

Filed on
6/12/2021

IN THE SUPREME COURT OF INDIA AT NEW DELHI
CIVIL ORIGINAL JURISDICTION

CONTEMPT PETITION NO. 992 OF 2021

IN

T.C. (CIVIL) NO.2 OF 2004

IN THE MATTER OF

B.M. BEDI

MEMBER, COMMITTEE – GFIL

(APPOINTED BY THE HON'BLE SUPREME COURT)

...PETITIONER

VERSUS

NIKHIL KANT SYAL

H.NO. 573, SECTOR 12

PANCHKULA

...CONTEMNOR

CONTEMPT PETITION ON BEHALF OF THE
COMMITTEE-GFIL (APPOINTED BY THE HON'BLE
SUPREME COURT)

PAPER BOOK

(FOR INDEX: KINDLY SEE INDEX)
ADVOCATE ON RECORD FOR PETITIONER:
(Pankaj Kumar Mishra)

**IN THE SUPREME COURT OF INDIA AT NEW DELHI
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Filed On: _____
New Delhi

(Pankaj Kumar Mishra)
Advocate of the Committee.
Petitioner

IN THE SUPREME COURT OF INDIA AT NEW DELHI
CIVIL ORIGINAL JURISDICTION

CONTEMPT PETITION NO. 942 OF 2021

IN

T.C. (CIVIL) NO.2 OF 2004

IN THE MATTER OF

B.M. BEDI

MEMBER, COMMITTEE – GFIL
(APPOINTED BY THE HON'BLE SUPREME COURT)

1065/1, SECTOR 39-B, CHANDIGARH ...PETITIONER

VERSUS

NIKHIL KANT SYAL

H.NO. 573, SECTOR 12

PANCHKULA

...CONTEMNOR

CONTEMPT PETITION U/S 12 & 14 OF THE
CONTEMPT OF COURT ACT TO THE ORDER
DATED 17.8.2004 IN T.C. (CIVIL) NO. 2 OF 2004
AND ORDER DATED 23.11.1998 PASSED IN W.P.
(C) NO. 344 OF 1998 BY BOMBAY HIGH COURT
WHICH WAS TRANSFERRED TO THIS COURT
AND RENUMBERED AS T.C. (C) NO. 2 OF 2004.

TO:

HON'BLE THE CHIEF JUSTICE OF INDIA AND HIS
COMPANION JUSTICES OF THE HON'BLE SUPREME
COURT OF INDIA

HUMBLE PETITION OF THE
PETITIONER ABOVENAMED:

MOST RESPECTFULLY SHOWETH THAT:-

1. The present Contempt Petition is being filed in view of deliberate, willful and intentional disobedience of the orders of the Hon'ble Supreme Court by the contemnor Nikhil Kant Syal.
2. The Bombay High Court vide its order dated 23.11.1998 passed in the matter of W.P. (C) No. 344 of 1998 entitled Security and Exchange Board of India versus Golden Forest India Limited specifically directed the Directors of the company M/s Golden Forest India Limited not to dispose of any property of the respondent company or its subsidiary or its Directors till further order. Relevant portion of the order is reproduced as under:

"5. 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."

Copy of the order dated 23.11.1998 is annexed as **Annexure P-1.** (Pages __ to __).

3. The Hon'ble Supreme Court vide its order dated 12.09.2003 passed in the matter of T.P. No. 696 of 2003 transferred the above matter to itself and renumbered as T.C.(C) No. 2 of 2004. Copy of the order dated 12.9.2003 is annexed as **Annexure P-2.** (Pages __ to __). Vide order dated 5.9.2006, this Hon'ble Court reiterated the order dated 23.11.1998 passed by the Bombay High Court and thereby it merge with the Supreme Court order 5.9.2006. Copy of the order dated 5.9.2006 is annexed as **Annexure P-3.** (Pages __ to __).
4. This Hon'ble Court also passed restraint order dated 17.8.2004 in the matter of T.C. (c) No. 2 of 2004 vide which it restrained the Directors and Power of Attorney holders from alienating, encumbering,

creating any third party right or transferring in any manner whatsoever any of the assets of the Company and/or their personal assets. The relevant portion of the order is reproduced below:

"In furtherance of our earlier Order, we direct that the Company, its Directors, Officers, Employees, Agents and/or Power of Attorney holders are restrained from alienating, encumbering, creating any third party right or transferring in any manner whatsoever any of the assets of the Company and/or their personal assets. They are also restrained from making any withdrawal from any of the accounts wherever the accounts may be."

Copy of the order dated 17.8.2004 is annexed as **Annexure P-4** (Pages __ to __).

