

Chapter VII Unresolved Cases

7.1 Unresolved cases are cases where no settlement has been reached with the borrowers and the dues are pending for recovery.

7.2 Out of 39 unresolved cases selected by audit for examination, in three cases (Triveni Glass Limited, Ag Foods Limited and Dynamic Logistics Limited), the Trust recovered ₹ 58.21 crore against NLO of ₹ 47.28 crore.

In the remaining 36 cases the Trust could recover only ₹ 150.54 crore against NLO of ₹ 1,888.69 crore. The short recovery in these cases was ₹ 1,738.14 crore. The table below shows borrower-wise details of NLO, amount recovered, etc. for all the 39 cases:

₹ in crore							
Sr. No.	Sr. No. as per Annexure I	Name of party	Name of the promoter	Personal guarantee details	NLO	Amount recovered upto 31.3.2013 including shares	Amount pending recovery
1	2 of (C)	SPIC Petrochemicals Ltd.	Dr. A. C. Muthiah	Not furnished by SASF	528.46	0.71	527.75
2	5	Daewoo Motors India Limited	Daewoo Corporation, Korea	Not furnished by SASF	267.98	8.65	259.33
3	3 of (C)	Shri Vishnupriya Industries Limited	Shri N. H. C. Siva Reddy, Shri R. Negi Reddy and Associates	Shri N. H. C. Siva Reddy, Shri R. Negi Reddy, Shri N. H. Siva Mohan Reddy (₹ 25 crore)	203.41	0.20	203.21
4.	9	E. R. Textiles Limited	Shri G. Eswara Rao	Shri Grandhi Eswara Rao, Smt. Grandhi Sarswathi and Ms Grandhi Sarita E. R. (₹ 150 crore)	77.93	10.35	67.58
5.	11	Koshika Telecom Limited	Shri Vinay Rai and Shri Anil Rai of Usha Group	Not furnished by SASF	70.00	0.00	70.00
6.	19	Shamken Spinners Limited	Shri H. B. Chaturvedi with PICUP/ Shamken Group	Shri H. B. Chaturvedi, Shri Sanjay Chaturvedi, Shri Sumit Chaturvedi and Shri Amit Chaturvedi (₹ 41.25 crore each)	47.98	0.00	47.98
7.	20	Pasupati Fabrics	Shri Vijay	Shri Ramesh	47.97	9.71	38.27

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		Limited	Kumar Jain and Associates	Kumar Jain, Shri Mukesh Kumar Jain (₹ 40 crore)			
8.	22	Ispat Profiles Limited	Shri M. L. Mittal, Shri Pramod Mittal and Shri V. K. Mittal	Shri Mohanlal Mittal (₹ 130.03 crore)	42.13	0.90	41.23
9.	23	Vikas WSP Limited	Shri B.D. Agarwal, Shri J. D. Agarwal and Shri B. M. Jindal	Smt. Bimala Devi Jindal (₹ 50 crore)	40.01	10.25	29.76
10.	24	Triveni Glass Limited	Shri J. K. Agarwal	Shri J. K. Agarwal (₹ 12 crore)	38.56	47.25	8.69
11.	25	LML Limited	Shri D.K. Singhania, Shri L. K. Singhania and Shri Sanjeev Shriya	Shri Lalit Kumar Singhania, Shri Deepak Kumar Singhania and Shri Sanjeev Shriya (₹ 8.29 crore)	38.14	25.05	13.09
12.	26	Hotline CPT Limited	Shri Anil Gupta and Hotline Glass Ltd.	Not furnished by SASF	37.58	0.00	37.58
13.	27	Shamken Multifab Limited	Shri H.B. Chaturvedi and Associates	Shri Sumit Chaturvedi, Shri H. B. Chaturvedi, Shri Sanjay Chaturvedi and Shri Amit Chaturvedi (₹ 15 crore each)	37.01	0.00	37.01
14.	28	Sanghi Polyesters Limited	S/Shri R.S. Sanghi, A.P. Sanghi, Ravi Sanghi, Sudhir Sanghi and Gireesh Sanghi	Shri Ramsaran Sanghi, Shri Anand Prakash Sanghi, Shri Sudhir Sanghi, Shri Ravi Sanghi and Shri Girish Kumar Sanghi (₹ 27.13 crore)	36.78	0.60	36.19
15.	30	Kamlapur Sugar and Industries Limited	Dr. P. K. Ruia	Shri Pawan Kumar Ruia (₹ 15 crore)	36.06	8.00	28.06
16.	31	Roofit Industries Limited	Shri Suresh G. Motwani, Kishore	Shri Suresh Motwani, Shri Vinod	35.81	0.00	35.81

