanding. Looking to the grievance case without upfront payment and place the same before Special HOLC for redressal.

The Hon'ble High Court, Jodhpur has disposed off the writ petition filed by the concern against the Corporation on 22.01.08. The observations of the court are as under:-

"In view of the peculiar facts and circumstances of the case, it is considered expedient to dispose of this writ petition with a direction to the petitioner to make his presentation, if not already made and if such representation is pending to make further additional representation giving complete facts of the case for settlement of balance dues of respondent RFC, if any. It is expected of the respondent RFC being a Public Authority guided by the principles and statutory provisions contained in the State Financial Corporation Act, 1951 to consider

such representation of the petitioner objectively and fairly. Such representation of the petitioner if already pending and additional representation which should be made within a period of 6 weeks from today shall be considered by the competent authority/committee of the respondent RFC within a period of three months, thereafter giving an opportunity of hearing to the petitioner. The petitioner is expected to clear off the balance dues that may be determined by such competent authority/committee in accordance with the directions given by the respondent RFC. The petitioner is also given a liberty to approach this court by way of fresh writ petitioner if; he is aggrieved by the decision of RFC in this regard and if he can make out a case that RFC has not objectively and fairly considered his representation.”

A sum of Rs. 24.45 lac is outstanding as on 01.12.2007, (principal sum Rs. 11.30 lac, interest Rs. 13.09 lac and other money Rs. 0.06 lac). The MRV of the financed assets(L&B) is Rs. 360.01 lac. Collateral security as well as third party guarantee is not available.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 16.00 lac (further payment in addition to payment made in the past) which shall be paid by the unit upto 15th April, 2008 without any interest.

The Director of the unit consented to the settlement.

5. M/s Smt. Prem Lata w/o Shri Babu Lal, Nagaur

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

6. M/s Unjha Agro Industries, Nagaur

Shri Ram Gopal, brother of proprietor of the unit and Shri Hasti Mal, relative, appeared before the committee.

A term loan of Rs. 4.50 lac and WCSM loan of Rs. 3.29 lac were sanctioned on 25.02.95 and entire amount was disbursed for Zeera Cleaning unit.

A sum of Rs. 63.60 lac is outstanding as on 01.12.2007, (principal sum Rs. 7.79 lac, interest Rs. 55.69 lac and other money Rs. 0.12) in both the loan accounts. The unit is lying closed. Category of the loan account was “Doubtful” as on 31.03.04. The MRV of the financed assets is Rs. 8.21 lac. The value of collateral security is Rs. 1.65 lac. Value of property of third party guarantors is not available.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.12.37 lac less upfront amount of Rs. 2.37 lac (rounded off), i.e. at the net payable settlement amount of Rs. 10.00 lac, which shall be paid by the unit as under:-

Rs. 1.00 lac in the month of March, 2008

Remaining amount i.e. Rs. 9.00 lac in six equal monthly instalments commencing from April, 2008 to September, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representatives of the unit consented to the settlement.

7. M/s Agrawal Plastic Indus., Hanumangarh Town

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

8. M/s Surana Cement Works, Beawar

Shri Saral Surana and Shri Rajendra Surana, partners of the unit, appeared before the committee.

The case was registered as a grievance case. The Corporation has granted two term loans and one interest free loan to the unit. Out of two term loans, the unit has squared up second account of term loan. The party has also deposited the amount in 1st loan account upto 1989 leaving a balance of Rs. 869/- only. In the meantime as per audit observation, a sum of Rs. 6,028/- were debited in the loan account under the head of other money on account of non reimbursement of subsidy giving effect from 01.04.88 thus the total outstanding alongwith interest on non reimbursement of subsidy becomes to Rs. 91,570/- as on 01.12.2007.

A sum of Rs. 11,981/- is outstanding in IFL loan account as principal, a sum of Rs. 1,07,260/- towards interest and Rs. 4,130/- as other money as on 01.12.2007. A rebate of Rs. 4,130/- was allowed in past in term loan account towards waiver of penal interest which was objected by the AG auditors, hence, the amount of Rs. 4,130/- was debited back on 30.03.96 as other money in IFL loan account. The interest was also charged on this account which has been included in the above interest outstanding. In fact this amount of Rs. 4,130/- should have been debited in term loan account instead of IFL account, therefore, the IFL account needs to be re-casted.

A sum of Rs. 2.15 lac is outstanding as on 01.12.2007, (principal sum Rs. 0.13 lac, interest Rs. 1.86 lac and other money Rs. 0.16 lac) in both the loan accounts i.e. 1st term loan and IFL. The unit is running. Category of the loan account was "Doubtful" as on 31.03.04. The MRV of the financed assets is Rs. 44.94 lac. Neither collateral security nor third party guarantors is available.

After detailed discussions with the partner and considering all the facts and position of the case, the committee decided as under:-

- a) The Branch Office, Beawar would recast the IFL loan account by giving credit of Rs. 4,130/- with retrospective effect (i.e. as on date of debiting) and the same will be debited in the term loan account, in this manner, the IFL loan account will be recasted.
- b) After recasting the IFL account the unit is required to pay/clear the IFL account separately as the Corporation is not settling the IFL accounts.
- c) The committee have decided to settle the outstanding in term loan account whatever it may be after recasting of the same (including the amount likely to be transferred from IFL loan account), in a consideration of Rs. 0.69 lac less upfront amount of Rs. 0.09 lac (rounded off), i.e. at the net payable settlement amount of Rs. 0.60 lac, which shall be paid by the unit in the month of March, 2008 without any interest.

The partner of the unit consented to the settlement.

9. M/s Paras Oil Industries, Jodhpur(DDW Case)

For compliance of directions of Hon'ble High Court, Jodhpur the notice of the meeting was served personally by the branch officials despite nobody turned up from the unit to attend the meeting. Since there are court directions to give a patient hearing to the promoter before taking any final decision by the committee, it was decided that a last and final opportunity be provided to the promoter to attend the meeting scheduled to be held on 07.03.2008. The Branch Office will ensure service of notice to the party (with A.D). In view of this, consideration of the above case was **deferred**.

10. M/s Ajay Industries, Bharatpur (DDW Case)

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

A term loan of Rs. 2.15 lac was sanctioned on 29.11.91 and Rs. 0.39 lac was sanctioned as working capital loan and only Rs. 0.98 lac disbursed to the unit. It is a very old case and unit is lying closed for a long time. The disposal of the unit was difficult, therefore, action u/s 31(a)(aa) was initiated accordingly the court have awarded a decree on 30.09.03 for Rs. 1,28,928/- plus interest @ 24% p.a. from 01.10.01. The party filed an

appeal against the decree. The unit approached for settlement and the BO has settled the case in a consideration of Rs. 2.04 lac minus upfront amount of Rs. 0.30 lac, net payable settlement amount of Rs. 1.74 lac under the provisions of Circular No. 406 dated 9.10.06 for settlement of decreetal cases. But the unit did not deposit the above settlement amount and preferred an appeal to the above decision which was allowed by the competent authority. Accordingly, registration fees of Rs. 5,000/- and upfront amount of Rs. 0.29 lac were again deposited with the request to settle the account as per prevailing scheme introduced vide FR Circular No. 491 dated 3.1.08.

A sum of Rs. 3.81 lac is outstanding as on 01.12.2007, (principal sum Rs. 0.32 lac, interest Rs. 3.49 lac)

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 1.44 lac less upfront amount of Rs. 0.30 lac (rounded off) (deposited for BO level committee) and Rs. 0.29 lac deposited for this committee, i.e. at the net payable settlement amount of Rs. 0.85 lac, which shall be paid by the unit in the month of March and April, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

Court case shall be withdrawn by the party.

The proprietor of the unit consented to the settlement.

11. M/s Kalu Khan son of Ajim Khan, Makrana (DDW Case)

Shri Kalu Khan, proprietor and Shri Sultan Khan, Relative,, appeared before the committee.

It is a deficit case. The Corporation has sanctioned term loan of Rs. 2.62 lac on 17.07.89 and entire amount was disbursed to the unit for purchase of vehicle. A seed capital amounting to Rs. 0.60 lac was also disbursed to the unit. On account of non payment of dues, the possession of the vehicle was taken over on 5.6.98 and sold on 13.01.2000 in a consideration of Rs. 0.86 lac leaving a deficit of Rs. 6.43 lac (P. sum Rs. 3.05 lac and Interest Rs. 3.38 lac including seed capital). Action has already been initiated u/s 32(G).

The branch has forwarded the case as the value of collateral security is more than 200% than principal and other money deficit.

The prime assets have already been sold and the value of collateral security is Rs. 7.42 lac.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 3.21 lac (including principal seed capital of Rs. 0.53 lac) less upfront amount of Rs.0.46 lac, i.e. at the net payable settlement amount of Rs. 2.75 lac, which shall be paid by the unit upto 31.03.2008 without any interest.

The proprietor of the unit consented to the settlement.

12. M/s Natraj Gum & Powder Pvt. Ltd., Churu (DDW Case)

On the request of the company the case was deferred for the next meeting.

13. M/s Shakti India Product, Neemrana(DDW Case)

Shri Kartar Singh, proprietor of the unit,, appeared before the committee.

It is a deficit case. The Corporation has sanctioned three loans amounting to Rs. 29.21 lac during the year 2004 and entire amount was disbursed to the unit for setting up an alluminium utensils unit. On account of non payment of dues, the possession of the unit was taken over on 20.03.06 and sold on 25.08.06 in a consideration of Rs. 25.41 lac leaving a deficit of Rs. 5.78 lac in all the accounts. As per policy of 70:30 the Corporation has debited Rs. 7.62 lac towards government dues in the above accounts. Action has already been initiated u/s 32(G) which is pending with Collector concerned.

The branch has forwarded the case as the value of collateral security is more than 200% than principal and other money deficit.

The prime assets have already been sold and the value of collateral security is around Rs. 270.00 lac.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 15.40 lac less upfront amount of Rs.0.90 lac, i.e. at the net payable settlement amount of Rs. 14.50 lac, which shall be paid by the unit as under:-

- a) Rs. 6.88 lac shall be paid by the unit upto 30.03.08 without any interest.
- b) Unit shall provide No Dues Certificate from government departments at his own level upto 30.03.08 otherwise Rs. 7.62 lac so debited in the loan account towards government dues shall be paid by the party separately besides Rs. 6.88 lac upto 30.03.08.

The proprietor of the unit consented to the settlement.

14. M/s Indra Oil Mill, Bharatpur

Shri Moola Ram, promoter of the unit, appeared before the committee.

A loan of Rs. 1.32 lac was sanctioned on 15.07.85, out of which Rs. 1.17 lac was disbursed for setting up an Oil & Cake unit.

A sum of Rs. 26.31 lac is outstanding as on 01.12.2007, (principal sum Rs. 1.15 lac, interest Rs. 25.10 lac and other money Rs. 0.06 lac) in both the loan accounts. The unit is lying closed since a long time. Category of the loan account was "Doubtful" as on 31.03.04. The MRV of the financed assets is Rs. 2.50 lac. Neither collateral security nor third party guarantee is available. The financial position of the promoter is very poor and presently residing in factory premises. Chances for take over of the unit and its disposal is very poor as the assets are not marketable.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 3.50 lac less upfront amount of Rs. 0.36 lac, i.e. at the net payable settlement amount of Rs. 3.14 lac, which shall be paid by the unit as under:-

- b) Rs. 0.80 lac in the month of March, 2008
- b) Remaining amount i.e. Rs. 2.34 lac in three equal monthly instalments commencing from April, 2008 to June, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

15. M/s Ghansi Ram son of Shri Sukhdev Bairwa, Tonk (DDW Case)

Shri Madan Mohan Pareek, guarantor and Shri Akhilesh Pareek, relative of guarantor of the unit, appeared before the committee.

A term loan of Rs. 1.50 lac was sanctioned on 05.08.81 and the entire amount was disbursed for purchase of truck. It is a very old case. On account of non payment of dues the Corporation has filed a case against the party and the Hon'ble Court has awarded a decree on 30.09.04 for Rs. 1,32,409/- alongwith interest @ 17.50% p.a. The guarantor filed an appeal against the decree which is pending in the Hon'ble High Court. Meanwhile,

the guarantor has approached for settlement and the BO has settled the case in a consideration of Rs. 3,26,208/- as per the provisions of the Circular No. 406 dated 9.10.06 for settlement of decretal cases. But the guarantor did not agree and made an appeal against the decision taken by the BO level committee which was allowed by the competent authority. Accordingly, registration fees of Rs. 5,000/- and upfront amount of Rs. 0.14 lac were again deposited with the request to settle the account as per prevailing scheme introduced vide FR Circular No. 491 dated 3.1.08.

The truck has already been sold. No collateral security is available. As reported by the BO that value of third party guarantee is not less than Rs. 3.00 lac.

After detailed discussions with the guarantor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 1.63 lac less upfront amount of Rs. 0.49 lac (rounded off) (deposited for BO level committee) and Rs. 0.14 lac deposited for this committee, i.e. at the net payable settlement amount of Rs. 1.00 lac, which shall be paid by the unit upto 31.03.08 without any interest.

Court case shall be withdrawn by the party/guarantor.

The guarantor of the unit consented to the settlement.

16. M/s Shanti Ashram Tubewell Company, Bhilwara (DDW Case)

On the request of the company the case was deferred for the next meeting.

17. M/s Prakash Plastic, Jaipur (City) (DDW Case)

Smt. Chhota Devi, wife of guarantor, Smt. Geeta Devi, Daughter of guarantor and Shri Rajendra Kumar, son of guarantor of the unit,, appeared before the committee.

It is a deficit case. The Corporation has sanctioned a loan of Rs. 1.35 lac on 5.8.85 for installation of P&M in rented premises by taking collateral security of Shri Narayan, out of which Rs. 1.20 lac was disbursed to the unit for manufacturing of polythene granuals. On account of non payment of dues, the possession of the unit was taken over on 26.10.99 and sold on 17.09.01 in a consideration of Rs. 0.22 lac leaving a deficit of Rs. 9.28 lac (Principal Rs. 1.20 lac, Interest Rs. 7.86 lac and other money Rs. 0.22 lac). Action has already been initiated u/s 32(G) which is pending with Collector concerned.

The branch has forwarded the case as the value of collateral security is more than 200% than principal and other money deficit.

The prime assets have already been sold and the value of collateral security is around Rs. 30.00 lac. No third party guarantee is available. Guarantor, Shri Narayan has expired and his wife Smt. Chhota has approached for settlement.

After detailed discussions with the guarantor's wife and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 2.01 lac less upfront amount of Rs.0.21 lac(rounded off), i.e. at the net payable settlement amount of Rs. 1.80 lac, which shall be paid by the unit as under:-

- a) Rs. 0.50 lac shall be paid by the unit upto 30.03.08 without any interest.
- b) Remaining amount of Rs. 1.30 lac shall be paid by the guarantor in three equal monthly instalments commencing from April, 2008 to June, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The guarantor of the unit consented to the settlement.

18. M/s Kachhawa Saini Furniture, Nagaur

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

19. M/s Hotel Surya Mahal Palace, Jaipur(City)

Shri Nathu Lal Meena, partner, Shri M.L. Gupta, friend and Shri Anil Meena, relative of partner of the unit, appeared before the committee.

In the instant case, a loan of Rs. 83.00 lac was sanctioned on 29.07.2000 for setting up a hotel & restaurant unit. The Corporation has sanctioned further loan of Rs. 28.45 lac on 30.05.2000, out of the above sanctioned amount a sum of Rs. 82.95 lac and Rs. 0.33 lac was disbursed respectively the last disbursement was made on 18.09.2002. The category of the loan account were also "Sub Standard" as on 31.03.04.

The party could not implement the project and, therefore, the project became abandoned. The Corporation initiated legal action for recovery of outstanding dues against which the party approached the Hon'ble High Court and obtained ex-parte stay on 15.04.04 which is still in force.

A sum of Rs. 197.81 lac were outstanding as on 01.12.07 out of which principal outstanding in both the loan accounts is Rs. 83.28 lac and interest + other money outstanding is Rs. 114.53 lac. The party has approached to the Corporation for out of court settlement of his outstanding dues with the request that since his

project is an abandoned project the Corporation may consider to settle his loan account. The matter was, therefore, placed before the competent authority and it was decided to register the case as grievance case and place before the settlement committee.

Looking to the fact that the project is an abandoned and party has obtained stay against action to take over the unit in the year 2004 which is still in operation. The committee decided to settle the case as follows:-

- a) The entire penal interest charged in both the loan accounts amounting to Rs. 17.82 lac since beginning has been agreed to be waived.
- b) The party will make the payment of Rs. 50.00 lac upto 31.03.08.
- c) The remaining interest outstanding after crediting (a), (b) and the upfront amount paid by the party, alongwith interest to fall due on 01.03.08 will be converted in to funded interest account.
- d) The outstanding principal plus funded interest account balance will be paid by the party in 12 equal monthly instalments commencing from 01.04.08 alongwith interest to fall due on due dates shall be paid regularly on due dates..
- e) Documented interest will continue to be charged in the loan account till the entire loan is repaid.
- f) The party will withdraw the court case by 31.03.08.

The partner of the unit consented to the settlement.

The ex-post facto approval of the above decision of the committee shall be obtained from the Board.

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 paid 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.

GENERAL MANAGER(DEV.)

ROUGH

M/s Smt. Prem Lata W/o Babu Lal, Nagaur

Shri _____, promoter of the unit, appeared before the committee.

A loan of Rs. 1.97 lac was sanctioned on 20.09.91, out of which Rs. 1.70 lac were disbursed for manufacturing of Plaster Of Paris.

A sum of Rs. 1.66 lac is outstanding as on 01.12.2007, (principal sum Rs. 0.90 lac and interest Rs. 0.76 lac). The unit lying closed. Category of the loan account was "Doubtful" as on 31.03.04. The MRV of the financed assets(L&B) is Rs. 1.83 lac. Value of property of third party guarantors is Rs. 1.25 lac and there is no collateral security is available.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. lac less upfront amount of Rs.lac (rounded off), i.e. at the net payable settlement amount of Rs. lac, which shall be paid by the unit

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

7. M/s Agrawal Plastic Indus., Hanumangarh Town

Earlier the case was placed before HOLC on 26.02.99 but party not agreed on the offer given by the committee for waiving of entire penal interest charged in the account, hence, the case was rejected. Party has registered his case afresh under ongoing scheme.

Shri _____, promoter of the unit, appeared before the committee.

A loan of Rs. 4.30 lac was sanctioned on 08.08.88 and entire amount was disbursed for manufacturing polythene bags.

A sum of Rs. 12.68 lac is outstanding as on 01.12.2007, (principal sum Rs. 3.41 lac, interest Rs. 9.23 lac and other money Rs. 0.04). The unit lying closed since last 10 years as the product of polythene bags are banned by the State Government. Category of the loan account was "Doubtful" as on

31.03.04. The MRV of the financed assets is Rs. 10.55 lac. The value of collateral security is Rs. 6.69 lac. There is no third party guarantors is available. Party has paid Rs. 8.16 lac since beginning (excluding upfront amount). Case is pending with Tehsildar(Revenue) under LR Act.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. lac less upfront amount of Rs.lac (rounded off), i.e. at the net payable settlement amount of Rs. lac, which shall be paid by the unit

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

10. M/s Paras Oil Industries, Jodhpur(DDW Case)

Shri, promoter of the unit, appeared before the committee.

This case was placed in the HOLC meeting held on 25.05.06 wherein the committee offered to settle the case in a consideration of Rs. 12.09 lac less upfront amount of Rs. 1.81 lac (net payable settlement amount of Rs. 10.56 lac) but the promoter did not accept the offer given by the committee, therefore, the case was rejected.

Earlier the case was placed before the Special HOLC meeting held on 30.01.08 and following decision was taken:-

"Nobody turned up for attending the meeting but the case was discussed in light of the directions of Hon'ble High Court and it was decided that the case will be placed again in the next meeting of the Special HOLC. It was also decided that as per court directions a reasonable opportunity of being heard is to be provided to the promoters of the unit, hence, the Branch Manager will ensure that the notice/information of the meeting is delivered personally to the promoters and send the acknowledgement of the notice at HO for record."

A loan of Rs. 22.40 lac was sanctioned on 21.03.96 and further loan of Rs. 17.30 lac was also sanctioned under single window scheme. On account of default the unit was taken into possession on 13.02.02 alongwith possession of collateral security. Thereafter the prime assets were sold. The total deficit in both the loan accounts as on 01.12.07 is Rs. 57.02 lac out of which Rs. 29.23 lac are towards principal, Rs. 24.68 lac towards interest and Rs. 3.11 lac towards other money. A sum of Rs. 3.06 lac are paid/to be paid to the State Government and other departments as per 70:30 policy. MRV of the collateral

security which is presently under the possession of the Corporation is Rs. 77.84 lac.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. lac **less** upfront amount of Rs.lac (rounded off), i.e. at the net payable settlement amount of Rs..... lac, which shall be paid by the unit

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

18. M/s Kachhawa Saini Furniture, Nagaur

Shri , promoter of the unit, appeared before the committee.

A loan of Rs. 2.00 lac was sanctioned on 23.10.99 and entire amount was disbursed for manufacturing of furniture and electric goods.

A sum of Rs. 5.50 lac is outstanding as on 01.12.2007, (principal sum Rs. 1.83 lac, interest Rs. 3.66 lac and other money Rs. 0.01 lac). The unit lying closed. Category of the loan account was "Doubtful" as on 31.03.04. The MRV of the financed assets is reported NIL. The value of collateral security is Rs. 2.02 lac. Value of property of third party guarantors is not available. Unit had paid Rs. 17,000/- since beginning. Case u/s 138(b) filed by BO for returned cheque.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. lac **less** upfront amount of Rs.lac (rounded off), i.e. at the net payable settlement amount of Rs..... lac, which shall be paid by the unit

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

**RAJASTHAN FINANCIAL CORPORATION
(FR Division)**

MINUTES
Special HOLC Meeting
Dated : 07.03.2008

Present		
Shri B.N. Sharma, IAS Chairman & Managing Director	:	In Chair
Shri Pawan Arora, RAS Executive Director	:	Member
Shri Suman Kumar Vig, RAS, General Manager (Dev.)	:	Member Secretary
Shri R.S. Gupta Advisor Finance	:	Member
Shri R.P. Meena, DGM(Loans)	:	Member

Shri K.K. Parashar, DGM(FR-ARRC), Shri L.K. Ajmera, DGM(DDW), Shri A.P. Mathur, DGM(FR), Shri N.K. Jain, Manager(FR-1), Shri Dinesh Mohan, Manager (FR-2), Shri S.S. Agarwal, Manager(FR-3), Shri Deepak Verma, Manager(FR-ARRC), Shri S.K. Gupta, DM(FR), Shri G.L. Sanwaria, DM(Law) and Shri Naveen Ajmera, DM(FR) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 21.02.08.

Minutes were confirmed.