5. It has come to the notice of the Committee that Nikhil Kant Syal son of Sh. R.K. Syal sold following lands situated in village Mirpura, Tehsil Derabassi, District SAS Nagar (Mohali) in the capacity of General Power of Attorney of Sh. R.K. Syal and

Smt. Nina Syal, who were directors of the company
M/s Golden Forest India Limited:

- i) land measuring 15 Bigha 1½ Biswa to Smt. Neelam Bedi w/o Ajay Bedi for an amount of Rs.28,27,000/- through Sale deed no. 1053 dated 23.4.2010 as General Power of Attorney holder of Sh. R.K. Syal.
- ii) land measuring 15 Bigha 1½ Biswa to Smt. Neelam Bedi w/o Ajay Bedi for an amount of Rs.28,27,000/- through Sale deed no. 1054 dated 23.4.2010 as General Power of Attorney holder of Sh. R.K. Syal.
- iii) land measuring 12 Bigha to Smt. Neelam Bedi w/o Ajay Bedi for an amount of Rs.11,25,000/- through Sale deed no. 1055 dated 23.4.2010 as General Power of Attorney holder of Smt.

Nina Syal

- 6. Later on Smt. Neelam Bedi w/o Ajay Bedi sold the above land in parts vide sale deed no. 4069 dated 8.6.2011, sale deed no. 5565 dated 29.6.2011 and sale deed no. 13298 dated 6.12.2011 in favour of various persons.

7. Since contemnor Nikhil Kant Syal despite knowledge of orders of this Hon'ble Court and in utter disregard of the same sold these lands as Power of attorney holder of the Directors of the company. It is quite clear that the he violated the orders dated 17.8.2004 and 5.9.2006 of this Hon'ble Court. Even if it is assumed that the properties sold were the personal properties of the directors Mr. R.K. Syal and Mrs. Nina Syal nevertheless they or their Power of attorney holder-son Mr. Nikhil Kant Syal could not alienate the same in violation of the order dated 17.8.2004 passed by Hon'ble Supreme Court.
8. The Committee issued show case notices dated 30.7.2019, 26.8.2019 and 13.11.2019 to contemnor Nikhil Kant Syal as to why reference should not be made to Hon'ble Supreme Court for initiating contempt proceedings against him. On first two occasions, different counsel appeared only on one hearing and then stopped appearing before Committee. In response to the third show cause notice he did not even care to reply or engage any counsel. Copies of the show cause notices are annexed as **Annexure P-5 (Colly.)** (Pages __ to __).

Therefore, on 8.9.2021, the contemnor was preceded against ex-parte. The Committee also decided to file Contempt Petition before the Hon'ble Supreme Court against him for his deliberate and intentional violation of this Hon'ble Court.

9. That having deliberately and intentionally violated the order of this Hon'ble Court, the Contemnor is liable to be punished as per law.
10. It is therefore, prayed that stringent action as per law be initiated against the contemnor.

PRAYER

In the premises it is respectfully prayed that this Hon'ble Court may be pleased to:

- a. Initiate contempt proceedings against the contemnor for deliberately and intentionally violating the orders dated 17.8.2004 & 5.9.2006 passed by this Hon'ble Court and he be punished as per law;
- b. Pass such other order(s) as this Hon'ble Court deems fit and proper under the circumstances of the case in favour of petitioner.

Filed On: _____
New Delhi

(Pankaj Kumar Mishra)
Advocate of the Committee.
Petitioner

IN THE SUPREME COURT OF INDIA AT NEW DELHI
CIVIL ORIGINAL JURISDICTION

CONTEMPT PETITION NO. _____ OF 2021

IN

T.C. (CIVIL) NO.2 OF 2004

IN THE MATTER OF

B.M. BEDI

MEMBER, COMMITTEE – GFIL
(APPOINTED BY THE HON'BLE SUPREME COURT)

1065/1, SECTOR 39-B, CHANDIGARH ...PETITIONER

VERSUS

NIKHIL KANT SYAL

H.NO. 573, SECTOR 12

PANCHKULA

...CONTEMNOR

AFFIDAVIT

AFFIDAVIT OF SHRI B.M. BEDI AGE 71 YEARS,
DISTRICT AND SESSIONS JUDGE (RETD.) R/O H. NO.
22, SECTOR 4, PANCHKULA, ONE OF THE MEMBERS
OF THE COMMITTEE APPOINTED BY THIS HON'BLE
COURT IN THE AFOREMENTIONED MATTER:

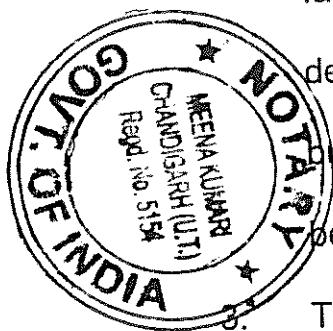


Handwritten signature

I, the deponent above named do hereby solemnly affirm
and state as follows:

1. That I am working as Member with the Petitioner in
the matter and am fully conversant with the facts of
the case and competent to sign and swear this
affidavit.