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			Motwani and Vinod G. Motwani	Motwani and Shri Kishore Motwani (₹ 7.50 crore)			
17.	32	Sri Vasavi Industries Limited	Shri G. Eswara Rao	Shri G. Eswara Rao, Shri G. C. H. Sanyasi Raju and Shri O Badarinath (₹ 14.50 crore)	32.00	14.07	17.93
18.	33	Sun Earth Ceramics Limited	S/Shri Suresh Motwani, Shri Vinod Motwani and Shri Kishore Motwani	Shri Suresh Motwani, Shri Kishor Motwani and Shri Vinod Motwani (₹ 20 crore)	31.41	0.78	30.62
19.	36	Sanghi Spinners India Limited	S/Shri R. S. Sanghi, A.P. Sanghi, Ravi Sanghi, Sudhir Sanghi and Gireesh Sanghi	Shri Sudhir Sanghi (₹ 37.60 crore)	29.87	1.35	28.52
20.	37	Datre Corporation Limited	KBLF Enterprises, Shri Hemant Kanoria and SREI Group	Shri Hemant Kanoria and Shri Sunil Kanoria (₹ 8.30 crore)	29.56	22.52	7.04
21.	38	Saritha Synthetics Limited	Shri G. Eswara Rao	Shri G. Eswara Rao (₹ 14 crore)	29.47	0.55	28.92
22.	41	IC Textiles Limited	Shri Anil Kumar Jain and Shri Sunil Kumar Jain	Not furnished by SASF	28.07	13.11	14.96
23.	43	Parasrampuriah Synthetics Limited	Shri Ratanlal Parasrampuriah and Shri Omprakash Parasrampuriah	Not furnished by SASF	26.86	0.00	26.86
24.	48	Dewan Sugar Limited	Late Shri V. S. Dewan	Shri V. S. Dewan and Shri Vivek Dewan (₹ 5.54 crore)	25.40	4.87	20.53
25.	61	Emtex Industries Limited	S/Shri Shiv Prakash Makharia, Pradeep Makharia and Pramod Makharia	Shri Shivparakash Makhariya, Shri Pradeep Makhariya (₹ 10 crore) and Shri Pramod Makhariya (₹ 10 crore)	19.58	0.27	19.31
26.	89	Gujarat Oleochem Limited	Sarvans Chemical Ltd. and Gujarat Agro Industries Corporation	Shri Santosh Dhirajlal Pathak, Shri Sandeep Chaturvedi, Shri Sudhir	14.20	0.00	14.20

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				Pathak and Smt. Uma Pathak (₹ 2.80 crore)			
27.	112	Dewan Rubber Industries Limited	Shri J. C. Dewan and Shri V. S. Dewan	Shri V. S. Dewan (₹ 15 crore)	12.08	2.56	9.51
28.	148	Western State Engineers Limited	Shri Parvez Damania, Shri Vispi Damania, Shri Jehangir Damania, Shri Franklin John, Smt. Kiran John, M/s John Builders(P) Ltd. and Damania Airways Ltd.	Not furnished by SASF	9.81	5.50	4.31
29.	149	Oriental Industries Limited	Shri Harjinder Singh and Smt. Taranjit Kaur	Shri Harjinder Singh (₹ 13.10 crore)	9.77	0.00	9.77
30.	150	Venus Sugars Limited	Shri M. P. Singh	Shri M. P. Singh, Shri R. K. Gupta and Smt. Shashi Rani (₹ 10.94 crore)	9.72	4.33	5.39
31.	158	Dwarikadhish Spinners Limited	Shri H. B. Chaturvedi and Associates and PSIDC/Shamken Group	Shri H. B. Chaturvedi, Shri Amit Chaturvedi (₹ 5.44 crore each), Shri Amit Chaturvedi, Shri Pravin Chaturvedi (₹ 5.44 crore) and Shri Sumit Chaturvedi (₹ 5.44 crore)	9.54	0.00	9.54
32.	193	Nufab India Limited	Shri Satyanarayan Bhagchandka and Shri B. K. Bhagchandka	Shri Satyanarayan Bhagchandka and Shri Vinodkumar Bhagchandka (₹ 5 crore)	8.16	0.50	7.66
33.	244	Pearl Valley Silks Limited	Shri Anand Kumar Sureka, Shri Mahesh Khemka, Shri Mahendra Kumar Shah and Shri G. Ram Kumar	Shri Anand Kumar Surekha, Shri G. Ramkumar, Shri Mahindra Kumar Shah and Shri Mahesh Khemka (₹ 5.50 crore)	6.48	0.00	6.47