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

1. M/s Anish Lime Company, Pali

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

2. M/s Kachhawa Saini Furniture, Nagaur

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

3. M/s Smt. Prem Lata W/o Babu Lal, Nagaur

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

4. M/s Agrawal Plastic Inds., Hanumangarh Town

Earlier the case was placed before HOLC on 26.02.99 where committee offered to settle the case by waiving of entire penal interest charged in the account but did not agree on the offer given by the committee hence, the case was rejected. Party has registered his case afresh under ongoing scheme.

Shri Murari Lal Agrawal, proprietor and Shri Anirudh Hissaria, friend of the proprietor of the unit, appeared before the committee.

A loan of Rs. 4.30 lac was sanctioned on 08.08.88 for setting up a unit to manufacture of polythene bags.

A sum of Rs. 13.12 lac is outstanding as on 01.03.2008, (principal sum Rs. 3.41 lac, interest Rs. 9.67 lac and other money Rs. 0.04). The unit lying closed since last 10 years as the product of polythene bags are banned by the State Government. Category of the loan account was "Doubtful" as on 31.03.04. The MRV of the financed assets is Rs. 10.55 lac. The value of collateral security is Rs. 6.69 lac. There is no third party guarantors is available. Party has paid Rs. 8.16 lac since beginning (excluding upfront amount). Case is pending with Tehsildar(Revenue) under LR Act.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 11.24 lac less upfront amount of Rs. 1.04 lac (rounded off), i.e. the net payable settlement amount of Rs. 10.20 lac.

However, the party has not given consent on the above offer of the committee and sought time for giving the consent. Therefore, the committee decided that in case the party is agreeable on the above offer of the committee then he should furnish his written consent at BO/HO upto 15.03.2008 failing which the case will be treated as rejected.

In this case collateral security is available and the committee has observed that despite of the fact that the case was rejected in the year 1999 action for taking over of possession was not taken by the branch, therefore, the committee decided to ascertain the reasons for not taking any action for recovery since 1999 and show cause notice to all the BOs after failure of settlement of 1999 be issued.

5. M/s Jain Zari Products (India), VKIA, Jaipur

Shri Nav Ratan Mal Jain, promoter of the unit, appeared before the committee.

It is a very old case where finance was made available on 10.03.77. A loan of Rs. 1.00 lac was sanctioned on 10.03.77 and entire amount was disbursed for acquiring Plant & Machinery. The unit is situated at Industrial Area, VKIA, Jaipur.

A sum of Rs. 46.28 lac is outstanding as on 01.12.2007, (principal sum Rs. 1.00 lac, interest Rs. 45.25 lac and other money Rs. 0.03 alongwith likely amount of other money i.e. 0.10 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. The P&M is missing. L&B were financed by SBBJ. Value of the same is Rs. 161.28 lac. SBBJ has settled the account and issued No Dues Certificate on 4.11.99. On non payment of economic rent and development charges, RIICO earlier took possession of the unit and lodged FIR for missing P&M financed by RFC. Later on party has settled the case with RIICO and taken back possession of the unit. There is no collateral security as well as third party guarantee.

The case was earlier settled by DGM® on 4.11.95 for Rs. 1,23,502 which was to be paid by 22.12.95. On simple interest basis under settlement scheme for the year 1995-96. The concern failed to pay the amount by the due date and deposited Rs. 123502/- on 27.06.97, thus extension in time limit for payment of settlement amount was forwarded to HO on 15.10.97. The HO did not agree for the same and decided that party may be asked to pay the amount as per settlement scheme in force as on the date of deposition of the amount i.e. 27.06.97 i.e. Rs. 3.41 lac less Rs. 1.23 lac (already paid) i.e. net Rs. 2.18 lac or if he wishes for settlement under present OTS 1997-98 he has to pay further Rs. 2.29 lac.

The case was also considered by Special HOLC in its meeting held on 28.07.2000 and it was decided that as there was no proposal for payment from proprietor and the fact that the case is sub-judice (presently in High Court) it was decided to wait for court decision.

The concern filed writ petition before Hon'ble High Court in 2000 which has been dismissed on 01.11.2007. The operative part of decision is as under:-

"Since several disputed question of facts are involved in this writ petition and the only relief claimed by the petitioner is to direct the respondents to issue no dues certificate, in such circumstances while exercising power under Article 226 of the constitution of India, this court do not want to interfere in such disputed question of facts. However, the petitioner has

every right to redress his grievance before the appropriate forum, but in any case. I find no merit in the writ petition.

Consequently, the writ petition fails and the same is accordingly dismissed”

After decision of Hon’ble Court, Branch Office initiated action for recovery, the party, therefore, represented the case for settlement. The matter was examined at HO and it was decided that if the case is eligible as per norms same may be sent to HO in view of the decision of the HOLC dt. 28.07.2000 and observation of Court.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account as per provision of on going settlement scheme for the sanctioned cases upto Rs. 1.00 lac i.e. principal + other money less upfront amount i.e. in a consideration of Rs. 1.13 lac less upfront amount of Rs. 0.15 lac (rounded off), i.e. at the net payable settlement amount of Rs. 0.98 lac, which shall be paid by the unit upto 30th June, 2008 without any interest.

The promoter of the unit consented to the settlement.

6. M/s Infotech Center, Rajsamand

Smt. Sunita Rajan Mahatma, guarantor and wife of proprietor and Shri Dilip Mandot, Brother of guarantor of the unit, appeared before the committee.

A loan of Rs. 3.25 lac was sanctioned on 04.10.94 for software development and data processing unit, out of which Rs. 3.17 lac was disbursed. The unit was set up in a rented premises, therefore, collateral security was obtained. On account of technological obsolescence unit became sick and is lying closed since a very long time.

A sum of Rs. 34.29 lac is outstanding as on 01.03.2008, (principal sum Rs. 3.17 lac, interest Rs. 30.95 lac and other money Rs. 0.17). Unit was set up in rented premises and is lying closed. Category of the loan account was “Doubtful” as on 31.03.04. The MRV of the prime security is Rs. 0.15 lac. Collateral security (two piece of land) has already been sold in a consideration of Rs. 1.62 lac. Action u/s 32(G) has already been initiated. ROD has been sent to the Revenue Authorities on 4.9.01 on which the Revenue Authorities have attached the collateral security and sold at Rs. 1.62 lakh.. For recovery of balance amount, the Collector, Rajsamand has been requested to pass orders for recovery of Corporation dues from the monthly pay bills of the guarantor Dr. Sunita Rajan Mahatma (who is Medical Officer in Government Hospital). This case was earlier settled by

DLC on 6.3.99 in a consideration of Rs. 5.74 lac but on account of non payment, the settlement was cancelled.

Guarantor of the unit, Dr. Sunita Rajan Mahatma has requested for settlement of account.

After detailed discussions with the guarantor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 8.67 lac less upfront amount of Rs. 0.67 lac, i.e. the net payable settlement amount of Rs. 8.00 lac, which shall be paid by the unit as follows:-

- a) Rs. 3.00 lac upto 31.03.08
- b) Remaining settled amount Rs. 5.00 lac in four equal monthly instalment of Rs. 1.25 lac each commencing from April, 2008 to July, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The guarantor of the unit consented to the settlement.

7. M/s Kamla Salt Inds., Nagaur

As per direction of Hon'ble High Court, Jodhpur, the case was placed before the Special HOLC meeting on 30.01.08. The minutes of the same is reproduced below:-

In compliance of the verdict of Hon'ble High Court, Jodhpur, 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. 5.37 lac less upfront amount of Rs. 3.00 lac, i.e. at the net payable settlement amount of Rs. 2.37 lac, which shall be paid by the unit in four equal monthly instalments commencing from April, 2008 to July, 2008

No interest would be charged upto 31.03.08 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit, however, not furnishes his consent to the above decision instantly and sought the time of one month for giving his consent, hence, the case was deferred.

Since the proprietor of the unit sought time in the aforesaid meeting dated 30.01.08, therefore, the notice was served to him to attend the meeting of the Special HOLC dated 7.03.08 (i.e. after lapse of more than one month time

from the date of earlier meeting dated 30.01.08) but neither the promoter nor any representative attended the meeting despite of servicing the notice to him well in time. The committee, therefore, noted that he is not interested in settlement of his case with RFC. The committee has also considered the directions of the Hon'ble High Court who asked to consider the waiver of penal interest charged by the Corporation by way of OTS and while deciding the case earlier in the meeting held on 30.01.08 the committee offered to settle the case in a consideration of Rs. 5.37 lac whereas on waiver of penal interest a sum of Rs. 34.29 lac is payable by the promoter as on 01.12.2007. In other words looking to the condition of the promoter and the case, the committee has offered to settle the case on much liberal terms even then directed by the Hon'ble Court.

Looking to the above facts of the case, the committee was having no alternative except to reject the case in absence of consent of the promoter on the offer of committee. The committee also decided that the matter may be placed before the Hon'ble High Court for record.

8. M/s Sohan Singh son of Shri Mool Singh, Makrana

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

9. M/s Chetna Service Centre, Jhalawar (DDW Case)

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

10. M/s Jagdish Synthetics Mills, Banswara (DDW Case)

Mrs. Sunila Bhatnagar, wife of proprietor of the unit, appeared before the committee.

This case was discussed in BM review meeting taken by CMD on 7.2.08 at Udaipur where peculiar facts of the case were brought into the kind notice of CMD who allowed to register this case for Spl. HOLC. It is a deficit/decreetal case. A loan of Rs. 4.11 lac was sanctioned and entire amount were disbursed. A sum of Rs. 6.82 lac was deficit amount as on date of sale. The Corporation has filed suit in the court of law for recovery where decree was awarded for Rs. 10,61,937/- on 27.02.99 with interest @ 12.5% + court expenses. The case was settled by the Branch level committee in a consideration of Rs. 11.31 lac but the promoter is not in a position to make the payment of settlement amount and requested to refer the case for higher committee i.e. Spl. HOLC. Financed assets has already been sold by the Corporation. No collateral security as well as third party guarantee are available.

The loan was granted to Shri Pradeep Bhatnagar under the proprietorship concern and Shri Bhatnagar met with several serious accident which caused permanent disability, therefore, he could not run the unit properly and his wife has come forward to settle the case.

The committee noted that according to the provisions of present scheme for settlement of decreetal cases the case can be settled in a consideration of Rs.11.31 lac but looking to the fact that there is no security of any kind available in the case. The proprietor of the unit is permanently disabled. In the opinion of the revenue authorities, it is in the commercial interest of the Corporation to settle the case with the promoter as chances of recovery otherwise even under LR Act are very dim excepting to recommend imprisonment of the promoter, the committee decided that it is better to settle the case, hence, the case settled in a consideration of Rs. 5.00 lac less upfront amount of Rs.1.74 lac, i.e. the net payable settlement amount of Rs. 3.26 lac, which shall be paid by the unit in the month of March, 2008 itself without any interest.

The wife of proprietor of the unit consented to the settlement.

The committee has also decided that the matter may be placed before the Board for seeking ex-post-facto approval. It was further decided by the committee that there may be some more hard deficit/decreetal cases, where even recovery of principal decreetal amount is quite difficult. Hence, a note may also be placed before the Board for its consideration for necessary relaxation in the existing policy of the Corporation.

11. M/s Ram Singh S/o Ganga Ram, Makrana

Shri Ram Singh, promoter of the unit, appeared before the committee.

A loan of Rs. 1.20 lac was sanctioned on 17.11.89 for purchase of vehicle (jeep) and entire amount was disbursed

A sum of Rs. 2.71 lac is outstanding as on 01.12.2007, (principal sum Rs. 0.85 lac, interest Rs. 1.85 lac and other money Rs. 0.01). Category of the loan account was "Doubtful" as on 31.03.04. Financed vehicle is missing. Value of Collateral security is Rs. 5.91 lac. There is no third party guarantee is available. The loanee has reported that the jeep is lying in scrap condition.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 1.29 lac less upfront amount of Rs. 0.29 lac (rounded off), i.e. the net payable settlement amount of Rs. 1.00 lac, which

shall be paid by the unit in the month of March, 2008 itself without any interest.

The promoter of the unit consented to the settlement.

12. M/s Hanuman Gum Factory, Churu (DDW Case)

Shri Nand Kishore Marodia, partner and Shri Sandeep Agrawal, son of one of the partners of Smt. Puspa Devi of the unit, appeared before the committee.

It is a deficit/write off case. A loan of Rs. 10.00 lac was sanctioned on 6.9.80 and entire amount were disbursed. A sum of Rs. 85,27,414/- was deficit amount. Possession of the unit was taken on 27.05.97 and assets of the unit was sold in auction for a sum of Rs. 10.00 lac on cash down basis on 20.03.2002. Thereafter action u/s 32(G) has been initiated.

Earlier the case was settled at branch level in DLC meeting held on 2.1.08 in a consideration of Rs. 12.84 lac less upfront amount of Rs. 1.85 lac (on write off amount Rs. 12.22 lac + Rs. 0.62 lac M.I.). No collateral security as well as third party guarantee is available. Party has made appeal against the decision of DLC.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee by treating the case as deficit one, has decided to settle the case in a consideration of Rs. 11.85 lac **less** upfront amount of Rs. 3.70 lac deposited for DLC as well as Spl. HOLC(Rs. 1.85 lac deposited on 28.09.07 for DLC and Rs. 1.85 lac deposited on 30.01.08 for Spl. HOLC), therefore, the net payable settlement amount of Rs. 8.15 lac which shall be paid by the unit as follows:-

- a) Rs. 3.00 lac upto 31st March, 2008
- b) Remaining settlement amount of Rs. 5.15 lac in three equal monthly instalment commencing from April, 2008 to June, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The partner of the unit consented to the settlement.

The committee also decided to place the case before the Board for ex-post-facto approval.

13. M/s Natraj Gum & Powder Pvt. Ltd. Churu (DDW Case)

Shri Lakhan Lal Purohit, representative of the unit, appeared before the committee.

It is a deficit/write off case. Two loans of Rs. 14.78 was sanctioned to the unit on 23.07.79 and 29.10.80, out of which Rs. 13.26 lac were disbursed. A sum of Rs. 53.21 lac was deficit amount which includes principal of Rs. 13.26 lac and other money is Rs. 0.20 lac. Possession of the unit was taken on 22.6.92 and assets of the unit was sold in a consideration of Rs. 2.15 lac(P&M) + Rs. 12.60 lac(L&B) total sale consideration of Rs. 14.75 lac The deficit amount was write off in the year 2005-06 as under:-

- | | |
|----------------|---------------|
| i) Write off | Rs. 1461523/- |
| ii) Write back | Rs. 3859449/- |

No collateral security as well as third party guarantee is available. The case was settled by DLC held on 17.01.08 for a consideration of Rs. 14.63 lac less upfront amount of Rs. 2.02 lac but the party has not deposited the same and made an appeal against the decision of DLC.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee by treating it as a deficit case, decided to settle the account in a consideration of Rs. 13.75 lac less upfront amount of Rs. 4.05 lac (rounded off)(Rs. 2.025 lac for DLC & Rs. 2.025 lac for Spl.HOLC), i.e. the net payable settlement amount of Rs. 9.70 lac, which shall be paid by the unit in four equal monthly instalments commencing from March, 2008 to June, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

Though during the course of meeting Shri Purohit who attended the meeting was agreeable but later on he did not give his consent in writing. In view of above proposition it has been decided by the committee that party may be advised to furnish his consent in writing at HO or at BO, Churu within a period of seven days otherwise the case would be treated as rejected.

The committee also decided to place the case before the Board for ex-post-facto approval.

14. M/s Paras Oil Industries, Jodhpur(DDW Case)

In compliance of directions of Hon'ble High Court, Jodhpur the case was placed in Spl. HOLC meeting held on 30.01.08. The decision of the committee is as under:-

"Nobody turned up for attending the meeting but the case was discussed in light of the directions of Hon'ble High Court and it was decided that the case will be placed again in the next meeting of the Special HOLC. It was also decided that as per court directions a reasonable opportunity of being heard is to be provided to the promoters of the unit, hence, the Branch Manager will ensure that the notice/information of the meeting is delivered personally to the promoters and send the acknowledgement of the notice at HO for record."

In compliance of decision, letter to the party has been issued as well as Manager(Br.), Jodhpur has also been advised to ensure that the notice/information of the meeting is delivered personally to the promoter and to send the acknowledgement of the notice at HO for record. The BM has got it delivered to son of the promoter personally and acknowledgement has also been obtained.

The case was again placed before the Spl.HOLC held on 21.02.08 and following decision was taken:-

*"For compliance of directions of Hon'ble High Court, Jodhpur the notice of the meeting was served personally by the branch officials despite nobody turned up from the unit to attend the meeting. Since there are court directions to give a patient hearing to the promoter before taking any final decision by the committee, it was decided that a last and final opportunity be provided to the promoter to attend the meeting scheduled to be held on 07.03.2008. The Branch Office will ensure service of notice to the party (with A.D). In view of this, consideration of the above case was **deferred.**"*

In compliance of decision registered A/D letter to the party has been issued as well as Manager(Br.), Jodhpur has also been advised to ensure that the notice/information of the meeting is delivered personally to the promoter and to send the acknowledgement of the notice at HO for record. The BM has got it delivered to Shri Dharmi Chand Jangda and other partners of the said unit and acknowledgement has also been obtained.

Lastly the case was placed in the Spl.HOLC meeting held on 07.03. 2008 but despite of proper notice well in time nobody turned up to attend the meeting, therefore, the committee has decided to **close** the case.

It was also decided to inform to the court accordingly.

15. M/s Chandrawati Stone Industries, Jhalawar (DDW Case)

Earlier the case was placed before Spl.HOLC in its meeting held on 30.01.08 wherein the committee offered to settle the account in a consideration of Rs.2.30 lac less upfront amount of Rs. 0.30 lac, i.e. at the net payable settlement amount of Rs. 2.00 lac, but the above offer of the committee was not accepted by the guarantors of the unit, therefore, no settlement could be reached and the case was rejected with the advise that BO should initiate action for recovery of dues.

Later on the guarantors requested that now they are agreed for making the payment as per the decision taken by the Spl.HOLC in its meeting held on 30.01.08 but they need time for payment of settlement amount in the following manner:-

- i) Rs. 1.00 lac by 31.03.08
- ii) Balance Rs. 1.00 lac in 6 months commencing from April, 2008 to September, 2008 alongwith interest.

The competent authority i.e. CMD has granted the necessary permission to revive the settlement offered by the committee in its meeting held on 30.01.08.

The guarantors were not called to attend the meeting and only note was placed before the committee.

After detailed discussions and considering all the facts, the committee has decided to confirm the action of competent authority to revive the decision taken by Spl. HOLC dated 30.01.08 wherein net payable settlement amount was Rs. 2.00 lac. Since at that time the case was rejected, therefore, time schedule for making payment of net payable settlement was not decided. The committee, therefore, also decided that the guarantors will make the payment of Rs. 2.00 lac in the manner as stated above.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

16. M/s Bajrang Industries, Churu (DDW Case)

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

17. M/s Aaram Granites (P) Ltd., Jaipur (DDW Case)

Shri A.K. Gupta, relative/authorized representative of the company, appeared before the committee.

It is a deficit case. A loan of Rs. 50.00 lac was sanctioned on 27.03.98, out of which Rs. 46.63 lac was disbursed for setting up granites unit. The possession of the unit was taken over on 2.8.2000 and sale of assets was made in piecemeal on 22.12.2001 (DG set), 11.02.2002 (transformer) and 21.02.05 (L&B, P&M) in a total sale consideration of Rs. 41.22 lac .

A sum of Rs.1966717/- remained outstanding as principal as on date of sale. A sum of Rs. 50,942/- are paid/ to be paid to Government department against 70:30 policy. Value of collateral security is Rs. 63.00 lac and no third party guarantee is available. The main director Shri Arjun Lal Agrawal expired and his wife has come forward for settlement of account.

The branch have forwarded the case as the value of collateral security is more than 200% than principal and other money deficit.

After detailed discussions with the representative and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 21.25 lac less upfront amount of Rs. 2.00 lac, i.e. the net payable settlement amount of Rs. 19.25 lac, which shall be paid by the unit as follows:-

- a) Rs. 1.00 lac upto 31st March, 2008
- b) Remaining settlement amount of Rs. 18.25 lac shall be paid in eleven equal monthly instalment commencing from April, 2008 to Feb., 2009.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The representative of the company consented to the settlement.

18. M/s Sailani Stones, Chittorgarh

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

19. M/s Shanti Ashram Tubewell Company, Bhilwara(DDW Case)

Shri S.N. Toshniwal, proprietor and Shri Aditya Toshniwal, son of the proprietor, appeared before the committee.

It is a deficit case which was earlier placed before HOLC in its meeting held on 25.05.06 wherein an offer of Rs. 12.09 lac less upfront amount of Rs. 1.81 lac, i.e. net payable settlement amount of Rs. 10.28 lac but the promoter did not accept the offer, hence, the case was rejected. Thereafter in November, 2006

party approached for condonation of delay for filing an appeal before SLC and the request was considered and party was allowed to make an appeal by depositing registration fee as well as upfront amount. In compliance of the same, the party deposited a sum of Rs. 179785/- as upfront amount i.e. 15% of principal sum alongwith registration fee of Rs. 5,000/- on 16.01.07. The party was asked to deposit upfront amount @ 30% + other money as per prevailing settlement scheme for the year 2006-07 but party failed to deposit and submitted a request to consider his appeal on the basis of amount deposited by him i.e. 15% deposited by him as upfront amount for consideration of his case by HOLC and 15% deposited by him in the month of Jan., 2007 deposited for SLC. The competent authority has condoned the delay for appeal to Spl. HOLC.

As on date of sale a sum of Rs. 11.98 lac were outstanding as principal deficit and Rs. 1.27 lac towards interest. A sum of Rs. 0.21 lac is outstanding in the head of other money. No amount is required to be paid to other departments as against the 70:30 policy.

Value of the collateral security is Rs. 3.00 lac (for saleable portion). However, the total MRV of the collateral security was Rs. 13.63 lac but the MRV of the saleable portion is Rs. 3.00 lac. The collateral security was taken into possession by the Corporation but the Hon'ble High Court restrained RFC to sale the entire collateral security except shops having worth of Rs. 3.00 lac.

After detailed discussions with the representative and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 12.19 lac less upfront amount of Rs. 3.61 lac(deposited on 29.12.05 Rs. 1.81 lac for HOLC, Rs. 1.80 lac deposited for appeal to Spl.HOLC), i.e. the net payable settlement amount of Rs. 8.58 lac, which shall be paid by the unit as follows:-

- a) Rs. 3.00 lac upto 31st March, 2008
- b) Remaining settlement amount of Rs. 5.58 lac shall be paid in three equal monthly instalment commencing from April, 2008 to June, 2008.

No interest would be charged upto 31st March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the company consented to the settlement.