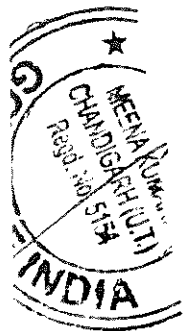
2. That the accompanied Contempt Petition, Annexure
and IAs. are drafted under my instructions and the
facts thereof are true to my knowledge which are
derived from record maintained in ordinary course of
business and the rest are the humble submissions
before this Hon'ble Court.



3. That I have gone through the contents of the
accompanied Contempt Petition at pages ____ to ____
and IAs at pages ____ to ____ which have been drafted
by my Counsel as per my instructions. I have read
and understood the contents of the same, which are
true and correct to my knowledge and belief.

4. That the annexure appended to the present Contempt
Petition are true copies of their respective originals.

Meena



5. That the facts stated in this affidavit are true and correct to best of my knowledge.

[Signature]

DEPONENT

MEMBER
COMMITTEE-GFIL

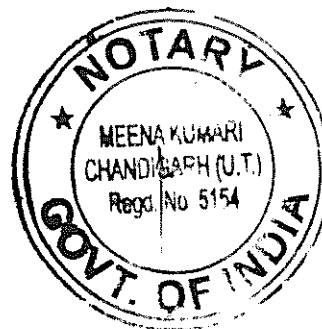
VERIFICATION

Verified at Chandigarh on this the 10th day of November, 2021 that the contents of the above paras 1 to 5 of the affidavit are true and correct to the best of my knowledge and belief. No part of it is false and nothing materials have been concealed therefrom.

[Signature]

DEPONENT
MEMBER
COMMITTEE-GFIL

Certified that the Affidavit / SPA / GFA has been read over & explained to the Deponent / Executant who seems perfectly to understand the same at the time of making thereof



10 NOV 2021

Identity the deponent who has Signed/thumb marked in my presence

[Signature]
Signature

IDENTIFIED AS IDENTIFIED

MEENA KUMARI
NOTARY, CHANDIGARH

The contents of this Affidavit / Document has been explained to the deponent / executants He / she has admitted the same to be correct. The deponent / executant has signed Register

Sl. No. 1266 P. No. 10/11 2021

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORIGINAL SIDE

WRIT PETITION NO. 344 OF 1998

Securities & Exchange Board of India Petitioners

Versus

Golden Forests (India) Ltd. & Ors. Respondents

Mr. Kumar Desai with Mr. R.A. Dada and Mrs. C.S. Balsara

i/b Maneksha Sethna for petitioners

Mr. R.K. Jain with Mr. Y.H. Muchhala i/b

M/s Sanjay Udeshi & Co. for respondent No. 1

Mr. Praveen Singh Arora for Intervenor

Mr. Abhay Patki, for the State

CORAM: M.B. SHAH, C.J. &

S. RADHAKRISHNAN, J.

DATE : 23RD NOVEMBER 1998

P.C.

Heard the learned Counsel for the parties.

2. It has been pointed out by the learned Counsel for the company that the company is at present holding land worth about Rs. 1,350 crores and is in a position to repay the amount of all the investors.

3. He, therefore, states that the company and its Directors shall give an undertaking to this Court on or before 30th November 1998 to the effect that the company is prepared to refund the amounts of the shareholders as well as the investors if they so demand and the demand application is received by the company and/or its Directors on or before 31st January 1999. He further states that public advertisements would be issued in leading newspapers all over the country on or before 15th December 1998 for the said purpose. He further submits that genuineness of the demands/applications would be processed by the company or its Directors on or before 31st March 1999. Wherever the applications are found to be of genuine shareholder or investor, the amount invested by them would be refunded on or before 31st December 1999 with interest thereon @10% per annum.

4. In view of the aforesaid statements, the company and its Directors are directed to file necessary undertaking on or before 30th November 1998. It would be open to the respondent-company to apply to concerned authorities as also to this Court, after 31st March 1999, for sale of some part of the land for realizing the amount and paying it over to the investors who have demanded refund of amount/and or deposits.

5. 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.

6. Stand over to 1st April 1999.

7. Issuance of certified copy of this order is expedited.

Sd/-

M.B. SHAH, C.J.