34.	321	AG Foods Limited	Shri G. S. Boparai and G. P. Singh, Punjab Agro Industrial Corporation Ltd.	Smt. Rupindar Kaur (₹ 7 crore)	4.72	6.20	(+) 1.48
35.	352	Eden Cosmetics Limited	Shri Babulal Agarwal and Shri Satish Kumar Banka	Shri Babulal Agarwal and Satish Kumar Banka (₹ 1.50 crore)	4.37	4.21	0.16
36.	380	Dynamics Logistics Private Limited	Shri K. M. Talera and Talera Group	Shri K.M Talera and Shri Praful K. Talera (₹ 8.50 crore)	4.00	4.57	(+) 0.57
37.	481	Super Forgings and Steels Limited	Shri B. N. Modi and Associates	Not furnished by SASF	2.58	0.75	1.83
38.	495	Krishna Plastochem Limited	Doshi Family and Shri K. Ranganathan and Associates	Shri K. Ranganathan (₹ 4 crore)	2.38	0.75	1.63
39.	626	Exotic Equipments Company Pvt. Ltd.	Shri N. M. Sampatkumar	Not furnished by SASF	0.13	0.00	0.13
TOTAL					1935.97	208.56	1727.41

(Note # 1 Names of the promoters compiled from the transfer notes provided to audit by SASF.
#2 NA – Not available).

At the time of transfer of these 39 cases to SASF, in four cases decree was awarded and in 13 cases suits were filed. Out of 13 suits filed cases, only in two cases settlement could be reached (one through OTS and other through sale of asset by court) and the remaining 11 cases were still pending with the Courts / Tribunals. Out of the balance 22 cases which were not under 'suit filed' or 'decreed' category at the time of transfer, nine cases are pending with Debt Recovery Tribunals / High Courts, nine cases have been referred to BIFR, in two cases SARFAESI Act initiated and in one case SFC Act invoked. In the remaining one case, though compromise settlement was approved, the same was not complied with by the borrowers.

Though most of these cases are either *sub judice* or referred to BIFR, the Trust needs to make comprehensive efforts to realise maximum possible amounts. Towards this end, the Trust needs to ascertain the net worth and income of promoters, obtain the property details and Income Tax return copies.

The Trust stated (August 2013) that it is still in the process of recovery of these cases.

7.3 Status of decreed cases

The status of decreed cases is explained below:

₹ in crore

Name of the party	NLO	Amount recovered	Remarks
Vikas WSP Limited	40.01	10.25	Decree received for ₹ 60.81 crore in 2004. The Trust entered into OTS twice but the party failed to make payment and OTS was revoked. Case was reactivated in DRT in October 2012. Application for impounding passport of directors and attachment of bank accounts has been moved at DRT, Jaipur. PG of Smt. Bimla Devi Jindal for ₹ 50 crore was available and invoked. However, property details were not available.
Oriental Industries Limited	9.77	Nil	Recovery certificate issued in March 2003 for ₹ 19.46 crore. Some portion of land was sold by the borrower to the nearby farmers. Machineries were not found at the time of valuation. PG of Shri Harjinder Singh for ₹ 13.10 crore was available and invoked. However, property details were not available.
Dynamic Logistics Pvt. Ltd.	4.00	4.57	The borrower made (April 2013) OTS proposal for ₹ 13.15 crore, which is under consideration of the Trust. PG of Shri K. M. Talera, Shri Pramod Talera and Shri Praful Talera for ₹ 8.50 crore was available and invoked. However, property details were not available.
Krishna Plastochem Limited	2.38	0.75	Official Liquidator appointed by Gujarat High Court sold the property for ₹ 6.60 crore and SASF received interim disbursement of ₹ 75 lakh in March 2009. Subsequently, Swift Finlease (India) Ltd. filed Company Application before the High Court of Gujarat against the Official Liquidator and others, seeking disbursement of its share out of the sale

			proceeds, which is pending. According to SASF, personal guarantees were available and invoked. However, copies of personal guarantees were not made available to audit.
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The Trust stated (August 2013) despite non-availability of property details in the personal guarantees, all efforts are being made for maximum recovery through legal course and / or settlement.

Out of the 39 cases, in 11 cases personal guarantees were taken from the promoters / borrowers and only in four cases (ER Textiles, Shamken Multifab, Dewan Sugar Limited and Venus Sugar Limited) property details were available. The Trust also did not collect the income tax returns from the guarantors. Had these aspects been taken care of, the Trust may have recovered higher amount than what it actually did.

The Ministry, in its reply stated that SASF had submitted that remedial measures on the observations were being taken wherever possible.