20. M/s Hari Prasad S/o Mohan Lal Co.(ARRC Case)

Shri Hari Prasad, proprietor of the unit, appeared before the committee.

A loan of Rs. 1.59 lac was sanctioned on 30.09.93, out of which Rs. 1.50 lac was disbursed for manufacturing of Iron & Wooden Furniture. On account of

non payment of Corporation dues, the possession of unit was taken over on 19.12.2006. Since then the unit is lying under possession. Category of the account as on 31.03.2004 was "Doubtful". Entire P&M are missing. FIR lodged at Police Station, Makrana on 18.05.2007.

A sum of Rs.8.19 lac were outstanding as on 01.03.2008, out of which Rs. 1.34 lac towards principal, Rs. 6.52 lac towards interest and Rs. 0.33 lac towards other money. The interest for the possession period upto 29.02.08 is Rs. 1.49 lac. MRV of the financed assets is Rs. 1.76 lac. No collateral security as well as third party guarantee is available.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 1.72 lac less upfront amount of Rs. 0.47 lac (rounded off), i.e. the net payable settlement amount of Rs. 1.25 lac, which shall be paid by the unit as follows:-

- a) Rs. 0.50 lac upto 31st March, 2008
- b) Remaining settlement amount of Rs. 0.75 lac shall be paid in three equal monthly instalment commencing from April, 2008 to June, 2008.

No interest would be charged upto 31st March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the company consented to the settlement.

21. M/s Bhim Singh Meena, Ajmer (DDW Case)

Shri Bhim Singh Meena, proprietor, and Smt. Madhu Meena, wife of proprietor of the unit, appeared before the committee.

It is deficit case. A loan of Rs. 1,63,000/- was sanctioned and disbursed in the year 1984 for acquisition of Mini Bus (transport loan case). A sum of Rs. 76,039/- was deficit amount as on date of sale i.e. 24.11.97. The Corporation has filed suit in the court of law for recovery where decree was awarded for Rs. 1,17, 017/- on 01.01.2001 alongwith further interest as per documented rate. The case was settled by the Branch level committee on 26.10.07 in a consideration of Rs. 1,92,256/- i.e. decreetal amount + interest(as per FR-406) but party preferred to file an appeal against the decision of BO level committee.

Since the security available is more than 200% i.e. 11.95 lac, therefore, the branch has forwarded the case at HO.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 1,87,508/- **less** upfront amount of Rs. 35,252/- (Rs. 17,626/- deposited on 12.09.07 for BO level committee and Rs. 17,626/- deposited on 28.12.07 for Spl.HOLC), therefore, the net payable settlement amount of Rs. 1,52,256/- which shall be paid by the unit as follows:-

- a) Rs. 25,000/- upto 31st March, 2008
- b) Remaining settlement amount of Rs. 1,27,256/- shall be paid in three equal monthly instalment commencing from April, 2008 to June, 2008.

No interest would be charged upto 31st March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

22. M/s Prabhat Textile Inds., Kishangarh

Shri Vishnu Prakash Garg, partner of the unit, appeared before the committee.

A loan of Rs. 4.30 lac was sanctioned on 31.08.79 for setting up a power loom unit at Kishangarh, out of which Rs. 3.32 lac was disbursed. The loanee have paid the entire outstanding as per their calculations way back in the year 1989 to 1990 but in our books a sum of Rs. 0.19 lac remained outstanding against the unit as on 06.03.1992 adding the interest since then, the total outstanding against the unit became Rs. 1.58 lac as on 01.12.2007 inclusive of principal of Rs.0.19 lac and other money is Rs. 0.01 lac. In order to resolve the issue the case has been registered for settlement. MRV of the financed assets are quite high i.e. Rs. 16.40 lac. The proprietor has disputed the liability shown by us in our books of account.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 0.31 lac **less** upfront amount of Rs. 0.06 lac(rounded off), i.e. the net payable settlement amount of Rs. 0.25 lac, which shall be paid by the unit upto 31st March, 2008 without any interest.

The partner of the unit consented to the settlement.

23. M/s Madhur Sugandha Rice Mill, Dungarpur

Shri Ganesh Lal Pasoli, husband of proprietor/guarantor of the unit and Shri Lal Shankar Joshi, friend, appeared before the committee.

Two loans of Rs. 5.00 lac were sanctioned to the unit on 10.03.95 and 10.02.98, entire amount was disbursed for setting up a rice mill. The unit is lying closed. Category of loan account as on 31.03.04 was "Doubtful".

A sum of Rs.22.00 lac were outstanding as on 01.12.2007 in both the loan accounts, out of which Rs. 4.86 lac towards principal and Rs. 17.14 lac towards interest. MRV of the financed assets is Rs. 1.00 lac (MRV of L&B is worked out to Rs. 3.65 lac but this is not financed by the Corporation). Value of collateral security is Rs. 5.14 lac. No third party guarantee is available. ROD sent to Revenue authorities for recovery of Corporation dues but ROD was returned by the Collector with the instructions that the Corporation should first resort to initiate action u/s 30/29 of the SFCs Act. State subsidy of Rs. 1.02 lac was disbursed to the unit on 18.10.97.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 7.00 lac less upfront amount of Rs. 1.46 lac, i.e. the net payable settlement amount of Rs. 5.54 lac, which shall be paid by the unit in four equal monthly instalment commencing from March, 2008 to June, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The guarantor of the unit consented to the settlement.

Subsidy is recoverable separately as per norms.

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 paid 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.

**GENERAL MANAGER(DEV.)
MEMBER SECRETARY**

**RAJASTHAN FINANCIAL CORPORATION
(FR Division)**

MINUTES
Special HOLC Meeting
Dated : 15.03.2008

Present		
Shri B.N. Sharma, IAS Chairman & Managing Director	:	In Chair
Shri Pawan Arora, RAS Executive Director	:	Member
Shri Suman Kumar Vig, RAS, General Manager (Dev.)	:	Member Secretary
Shri R.S. Gupta Advisor Finance	:	Member
Shri R.P. Meena, DGM(Loans)	:	Member

Shri L.K. Ajmera, DGM(DDW), Shri A.P. Mathur, DGM(FR), Shri N.K. Jain, Manager(FR-1), Shri Dinesh Mohan, Manager (FR-2), Shri S.S. Agarwal, Manager(FR-3), Shri M.C. Agrawal, Manager(DDW), Shri Deepak Verma, Manager(FR-ARRC), Shri S.K. Gupta, DM(FR), Shri G.L. Sanwaria, DM(Law) and Shri Naveen Ajmera, DM(FR) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 07.03.08.

Minutes were confirmed.

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

1. M/s Anish Lime Company, Pali

Shri Mohd. Rafiq Gauri, promoter of the unit, appeared before the committee.

Party has purchased a sick unit in a consideration of Rs. 2.65 lac on 50% deferred payment basis on 30.03.96. Subsequently, a loan of Rs. 8.50 lac was sanctioned for manufacturing of quick lime on 17.02.97, out of which Rs. 1.71 lac only could be disbursed. The unit was abandoned and could not come in production. The lime klin of the unit have collapsed and are not usable. Action u/s 32(G) has been initiated and ROD has been sent.

A sum of Rs. 20.90 lac is outstanding as on 01.03.2005 in the loan accounts, (principal sum Rs. 3.02 lac, interest Rs. 17.88 lac). Category of the loan account was "Doubtful" as on 31.03.04. The MRV of the L&B is Rs. 2.65 lac. No collateral security as well as third party guarantors is available.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 4.61 lac less upfront amount of Rs. 0.61 lac, i.e. at the net payable settlement amount of Rs. 4.00 lac, which shall be paid by the unit in six equal monthly installments commencing from March, 2008 to August, 2008.

No interest would be charged upto March, 2008 and thereafter interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement w.e.f. 01.04.08.

The promoter of the unit consented to the settlement.

2. M/s Chetna Service Centre, Jhalawar (DDW Case)

Shri Badri Gujar, proprietor of the unit, appeared before the committee.

It is a deficit case. A term loan of Rs. 10,70,000/- and WCTL of Rs. 1,00,000/- was sanctioned on 20.08.2001, out of which Rs. 8,90,000/- towards term loan and Rs. 1,00,000/- towards WCTL were disbursed. On account of non payment of dues the unit was taken into possession on 9.6.05 and also sold on 8.12.05 in a consideration of Rs. 13,01,000/- leaving deficit of Rs. 1,94,844/- inclusive payment of Rs. 16,947/- paid to Government Department as per 70:30 policy. Value of collateral security is Rs. 8.48 lac. No third party guarantee is available.

Since the security available is more than 200%, therefore, the branch has forwarded the case at HO.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 1,94,884/- less upfront amount of Rs. 30,000/-, i.e. at the net payable settlement amount of Rs. 1,64,884/-, which shall be paid by the unit in six equal monthly instalments commencing from March, 2008 to August, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

3. M/s Bajrang Inds., Churu (DDW Case)

Shri Sanwar Mal Chamadia, authorized representative of the unit, appeared before the committee.

It is a deficit case. A loan of Rs. 4,43,000/- was sanctioned on 11.12.86, out of which Rs. 3,44,600/- was disbursed for manufacturing of Corrugated Boxes. On account of non payment of Corporation dues, the possession was taken over on 24.10.90 and sold for a consideration of Rs. 3.00 lac. For recovery of deficit amount action u/s 31(1)(aa) initiated. Thereafter action u/s 32-G initiated and ROD sent to Collector, Churu.

A sum of Rs.1,17,341/- were outstanding as on date of sale, out of which Rs. 1,00,854/- towards principal, Rs. 13,678/- towards interest and Rs. 2,809/- towards other money. Value of collateral security is Rs. 2.59 lac and no third party guarantee is available.

The branch have forwarded the case as the value of collateral security is more than 200% than principal and other money deficit.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 1.09 lac less upfront amount of Rs. 0.19 lac, i.e. at the net payable settlement amount of Rs. 0.90 lac, which shall be paid by the unit in the month of March, 2008.

Subsidy shall be recoverable separately as per norms.

The representative of the unit consented to the settlement.

4. M/s Sohan Singh son of Shri Mool Singh, Makrana

The case was registered in campaign organized by the Corporation during the period 16.09.07 to 30.09.07 by getting 50% of required registration fees as per FR Circular No. 471 dated 06.09.07.

Shri Sohan Singh, promoter of the unit, appeared before the committee.

A loan of Rs. 3.62 lac was sanctioned on 25.03.95 and the entire sanctioned amount was disbursed for manufacturing common salt.

A sum of Rs. 35.87 lac is outstanding as on 01.12.2007, (principal sum Rs. 3.62 lac, interest Rs. 32.23 lac and other money Rs. 0.02 lac). The unit is running one. Category of the loan account was "Doubtful" as on 31.03.04. The MRV of the financed assets is Rs. 9.80 lac. Value of collateral security

is Rs. 5.20 lac There is stay granted by CJ(JD), Teh. Nawa, Makrana against any action of recovery.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.9.11 lac less upfront amount of Rs. 1.11 lac, i.e. at the net payable settlement amount of Rs. 8.00 lac, which shall be paid by the unit as follows:-

- a) Rs. 1.50 lac upto March, 2008
- b) Remaining settlement amount of Rs. 6.50 lac in five equal monthly instalments commencing from April, 2008 to August, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

5. M/s Kachhawa Saini Furniture, Nagaur

Shri Bansi Lal Kachhawa, promoter of the unit, appeared before the committee.

A loan of Rs. 2.00 lac was sanctioned on 23.10.99 and entire amount was disbursed. The loan was sanctioned and disbursed under SSI marketing scheme for purchasing of goods (manufactured by SSI).

A sum of Rs. 5.67 lac is outstanding as on 01.03.2008, (principal sum Rs. 1.83 lac, interest Rs. 3.83 lac and other money Rs. 0.01 lac). The unit lying closed. Category of the loan account was "Doubtful" as on 31.03.04. The MRV of the financed assets is reported NIL. Value of collateral security is Rs. 2.02 lac. No third party guarantee is available.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.2.00 lac less upfront amount of Rs. 0.55 lac (rounded off), i.e. at the net payable settlement amount of Rs. 1.45 lac, which shall be paid by the unit in seven monthly instalments as under:-

- a) Six equal monthly instalments of Rs. 20,000/- each commencing from April, 2008 to September, 2008.
- b) Last instalment of Rs. 25,000/- which shall be paid by the unit in the month of October, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

6. M/s Smt. Prem Lata w/o Shri Babu Lal, Nagaur

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

7. M/s Sailani Stones, Chittorgarh

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

8. M/s Jai Kishan S/o Shri Kuna Ram Jatiya, Nagaur

Shri Jai Kishan, promoter of the unit, appeared before the committee.

A term loan of Rs. 1.07 lac and WCTL of Rs. 0.93 lac were sanctioned under Single Window Scheme and entire sanctioned amount disbursed for installation of a Rassi factory.

A sum of Rs. 11.51 lac is outstanding as on 01.03.2008, (principal sum Rs. 1.97 lac, interest Rs. 9.51 lac and other money Rs. 0.03 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. MRV of the financed assets(L&B) is Rs. 0.54 lac. Value of collateral security is Rs. 1.68 lac. No third party guarantee is available. Action u/s 32(G) has been initiated. The Plant & Machinery of the unit is reported to be missing and Building is also in damaged condition .

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 2.40 lac less upfront amount of Rs. 0.40 lac, i.e. at the net payable settlement amount of Rs. 2.00 lac, which shall be paid by the unit in eight equal monthly instalments commencing from April, 2008 to November, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

9. M/s Bhati Cold Tyre, Nagaur

Shri Ramjas Bhati, partner and Shri Sukhram, brother of partner of the unit, appeared before the committee.

A loan of Rs. 7.50 lac was sanctioned on 14.12.95, out of which Rs. 6.83 lac were disbursed for setting up a cold tyre retreading unit.

A sum of Rs. 44.64 lac is outstanding as on 01.03.2008, (principal sum Rs. 6.83 lac, interest Rs. 37.80 lac and other money Rs. 0.01 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. The MRV of the financed assets is Rs. 7.75 lac. No collateral security is available. Few items of P&M is reported to be missing.

The party has filed a writ petition before the Hon'ble High Court and the Hon'ble High Court in its decision dated 26.02.08 directed the petitioner to move appropriate representation before the competent authority to the respondent Corporation and such authority is expected to decide the same in accordance with law. Accordingly the party has got registered his case for OTS by depositing of the required registration fee and upfront amount. The unit has already paid Rs. 6.93 lac since beginning (excluding upfront amount).

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 10.89 lac less upfront amount of Rs. 1.39 lac, i.e. at the net payable settlement amount of Rs. 9.50 lac, which shall be paid by the unit in six equal monthly instalments commencing from March, 2008 to August, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The partner of the unit consented to the settlement.

10. M/s Rajawat Salt, Makrana

Nobody turned up, however, on the request of the promoter, the case was deferred.

11. M/s Shree Kailash Plaster Udyog, Nagaur

Shri Kailash Chand Biyani, partner of the unit, appeared before the committee.

A term loan of Rs. 3.72 lac and WCTL of Rs. 1.23 lac were sanctioned under Single Window Scheme and Rs. 3.70 lac and Rs. 1.23 lac were disbursed respectively for setting up of a POP manufacturing unit.

A sum of Rs. 83.04 lac is outstanding as on 01.03.2008, (principal sum Rs. 4.87 and interest Rs. 78.17 lac) in both the loan accounts. The unit is lying closed since a long period. Category of the loan account was "Doubtful" as on 31.03.04. MRV of the financed assets is Rs. 2.65 lac. Value of collateral security is Rs. 0.36 lac. No third party guarantee is available. ROD sent to Collector. The Chimney & Bhatta are fully damaged and remaining Plant & Machinery i.e. electric motors and agitate mill are missing.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 7.48 lac less upfront amount of Rs. 0.98 lac, i.e. at the net payable settlement amount of Rs. 6.50 lac, which shall be paid by the unit in six equal monthly instalments commencing from March, 2008 to August, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The partner of the unit consented to the settlement.

12. M/s Nirmal Chemicals, Pali

Shri Dilip Kumar Baliya, proprietor of the unit, appeared before the committee.

A loan of Rs. 1.24 lac was sanctioned on 30.11.84, out of which Rs. 1.17 lac was disbursed for setting up a Chemical unit.

The promoter could not run the unit due to objections raised by the Villagers of Roopawas and got power disconnected on 22.12.93. The P&M were taken away from site for which FIR was lodged but there is no outcome.

A sum of Rs. 31.96 lac is outstanding as on 01.03.2008, (principal sum Rs. 1.17 lac, interest Rs. 30.79 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. MRV of the financed assets is NIL. No collateral security as well as third party guarantee is available. ROD sent to Collector.

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. 3.24 lac **less** upfront amount of Rs. 0.24 lac(rounded off), i.e. at the net payable settlement amount of Rs. 3.00 lac but the above offer of the committee was not accepted by the party, hence, the case was **rejected**.

13. M/s Mahalaxmi Ice Factory, Dholpur(ARRC Case)

Nobody turned up, however, on the request of the promoter, the case was **deferred**.

14. M/s Bhawani Oil Mill (P) Ltd, Jaipur(Rural) (DDW Case)

Shri Vimal Sharma, Director of the unit, appeared before the committee.

It is a deficit case. A loan of Rs.62.90 lac was sanctioned on 26.03.91, out of which Rs. 60.84 lac was disbursed for setting up of an oil mill.

On account of non payment of dues, the unit was taken over on 17.03.94 and all the assets were sold in a consideration of Rs. 44.46 lac upto 29.08.02 leaving a deficit of Rs. 43.84 lac in principal segment. The amount paid or to be paid to other government departments as per 70:30 policy works out to Rs. 12.90 lac. A sum of Rs. 0.06 lac were incurred as other money, hence, the total principal deficit becomes Rs. 56.80 lac. ROD was sent on 24.04.06. The present value of collateral security/third party guarantee is Rs. 348.67 lac.

After detailed discussions with the Director and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 59.68 lac **less** upfront amount of Rs. 5.68 lac, i.e. at the net payable settlement amount of Rs. 54.00 lac, which shall be paid by the unit as follows:-

- a) Rs. 5.00 lac upto March, 2008
- b) Nine equal monthly instalments of Rs. 5.00 lac (i.e. Rs. 45.00 lac) commencing from April, 2008 to December, 2008.
- c) Remaining Rs. 4.00 lac in the month of Jan., 2009.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The Director of the unit consented to the settlement.

There is one more account of the same promoter in the name & style M/s Bhawani Mines, Village-Samod, Distt. Jaipur which is also settled in SLC meeting dated 15.03.08. In both the cases it has been decided that original documents/documents related with collateral security and other kind of any securities shall not be released till the entire payment of settled amount alongwith interest is received for both the cases.

15. M/s Bajrang Tiles, Nagaur

This case was registered as a grievance case on the directions of Hon'ble High Court, Jodhpur without asking any registration fees and upfront amount.

Shri Bajranj Lal Joshi, proprietor of the unit, appeared before the committee.

A loan of Rs. 5.18 lac was sanctioned on 29.10.94, out of which Rs. 2.22 lac was disbursed for setting up a Cement Tile unit. The loan was disbursed for only L&B and P&M was not financed, hence, the project is a abandoned project.

Earlier the case was placed before HOLC in its meeting held on 21.03.2002 wherein the committee offered to settle by waiving entire penal interest charged in the loan account of the unit but party did not agree, hence, the case was rejected. After rejection of the case, action u/s 32(G) was initiated against which promoter filed a writ petition in the Hon'ble High Court, Jodhpur. The Hon'ble High Court in its judgement dated 28.11.07 passed the order as follows:-

"Heard the learned counsel for the parties.

The only relief passed by the learned counsel for the petitioner in this writ petition is that the competent authority of respondent RFC may consider its case for waiver of penal interest out of the outstanding dues against which action under Section 29/30 of the SFC Act, 1951 was proposed by the respondents RFC.

In the facts and circumstances of the case, since questions of facts are necessarily involved in this matter, the writ petition is disposed of with a directions to respondent RFC to consider the representation of the petitioner for waiver of penal interest sympathetically. The petitioner may file a representation in this regard to respondent No. 3 the Branch Manager of RFC who will forward the same to the competent authority General Manager(Development) who will after affording an opportunity of hearing to the petitioner in this regard, make his report and place it before the competent authority/committee of respondent RFC who will take a final decision in the mater expeditiously preferably within a period of four months from today. If the petitioner is aggrieved by the decision taken by such competent authority/committee, he will be free to file a fresh writ petition in this regard.

The writ petition is accordingly disposed off. No order is to costs."

One more writ petition was filed by the promoter bearing No. 6862/2006 which was withdrawn by the promoter itself.

In the light of above decision of the Hon'ble High Court, the competent authority had allowed to register the case for One Time Settlement without asking registration and upfront amount.

The Hon'ble high Court, Jodhpur vide its order dated 28.11.07 have directed to consider the request of the promoter by waiving of penal interest according to which a sum of Rs. 9.01 lac are worked out to be recoverable from the promoter (i.e. total outstanding Rs. 10.27 lac mines penal interest since beginning Rs. 1.26 lac) but considering the fact that the project is an abandoned one and promoter did not avail any fruits from it, the committee have taken a more liberal view and offered to settle the case in a much less amount of Rs. 5.00 lac then directed by the Hon'ble High Court, but even then the promoter was not agreeable on this amount also, hence, the settlement could not be reached and case was **rejected**.

It was also decided that decision of the committee maybe brought into the kind notice of Hon'ble High Court, Jodhpur.

16. M/s Vinkum Engg. (P) Ltd., Jaipur(VKIA)(ARRC Case)

Smt. Sharda Jain, Director of the company and Shri Sanjay Goda, relative, appeared before the committee.

In the instant case L&B were financed by RIICO as they have provided the Land and shed thereon. The Corporation has granted two term loans to the company. First loan of Rs. 4.20 lac was granted on 27.11.67, out of which Rs. 4.18 lacs were disbursed and this loan account was cleared by the company long back. Second loan of Rs. 0.73 lac was sanctioned on 01.11.77 and entire sanctioned loan of Rs. 0.73 lac was disbursed. Earlier loan was sanctioned to the unit located at Johotwara and subsequently the unit was shifted to VKIA . The original lease deed is in the name of M/s Jaipur Cooperative Society and still not transferred in the name of the unit i.e. M/s Vinkum Engg. (P) Ltd.

On account of non payment of dues, possession of the unit was taken over on 8.3.88 but there is a stay on sale from High Court, Jaipur. The RIICO, however, has allowed RFC for auction of the unit and remit their dues out of sale proceeds.

A sum of Rs. 9.48 lac is outstanding as on 01.03.2008, (principal sum Rs. 0.73, interest Rs. 4.96 lac and other money Rs. 3.79 lac). The simple

interest from the date of take over of possession to 29.02.08 works out to Rs. 17.40 lac hence the total outstanding becomes Rs. 26.88 lac. The dues of RIICO are reported to be Rs. 6.58 lac.

