

COMMITTEE - GOLDEN FORESTS (INDIA) LIMITED

(Appointed by the Hon'ble Supreme Court of India)

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COM/CHD/Settlement Cases/2021/ 529

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ORDER

Golden Forests (India) Ltd. and its group of companies defied the order passed by Bombay High Court on November 23, 1998. The operative part of this order is as follows:-

“ The respondent company and its subsidiaries as well as the Directors are directed not to dispose of any property of the respondent company or its subsidiaries or its Directors till further orders. ”

Unfortunately, the Company and its Directors entered into various settlements with investors, by passing resolutions handing over lands and properties belonging to the Company to different sets of investors, as a device to discharge their financial liabilities to the investors.

The Hon'ble Supreme Court has passed the following orders not to recognize such settlements and sales. These orders are:-

- i. “ Preferential treatment to any particular depositor or creditor cannot be permitted. It is not open for the Company to allot any premises to any particular party. ” (Order dated 5.1.2005 passed in W.P.(C) No. 693 of 2004)
- ii. “ The Committee will not recognize any private settlement and any party making any claim on basis of private settlement must come to this Court. ” (Order dated 25.2.2005 passed in the IA No. 5 in T.C. (Civil) No. 68 of 2003)
- iii. “ The resolution and the lease agreement are ante-dated. We are satisfied that they are ante-dated with the intention of by-passing the order of the Punjab and Haryana High Court dated 18th June, 2003. ” (Order dated 29.4.2005 passed in the IA No. 40 in T.C. (Civil) No. 2 of 2004)
- iv. “ Any application putting a claim for settlement of properties after the restraint order passed by the Bombay High Court should be made to the Committee which shall be at liberty to make appropriate recommendations to this Court for its consideration.....any sales/settlement made contrary to the orders passed after the appointment of Provisional Liquidator by the High Court of Punjab and Haryana on 20th January, 2003 and the restraint order passed on 17th August, 2004 by this Court shall be ignored. ” (Order dated 5.9.2006 passed in the T.C. (Civil) No. 2 of 2004)

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- v. " We feel that the property could not have been given to one of the investors. It has to be sold and the proceeds of the property have to be equally distributed amongst the investors. "(Order dated 7.8.2019 passed in I.A. No. 64630 and 64633 of 2018 in WP(Civil) No. 188 of 2004)

Since there are a large number of investors to whom property and land of the Company have been settled in lieu of their investment, after November 23, 1998, it is necessary to draft a policy to treat the claims of such investors as void.

The investors cannot obviously receive any property on the basis of the settlement arrived at between them and the Company based on resolutions of the Company because there was a clear prohibition given to the Company on November 23, 1998 (reproduced above). Nevertheless, the investors did invest money in Golden Forests (India) Ltd. and its subsidiary companies and are for this reason alone entitled to reimbursement of the invested amount as per directions passed by the Hon'ble Supreme Court of India from time to time. Such investors deserve to be treated on par with the main body of investors.

The Committee has reimbursed Rs.459 crores to about 9.54 lakh investors as 70% of the investment either through direct bank transfer or through cheques.

The investors seeking settlement of land can still file a claim before the Committee. Claim shall be honored if the claimant is able to show:-

- a. Original or Notarized copy of the receipt issued by the Company, or
- b. Some proof of payment of the invested amount from their bank account to the Company.

In the absence of above proof, the Committee shall not be able to recognize the investments made by the investors as valid and shall not be able to make any disbursement to them.


Justice K.S. Garewal (Retd)
Chairman

**CHAIRMAN
COMMITTEE-GFIL**


P.L. Ahuja
Member

**MEMBER
COMMITTEE-GFIL**


B.M. Bedi
Member

**MEMBER
COMMITTEE-GFIL**