MRV of the L&B financed by RIICO is Rs. 114.98 lac and MRV of the P&M financed by RFC is Rs. 1.50 lac. 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 decided to settle the account in a consideration of Rs. 18.18 lac less upfront amount of Rs. 1.33 lac, i.e. at the net payable settlement amount of Rs. 16.85 lac, which shall be paid by the party as follows:-

- a) Rs. 8.00 lac upto March, 2008
- b) Rs. 4.42 lac upto April, 2008
- c) Rs. 4.43 lac upto May, 2008

Rs. 16.85 lac

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The above settlement is pertaining to RFC only and company has to pay/settle RIICO dues with them separately.

The Director of the unit consented to the settlement.

17. M/s Navjeevan Surgical Cotton Inds., Churu (DDW Case)

This is a deficit case which was placed before Spl.HOLC in its meeting held on 17.12.2007. The decision taken by the committee is reproduced below:-

"Shri Ram Gopal, partner of the unit, appeared before the committee.

It is a deficit case as well as appeal case. A loan of Rs. 14.50 lac was sanctioned on 13.01.87 for manufacturing of Surgical Cotton unit, out of the sanctioned loan, a sum of Rs. 10.22 lac was disbursed. As on date of sale i.e. 13.01.07 deficit amount was Rs. 13.40 lac (Principal sum Rs. 9.51 lac, Interest Rs. 3.83 lac and other money of Rs. 0.06 lac. MRV of the assets is NIL. The value of collateral security and third party guarantee is NIL. ROD was sent to Collector, Churu on 16.01.07 which was returned to Collector, Jhunjhunu on 21.07.07.

After detailed discussions with the partner and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 10.08 lac less upfront amount of Rs. 2.95 lac (i.e Rs. 1.50 lac + Rs. 1.45 lac), i.e. at

the net payable settlement amount of Rs. 7.13 lac, which shall be paid by the unit upto 31st March, 2008.

No interest would be charged upto 31.01.08 and thereafter w.e.f. 01.02.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The partner of the unit consented to the settlement.

The above settlement of Rs. 7.13 lac considered by the committee is inclusive 5% MGI charges (Motivational Incentive). The Branch Manager, Churu has informed that the ROD issued in this case is returned back from the Revenue Authority. The concern is agreed for making the payment of settlement amount after reducing the 5% MGI added in settlement amount in the month of March, 2008 itself. The matter is, therefore, placed before committee for kind perusal and to revive the decision taken by Spl.HOLC in its meeting held on 17.12.2007.

Settlement amount as per Spl. HOLC dated 17.12.2007:

	(Rs. in lac)
Principal	9.52
Other Money	0.06
M.I.	0.50

Total	10.08

Less upfront amount Rs. 1.50 lac & Rs. 1.45 lac total Rs. 2.95 lac & 14.11.07 respectively	2.95
Net payable amount	7.13
Principal	9.52
Other money	0.06

Total	9.58
Less: Upfront amount	2.95
Net payable amount	6.63

Party was not called to attend the meeting. A note was placed before the committee and after discussions the committee has agreed for not to charge ROD charges as recommended by the BO, Churu.

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 paid 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.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

**GENERAL MANAGER(DEV.)
MEMBER SECRETARY**

**RAJASTHAN FINANCIAL CORPORATION
(FR Division)**

**MINUTES
Special HOLC Meeting
Dated : 25.03.2008**

Present		
Shri B.N. Sharma, IAS Chairman & Managing Director	:	In Chair
Shri Pawan Arora, RAS Executive Director	:	Member
Shri Suman Kumar Vig, RAS, General Manager (Dev.)	:	Member Secretary
Shri R.S. Gupta Advisor Finance	:	Member
Shri R.P. Meena, DGM(Loans)	:	Member
Shri Dharamveer Jasnani, Incharge(Law)	:	Member

Shri K.K. Parashar, DGM(ARRC), Shri L.K. Ajmera, DGM(DDW), Shri A.P. Mathur, DGM(FR), Shri N.K. Jain, Manager(FR-1), Shri Dinesh Mohan, Manager (FR-2), Shri S.S. Agarwal, Manager(FR-3), Shri Deepak Verma, Manager(FR-ARRC), Shri S.K. Gupta, DM(FR) and Shri Naveen Ajmera, DM(FR) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 15.03.08.

Minutes were confirmed.

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

1. M/s Krishna Ram S/o Shri Jetha Ram Choudhary, Nagaur

Shri Krishna Ram, promoter of the unit, appeared before the committee.

A loan of Rs. 10.00 lac was sanctioned on 08.05.97, out of which Rs. 6.86 lac were disbursed for manufacturing of Plaster of Paris unit.

A sum of Rs. 30.81 lac is outstanding as on 01.03.2008, (principal sum Rs. 6.86 lac, interest Rs. 23.93 lac, other money Rs. 0.02 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. MRV of the financed assets is Rs. 5.25 lac. Value of collateral security is Rs. 2.16 lac. No

third party guarantee is available. Action u/s 32(G) has been initiated. The unit provided collateral security of 16 plots at Village-Suwadia, Panchayat-Ratamga, Distt. Nagaur. All the plots are bare with no demarcation, no boundary wall and with no development. There is no proper approach road to the village and it is very tough to realize this proper. The major P&M i.e. Tractor & Trolley is not available at site. Promoter informed that he had sent the same to Maharashtra about 5-6 years back and the same has been damaged badly.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 8.63 lac **less** upfront amount of Rs. 1.38 lac (rounded off), i.e. at the net payable settlement amount of Rs. 7.25 lac, which shall be paid by the unit within two months time i.e. upto 24.05.08

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

2. M/s Smt. Prem Lata W/o Babu Lal, Nagaur

The case was placed in Special HOLC meeting held on 21.02.08, 07.03.08, 15.03.08 and 25.03.08 but nobody turned up to attend the meeting, hence, the case was **closed**.

3. M/s Agrawal Huller Rice Mill, Bharatpur

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

4. M/s Ashoka Engg. Works, Makrana

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

5. M/s Shyam Singh Jodha, Pali

Shri Shyam Singh Jodha, proprietor of the unit, appeared before the unit.

Earlier this case was settled in HOLC held on 18.09.01 in a consideration of Rs. 3.50 lac but the promoter did not honour the settlement. A loan of Rs. 1.35 lac was sanctioned for acquiring tractor compressor, out of which Rs. 1.26 lac was disbursed. The tractor compressor has been damaged. ROD has been sent to Collector, Pali. The revenue authority has ordered for attachment of property of the guarantor Shri Ram Prakash against which a writ petition was filed before Hon'ble High Court to absolve him from the guarantee. The value of the agriculture land attached by SDO, Jaitaran has been estimated at Rs. 4.50 lac.

MRV of the financed assets is NIL. MRV of collateral security is Rs. 5.50 lakh. A sum of Rs. 23.66 lac is outstanding as on 01.03.08 (principal Rs. 1.27 lac and interest Rs. 22.39 lac). Category of the account as on 31.03.04 was "Doubtful"

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.5.75 lac **less** upfront amount of Rs. 0.25 lac (rounded off), i.e. at the net payable settlement amount of Rs. 5.50 lac, which shall be paid by the party as follows:-

Rs. 0.50 lac upto April, 2008

Rs. 5.00 lac in two equal monthly instalments commencing from May, 2008 to June, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

6. M/s Mahalaxmi Ice Factory, Dholpur (ARRC Case)

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

7. M/s Vinay Namak Udyog, Gudha Salt, Teh. Nawa, BO, Makrana

Shri Ramesh Toshniwal, proprietor and Smt. Sawitri Devi, wife of proprietor, appeared before the committee.

A loan of Rs. 2.95 lac was sanctioned on 12.11.90, out of which Rs. 1.01 lac was disbursed for manufacturing of salt unit. ROD has been sent to Collector concerned. Category of the loan account as on 31.03.04 was "Doubtful". The unit is lying closed. Value of the prime assets is Rs. 3.65 lac. No collateral security as well as third party guarantee is available. A sum of Rs. 7.90 lac is outstanding as on 01.03.08 (principal Rs. 1.01 lac, interest Rs. 6.88 lac and other money Rs. 0.01 lac).

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.3.19 lac **less** upfront amount of Rs. 0.19 lac, i.e. at the net payable settlement amount of Rs. 3.00 lac, which shall be paid by the unit in six equal monthly instalments commencing from March, 2008 to August, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

8. M/s Kadlwa Forging, Nagaur

Shri Mishri Lal, proprietor and Shri Meghraj, brother of proprietor of the unit, appeared before the committee.

A term loan of Rs. 3.92 lac and working capital loan of Rs. 1.43 lac was sanctioned under single window scheme on 29.11.94, out of which Rs. 3.39 lac and Rs.1.13 lac were disbursed respectively for manufacturing of Hand Tools.

A sum of Rs. 35.79 lac is outstanding as on 01.03.2008, (principal sum Rs. 4.52 lac, interest Rs. 31.19 lac, other money Rs. 0.08 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. MRV of the financed assets is Rs. 4.13 lac. Value of collateral security is Rs. 1.60 lac. No third party guarantee is available. Action u/s 32(G) has been initiated. Few machines like two drill machines and one diesel engine is not available at site. The unit had paid Rs. 50,210/- since beginning.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 7.43 lac less upfront amount of Rs. 0.93 lac, i.e. at the net payable settlement amount of Rs.6.50 lac, which shall be paid by the unit in two equal monthly instalments commencing from April, 2008 to May, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

9. M/s NLP Organics (P) Ltd., Bhiwadi

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

10. M/s Sailani Stones, Chittorgarh

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

11. M/s Rajawat Salt Inds., Makrana

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

12. M/s Rameshwar Lal Saini, Jaipur(City)

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

13. M/s Naveen Stone Crushers, Kota (DDW Case)

Shri Naveen Chopra, proprietor and Smt. Sadhana Chug, wife of the proprietor of the unit, appeared before the committee.

It is a deficit case. The corporation have granted term loan of Rs.6.82 lac on 25.4.91 Rs.2.28 on 20.12.91 & Rs.3.00 on 3.4.96 (Rehabilitation assistance), out of the sanctioned loan Rs. 6.82 lac, Rs. 1.78 lac, Rs. 3.00 lac and Rs. 2.08 lac were disbursed. The loans were granted for setting up a unit of stone crusher at Village Chisa, Distt: Kota, Subsidy of Rs.2.08 lac was also disbursed on 30.7.1992.

On account of non payment of dues the assets were taken into possession on 12.10.2000 and assets were sold on 24.1.2002 in a consideration of Rs.9.30 lac. The deficit in all the three loan accounts of the unit is Rs.40.17 lac including principal sum of Rs.11.37 lac interest of Rs. 28.71 lac, other money and legal expenses of Rs.0.09 lac. ROD is pending with SDO.

This case was earlier settled by DLC on 30.3.2007 in a consideration of Rs.12.03 lac but the party has preferred appeal to the above decision of DLC. There is no collateral security. However, the value of the third party guarantee is Rs.40.00 lac.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 12.03 lac less upfront amount of Rs. 2.90 lac, i.e. at the net payable settlement amount of Rs.9.13 lac, which shall be paid by the unit in the month of March, April and May,2008 but the proprietor did not give his consent in writing instantly, hence, committee decided to give a time of 7 days for furnishing consent to the above decision by the promoter at HO/BO failing which the case will be treated rejected.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

14. M/s. Ambica Cable Inds., Bhiwadi (DDW)

Shri Mangi Ram Goyal, Proprietor of the unit, appeared before the Committee. It is a deficit case. Loan of Rs.28.11 lac, 32.45 lac & Rs.32.45 lac were sanctioned on 22.12.2000, 17.3.2001 and 17.3.2001 out of which Rs.21.06 lac Rs. 23.63 lac and Rs. 32.45 lac were disbursed. On account of non payment of Corporation

dues the unit was taken into possession on 18.3.2004 and sold on 15.10.2004 and 1.11.2004 in a consideration of Rs. 28.11 lac leaving a principal deficit of Rs. 71.09 lac inclusive of Rs. 0.48 lac already been paid to the State Govt. departments against 70:30 policy. ROD was sent on 8.3.2007. The value of the collateral security is Rs.70.10 lac. There is no third party guarantee.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 71.09 lac less upfront amount of Rs. 7.03 lac, i.e. at the net payable settlement amount of Rs.64.06 lac, which shall be paid by the unit in three equal instalments as under:

1. 1st instalment shall be payable in the month of May, 2008.
2. 2nd instalment shall be payable in the month of August, 2008.
3. 3rd instalment shall be payable in the month of December, 2008 alongwith interest.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

15. M/s. Ishab Khan, Alwar (DDW Case)

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

16. M/s. M.R. Tools Inds., Nagaur (ARRC Case)

Shri Mohd. Ali brother of the proprietor appeared before the Committee. Earlier the case was placed before the HOLC on 13.10.03. The Committee offered to settle the a/c. in further lumpsum payment of Rs.4.00 lac but the same was not accepted by the party, therefore the case was rejected.

Aggrieved with the decision of the HOLC the party has made an appeal. The competent authority condoned the delay in making appeal.

A loan of Rs.3.80 lac was sanctioned on 11.1.90 out of which Rs.3.78 lac was disbursed. Due to non payment of Corporation dues possession has been taken on 25.11.2006. On the request of the party, the competent authority i.e. CMD decided on 30.3.07 to revive the offer of the HOLC alongwith interest @ 16% p.a. The party did not adhere to the decision of the CMD and made appeal to the higher Committee.

A sum of Rs.9.84 lac were outstanding as on 1.3.2008 (Principal Rs.2.41 lac Intt. 6.93 lac, OM Rs.0.50 lac). The simple interest from the date of take over of

possession to 29.2.2008 works out to Rs.1.54 lac, hence the total outstanding becomes Rs.11.38 lac.

MRV of the financed assets is Rs.2.90 lac and value of collateral security is Rs.5.27 lac. No third party guarantee is available in the case.

After detailed discussions with the brother of proprietor and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 5.95 lac less upfront amount of Rs. 0.45 lac, i.e. at the net payable settlement amount of Rs.5.50 lac, but the above offer of the Committee was not accepted by the party hence, the case was **rejected**.

17. M/s. Jatav Chips & Stone Supplier, Baran

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

18. M/s. Tulsi Granite, Bhilwara

Shri Nirmal Kumar Sisodia, proprietor appeared before the Committee. A loan of Rs.8.47 lac was sanctioned on 16.2.91 out of which Rs.5.29 lac were disbursed for setting up a unit at Industrial Area Raipur, Distt: Bhilwara. The unit is engaged in production of granite tiles of size 6"x12". The unit is lying closed since a long time. The Corporation has financed many units at Industrial Area Raipur producing Granite tiles but almost all the units are lying closed since inception because of locational disadvantage. The possibilities of disposal of the units are also very dim therefore, the Corporation did not exercise the power conferred u/s 29 of SFCs Act for take over of assets.

A sum of Rs. 60.12 lac are outstanding as on 1.3.2008 including principal of Rs.5.29 lac. and interest of Rs.54.79 lac and other money of Rs. 0.04 lac. The MRV of the financed assets is Rs.2.60 lac. There is no collateral security as well as third party guarantee.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 8.50 lac less upfront amount of Rs. 2.50 lac, i.e. at the net payable settlement amount of Rs.6.00 lac, which shall be paid by the unit in six equal monthly instalments commencing from April,2008 to September,2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

19. M/s. Unique Bread (P) Ltd. Alwar (DDW Case)

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

20. M/s. Madhu Enterprises, Kishangarh.

Shri Fateh Lal Maheshwari, Father of Proprietor, appeared before the Committee. A loan of Rs. 6.00 lac was granted to the unit on 20.9.1996 for setting up a mosaic tile unit at RIICO Indl. Area Gegal, Distt: Ajmer. Out of the sanctioned loan Rs.2.56 lac were disbursed .

M/s. Madhu Enterprises, Gegal, Kishangarh, Distt: Ajmer is family/sister concern of M/s. Madhu Fabrics, Gegal. Miss Nisha Jagetia is Prop. of M/s. Madhu Enterprises and Smt. Bhagwati Devi who is mother of Miss Nisha Jagetia is prop. of M/s Madhu Fabrics. Both the cases were settled in the SLC meeting held on 25.09.03 according to which a further sum of Rs. 12.30 lac was payable upto December 31, 2003 as full and final payment of both the loan accounts subject to the condition that the promoter withdraw all court cases pending against RFC. The possession of the unit of M/s Madhu Fabrics was to be handed over only after receiving the full settlement amount. The manner of appropriation of settlement amount in both the accounts may be decided separately.

However, as per above decision the settlement amount was not paid in stipulated period therefore, the unit of M/s Madhu Fabrics was sold on deferred sale basis on 24.11.2005 in a sale consideration of Rs. 14.01 lac.

Till the possession of M/s Madhu Fabrics, both the cases M/s Madhu Enterprises & M/s Madhu Fabrics was linked and the same was also discussed in SLC meeting dated 25.09.03 and decision has taken for both the cases but after sale of the assets of M/s Madhu Fabrics, now the concern M/s Madhu Enterprises come for settlement. There are court cases filed by M/s Madhu Fabrics Vs RFC and M/s Madhu Enterprises Vs RFC which are required to be withdrawn before release of No Dues Certificate. There is a one more case filed by M/s Madhu Fabrics where RFC is also made a party.

A sum of Rs. 23.57 lac were outstanding as on 01.03.08 including principal Rs. 2.56 lac, interest Rs. 20.99 lac and other money Rs. 0.02 lac. MRV of the financed assets is Rs. 4.47 lac. Category of the loan account as on 31.03.04 was "Doubtful".

After detailed discussions with the father of proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 2.58 lac less upfront amount of Rs. 0.25 lac, i.e. at the net payable settlement amount of Rs.2.33 lac, which shall be paid by the unit in five equal monthly instalments commencing from March, 2008 to July, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

All the court cases filed by both the units shall be withdrawn before issuing NO Dues Certificate.

The father of 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 paid 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.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

**GENERAL MANAGER(DEV.)
MEMBER SECRETARY**

RAJASTHAN FINANCIAL CORPORATION
(FR Division)

MINUTES
Special HOLC Meeting
Dated : 27.03.2008

Present		
Shri B.N. Sharma, IAS Chairman & Managing Director	:	In Chair
Shri Pawan Arora, RAS Executive Director	:	Member
Shri Suman Kumar Vig, RAS, General Manager (Dev.)	:	Member Secretary
Shri R.S. Gupta Advisor Finance	:	Member
Shri R.P. Meena, DGM(Loans)	:	Member
Shri Dharamveer Jasnani, Incharge(Law)	:	Member

Shri K.K. Parashar, DGM(ARRC), Shri L.K. Ajmera, DGM(DDW), Shri A.P. Mathur, DGM(FR), Shri N.K. Jain, Manager(FR-1), Shri Dinesh Mohan, Manager (FR-2), Shri S.S. Agarwal, Manager(FR-3), Shri M.C. Agrawal, Manager(DDW), Shri Deepak Verma, Manager(FR-ARRC), Shri S.K. Gupta, DM(FR) and Shri Naveen Ajmera, DM(FR) were also present.

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

1. M/s Agarwal Huller Rice Mill, Bharatpur

Shri Radhey Shyam Agrawal, proprietor and Shri Ashok Kumar Bansal, son of proprietor of the unit, appeared before the committee.

A loan of Rs. 1.26 lac was sanctioned on 12.01.99, out of which Rs. 1.08 lac were disbursed for setting up a rice mill unit.

A sum of Rs. 2.39 lac is outstanding as on 01.03.2008, (principal sum Rs. 1.08 lac and interest Rs. 1.31 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. MRV of the financed assets is Rs. 0.40 lac. Value of collateral security is Rs. 0.34 lac. No third party guarantee is available. The financial position of promoter is poor. The chances for take over of the unit and its disposal are very poor as the assets are not marketable. Action

u/s 32(G) has been initiated against the unit and ROD has been sent to the concerned Collector.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 1.37 lac less upfront amount of Rs. 0.22 lac, i.e. at the net payable settlement amount of Rs. 1.15 lac, which shall be paid by the unit as follows:-

Rs. 0.25 lac upto March, 2008

Rs. 0.90 lac in three equal monthly instalments commencing from April to June, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

2. M/s Ashok Engg. Works, Makrana

Shri Chaturbhuji Jangid, proprietor of the unit, appeared before the committee.

A loan of Rs. 1.26 lac was sanctioned on 15.09.95, out of which Rs. 1.20 lac were disbursed for setting up a Engineering Workshop.

A sum of Rs. 5.84 lac is outstanding as on 01.03.2008, (principal sum Rs. 1.20 lac and interest Rs. 4.64 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. Value of collateral security is Rs. 2.00 lac. No third party guarantee is available. The unit was set up in a rented premises. The possession of the collateral security was taken on 18.02.2008. ROD sent to concerned Collector.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 2.10 lac less upfront amount of Rs. 0.30 lac, i.e. at the net payable settlement amount of Rs. 1.80 lac, which shall be paid by the unit upto March, 2008 without interest.

The proprietor of the unit consented to the settlement.

3. M/s Mahalaxmi Ice Factory, Dholpur (ARRC Case)

Smt. Vimla Devi, partner and Shri Anil Daima, relative, appeared before the committee.

A loan of Rs. 8.46 lac and Rs. 1.54 were sanctioned on 28.02.94 and 28.12.94 respectively, out of which Rs. 7.83 and Rs. 1.54 lac were disbursed for setting up Ice and Milk Chilling Plant.

Due to non payment of the Corporation dues, possession of the unit was taken over on 16.01.04. The assets were put to auction and sale was also approved in a consideration of Rs. 20.51 lac on deferred payment basis in favour of Shri Hemant Singh Poswal but purchaser did not deposit required amount of initial deposit hence the sale was cancelled and earnest money deposited was forfeited. On the approval of competent authority the case was registered as a special case.

A sum of Rs. 19.96 lac is outstanding as on 01.03.2008, (principal sum Rs. 9.08 lac, interest Rs. 10.11 lac and other money Rs. 0.77 lac). The simple interest for the possession upto 29.02.08 is Rs. 14.65 lac, hence, the total outstanding becomes Rs.34.61 lac. The MRV of the prime assets is Rs. 28.85 lac. Category of the loan account was "Doubtful" as on 31.03.04. No collateral security/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. 23.48 lac less upfront amount of Rs. 1.48 lac, i.e. at the net payable settlement amount of Rs. 22.00 lac, but the party did not accept the offer given by the committee, hence, the case was rejected.

4. M/s NLP Organics (P) Ltd., Bhiwadi

Shri Anil Bahel, Managing Director of the company, appeared before the committee.

A loan of Rs. 30.90 lac sanctioned on 8.02.87 and Rs. 6.40 lac was sanctioned on 27.02.88 respectively, out of which total sum of Rs. 31.34 lac was disbursed. The unit is engaged in manufacturing of basic drugs and drug formulation having its factory at Bhiwadi.

The unit is running one. The Corporation has filed application u/s 31(1)(aa) for recovery of dues but it could not yield recovery till date hence withdrawal application has been filed by the Corporation and it was decided to take legal action u/s 30/29 of the SFCs Act. Legal notice was issued u/s 30 and date for take over of the unit was fixed as 22.02.08 but in the meantime the promoter approached for one time settlement hence the case was registered for OTS.

A sum of Rs. 419.12 lac is outstanding as on 01.03.2008, (principal sum Rs. 31.34 lac, interest Rs. 387.72 lac and other money Rs. 0.06 lac). The MRV of the financed assets is Rs. 255.84 lac. Category of the loan account was "Doubtful"

as on 31.03.04. 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. 249.28 lac less upfront amount of Rs. 6.28 lac, i.e. at the net payable settlement amount of Rs. 243.00 lac, allowing time to deposit the settlement amount upto December, 2008 alongwith interest @ 13% p.a. w.e.f. 01.04.08 but the party sought time on which it was decided that in case party submits its consent latest by 10.00 A.M. on 28.03.08 at BO then the case will be treated as settled and in case it fails to submit its consent by 10.00 AM on 28.03.08, then BO will take over the possession of the unit immediately on 28.03.08.

5. M/s Sailani Stones, Chittorgarh

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

6. M/s Rajawat Salt, Makrana

Shri Rajveer Singh, promoter of the unit, appeared before the committee.

A loan of Rs. 2.90 lac was sanctioned on 30.03.92, out of which Rs. 1.51 lac were disbursed for manufacturing of common salt.

A sum of Rs. 13.40 lac is outstanding as on 01.03.2008, (principal sum Rs. 1.51 lac and interest Rs. 11.89 lac). The unit is running one. Category of the loan account was "Doubtful" as on 31.03.04. MRV of the financed assets is Rs. 7.40 lac. No collateral security as well as third party guarantee is available. Action u/s 32(G) has been initiated.

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.3.11 lac less upfront amount of Rs. 0.30 lac (rounded off), i.e. at the net payable settlement amount of Rs. 2.81 lac, but the party did not accept the offer given by the committee, hence, the case was rejected with the advice that BO should take action for recovery of Corporation dues as per norms.

7. M/s Rameshwar Lal Saini, Jaipur(City), (DDW Case)

Shri Rameshwar Lal Saini, proprietor, Shri Makhan Lal Saini and Shri Hardyal Saini, brother of proprietor of the unit, appeared before the committee.

It is a written off/written back case. It was a mutual sale case (transport loan Shri Ganga Ram Raigar to Shri Rameshwar Lal Saini) on agreement to sale of Rs. 1,45,875/- on 23.03.87. Financed vehicle is not traceable. FIR lodged.

This case has been written off in the year 1993-94. Amount written off is Rs. 1,36,041/- and written back Rs. 2,01,517/-. MRV of the prime assets is NIL. The value of collateral security is Rs. 3.34 lac and third party guarantee is NIL. ROD sent on 07.03.07.

Since the security available is more than 200%, therefore, the branch has forwarded the case to HO as per the scheme for settlement of Deficit/Decreetal & Written Off cases.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 1.45 lac less upfront amount of Rs.0.14 lac (rounded off), i.e. at the net payable settlement amount of Rs.1.31 lac, which shall be paid by the party in four equal monthly instalments commencing from March, 2008 to June, 2008

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

8. M/s Ishab Khan, Alwar (DDW Case)

Shri Ishab Khan, proprietor of the unit, appeared before the committee.

It is a deficit case. A term loan of Rs.3.10 lac and seed capital loan of Rs. 0.62 lac was sanctioned on 15.07.91 and fully sanctioned amount was disbursed. On account of non payment of dues, the Corporation has taken over the assets into possession on 22.01.01 and sold on 29.04.02 in a consideration of Rs. 0.88 lac. ROD sent to Collector. The Corporation is having collateral security of Rs. 32.72 lac.

Since the security available is more than 200%, therefore, the branch has forwarded the case to HO.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs1.69 lac less upfront amount of Rs.0.19 lac, i.e. at the net payable settlement amount of Rs.1.50 lac, which shall be paid by the unit in three equal monthly instalments commencing from April, 2008 to June, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

9. M/s Jatav Chips & Stones Supplier, Baran

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

10. M/s Unique Bread (P) Ltd., Alwar (DDW Case)

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

11. M/s Shree Udyog, Bhilwara

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

12. M/s Dariyav Forgings, Nagaur

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

13. M/s Shiv Bajrang Auto Repairs, Kota (DDW Case)

Party was not called. It is a decretal case and decree was awarded in favour of the Corporation for Rs. 82,229/-. The Corporation has filed the petition for execution of decree in the Hon'ble Court. The promoter of the unit belongs to SC category who met with serious accident and his hands are not working properly and his wife is working as labour to earn his livelihood. The family is covered under BPL category. The guarantor in the case also belongs to SC category. The house belonging to promoter is not easily saleable.

A sum of Rs. 2,45,527/- are outstanding in the loan account as on 01.03.08, out of which Principal Rs. 27,000/-, Interest Rs. 2,17,902, MGE, 625/-.

The promoter has deposited Rs. 40,000/- at BO, Kota on 27.03.08.

After detailed discussions and considering all the facts particularly that promoter belongs to BPL family and the promoter is permanently disabled, the committee decided to settle the account in a consideration of Rs. 40,000/- which has already been deposited by the promoter, therefore, the account has been treated as settled. Decision of Special HOLC be placed before the Board for ex-post-facto approval.

14. M/s Chandra Electricals, Sawaimadhopur (DDW Case)

Shri Narayan Ballabh Pandey, husband of the proprietor of the unit and Shri Sahdev Pandey, manager, appeared before the committee.

It is a deficit/decreetal case which was written off in the year 1994-95 (amount written off Rs. 72,251/- and written back Rs. 16,376/-) and thereafter decree of Rs. 88,627/- was awarded on 09.12.94 by Hon'ble Court in favour of RFC. There is no any guarantee available. The account was earlier settled at branch level on 23.11.07 in a consideration of Rs. 1,82,940/- under the provisions of Circular No. FR-406 dated 9.10.06 (i.e. decreetal amount + interest+OM = 88,627/-+79,473/-+14,840/- = 1,82,940/-) but party has not deposited any amount after settlement. The promoter was pursued for depositing settlement amount on monthly basis but the financial position of the promoter is not good hence not in position to pay settlement amount of Rs. 1,82,940/- and, therefore, made an appeal to settle the account on bare decreetal amount only.

Loanee is house wife and her husband will arrange the funds for settlement.

Looking to the pathetic condition of the proprietor and his family, the concerned BO has recommended to settle the case on decreetal amount plus other money plus mortgage suspense expenses which comes to Rs. 1,05,000/- (Decreetal amount Rs. 88,627/-, MSE Rs. 14,840/-and further legal expenses likely to be incurred Rs. 2,000/-)

After detailed discussions and considering all the facts and position of the case and also the recommendation of the BO, the committee decided to settle the account in a consideration of Rs.1.15 lac less upfront amount of Rs.0.15 lac, i.e. at the net payable settlement amount of Rs.1.00 lac, which shall be paid by the unit upto 31st March, 2008 without any interest.

The husband of promoter of the unit consented to the settlement.

15. M/s Prem Raj Industries, Bhilwara (DDW Case)

Shri Yogesh Kataria, partner, appeared before the committee.

It is a deficit case. A loan of Rs. 24.50 lac was granted on 31.03.94 for setting up manufacturing of Hawai Chhapal and rubber belt at I.A., Raila, Bhilwara, out of which Rs. 18.42 lac were disbursed.

On account of non payment of the dues of the Corporation, the assets was taken over possession on 30.11.99 and sold on 30.10.2001 and 4.1.03 in a total consideration of Rs. 8.32 lac leaving a principal deficit amount of Rs. 14.57 lac. ROD was filed but returned back by Collector, Hissar. The value of the collateral security is Rs. 48.00 lac. No third party guarantee is available.

After detailed discussions with the partner and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs16.50 lac less upfront amount of Rs.2.39 lac, i.e. at the net payable settlement amount of Rs.14.11 lac, which shall be paid by the unit as follows:-

Rs. 2.50 lac upto 31st March, 2008

Remaining Rs. 11.61 lac shall be paid in three equal monthly instalments commencing from April, 2008 to June, 2008.

No interest would be charged upto March, 2008 and thereafter w.e.f. 01.04.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

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 paid 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.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

GENERAL MANAGER(DEV.)
MEMBER SECRETARY

**RAJASTHAN FINANCIAL CORPORATION
(FR Division)**

MINUTES
Special HOLC Meeting
Dated : 02.05.2008

Present		
Shri B.N. Sharma, IAS Chairman & Managing Director	:	In Chair
Shri Pawan Arora, RAS Executive Director	:	Member
Smt. Rashmi Sharma, RAS, General Manager (Dev.)	:	Member Secretary
Shri R.S. Gupta Advisor Finance	:	Member
Shri R.P. Meena, DGM(Loans)	:	Member

Shri K.K. Parashar, DGM(ARRC), Shri A.P. Mathur, DGM(FR), Shri N.K. Jain, Manager(FR-1), Shri Dinesh Mohan, Manager (FR-2), Shri S.S. Agarwal, Manager(FR-3), Shri D. R. Sankhla, Manager(FR-DDW), Smt. Neelima Deshmukh, DM(FR-DDW), Shri G.L. Sanwaria, DM(Law), Shri S.K. Gupta, DM(FR) and Shri Naveen Ajmera, DM(FR), , were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 25.03.08 and 27.03.08.

Minutes were confirmed.

II It has been observed that the revenue authorities are keeping action u/s 32(G) in abeyance as soon as the case is registered for OTS. The party takes advantage of registration of his case under OTS and gains time by not attending the meeting. It has, therefore, been decided that if the party does not attend the OTS meeting on the first date communicated to him, we should continue action u/s 32(G). Necessary instructions in this regard may be issued to the BOs. The Corporation is providing three chances to appear before the Empowered Settlement Committee and thereafter cases are closed.

III Expenses incurred on court cases etc. should also be indicated in the 'O.M.' (other money) when proposals to the Committee are submitted.

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

1. M/s Bajrang Tiles, Nagaur

Shri Bajrang Lal Joshi, proprietor of the unit, appeared before the committee.

Earlier the case was placed before Spl.HOLC in its meeting held on 15.03.08 wherein the committee offered to settle the account in a consideration of Rs.5.00 lac, but the above offer of the committee was not accepted by the promoter of the unit, therefore, no settlement could be reached and the case was **rejected**.

Later on the promoter requested that now they are agreed for making the payment as per the decision taken by the Spl.HOLC in its meeting held on 15.03.08 but they need time for making payment of settlement amount in three equal monthly instalments payable in the month of April, May and June, 2008.

The competent authority i.e. CMD has decided to place the case before Special HOLC as the party had agreed on the offer of the committee made in its meeting held on 15.03.08.

After detailed discussions and considering all the facts, the committee decided to revive the decision taken by Spl. HOLC dated 15.03.08 where the net payable settlement amount arrived at was Rs. 5.00 lac. Since at that time the case was rejected, therefore, time schedule for making payment of net payable settlement was not decided. The committee, therefore, also decided that the promoter will make the payment of Rs. 5.00 lac in three equal monthly instalments commencing from the month of May, June & July, 2008 .

Interest would be charged w.e.f. 01.05.08 @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

Promoter consented to the settlement.

2. M/s Gayatri Salt Inds., Makrana

The aforesaid case was placed before HOLC in its meeting held on 27.02.06. The decision of the committee is reproduced as under:-

“Shri Amar Chand, promoter of the unit, appeared before the committee. The unit is “running”. Category of the loan account is “Doubtful”.

After detailed discussion, the committee decided to settle the case for Rs. 3.16 lac less Rs. 0.26 lac, deposited as upfront amount for HOLC, therefore, net payable settlement amount would be Rs. 2.90 lac which shall be paid by the party as under:-

- i) Rs. 0.50 lac shall be paid by the party by 31st March, 2006.

- ii) Remaining settlement amount of Rs. 2.40 lac shall be paid by the party in twelve equal monthly installments from April, 2006 to March, 2007.

Interest @ 13% p.a. shall be paid by the party on the unpaid amount of settlement from 01.04.06.

The promoter of the unit consented to the settlement.”

After settlement of the case for Rs. 3.16 lac, the BO has informed that Rs. 25,000/- in addition to the upfront amount was also deposited by the unit on 01.12.2005 itself which was not deducted from the outstanding amount shown in the proposal for HOLC.

In view of above, as per order of competent authority, the case was again placed before HOLC in its meeting held on 16.12.2006. The decision of the committee is reproduced as under:-

“After detailed discussion, the committee decided that earlier when case was settled by HOLC in Feb., 2006 (i.e. 27.02.06) no benefit was extended to the unit, therefore, it would be in the fitness of the things that amount of Rs. 0.25 lac deposited by the unit as on 01.12.2005 may be given credit and amount of settlement may be reduced by Rs. 0.25 lac and all other terms & conditions of settlement will remain same.”

Accordingly, the party deposited balance settlement amount alongwith interest for the delayed period @ 16% p.a. i.e. Rs. 2.91 lac. The BO has proposes to confirm action taken by them of accepting the amount and condoning the delay as informed by BO vide its letter No. 4211 dated 15.03.08.

Since the party had deposited entire settlement amount alongwith interest @ 16% p.a. for the delayed period, the competent authority i.e. CMD confirmed the decision taken by BO with the directions to obtain ex-post-facto approval from Special HOLC.

After detailed discussion, the committee decided to grant the ex-post-facto approval for the decision taken by CMD

3. M/s Nathawat Salt Inds., Jabdi Nagar, Makrana

The case was placed before HOLC in its meeting held on 29.01.2005 and settled the case in a consideration of Rs. 5.33 lac less upfront amount of Rs. 0.33 lac i.e. at the net payable settlement amount was Rs. 5.00 lac which was payable as follows:-

Upto 25.03.2005	Rs. 2.50 lac
Upto 30.06.2005	Rs. 1.25 lac
Upto 30.09.2005	Rs. 1.25 lac

Total

Rs.5.00 lac

Interest @ 13% p.a. on the unpaid amount after March, 2005 was also payable. The representative of the unit consented to the settlement.

The promoter of unit failed to deposit settlement amount due to long illness. The authorised representative of the unit approached the Corporation vide letter dated 2.4.08 with a request to allow him to deposit Rs. 5.00 lac only without any interest for the delayed period.

The matter was placed before competent authority and after discussions with promoter, it was decided that the earlier settlement may be revived provided the promoter/relative pays the settlement amount alongwith interest @ 13% p.a. w.e.f. 1.4.05 as per terms of settlement upto 15.04.08.

The promoter/relative again failed to deposit the settlement amount as well as interest for the delayed period upto 15.04.08 as decided by the competent authority i.e. CMD. The committee after discussions confirmed the decision taken by the CMD and decided that the party may be allowed to pay the settlement amount with interest upto 30.06.08.

4. M/s Shree Udyog, Bhilwara

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

5. M/s Bhawani Oil Mill, Makrana

Shri Sohan Lal Choudhary, proprietor of the unit, appeared before the committee.

A loan of Rs. 2.00 lac was sanctioned on 24.12.96 for setting up an oil mill, out of which Rs. 1.11 lac was disbursed to the unit.

A sum of Rs. 0.31 lac was outstanding as on 01.03.2008, (principal sum Rs. 0.11 lac and interest Rs. 0.20 lac). The unit is lying closed and proprietor has also shifted to Ajmer. Category of the loan account was "Doubtful" as on 31.03.04. Plant & Machinery is reported to be missing. The MRV of L&B is Rs. 2.33 lac. No collateral security and third party guarantee is available.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.0.27 lac less upfront amount of Rs. 0.02 lac (rounded off), i.e. at the net payable settlement amount of Rs. 0.25 lac, which shall be paid by the unit in the month of May, 2008 without any interest.

The proprietor of the unit consented to the settlement.

6. M/s Durga Zypsum Udyog, Makrana

Shri Sohan Lal Choudhary, son of proprietor of the unit, appeared before the committee.

A loan of Rs. 2.00 lac was sanctioned on 09.02.93, out of which Rs. 1.74 lac was disbursed to the unit for setting up a unit for manufacturing of zypsum powder.

A sum of Rs. 15.35 lac was outstanding as on 01.03.2008, (principal sum Rs. 1.74 lac, interest Rs. 13.60 lac and other money Rs. 0.01 lac). The unit is lying closed. The proprietor of the unit has expired. The son of the proprietor has approached for settlement. Category of the loan account was "Doubtful" as on 31.03.04. MRV of financed assets is Rs. 0.32 lac. No collateral security and third party guarantee is available. The shed and building is in damaged condition and P&M are missing for which FIR has been lodged on 23.01.08. Notice under Section 32(G) issued on 25.10.07

After detailed discussions with the representative and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 5.86 lac less upfront amount of Rs. 0.36 lac (rounded off), i.e. at the net payable settlement amount of Rs. 5.50 lac, but the above offer of the committee was not accepted by the party, hence, the case was rejected with the advice that BO should take action for recovery of the Corporation dues.

7. M/s Jagdamba Engg. Works, Makrana

Shri Ajit Singh, proprietor of the unit, appeared before the committee.

A loan of Rs. 1.44 lac was sanctioned on 11.11.94, out of which Rs. 1.28 lac was disbursed to the unit for setting up a engineering workshop unit.

A sum of Rs. 6.56 lac was outstanding as on 01.03.2008, (principal sum Rs. 1.27 lac and interest Rs. 5.29 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. MRV of financed assets is Rs. 1.05 lac. The roofing sheets and truces are missing in the building portion and P&M are also missing which were reported to have been sold by the promoter himself. No collateral security and 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. 3.51 lac less upfront amount of Rs. 0.26 lac, i.e. at the net payable settlement amount of Rs. 3.25 lac, but the above offer of the committee was not accepted by the party, hence, the case was rejected with the advice that BO should take action for recovery of the Corporation dues.

8. M/s Ramjeevan Choudhary, Jodhpur

Shri Ramjeevan Choudhary, proprietor of the unit, appeared before the committee.

It is a transport loan case. A loan of Rs. 6.00 lac was sanctioned on 30.03.98 for acquiring bus which was fully disbursed.

The Bus was attached with RSRTC. MRV of the prime assets i.e. Bus is NIL as the bus is lying in scrap condition. However, collateral security is available and present value of the same is Rs. 9.72 lac. The collateral security is located in rural area i.e. Bhopalgarh. The value of the collateral security has been calculated as per the mechanical procedure and taking possession of the property and auctioning of the same shall not only be time consuming and costly but the chances of sale are very dim.

A sum of Rs. 9.97 lac was outstanding as on 01.03.2008, (principal sum Rs. 4.60 lac and interest Rs. 5.37 lac). Category of the loan account as on 31.03.04 was "Sub Standard". Hence, the case is not fulfilling the eligibility criteria but the fact remains that this is a loan sanctioned in 1998, the account is sticky one and the collateral security is available in Rural area and not easily saleable. The competent authority has, therefore, allowed permission for registration as a special case for OTS under the scheme for settlement of NPA.

The Corporation has recently launched scheme for settlement of transport loan cases for the current financial year 2008-09 and the case is also eligible to be settled under the current scheme as per which the Branch Manager can settle the account at principal sum + 15% of principal sum + other money.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 6.23 lac less upfront amount of Rs. 0.93 lac, i.e. at the net payable settlement amount of Rs. 5.30 lac, which shall be paid by the unit in three equal monthly installments payable from the month of May, 2008 to July, 2008.

No interest would be charged upto May, 2008 and thereafter w.e.f. 01.06.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

9. M/s Abdul Aziz, Jaisalmer

Shri Abdul Aziz, promoter of the unit, appeared before the committee.

It is a transport loan case. A loan of Rs.2.12 lac was sanctioned on 22.08.96 for acquiring jeep, out of which Rs. 2.07 was disbursed.

In the instant case, the loan was granted under the Transport Loan Scheme and due to oversight, the monthly EMI was fixed at Rs. 5,500/- instead of Rs. 6,500/- and accordingly as per procedure the PDCs were obtained from the

promoter. The promoter also paid the EMI in time. This difference in amount arose due to fixation of EMI.

The promoter filed a case before District Consumer Forum in Jaisalmer and the Hon'ble Court has directed on 5.06.02 that promoter will pay Rs. 66,839/- against principal sum outstanding and the Corporation will take a decision for interest payment sympathetically. The Corporation filed an appeal against the above decision in the State Commission but the decision of the consumer forum was upheld by the State Commission vide its order dated 31.03.05. Subsequently, the Corporation filed a revision petition before the National Consumer Redressal Commission which was also decided by the commission on 19.07.05 holding that the District Forum has completely protected the interest of the Corporation.

In pursuance of district Forum decision the promoter was to pay principal sum amount of Rs. 66,839/- in six monthly installments from the date of decision i.e. 5.6.02 but the promoter did not deposit the said amount in time. However, the amount was deposited during the period from 18.01.06 to 29.06.06 in six installments.

After deposition of the principal amount of Rs. 66,839/- the promoter approached the District Forum, Jaisalmer with the request that as per the decision of the forum he has deposited Rs. 66,839/- but the Corporation is demanding outstanding balance of Rs. 2,12,235/-. The promoter also approached the Corporation for settlement of his case under the OTS scheme for transport loan above Rs. 1.00 lac launched by the Corporation in the last financial year 2007-08. He has also requested to consider his earlier payment of Rs. 66,839/- towards principal outstanding.

A sum of Rs. 2,23,626 lac was outstanding as on 01.03.2008, (principal sum Rs. 66,839/- and interest Rs.1,56,787/-). MRV of the prime assets is NIL as the vehicle is not available. Present value of the collateral security is Rs. 5.00 lac.

In pursuance of directions of District Consumer Forum as well as National Consumer Redressal Commission, the committee offered to settle the loan account by waiving 50% of interest and also keeping in view of the fact that due to mistake EMI were fixed on a lower side but at the same time, the amount is recoverable as per loan agreement at the agreed rate of interest. The full liability of the interest as on 01.03.08 works out to Rs. 1,56,787/-, hence, the committee offered to settle the account for Rs. 78,000/- (50% of Rs. 1.56 lac) but the promoter did not agree for the same, hence, no settlement could be reached. It was also decided that details of the meeting discussions be communicated to the court also.

10. M/s Sona Industries, Sikar

The case was settled earlier in DLC held on 23.07.04 in principal + simple interest i.e. Rs. 2.52,704/- but the unit did not make the payment of settled amount.

Shri Mustak Ahmed, proprietor and Smt. Aasiya Julekha, mother of the proprietor of the unit appeared before the committee.

A term loan of Rs. 1.00 lac and WCSW loan of Rs. 1.00 lac was granted on 20.03.95, out of which Rs. 0.80 lac and Rs. 0.40 lac were disbursed respectively.

A sum of Rs. 5.15 lac was outstanding as on 01.03.2008 in both the a/cs, (principal sum Rs. 1.19 lac, interest Rs. 3.94 lac and other money Rs. 0.02 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. The unit was established in rented premises & collateral security was taken. Possession of the assets was fixed on 15.07.06 but could not be taken as promoter's family is residing in the house. The MRV of the prime assets is NIL as the P&M is missing. Value of third party guarantee is NIL. Present value of collateral security is Rs. 4.85 lac. ROD has already been sent to Collector, Sikar and pending with Tehsildar. Complaint has been filed u/s 138(b) of N.I. Act, which is pending in the Court.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 2.00 lac less upfront amount of Rs. 0.25 lac (rounded off), i.e. at the net payable settlement amount of Rs. 1.75 lac, which shall be paid by the unit in four equal monthly installments commencing from May, 2008 to August, 2008.

No interest would be charged upto May, 2008 and thereafter w.e.f. 01.06.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

11. M/s Rohil Udyog, Nagaur

Shri Nathu Ram, promoter and Shri Mool Singh, brother of the promoter of the unit, appeared before the committee.

A loan of Rs. 4.75 lac was sanctioned on 29.01.98 and Rs. 2.96 lac was disbursed for setting up a wire netting plant at Arwar on the converted land. A sum of Rs. 16.38 lac was outstanding as on 01.03.2008, (principal sum Rs. 2.96 lac, interest Rs. 13.11 lac and other money Rs. 0.31 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. Plant & Machinery of the unit stolen for which FIR lodged by the proprietor himself with SHO, Kuchera on 23.06.05. Some parts of the P&M were recovered. The loan was granted without collateral security. Action u/s 32(G) has been initiated. The MRV of the L&B is Rs. 1.51 lac. There is no collateral security as well as personal guarantee.

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. 7.66 lac less upfront amount of Rs. 0.66 lac (rounded off), i.e. at the net payable settlement amount of Rs. 7.00 lac, but the above offer of the committee was not accepted by the party, hence, the case was rejected with the advice that BO should take action for recovery of the Corporation dues.

12. M/s Sailani Stones, Chittorgarh

Nobody turned up to attend the meeting.

This case was placed before HOLC in its meeting held on 29.04.03 wherein the committee offered to settle the account by waiver of penal interest but loanee did not agree to settle the account, hence, the case was rejected. The concern filed a writ petition in the Hon'ble High Court, Jodhpur, hence, the case has been registered as a grievance case without obtaining upfront amount and registration charges in compliance of orders of the Hon'ble High Court.

In the instant case the Corporation has transferred the assets of M/s Bajrang Stone Polishing Inds., M/s Jeevan Ice Candy and M/s Shree Ram Engineering Works on mutual consent basis in the name of M/s Sailani Stones, Chittorgarh on 20.11.84. The liability so transferred was Rs. 1.26 lac (deferred loan).

A sum of Rs. 14.77 lac was outstanding as on 01.03.2008, (principal sum Rs. 1.16 lac, interest Rs. 13.58 and other money Rs.0.03 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. The MRV of the financed assets is Rs. 25.75 lac. No collateral security as well as third party guarantee is available. Action u/s 32(G) has already been initiated.

A sum of Rs. 1.44 lac is shown in the loan accounts of the original party i.e. M/s Bajrang Stone Polishing Inds., M/s Jeevan Ice Candy and M/s Shree Ram Engineering Works pertaining to subsidy amount disbursed to these units for which reimbursement was not received from the State Government till the date of mutual transfer, hence, the same is also recoverable from M/s Sailani Stones, Chittorgarh.

The committee discussed the issues raised by the party in the writ petition filed before the Hon'ble High Court and found no force in the issues. However, since the Hon'ble High Court has directed to take a decision after giving opportunity of being heard to the party, hence, the Corporation has listed this case for the fifth time in order to give an opportunity of hearing but despite best efforts and prior notice for attending the meeting dated 07.03.08, 15.03.08, 25.03.08, 27.03.08 and 02.05.08, the party did not turn up which shows that the promoter is not at all serious on its proposal for settlement.

After detailed discussions, the committee decided to close the case with the directions that the BO should take suitable action for recovery of Corporation dues.

13. M/s Dariyav Forgings, Nagaur

Shri Jugal Kishore, proprietor and Shri Santosh Sharma, brother of the proprietor of the unit, appeared before the committee.

The case has been registered without taking registration and upfront amount in compliance of court directions. A loan of Rs. 12.40 lac was sanctioned (Term Loan of Rs.9.60 lac and WCSW of Rs. 2.80 lac on 22.05.99 and entire sanctioned loans were disbursed for setting up a unit for manufacturing of hand tools.

The unit is situated in RIICO Indl. Area, Nagaur. The unit has availed loan under Single Window Scheme. Earlier the case was placed before HOLC dated 6.12.05 wherein the committee offered to settle the case by waiving of balance penal interest but the representative of the unit did not accept the offer of the committee, therefore, the case was rejected with the directions that BO may initiate recovery action.

After rejection of the case, legal notice was issued by the BO and fixed up the possession on 6.2.06. The party filed a writ petition before the Hon'ble High Court, Jodhpur. The Hon'ble High Court directed the party to deposit Rs. 1.00 lac which were deposited by the party. Later-on the party requested for appeal against the decision of HOLC but not deposited requisite registration fee and upfront amount, hence, appeal was not entertained. Again legal action was initiated and date for the possession was fixed on 14.03.07. The concern again filed a writ petition No.211/07 in D.B. The Hon'ble D. B., Jodhpur stayed recovery action and now Hon'ble Court has directed to consider representation of party in its judgement dt. 24.01.08. The decision of Hon'ble Court High Court is as under:-

"It is submitted by learned counsel for the appellant that in pursuance to order dated 26.10.07 he will file a representation before the authorities for one time settlement for which he prays for two weeks time.

List this matter after two weeks as prayed for.

However, it is made clear that in case no representation is filed by the appellant, the question of continuance of interim order of stay dated 9.3.07 shall be considered on the next date."

Accordingly, party has submitted a representation for OTS without depositing requisite fee and upfront amount.

The committee noted that a sum of Rs. 28.62 lac was outstanding as on 01.03.2008, (principal sum Rs. 12.40 lac, interest Rs. 16.16 lac and other money Rs. 0.06 lac). The unit is lying closed. Category of loan account was "Sub Standard" as on 31.03.04 for which approval of competent authority has been taken for placing the case before Special HOLC. However, the category

of the loan account was "Doubtful" as on 31.03.05. MRV of the prime assets is Rs. 10.40 lac and value of collateral security is Rs. 10.68 lac

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee offered to settle the account by charging only simple rate of interest on the loan amount instead of compounding and also by waiving penal interest. The total outstanding as on 01.03.08 was Rs. 28.62 lac and after waiving of penal interest of Rs. 2.39 lac, the amount payable comes to Rs. 26.23 lac but the committee decided to settle the case at Rs. 17.91 lac only on simple interest basis (i.e. much less than the outstanding). However, the promoter did not agree on the offer of the committee, hence, the case was **rejected**.

The committee also directed that facts of the case and decision of the committee may be placed before the Hon'ble High Court and court may be requested to vacate the stay.

14. M/s Unique Bread (P) Ltd., Alwar (DDW Case)

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

15. M/s National Bakeries, Alwar (DDW Case)

Shri Shyam Agrawal, authorized representative of the unit, appeared before the committee.

It is a deficit case. A loan of Rs.1.50 lac was sanctioned on 26.10.1979, out of which Rs. 0.88 lac was disbursed. On account of non payment of dues, the Corporation has taken over the assets into possession on 18.05.2000 and sold on 03.09.04 in a consideration of Rs. 5.05 lac leaving deficit of Rs. 1,61,666/- (principal Rs. 78,411/- interest Rs. 83,170/- and other money of Rs. 85/- is also debited after sale of assets). ROD filed on 31.01.07. A sum of Rs. 2,560/- has been paid/to be paid to the State Government as 70:30 policy which already been included in principal outstanding.

Though the settlement scheme for the F.Y. 2007-08 ceased on 31.03.08 but the promoter has shown his inclination for settlement of his deficit account, therefore, the competent authority i.e. CMD has granted necessary permission for registration of the case as a special case.

After detailed discussions with the representative and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 0.84 lac **less** upfront amount of Rs. 0.12 lac (rounded off), i.e. at the net payable settlement amount of Rs. 0.72 lac, which shall be paid by the unit in the month of May, 2008 without any interest.

The authorized representative of the unit consented to the settlement.

16. M/s Gurunanak Engg. Works, Hanumangarh (DDW Case)

It is a deficit case. A term loan of Rs.4.40 lac and working capital loan of Rs. 1.24 lac, was sanctioned on 12.07.1989, out of which Rs. 4.18 lac and Rs. 1.24 lac was disbursed respectively. On account of non payment of dues, the Corporation has taken over the assets into possession on 27.07.93 and sold on 09.01.97 and 20.07.2000 in a total sale consideration of Rs. 2.71 lac leaving a deficit of Rs. 4,00,818/- (principal Rs. 4,00,818/- and interest - NIL) Prime assets has already been sold. The value of the collateral security is Rs. 12.53 lac.

The party has deposited entire deficit amount of Rs. 4,01,000/- on 31.03.08 at BO within the operative period of the scheme for settlement of deficit cases.

Since the security available is more than 200%, therefore, the branch has forwarded the case to HO.

After detailed discussions and considering all the facts and position of the case, the committee decided to confirm the action taken by the BO and the case has been treated as settled, therefore, the concerned Branch Office, Hanumangarh should take action for release of documents.

17. M/s Jatav Chips & Stones Supplier, Baran

Shri Ram Prasad Jatav, promoter of the unit, appeared before the committee.

A loan of Rs. 1.62 lac was sanctioned on 21.02.95, out of which Rs. 1.50 lac were disbursed for manufacturing of cement tiles.

A sum of Rs. 3.64 lac was outstanding as on 01.03.2008, (principal sum Rs. 1.46 lac and interest Rs. 2.18 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. MRV of financed assets i.e. P&M is Rs. 0.35 lac, L&B is not financed by the Corporation. MRV of the same is Rs. 2.10 lac. No collateral security as well as third party guarantee is available. The proprietor belongs to SC category. The P&M is only financed by the Corporation.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 2.29 lac less upfront amount of Rs. 0.29 lac (rounded off), i.e. at the net payable settlement amount of Rs. 2.00 lac, which shall be paid by the unit in four equal monthly instalments commencing from May, 2008 to August, 2008.

No interest would be charged upto May, 2008 and thereafter w.e.f. 01.06.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit verbally agreed to the offer of the committee but did not furnish his consent in writing, hence, the committee decided that in case consent is received in next 15 days then the case may be treated as settled otherwise it will be treated as rejected and necessary action for recovery will be initiated as per norms.

18. M/s Somani Synthetics, Bhilwara (DDW Case)

Shri Bhagat Somani, partner of the unit, appeared before the committee.

The Hon'ble High Court decided the case on 24.03.08 and directed the plaintiff for submitting the representation to the Corporation by 15.04.08 and the Corporation is to decide the issue by a self speaking order by 31.05.08. The plaintiff, however, did not submit any representation upto 15.04.08.

It is a deficit case. A term loan of Rs.13.50 lac was sanctioned on 12.08.1988 and Loan Against Subsidy of Rs. 2.30 lac, was sanctioned on 18.09.89, out of which Rs. 13.39 lac and Rs. 2.30 lac was disbursed respectively. On account of non payment of dues, the Corporation has taken over the assets into possession on 24.07.03 and sold on 08.10.03 in a total sale consideration of Rs. 20.42 lac leaving a deficit of Rs. 10.44 lac (principal Rs. 6.90 lac, interest Rs. 3.54 lac).

The case was placed before HOLC in its meeting held on 27.03.01 and the same was rejected. Party made appeal to SLC and the case was placed before the SLC in its meeting held on 10.10.01 and the committee offered to settle the case in a lump sum amount of Rs. 14.50 lac for which promoter of the unit did not agree to the proposal made by the committee, hence, the case was rejected.

One of the main partner, Shri Bhanwar Lal Ranka expired. Revenue authorities has attached the property and put to auction on 26 & 27.03.08 but no bidder turned up.

Meanwhile the case pending with Hon'ble High Court was disposed off on 24.03.08 and Hon'ble High Court directed to plaintiff for representing by 15.04.08 and RFC to decide the issue with a speaking order by 31.05.08. The court was of the opinion that the communication of respondent RFC dated 3.11.01 so called decision on the one time settlement proposal of the petitioner is wholly non speaking order as same does not contain either any reason nor it even disclose as to what was the offer of respondent RFC which is made to the petitioner for settling the account in question. Accordingly, petition is disposed off by setting aside the said communication or decision of respondent RFC dated 03.11.01 with the further direction to

the respondent RFC to consider the case of petitioner wholly denovo from the stage when the said proposal was forwarded to HO by BM, RFC, Bhilwara. The respondent RFC or its competent authority or committee is expected to give an opportunity of hearing to the petitioner once again and passed a detailed speaking order in this regard. Earlier accepting or rejecting the said proposal. It is needless to say that till such proposal is considered a fresh by respondent RFC, no further action against the petitioner at this stage can be taken.

In pursuance of directions of the Hon'ble High Court, Jodhpur dated 24.03.08, the committee have gone into the facts of the case denovo.

The case was considered by the HOLC in the meeting held on 27.03.01 but the case was rejected by the committee. An appeal was filed in State Level Committee on 10.10.01 where the committee decided to settle the case on a lump sum amount of Rs.14.50 lac to which the party did not agree and hence the case was rejected. The unit was taken into possession on 24-7-2003 and sold on 8.10.03. ROD was sent to the Collector in December, 2004 for recovery of deficit amount. The main promoter expired and the notices were issued to legal heirs on 01.12.2006 and 12.01.07. The revenue authorities attached the properties and put them to auction on 26 & 27th March, 2008 but no bidder turned up. It can be noted that when the case was placed before SLC in the year 2001, the unit was not in possession of the Corporation but upon failure of settlement by the party with the Corporation and also on account of non payment of dues, the Corporation took over the possession of the assets on 24.07.03. Thereafter the assets were sold by public auction on 8.10.03 in a consideration of Rs. 20.42 lac. After sale of assets, the nature of the account became a deficit account and as per the policy approved by the Board of the Director of the Corporation no deficit account can be settled below the principal outstanding plus other money plus recovery charges.

The committee noted that earlier the State Level Committee had offered to settle the case in a consideration of Rs. 14.50 lac in the month of October, 2001. Thereafter, on account of failure of settlement as well as non payment of dues, the assets of the unit were taken into possession by exercising powers under Section 29 of the SFCs Act which has resulted in change of nature of the account from a general account into a deficit account and as such the earlier settlement can not be re-opened. In this case, the principle deficit amount is Rs. 6.90 lac, hence, as per policy of the Corporation the account can not be settled below Rs. 6.90 lac + 5% ROD charges thus at the total settlement amount will be Rs. 7.25 lac. Accordingly, the committee offered to settle the loan account at Rs. 7.25 lac but the party did not agree on the offer given by the committee hence, settlement could not be reached, therefore, the case was **rejected**.

The committee also decided that the decision of the committee may be submitted before the Hon'ble High Court.

19. M/s Nand Lal son of Durjan, Sikar (DDW Case)

Shri Nand Lal, proprietor of the unit, appeared before the committee.

It is a deficit case. A term loan of Rs.2.96 lac on 04.03.1989 and seed capital of Rs. 0.59 lac was sanctioned on 15.06.89, out of which Rs. 2.81 lac and Rs. 0.59 lac was disbursed respectively. On account of non payment of dues, the Corporation has taken over the vehicle into possession on 24.12.93 and sold on 22.07.95 in a consideration of Rs. 1.25 lac leaving deficit of Rs. 2,25,557/- (principal Rs. 2,21,505/- interest Rs. 4,025/-). Further, other money of Rs. 1,202/- was also debited in the account. Earlier the case was placed in HOLC in its meeting held on 28.08.04 but the same was rejected. Again the case was registered under OTS and branch has settled the case on 12.03.07 in a consideration of Rs. 2,80,257/- less upfront amount of Rs. 30,000 but party has not deposited the settlement. Value of collateral security is Rs. 6.29 lac. No third party guarantee is available.

Since the security available is more than 200%, therefore, the branch has forwarded the case to HO.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 2.37 lac less upfront amount of Rs.0.73 lac (rounded off), i.e. at the net payable settlement amount of Rs. 1.64 lac, which shall be paid by the unit in four equal monthly instalments commencing from May, 2008 to August, 2008 .

No interest would be charged upto May, 2008 and thereafter w.e.f. 01.06.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

20. Deficit/decreetal cases settled by BO, Kota on the similar lines of deficit cases

A note was placed before the Board of Directors in its meeting held on 27.03.08 for settlement of cases of deficit-decreetal on the lines of deficit cases where decree has been awarded by the competent court for higher amount but the financial position of the promoter/guarantor is poor and prime assets have already been sold by the Corporation further no collateral security is also available.

The Board of Directors decided to settle such cases. The minutes of the Board meeting dated 27.03.08 is reproduced below:-

"After discussions, the Board decided that the cases where decree has been awarded by the competent court but the financial position of the

promoters/guarantors is very poor and prime assets have already been sold and no collateral security is available. These cases may be settled on similar lines as that of settlement of deficit cases."

The BO, Kota has forwarded the proposal of seven cases settled by them on 29.03.08 and 31.03.08 on the above lines i.e. settled on deficit amount + other money + 5% recovery charges where ROD was filed, instead of decreetal amount. The detail of such cases is narrated as below:

Name of the unit	Amt. Disb.	Security	Date & amt. of decree	Deficit as on date of sale after appropriation of sale price (Rs. in lac)	Write off year & amount	Settled amt.
Sh. Azatulla Khan	113000	-	28.03.00 Rs. 550332	Prin. 1.12 Intt. 2.91 Total 4.03	-	179000
Sh. Suraj Mal Pakodiwala	80000	-	06.08.05 Rs. 78750	Prin. 0.62 Intt. 0.16 Total 0.78	-	94000
Sh. Abdul Latif	13500	-	08.10.99 Rs. 95918	Prin. 0.13 Intt. 0.44 Total 0.57	1995-96 W/o 19083 W/B 184376	26000
Jain Chemicals	252000		17.03.05 Rs. 54522	Prin. 0.31 Intt. 0.05 Total 0.36	1995-96 W/o 36546 W/B 221799	71000
Sh. Birdhilal	182800		22.03.03 Rs. 950993	Prin. 1.82 Intt. 4.54 Total 6.36		191000
Sh. Ram Kishan Meena	89400		31.05.01 Rs. 400807	Prin. 0.89 Intt. 1.20 Total 2.09		115000
Sh. Devi Lal Raiger	170000	3.63	02.01.00 Rs. 584397	Prin. 1.68 Intt. 0.00 Total 1.68		218280

The committee after discussions confirmed the action taken by the BO, Kota in settlement of the above decreetal case being deficit cases.

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 paid 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.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

**GENERAL MANAGER(DEV.)
MEMBER SECRETARY**

**RAJASTHAN FINANCIAL CORPORATION
(FR Division)**

MINUTES
Special HOLC Meeting
Dated : 28.06.2008

Present		
Shri B.N. Sharma, IAS Chairman & Managing Director	:	In Chair
Shri Pawan Arora, RAS Executive Director	:	Member
Smt. Rashmi Sharma, RAS, General Manager (Dev.)	:	Member Secretary
Shri R.S. Gupta Advisor Finance	:	Member
Shri R.P. Meena, DGM(Loans)	:	Member
Shri Dharmveer Jasnani Incharge(Law)	:	Member

Shri K.K. Parashar, DGM(ARRC), Shri L.K. Ajmera, DGM(DDW), Shri A.P. Mathur, DGM(FR), Shri N.K. Jain, Manager(FR-1), Shri H.C. Khunteta, Manager(FR-DDW), Shri Dinesh Mohan, Manager (FR-2), Shri S.S. Agarwal, Manager(FR-3), Shri Deepak Verma, Manager(ARRC), Shri S.K. Gupta, DM(FR) and Shri Naveen Ajmera, DM(FR) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 02.05.08.

Minutes were confirmed.

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

1. M/s Khokhar Oil Mill, Nagaur

Shri Murad Khan, proprietor of the unit, appeared before the committee.

A loan of Rs. 2.65 lac and WCSW loan of Rs. 1.75 lac was sanctioned on 6.2.98, out of which Rs. 1.90 lac and Rs. 1.75 lac was disbursed to the unit for setting up edible oil mill.

A sum of Rs. 16.74 lac was outstanding as on 01.06.2008, (principal sum Rs. 3.65 lac, interest Rs. 12.95 lac and other money Rs. 0.14 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04.

MRV of financed assets(L&B) is Rs. 2.40 lac. Value of collateral security Rs. 3.67 lac. No third party guarantee is available. Action u/s 32(G) has been initiated. ROD is pending with Revenue Authorities. The unit located in remote area of village and chances of disposal, if taken in possession, is rare. No P&M are available at site and it seems that the promoter has disposed off the financed P&M without permission of Corporation. Assessed value of P&M at the time of disbursement was Rs. 1.26 lac. FIR has not been lodged.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.5.76 lac less upfront amount of Rs. 0.76 lac, i.e. at the net payable settlement amount of Rs. 5.00 lac payable in six equal monthly instalment commencing from the month of July, 2008 to December, 2008.

No interest would be charged upto July, 2008 and thereafter w.e.f. 01.08.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor, however, sought time for giving his consent on the above offer of the committee, hence, the committee granted 15 days time for furnishing the consent by the proprietor and in case of failure the case will be treated as rejected.

2. M/s Shri Ambika Plastic Udyog, Sawaimadhopur (ARRC Case)

Shri Moti Lal Meena, promoter of the unit, appeared before the committee.

A loan of Rs. 1.50 lac and Rs. 0.36 lac was sanctioned on 28.02.81 and on 4.7.84 respectively for manufacturing of plastic based product (bags), out of which Rs. 1.28 lac was disbursed to the unit.

A sum of Rs. 2.88 lac was outstanding as on 01.03.2008, (principal sum Rs. 1.28 lac, interest Rs. 0.87 lac and other money Rs. 0.73 lac). The unit is under possession since 23.05.87. After adding interest of possession period upto 31.05.08 i.e. Rs. 4.40 lac, outstanding becomes Rs. 7.28 lac. Category of the loan account was "Doubtful" as on 31.03.04 & 31.03.05. MRV of assets is Rs. 1.27 lac. No collateral and third party guarantee is available. Due to non payment of Corporation dues possession of the unit was taken over on 23.05.87. Plant & Machinery of the unit had been sold on 15.02.93 in a consideration of Rs. 27,000/-. The land & building is situated in remote rural area. 39 attempts of auction were held but L&B could not be sold. Action u/s 32(G) was taken by filing ROD but the Revenue Authority has dropped the action.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a

consideration of Rs. 2.42 lac **less** upfront amount of Rs. 0.42 lac, i.e. at the net payable settlement amount of Rs.2.00 lac, which shall be paid by the unit in eight equal monthly instalments commencing from July, 2008 to Feb., 2009.

No interest would be charged upto July, 2008 and thereafter w.e.f. 01.08.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter of the unit consented to the settlement.

3. M/s M.H. Industries, Pali

Shri Anwar Hussain, son of proprietor of the unit, appeared before the committee.

A loan of Rs. 0.88 lac (SL) and DG Set loan of Rs. 0.73 lac was sanctioned on 19.03.84 and 04.12.84, out of which Rs. 0.85 lac and Rs. 0.66 lac was disbursed to the unit.

A sum of Rs. 31.26 lac was outstanding as on 01.03.2008, (principal sum Rs. 1.51 lac, interest Rs. 29.71 lac and other money Rs. 0.04 lac). The main loan account has been written off in 1993-94 but DG Set loan account could not be written off. Category of the loan account was "Doubtful" as on 31.03.04. Promoter has expired and assets are missing. FIR was sent on 27.03.98. No collateral security and third party guarantee are available. The written off loan account was settled on 31.03.05. A sum of Rs. 43,000/- was also deposited by the party. The balance settlement amount was not deposited by the party.

After detailed discussions with the representative and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 8.22 lac **less** upfront amount of Rs.0.22 lac, i.e. at the net payable settlement amount of Rs.8.00 lac but the offer given by the committee did not accept by the representative, hence, the case was **rejected** with the direction that branch should take necessary action for recovery of dues.

4. M/s Shri Durga Art & Handicrafts, Jodhpur

Shri Gulab Chand, proprietor of the unit, appeared before the committee.

A loan of Rs. 1.28 lac was sanctioned on 18.03.97, out of which Rs. 1.04 lac was disbursed upto 31.07.99 for manufacturing of handicraft items.

A sum of Rs. 2.93 lac was outstanding as on 01.03.2008, (principal sum Rs. 1.01 lac, interest Rs. 1.91 lac and other money Rs. 0.01 lac). Category of the

loan account was "Doubtful" as on 31.03.04. MRV of assets was Rs. 3.85 lac. No collateral security and third party guarantee is available.

It is a soft loan case financed in Pal Shilpgram, a RIICO notified area. The unit is running. LDR has already been expired on 01.12.2005. Earlier there was some confusion regarding plot number allotted by RIICO as a result party informed that their production activity was disrupted and as such could not break even.

On account of non payment, possession was attempted and it was made clear to the party that action u/s 29 would be taken, on which the party approached for settlement.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 2.31 lac less upfront amount of Rs. 0.31 lac (rounded off), i.e. at the net payable settlement amount of Rs.2.00 lac, which shall be paid by the unit in two equal monthly instalments commencing from July, 2008 to August, 2008.

No interest would be charged upto July, 2008 and thereafter w.e.f. 01.08.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

5. M/s D.T.P. Point, Kota (FR-DDW Case)

Shri G.N. Bhati, Guarantor of the unit informed vide FAX dated 26.06.08 that he would not appear due to ill health and requested for settlement of the case.

It is a deficit case. The case was earlier settled by HOLC on 16.12.2006 at Rs. 2.77 lac less upfront amount of Rs. 0.20 lac but the offer was not acceptable to the party, hence the case was rejected. A loan of Rs.2.71 lac was sanctioned on 30.09.91, out of which Rs. 2.43 lac was disbursed. On account of non payment of dues, the Corporation had taken over the assets into possession on 19.07.94 and sold in a consideration of Rs. 0.06 lac leaving a deficit of Rs. 3.79 lac (principal Rs. 2.43, interest Rs. 1.20 lac and other money & MGE of Rs. 0.16 lac). ROD was sent to Collector but after taking over possession of collateral security u/s 29 the same was withdrawn. In the instant case collateral security of Shri G.N. Bhati (Guarantor) is available paper possession of which was taken on 18.03.08. MRV of the collateral security is Rs. 23.56 lac. The house is occupied by the family of the promoter and the guarantor. The auction was fixed for 15.05.08 but the case was registered for settlement. The financial position of the guarantor is not good and an old person and ex-employee of M/s J.K. Synthetic.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 2.66 lac less upfront amount of Rs. 0.27 lac (rounded off), i.e. at the net payable settlement amount of Rs. 2.39 lac, which shall be paid by the unit in eight equal monthly instalment commencing from July, 2008 to Feb., 2009 without any interest.

6. M/s K.R. Electrodes & Wire Industries, Banswara (FR-DDW Case)

Shri Rajendra Dhingara and Shri Har Bhagwan, partners of the unit, appeared before the committee.

It is a deficit case. The case was earlier decided/settled by DLC on 13.03.08 at a net payable settlement amount of Rs. 8.88 lac under the provisions of the OTS Scheme of 2007-08 but the promoter had made an appeal, hence, it is an appeal case. A loan of Rs.9.22 lac was sanctioned on 27.01.95, out of which Rs. 8.45 lac was disbursed. On account of non payment of dues, the Corporation had taken over the assets into possession on 19.01.01 and sold in a consideration of Rs. 4.45 lac leaving a deficit of Rs. 10.30 lac (principal Rs. 8.46, interest Rs. 1.84 lac). ROD was sent to Collector, Banswara against which the promoter filed case in Hon"ble High Court, Jodhpur. The promoter has requested for waiver of 5% recovery charges, waiver of interest after reschedulement and also compensation for some of machinery parts stolen during possession period.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 8.46 lac less upfront amount of Rs. 2.12 lac (rounded off) deposited for DLC & Spl. HOLC, i.e. at the net payable settlement amount of Rs. 6.34 lac, which shall be paid by the unit in eight equal monthly instalments commencing from July, 2008 to Feb., 2009.

The partners, however, sought seven days time for giving their consent on the above offer of the committee, hence, the committee granted seven days time for furnishing the consent by the partners and in case of failure the case will be treated as rejected. In case of consent, the party will also withdraw the court case.

No interest would be charged upto July, 2008 and thereafter w.e.f. 01.08.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

7. M/s Shri Grinding Mills, Jodhpur (FR-DDW Case)

Shri D. Parihar, Managing partner of the unit, appeared before the committee.

It is a deficit/write off case (1994-95). The fixed assets of the unit disposed off through public auction in 1994. A loan of Rs.9.70 lac was sanctioned on 7.08.80, out of which Rs. 9.27 lac was disbursed. No collateral security was taken at the time of execution of loan documents. On account of non payment of dues, the Corporation had taken over the assets into possession on 17.01.92 and sold on 10.10.94 in a consideration of Rs. 12.51 lac leaving a deficit of Rs. 23.56 lac (principal Rs. 9.27 lac, interest Rs. 14.24 lac and other money Rs. 0.05 lac). The said case was not registered u/s 32(G) as the promoter is common in M/s Nidhi Mineral Processing Plant and M/s Grinding Mills, Jodhpur. However, 5% incentive amount has been incorporated by BO, Jodhpur in proposal as property is in the name of Shri Dharendra Parihar who is common promoter in both units. The SDO, Jodhpur has attached the property on 26.03.08, the attached property was neither mortgaged nor accepted as third party guarantee. As the value of attached property is more than Rs. 1.00 crore which is more than 200%, therefore, the BO has forwarded the case to HO for placing the same before Special HOLC.

After detailed discussions with the managing partner and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 9.44 lac less upfront amount of Rs. 0.98 lac (rounded off), i.e. at the net payable settlement amount of Rs. 8.46 lac, which shall be paid by the unit in the month of June, 2008 without any interest. The party will withdraw the court case.

The partner of the unit consented to the settlement.

8. M/s Nidhi Minerals Processing Plant, Jodhpur (FR-DDW Case)

Shri D. Parihar, Managing partner of the unit, appeared before the committee.

It is a deficit/written off case(1994-95) where a sum of Rs. 10.27 lac was written off and Rs. 15.15 lac was written back. A loan of Rs.10.75 lac was sanctioned on 7.08.80, out of which Rs. 10.69 lac was disbursed. Shri Dharendra Parihar, promoter of the unit is also promoter of another unit namely M/s Shri Grinding Mills, Jodhpur. He has approached the Corporation for settlement of both deficit accounts. On account of non payment of dues, the Corporation had taken over the assets into possession on 17.01.92 and sold on 21.02.95 in a consideration of Rs. 18.55 lac leaving a deficit of Rs. 25.42 lac (principal Rs. 10.23 lac, interest Rs. 15.15 lac and other money Rs. 0.04 lac).

The said case was registered with Collector, Jodhpur u/s 32(G) dated 22.01.06 and misc. application filed by the party which is still pending before the Court. The SDO, Jodhpur has attached the property which is in the name of promoter of the unit Shri Dharendra Parihar. The said property is neither

mortgaged nor accepted as third party guarantee. The value of property is reported to be more than Rs. 100.00 lac. As the value of attached property is more than 200%, therefore, the BO has forwarded the case to HO for placing the same before Special HOLC. Shri Parihar has filed court case which is pending with Additional Civil Judge, Jodhpur which will be withdrawn by the promoter after reaching settlement.

After detailed discussions with the managing partner and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 10.92 lac less upfront amount of Rs. 1.09 lac (rounded off), i.e. at the net payable settlement amount of Rs. 9.83 lac, which shall be paid by the unit in the month of June, 2008 without any interest. The party will withdraw the court case.

The partner of the unit consented to the settlement.

9. M/s Unique Bread (P) Ltd., Alwar (DDW Case)

Shri Anil Shah, authorized representative of the unit, appeared before the committee.

It is a deficit case. A loan of Rs.40.00 lac was sanctioned on 21.08.2000, out of which Rs. 39.87 lac was disbursed. On account of non payment of dues, the Corporation had taken over the assets into possession on 22.12.04 and sold on 23.11.06 in a consideration of Rs. 17.51 lac leaving deficit of Rs. 41.58 lac (principal Rs. 39.87, interest Rs. 1.69 lac and other money of Rs. 0.02 lac) is also debited after sale of assets. ROD sent to Collector. Case is pending in Court u/s 138(B). The Corporation is having collateral security of Rs. 85.00 lac. There is a pending para of PUC regarding non recovery of dues from the unit. No amount is to be paid to the state government towards 70:30 policy.

Since the security available is more than 200%, therefore, the branch has forwarded the case to HO.

After detailed discussions with the authorized representative and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 41.90 lac less upfront amount of Rs.4.00 lac, i.e. at the net payable settlement amount of Rs. 37.90 lac, which shall be paid by the unit in eight equal monthly instalments commencing from July, 2008 to Feb., 2009 without interest.

The authorized representative of the unit consented to the settlement.

10. M/s Mani Packaging Inds. Pvt. Ltd., Gotan, Nagaur (FR-DDW Case)

Proprietor of the unit not appeared before the committee but consented vide his fax message dated 20.06.08 to settle the account on lowest possible amount and allow sufficient time for payment without charging interest.

It is a deficit case. A loan of Rs.22.44 lac was sanctioned on 14.08.92, out of which Rs. 21.01 lac was disbursed. On account of non payment of dues, the Corporation had taken over the assets into possession on 31.10.96 and sold on 23.12.02 & 19.07.06 in a consideration of Rs. 7.06 lac leaving a deficit of Rs. 34.76 lac (principal Rs. 20.05 lac(including government liability 30% of sale price), interest Rs. 14.56 lac and other money Rs. 0.15 lac). A team was constituted to visit Kolkata and met with Mr. N.M. Bhartiya and persuaded for OTS and accordingly case was got registered for OTS during the kolkata visit.

Notice u/s 32(G) issued. ROD was also filed. There is no collateral security. Though the case falling within the competence of BO, the case was persuaded by HO team at Kolkata. As a special case, it was placed before the committee.

After detailed discussions on the request of the party and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 21.50 lac less upfront amount of Rs.2.15 lac (rounded off), i.e. at the net payable settlement amount of Rs. 19.35 lac, which shall be paid by the unit in eight equal monthly instalments beginning from July, 2008 to Feb., 2009 without interest.

11. M/s Laxmi Lal Panchal, Dungarpur (DDW Case)

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

12. M/s National Engg. Works, Loharpura, Nagaur

The promoter informed that on account of death in family he is not in a position to attend the meeting, hence, requested for postponement of his case. Therefore, the case was deferred.

13. M/s Ganpati Vastra Udyog, Beawar (ARRC Case)

Shri Prabhu Singh Lodha, partner, Shri Laxmi Narayan, Friend of partner of the unit, appeared before the committee.

A loan of Rs. 3.85 lac was sanctioned on 30.10.93, out of which Rs. 3.13 lac was disbursed to the unit for setting up powerloom cloth.

A sum of Rs. 4.41 lac was outstanding as on 01.06.2008, (principal sum Rs. 2.01 lac, interest Rs. 0.44 lac and other money Rs. 1.96 lac). Simple interest from the date of possession to 31.05.08 was Rs. 4.07 thus making a total outstanding of Rs. 8.48 lac. The unit is under possession since 9.6.99. Category of the loan account was "Doubtful" as on 31.03.04 & 31.03.05. MRV of assets is Rs. 9.60 lac. No collateral security and third party guarantee is available. Due to non payment of Corporation dues possession of the unit was taken over on 9.6.99. The assets of the unit were put to auction on 16.08.99, 15.9.99 and 15.10.99 but no bidder turned up. In the mean time loanee filed a case against the Corporation in the court of Civil Judge, Beawar and the same was rejected by the Court but ADJ Court, Beawar stayed the action of the Corporation in appeal. Finally, Hon'ble High Court vacated the stay on 31.08.2007 with the direction that trial court shall decide the suit in question expeditiously under the provision of law but in any case not beyond the period of six months. Trial court has also closed the suit in question, therefore, NIT was published for auction of the unit on 15.05.2008/4.6.08 and 25.6.08. Loanee again filed a case before lower court but before hearing also submitted application for OTS so lower court also closed the application filed by loanee. As on date there is no court case pending against the Corporation.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.6.20 lac less upfront amount of Rs.1.20 lac, i.e. at the net payable settlement amount of Rs.5.00 lac, which shall be paid by the unit in five equal monthly instalments commencing from July, 2008 to November, 2008.

No interest would be charged upto July, 2008 and thereafter w.e.f. 01.08.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The partner of the unit consented to the settlement.

14. M/s Shree Udyog, Bhilwara

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

15. M/s Vashistha Engg. Works, Jhunjhunu

Shri Harish Sharma, proprietor of the unit, appeared before the committee.

A term loan of Rs. 1.40 lac was sanctioned on 27.03.90, out of which Rs. 1.40 lac was disbursed to the unit for manufacturing of steel furniture.

A sum of Rs. 12.48 lac was outstanding as on 01.03.2008, (principal sum Rs. 1.38 lac and interest Rs. 11.10 lac). The unit is lying closed. Category of the

loan account was "Doubtful" as on 31.03.04. MRV of financed assets(Land) is Rs. 2.86 lac. Neither collateral security nor third party guarantee is available. The P&M are missing FIR has been lodged on 3.9.04. For recovery of dues ROD u/s 32(G) of SFCs Act was sent to Distt. Collector on 22.08.2006 but the same was returned with the remarks to take possession of the unit first than case may be forwarded to them.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.2.21 lac less upfront amount of Rs.0.41 lac (rounded off), i.e. at the net payable settlement amount of Rs. 1.80 lac which shall be paid by the unit in the month of July, 2008 without any interest.

The proprietor of the unit verbally agreed on the above offer of the committee but thereafter he did not furnish his consent in writing, therefore, the committee decided to provide 15 days time for furnishing his consent at HO/BO failing which the case will be treated as rejected.

16. M/s P.C. Bhandari & Company, VKIA, Jaipur

Shri P.C. Bhandari, proprietor and Shri R.S. Tanwar, friend of the proprietor of the unit, appeared before the committee.

Plant & Machinery of M/s Spider Tyre and Tyre & Tube Mfg. were sold to Shri P.C. Bhandari on 21.12.90 on deferred payment basis without obtaining collateral security or personal guarantee.

A sum of Rs. 15.44 lac was outstanding as on 01.03.2008, (principal sum Rs. 1.35 lac and interest Rs. 14.09 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. MRV of financed assets(P&M missing FIR lodged) is NIL. No collateral security as well as third party guarantee is available. Agreement to sell was executed on 21.12.90 and possession of P&M were handed over to the purchaser Shri P.C. Bhandari. After purchase of machinery, party not paid any amount to RFC, RFC found that financed assets are missing hence, FIR was lodged on which FR was filed. Action u/s 32(G) and filed a ROD with collector, Jaipur on 22.01.05. The ROD was returned by Collector(Recovery), Jaipur raising queries and also about the details of property. The matter regarding property identification was under process and now the promoter registered the case for settlement.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs.1.77 lac less upfront amount of Rs.0.27 lac (rounded off), i.e. at the net payable settlement amount of Rs.1.50 lac which shall be paid by the unit in eight equal monthly instalments commencing from July, 2008 to Feb., 2009 without any interest.

The proprietor of the unit consented to the settlement.

17. M/s Roshan Industries, Tonk (DDW Case)

Shri Surya Prakash Ajmera, proprietor of the unit, appeared before the committee.

It is a deficit-decreetal case. A loan of Rs. 5.93 lac was sanctioned on 30.04.91, out of which Rs. 5.72 lac was disbursed on 22.10.92 for manufacturing cement concrete blocks. On account of non payment of dues, the Corporation had taken over the assets into possession on 22.01.97 and sold in a consideration of Rs. 3.50 lac (P&M for Rs. 80000/- on 30.03.2000 and L&B for Rs. 270000/- on 15.03.01).leaving deficit of Rs. 646394/- (principal Rs. 571800/- interest Rs. 74594/-) and Rs. 6,135/- being other money debited after sale. A civil suit was filed in the court for recovery of deficit amount on 25.05.02 and court passed decree on 15.05.04 in favour of the Corporation for Rs. 646394/- with interest @ 18.75% p.a. from 15.03.01. Application for execution of decree is yet to be filed. Value of collateral security is Rs. 3.70 lac.

Since this is an appeal case against the decision of BM for settlement of account at Rs. 6,52,529/- on 12.03.08, hence, the case is forwarded to the committee.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 6.53 lac less upfront amount of Rs. 1.94 lac (rounded off), i.e. at the net payable settlement amount of Rs. 4.59 lac, which shall be paid by the unit in three equal monthly instalments commencing from July, 2008 to September, 2008.

No interest would be charged upto July, 2008 and thereafter w.e.f. 01.08.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

18. M/s Jai Balaji Cement Ltd., Alwar(ARRC Case)

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

19. M/s Kailash Chand Somani, Bhilwara

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

20. M/s Bharat Plastic Industries, Jhunjhunu

Shri Kan Singh, proprietor and Shri Mahendra Singh, son of proprietor of the unit, appeared before the committee.

A loan of Rs. 1.80 lac lac was sanctioned on 26.02.82, out of which Rs. 1.80 lac was disbursed to the unit for manufacturing of PVC pipe and Polythene bag.

A sum of Rs. 62.67 lac was outstanding as on 01.06.2008, (principal sum Rs. 1.80 lac, interest Rs. 60.78 lac and other money Rs. 0.09 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.05. MRV of the financed assets (P&M) is Rs. 0.70 lac. No collateral security is available. Value of third party guarantee is not ascertained. The unit is set up in rented premises. Action u/s 32(G) initiated. ROD has been sent to Distt. Collector. SDM, Jhunjhunu attached the agricultural land of both the brothers. M/s Raghu Plastic a unit of brother of promoter who is also guarantor also in default. In this case action u/s 32(G) has also been initiated against the unit. ROD has been sent to Distt. Collector on 6.2.07.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee offered to settle the account in a consideration of Rs. 5.20 lac less upfront amount of Rs. 0.20 lac (rounded off), i.e. at the net payable settlement amount of Rs.5.00 lac but the offer of the committee was not accepted, hence, the case was rejected, with an advise to take necessary action for recovery of Corporation dues.

The committee also decided that the may be got examined thoroughly at HO as a model case to ascertain any in action on the part of BMs for not effecting any recovery from the unit.

21. M/s Latiyal Industrial Limes, Jodhpur (ARRC case)

Shri Om Prakash Purohit, proprietor and Shri Anand Vyas, friend of proprietor of the unit, appeared before the committee. The case has been registered without taking registration amount and upfront amount due to High Court directions.

A loan of Rs. 5.88 lac was sanctioned on 29.11.90 for manufacturing of Hydrated lime/quick lime/lime stone out of which Rs. 2.45 lac was disbursed to the unit.

Earlier this case was placed before HOLC in its meeting held on 20.01.04 and the promoter offered to pay not more than Rs. 1.50 lac which was not acceptable to the committee, therefore, the case was rejected.

A sum of Rs. 9.68 lac was outstanding as on 01.06.2008, (principal sum Rs. 2.45 lac, interest Rs. 6.19 lac, other money Rs. 0.96 lac and legal expenses Rs. 0.08 lac). After adding simple interest for possession period upto 31.05.08, (i.e. 2.39 lac), the balance outstanding works out to be Rs. 12.07 lac. The unit is under possession since 20.07.2006. MRV of assets is Rs. 4.87 lac. Due to non payment of Corporation dues possession of the unit was taken over on 20.07.06. No collateral security and third party guarantee is available.

The assets of the unit were put to auction on 28.07.07 and highest offer of Rs. 4.91 lac was received. Meanwhile the original promoter approached Hon'ble High Court, Jodhpur. The High Court vide order dated 20.09.07 directed as under:-

"Issue notice to show cause as to why the writ petition be not admitted issue notice of stay application also."

In the meanwhile the respondents shall not finalize the sale made in pursuant to the auction that took place on 28.07.07, if not already finalized, subject to the condition that the petitioner deposits a sum of Rs. 3.40 lac on or before 10.10.2007."

The promoter deposited Rs. 3.40 lac as per the direction of the High Court which has been kept in sundry deposit account.

The Hon'ble High Court, Jodhpur passed order on 19.03.08 as under:-

"I deem it just and proper to grant the liberty to the petitioner to file a representation before the respondents and apprise the respondents that the cases of similarly situated persons to the petitioner have already been settled by the RFC, therefore, his case may also be considered in the light of these cases. Upon filing the said representation respondents shall consider the same and pass an appropriate order within a period of one month from the date of filing representation. It is also made clear that all the grounds taken by the petitioner and the illustration cited by the petitioner for the purpose of deciding his representation shall also be considered. However, till decision of the representation filed by the petitioner, the status quo as it exists today shall be maintained.

Accordingly, the writ petition is disposed off."

As per the court directives the party has approached the Corporation and desired to settle his account on principal sum as has been done by the Corporation in cases of (i) M/s Sushil Steel, Sangaria, Jodhpur (ii) M/s Raghuveer Gums (P) Ltd., Khichan, Phalodi (iii) M/s SHU Diagnostic, Jodhpur (iv) M/s Nav Jyoti Plaster, Phalodi and (v) M/s Nasiruddin & company,

Phalodi, Jodhpur. He further prayed to refund the balance amount after settlement of the account on principal sum only.

In pursuance of directions of the Hon'ble High Court, the committee has gone into the details of terms & conditions and various aspects of settlement of all the five number of cases as indicated in the representation of the unit. The committee also considered the grounds mentioned by the promoter.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.4.91 lac less amount of Rs. 3.40 lac paid by the unit after direction of Hon'ble High Court i.e. in Rs. 1.51 lac (Rs. 4.91 lac – Rs. 3.40 lac). The balance amount shall be paid in three equal monthly instalments commencing from the month of July, 2008 to September, 2008.

No interest would be charged upto July, 2008 and thereafter w.e.f. 01.08.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

22. M/s Sunil Salt Inds., Makrana (ARRC Case)

Shri Sushil Pareek, proprietor of the unit, appeared before the committee.

A loan of Rs. 2.50 lac was sanctioned on 30.03.92 for manufacturing of common salt, out of which Rs. 2.42 lac was disbursed to the unit.

A sum of Rs. 45.97 lac was outstanding as on 01.06.2008, (principal sum Rs. 2.21 lac, interest Rs. 43.75 lac and other money Rs. 0.01 lac). The unit is under possession since 11.03.08. Simple interest from the date of possession to 31.05.08 was Rs. 2.04 lac. The unit is lying closed/abandoned from last 10-11 years. Category of the loan account was "Doubtful" as on 31.03.05. MRV of assets is Rs. 2.30 lac. No collateral security and third party guarantee is available. Due to non payment of Corporation dues possession of the unit was taken over on 11.03.08. Action u/s 32(G) was taken up and was kept in abeyance and possession of the unit was taken over.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 2.67 lac less upfront amount of Rs.0.45 lac (rounded off), i.e. at the net payable settlement amount of Rs.2.22 lac, which shall be paid by the unit in eight equal monthly instalments commencing from July, 2008 to Feb., 2009.

No interest would be charged upto July, 2008 and thereafter w.e.f. 01.08.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

23. M/s Hi-Tech Cholorochem (P) Ltd., Udaipur (DDW Case)

Smt. Shashi Jain, Shri Naval Jain, Directors of the company, Shri R.C. Jain, guarantor of the company and Shri Ankur Jain, son of Director, appeared before the committee.

It is a deficit case. A loan of Rs. 27.50 lac was sanctioned on 26.10.94, out of which Rs. 25.04 lac was disbursed upto 18.04.95 for manufacturing CPW Hydraulic Acid. On account of non payment of dues, the Corporation had taken over the assets into possession on 12.05.2000 and sold in a consideration of Rs. 13.49 lac (DG Set Rs. 0.53 lac, P&M Rs. 4.35 lac, & L&B Rs. 8.61 lac on 02.06.03, 27.12.04 and on 30.03.05 respectively) leaving deficit of Rs. 2257673/- (principal Rs. 2257673/-). ROD u/s 32(G) sent to Collector, Udaipur on 10.11.06 and 17.11.06 for recovery of deficit amount. Value of collateral security is Rs. 7.64 lac (as on 5.4.08). A writ has been filed by the party in the Hon'ble High Court, Jaipur which is pending.

The matter was discussed and committee decided to **defer** the case for the next meeting.

24. M/s Kristronics Pvt. Ltd., Jaipur (DDW Case)

Shri S. Kothari vide his letter dated 23.05.08 has requested for settlement of the case.

It is a deficit case. A loan of Rs. 9.02 lac was sanctioned, out of which Rs. 6.90 lac was disbursed for manufacturing Gem Stone. On account of non payment of dues, the Corporation had taken over the assets into possession on 10.03.1988 and sold in a consideration of Rs. 1.37 lac leaving deficit of Rs. 1740111/- (principal Rs. 694502/-, Interest Rs. 858041/- and other money Rs. 187568/-). Neither collateral security nor third party guarantee is available. ROD u/s 32(G) has been sent to District Collector, Jaipur on 28.11.03. The party was contacted at Kolkata and persuaded for settlement by HO team. Therefore, the case is placed as a special case.

The committee noted that a huge sum of Rs. 1.88 lac were debited in the loan account's of the company as other money which comprise of expenses on watch and ward and advertisement for the sale of assets worth of Rs. 15,000/- only, the committee did not find any justification to ask the unit to bear the entire other money and decided to share the same. The committee also

decided that an enquiry may also be got conducted from Vigilance Cell for any procedural lapse on the part of branch office in this regard.

After detailed discussions and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.7.30 lac less upfront amount of Rs. 0.88 lac (rounded off), i.e. at the net payable settlement amount of Rs. 6.42 lac, which shall be paid by the unit in eight equal monthly instalments commencing from July, 2008 to Feb., 2009 without any interest.

25. M/s Manoj Salt, Makrana (ARRC Case)

Smt. Vimla Devi, proprietor and Shri Mahaveer Vaishnav, son-in-law of the unit, appeared before the committee.

A loan of Rs. 3.00 lac was sanctioned on 31.01.92 for manufacturing of common salt, out of which Rs. 2.00 lac was disbursed to the unit.

A sum of Rs. 42.92 lac was outstanding as on 01.06.2008, (principal sum Rs. 2.00 lac, interest Rs. 40.78 lac and other money Rs. 0.14 lac). Simple interest from the date of possession to 31.05.08 was Rs. 3.00 lac. The unit is under possession since 15.01.08. The unit is lying closed/abandoned from last 10-11 years. Category of the loan account was "Doubtful" as on 31.03.05. MRV of financed assets is Rs. 4.12 lac. No collateral security and third party guarantee is available. Due to non payment of Corporation dues possession of the unit was taken over on 15.01.08. Action u/s 32(G) was taken up and was kept in abeyance and possession of the unit was taken over.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 4.30 lac less upfront amount of Rs.0.30 lac (rounded off), i.e. at the net payable settlement amount of Rs. 4.00 lac, which shall be paid by the unit in four equal monthly instalments commencing from the month of July, 2008 to October, 2008.

No interest would be charged upto August, 2008 and thereafter w.e.f. 01.09.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

26. M/s Mukut Bihari & Sons Pvt. Ltd., Bhiwadi (ARRC Case)

Shri Sunil Agarwal, Director, has requested that against sale approval of 795 sq.mtrs land area, possession of 750 sq.mtrs. only was handed over to them i.e. 45 sq.mtrs. land area was short.

Plot measuring 16055 Sq.mtrs. of M/s Saharan Pulp & Paper, Bhiwadi was sub-divided in 11 plots. As per actual measurement given by BIDA plot size varied. M/s Mukut Bihari & Sons although offered for 795 Sq.Mtrs. land but actual possession is only of 755 Sq.Mtrs.

Agreement to sell was executed on 16.3.96. Due to default in repayment legal notice was issued by the Branch, however, the company approached Distt. Court, Tizara and obtained stay against possession. Corporation made an appeal against stay in ADJ Court. The ADJ Court rejected the stay order given by lower court on 15.11.07. Now, the company had approached High Court, Jaipur against the order of ADJ Court.

B.O., Bhiwadi vide letter dated 5.3.08 had enclosed list of 11 plots auctioned by the Corporation alongwith actual measurement given by BIDA.

M/s Mukut Bihari & Sons had offered Rs 9.08 lac for purchase of 795 sq.mtr. land in the auction held on 12.12.95 . The company is requesting to recast the account considering pro-rata sale price for 755 Sq.Mtrs. land in possession vis-a-vis sale price of Rs. 9.08 lac offered in a uction for 795 Sq.Mtr.

After detailed discussions, the Committee decided to recast the account considering pro-rata sale price for 755 Sq.Mtr. land in possession vis-a-vis sale price of Rs. 9.08 lac offered in auction for 795 Sq.Mtrs.

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 paid 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.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

**GENERAL MANAGER(DEV.)
MEMBER SECRETARY**

**RAJASTHAN FINANCIAL CORPORATION
(FR Division)**

**MINUTES
Special HOLC Meeting
Dated : 19.07.2008**

Present:		
Shri Atul Kumar Garg, IAS Chairman & Managing Director	:	In Chair
Shri Pawan Arora, RAS Executive Director	:	Member
Smt. Rashmi Sharma, RAS, General Manager (Dev.)	:	Member Secretary
Shri R.S. Gupta Advisor Finance	:	Member
Shri R.P. Meena, DGM(Loans)	:	Member
Shri Dharmveer Jasnani Incharge(Law)	:	Member

Shri K.K. Parashar, DGM(ARRC), Shri L.K. Ajmera, DGM(DDW), Shri A.P. Mathur, DGM(FR-I), Shri N.K. Jain, Manager(FR-1), Shri H.C. Khunteta, Manager(FR-DDW), Shri P. D. Verma, Manager(FR-3), Shri Deepak Verma, Manager(ARRC), and Shri Naveen Ajmera, DM(FR) were also present.

I Confirmation of the minutes of Spl. HOLC meeting held on 28.06.08.

Minutes were confirmed.

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

1. M/s Shiv Nath Namak Udyog, Vill. Jabdi Nagar, Teh. Nawa City, Distt. Nagaur (BO, Makrana)

Shri Mewa Ram son of Late Shri Shiv Nath Ram, Shri Dunga Ram and Shri Isar Ram, partners of the unit, appeared before the committee.

A loan of Rs. 3.90 lac was sanctioned on 31.01.92, out of which Rs. 2.20 lac was disbursed to the unit for manufacturing of common salt.

A sum of Rs. 45.13 lac was outstanding as on 01.06.2008, (principal sum Rs. 2.11 lac and interest Rs. 43.02 lac). Category of the loan account was "Doubtful" as on 31.03.04. The unit is lying closed for last 10-11 years. MRV

of the financed assets is Rs. 3.66 lac. No collateral security as well as third party guarantee is available. Action u/s 32(G) has been initiated.

After detailed discussions with the partners and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 4.43 lac less upfront amount of Rs.0.43 lac, i.e. at the net payable settlement amount of Rs. 4.00 lac which shall be paid by the party in four equal instalments commencing from August, 2008 to November, 2008.

No interest would be charged upto 31st August, 2008 and thereafter w.e.f. 01.09.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The partners of the unit consented to the settlement.

2. M/s National Engg. Works, Loharpura, Nagaur

Shri Abid Hussain, appeared before the committee.

A loan of Rs. 2.35 lac was sanctioned on 13.03.90 and entire sanctioned amount was disbursed for manufacturing of hand Tools.

A sum of Rs. 16.36 lac was outstanding as on 01.06.2008, (principal sum Rs. 2.34 lac, interest Rs. 14.00 lac and other money Rs. 0.02 lac). Category of the loan account was "Doubtful" as on 31.03.04. MRV of assets was Rs. 0.75 lac. Value of collateral security is Rs. 3.11 lac and third party guarantee is not available.

The unit was set up in a rented premises by obtaining collateral security of Smt. Jainab, Mother of proprietor. The unit could not run and defaulted. Earlier, the case was placed before HOLC in its meeting held on 12.05.05 and the committee offered to pay Rs. 6.00 lac which was not acceptable to the loanee, and the case was rejected. Action u/s 32(G) has already been initiated.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.5.37 lac less upfront amount of Rs.0.37 lac, i.e. at the net payable settlement amount of Rs. 5.00 lac, which shall be paid by the unit in five equal monthly instalments commencing from August, 2008 to December, 2008.

No interest would be charged upto 31st August, 2008 and thereafter w.e.f. 01.09.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

Shri Abid Hussain consented to the settlement.

3. M/s Soma Industrial Packs (P) Ltd., Sitapura, Distt. Jaipur

Smt. Leela Devi Somani, Director and Shri F.N. Somani, guarantor of the company, appeared before the committee.

A loan of Rs. 35.00 lac was sanctioned on 25.09.96, out of which Rs. 33.19 lac was disbursed to the unit for manufacturing of P.P. Caps and RO caps.

A sum of Rs. 112.60 lac was outstanding as on 01.06.2008, (principal sum Rs. 26.11 lac, interest Rs. 86.46 lac and other money Rs. 0.03 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. MRV of the financed assets is Rs. 57.47 lac. No third party guarantee is available. The guarantor who has mortgaged her property in collateral security has disposed off the property mortgaged to the Corporation, without any information. He has also expired. The Industries Department declared this unit as a sick unit in August, 2002.

The company also filed a writ petition before Hon'ble High Court and the Hon'ble Court directed RFC to consider party's representation and shall pass speaking order strictly in accordance with the scheme/provision of law.

In compliance to the above order, the HO(ARRC) passed a self speaking order vide letter dated 13.01.06

The party failed to comply with the above decision and again filed a writ petition (SBCWP No. 1036/06) on which the Hon'ble High Court on 8.1.08 directed that petitioner to pay additional sum of Rs. 2.00 lac to meet the requirement of 5% deposit for consideration of its case within a period of four weeks and the Corporation was also directed to take necessary decision on the rehabilitation package of the petitioner within a period of one month from the date of deposition of Rs. 2.00 lac. The company again failed to deposit Rs. 2.00 lac as directed by Hon'ble High Court.

After detailed discussions with the director and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 55.25 lac less upfront amount of Rs. 5.25 lac, i.e. at the net payable settlement amount of Rs. 50.00 lac which shall be paid in five equal monthly instalments commencing from August, 2008 to December, 2008.

No interest would be charged upto 31st August, 2008 and thereafter w.e.f. 01.09.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The director of the company consented to the settlement.

4. M/s Shri Arihant Suitings (P) Ltd., Bhilwara

Shri Sujanmal Bohra, promoter Director of the company, appeared before the committee.

A loan of Rs. 40.00 lac was sanctioned on 12.01.95, out of which Rs. 39.66 lac was disbursed to the unit for synthetic cloth.

A sum of Rs. 85.07 lac was outstanding as on 01.06.2008, (principal sum Rs. 24.03 lac, interest Rs. 60.63 lac and other money Rs. 0.41 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.05. MRV of the financed assets is Rs. 36.60 lac. No collateral security as well as third party guarantee is available. Legal notice was issued on 27.12.2001. The case was registered for settlement as per order dated 26.05.08 of Hon'ble High Court, Jaipur, also keeping in mind the cases referred therein. It was also observed that in all these matters the cases were not settled on principal amount only.

After detailed discussions with the promoter Director and considering all the facts and order of the Hon'ble Court dated 26.05.08, the committee decided to settle the account in a consideration of Rs. lac 33.70 lac less upfront amount of Rs. 3.70 lac, i.e. at the net payable settlement amount of Rs.30.00 lac which shall be paid by the unit in five equal monthly instalments commencing from August, 2008 to December, 2008.

No interest would be charged upto 31st August, 2008 and thereafter w.e.f. 01.09.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The promoter Director of the company consented to the settlement.

5. M/s King Carpet Centre, Bikaner

Shri Mangi Lal Meghwal, proprietor of the unit, appeared before the committee.

A loan of Rs. 1.34 lac lac was sanctioned on 02.04.88, out of which Rs. 1.27 lac was disbursed to the unit for manufacturing of carpet.

A sum of Rs. 18.70 lac was outstanding as on 01.06.2008, (principal sum Rs. 1.27 lac and interest Rs. 17.43 lac). The unit is lying closed. Category of the loan account was "Doubtful" as on 31.03.04. The promoter belongs to SC category. Action u/s 32(G) has already been initiated. ROD sent on 18.11.04.

Since the unit was established in remote area, hence, initiating of legal action u/s 29 was not deemed proper. Iron looms are in scrap condition. Assessed value of the P&M at the time of disbursement was Rs. 74,200/-. The L&B is not marketable. The area is sandy and remote. MRV of the financed assets is Rs. 2.51 lac. No collateral security as well as third party guarantee is available.

After detailed discussions with the proprietor and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.2.34 lac less upfront amount of Rs. 0.34 lac (rounded off), i.e. at the net payable settlement amount of Rs. 2.00 lac which shall be paid by the party in four equal monthly instalments commencing from August, 2008 to November, 2008.

No interest would be charged upto 31st August, 2008 and thereafter w.e.f. 01.09.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

The proprietor of the unit consented to the settlement.

6. M/s Shree Udyog, Bhilwara

Shri Kamal Agrawal, relative and Shri Shyam Sunder, friend of the proprietor of the unit, appeared before the committee.

A loan of Rs. 2.00 lac was sanctioned on 19.05.84, out of which Rs. 1.82 lac were disbursed for manufacturing of cotton twisting yarn.

The assets of the unit was sold on mutual consent basis to M/s BT Suiting (P) Ltd. in consideration of Rs.1,57,500/- vide agreement to sale executed on 6.2.87. M/s BT Suiting (P) Ltd. has squared up loan account of the unit. Due to accounting error a sum of Rs. 0.13 approx. remains due in the loan account of M./s Shree Udyog, Bhilwara.

A sum of Rs. 2.12 lac is outstanding as on 01.06.2008, (principal sum Rs. 0.13 lac and interest Rs. 1.99 lac). Category of the loan account was "Loss assets" as on 31.03.04. Action u/s 32(G) has been initiated.

After detailed discussions with the promoter and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs. 0.44 lac less upfront amount of Rs. 0.04 lac, i.e. at the net payable settlement amount of Rs. 0.40 lac, which shall be paid by the unit within a month i.e. upto 19.08.08 without interest.

It was also decided to call a report as to why the amount of Rs. 13,000/- remained outstanding in the loan account when this unit was sold on mutual

consent basis in the year 1987. Also enquire upon why the accounting was defective, why adequate efforts were not taken by branch to contact and settle down the account instead 32(G) was initiated.

The representative of the unit consented to the settlement.

7. M/s Kailash Chand Somani, Bhilwara

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

8. M/s Shri Soap Industries, Jhunjhunu

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

9. M/s Matadeen Sardhana, Jaipur (City) (DDW Case)

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

10. M/s Khem Singh S/o Shri Bhaghu Ram, Makrana (DDW Case)

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

11. M/s Laxmi Lal Panchal, Dungarpur (DDW Case)

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

12. M/s Hi-Tech Chlorochem (P) Ltd., Udaipur (DDW Case)

Smt. Shashi Jain, Director and Shri Ankur Jain, son of Director of the company, appeared before the committee.

It is a deficit case. A loan of Rs. 27.50 lac was sanctioned on 26.10.94, out of which Rs. 25.04 lac was disbursed upto 18.04.95 for manufacturing CPW Hydraulic Acid. On account of non payment of dues, the Corporation had taken over the assets into possession on 12.05.2000 and sold in a consideration of Rs. 13.49 lac (DG Set Rs. 0.53 lac, P&M Rs. 4.35 lac, & L&B Rs. 8.61 lac on 02.06.03, 27.12.04 and on 30.03.05 respectively) leaving deficit of Rs. 2257673/- (principal Rs. 2257673/-). ROD u/s 32(G) sent to Collector, Udaipur on 10.11.06 and 17.11.06 for recovery of deficit amount. Value of collateral security is Rs. 7.64 lac (as on 5.4.08). A writ has been filed by the party in the Hon'ble High Court, Jaipur which is pending.

After detailed discussions with the director and considering all the facts and position of the case that the main promoter, Shri N.K. Jain suffered from a severe heart attack followed by paralysis attack on the right part of the body including brain, tongue and complete right body and also lost memories in the

paralysis attack thereafter also met with a serious accident. In this light on asking the party by the committee for offer to settle the account, the Director appeared before the committee, gave the offer at Rs. 5.00 lac to settle the account.

Since the offer is far below the principal deficit Rs. 22,57,673/- + other money Rs. 6,299/- the committee decided to place the case before the Board for taking a decision.

13. M/s B.K. Enterprises. Dungarpur (DDW Case)

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

14. M/s Jai Balaji Cement Ltd., Alwar(ARRC Case)

Shri Kailash Chand Agrawal, Director of the company and Shri Mahesh Sharma, friend, appeared before the committee.

M/s Umesh Cement (P) Ltd a sick unit under possession of the Corporation was sold to above said unit in a consideration of Rs. 100.00 lac under the conditional deed of conveyance dated 22.07.96. The deferred amount was Rs. 75.00 lac.

A sum of Rs. 699.89 lac was outstanding as on 01.06.2008, (principal sum Rs. 75.28 lac, interest Rs. 624.53 lac and other money Rs. 0.08 lac). The unit is under possession with Sales Tax Department since 17.03.2000. The BO as well as HO has issued letters to Dy. Commissioner Sales Tax Department for handing over possession to the Corporation as Corporation has first charge over the assets of the unit but no action was initiated by the Sales Tax Department. The party had also filed a suit in local court on 18.10.06 to stop the auction proceeding of Sales Tax Department of the unit. BO filed an application in the court ADJ-2, Alwar on 6.10.2000 u/s 31(1) (aa) against the party. Application of the party has been dismissed vide order dated 10.04.08 by the Hon'ble Court ADJ-2, Alwar. The case was registered after getting approval of competent authority i.e. CMD. Category of the loan account was "Doubtful" as on 31.03.05. MRV of assets (as on 12.5.08) was Rs. 123.00 lac. No collateral and 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. 375.00 lac less upfront amount of Rs. 15.06 lac (rounded off), i.e. at the net payable settlement amount of Rs.359.94 lac but the Director has made a request to give them some more time to discuss with other directors and family members, therefore, it was decided to defer the case.

15. M/s Kandoola Marble , Dungarpur (ARRC Case)

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

16. M/s Ghana Chem (P) Ltd., Bharatpur (DDW Case)

Shri Subhash Khandelwal and Shri Dinesh Soni, Director of the company, appeared before the committee.

The Corporation has obtained decree from the Hon'ble Court for a sum of Rs. 40,07,344/- on 29.04.04. The application for execution of decree also filed in the DJ Court, Alwar.

A loan of Rs. 115.34 lac (rounded off) is outstanding in the loan account as on 31.03.08, out of which Rs. 16.44 lac is of principal and Rs. 98.13 lac interest and Rs. 0.77 lac is other money. The MRV of the financed assets reported to Rs. 7.80 lac and the value of collateral security reported to Rs. 7.50 lac.

After detailed discussions with the director and considering all the facts and position of the case, the committee decided to settle the account in a consideration of Rs.25.00 lac **less** upfront amount of Rs. 4.00 lac, i.e. at the net payable settlement amount of Rs. 21.00 lac which shall be paid by the party in seven equal monthly instalments commencing from August, 2008 to Feb., 2009.

The party to deposit the amount of subsidy alongwith interest as per norms in addition to the settlement amount.

No interest would be charged upto 31st August, 2008 and thereafter w.e.f. 01.09.08 interest @ 13% p.a. on simple basis shall be charged on the unpaid amount of settlement.

Since in the case the settlement is made below the amount of decree, therefore, the matter is to be placed before the Board for ex-post-facto approval.

The directors 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 paid 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.
- 6) Subsidy, if any, shall be recoverable separately as per norms.

GENERAL MANAGER(DEV.)
MEMBER SECRETARY