Sd/-

S. RADHAKRISHNAN, J.

IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION

TRANSFER PETITION © NO. 696/2002

SECURITIES & EXCHANGE BOARD OF INDIA Petitioner(s)

VERSUS

GOLDEN FORESTS (INDIA) LTD. & ANR Respondent(s)

ORDER

The prayer for transfer is allowed. Writ Petition(C) No. 344/98 pending in the High Court of Judicature at Bombay is directed to be transferred to this Court. The record of proceedings shall be certified by the Bombay High Court post haste to this Court. Immediately on the receipt of the record the petition shall be registered and placed for hearing before the Court.

All the I.As. for impleadment or for intervention shall be delinked from this Transfer Petition and placed for hearing and direction before the Court in the main Writ Petition.

It is pointed out that there are several other proceedings pending before different Courts and different High Courts relating to M/s Golden Forests (India) Ltd. The petitioners have filed a list as Annexure P-3 to the petition. If different Courts entertain different proceedings touching this very company the possibility of different orders being passed cannot be avoided. It is, therefore, directed that all the

proceedings referred to in Annexure P-3 shall also be called for and tagged with the above-said Writ Petition for being taken up for hearing by this Court. If there are any winding up proceedings (other than the one listed in Annexure P-3) pending in any High Court then they shall also stand transferred to this Court. . .

It is further directed that no other Court except this Court shall entertain any winding up proceedings relating to the respondent-company.

On an oral prayer made by the learned Attorney General the Case Number at item No. 13 (page 36) is permitted to be corrected as Company Petition No. 60/2001.

The Registry shall communicate a copy of this order to all the Courts concerned.

.....J
(R.C.LAHOTI)

.....J
(ASHOK BHAN)

NEW DELHI
DATED 12TH SEPTEMBER, 2003.

/TRUE TYPED COPY//

ANNEXURE P.3 Filed by SEBI IN THE TP No.696 of 2002 is
reproduced below

ANNEXURE P.3

LIST OF WRIT PETITION & COMPANY PETITIONS PENDING

IN

VARIOUS HIGH COURTS

S.No.	PARTICULARS
01	HON'BLE ANDHRA PRADESH HIGH COURT AT HYDERABAD Writ Petition No.4073/2001 Thy Golden Members Assoc. v/s UOI, SEBI & ORS
02	HON'BLE HIGH COURT OF DELHI AT DELHI Writ Petition No.2562/2001 Investors and Marketing Members Welfare Society. v/s UOI & Ors.
03	HON'BLE HIGH COURT OF ORISSA AT CUTTACK. Writ Petition No. 7135/2001 All Orissa Union of Investors & Team Members Welfare Forum v/s UOI & Ors.

04	<p>HON'BLE HIGH COURT OF DELHI AT NEW DELHI</p> <p>Writ Petition No. 4954/2001</p> <p>All India Thy Golden Group Investors and Marketing Members Association v/s UOI & Ors</p>
05	<p>HON'BLE HIGH COURT OF JHARKHAND AT RANCHI</p> <p>CWJC No. 1112/2001</p> <p>Investors and Marketing Members Welfare Society v/s UOI & Ors.</p>
06	<p>HON'BLE HIGH COURT OF GAUHATI</p> <p>Writ Petition No. 6397/2001</p> <p>The Investors and Marketing Members Welfare Society. v/s UOI & Ors.</p>
07	<p>HON'BLE HIGH COURT OF CALCUTTA AT KOLKATTA</p> <p>Writ Petition No. 1310/2001</p> <p>(Anand Bazar Patrika)</p> <p>The Investors and Marketing Members Welfare Society. v/s UOI & Ors.</p>

08	<p>HON'BLE HIGH COURT OF CALCUTTA AT KOLKATTA</p> <p>Writ Petition No. 13715/2001</p> <p>The Investors and Marketing Members Welfare Society.</p> <p>v/s</p> <p>UOI & Ors.</p>
09	<p>IN THE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA</p> <p>Writ Petition No. 1234/2001</p> <p>Investors and Marketing Members Welfare Society & Anr.</p> <p>Vs.</p> <p>UOI & Ors.</p>
10	<p>IN THE HON'BLE HIGH COURT OF GUJARAT AT AHMEDABAD</p> <p>Writ Petition No. 2202/2002</p> <p>All Gujarat Team Members Association</p> <p>V/s</p> <p>UOI & Ors.</p>
11	<p>HON'BLE HIGH COURT OF CALCUTTA AT KOLKATTA</p> <p>Writ Petition No. 4799/2002</p> <p>GFIL Investors and Marketing Members Welfare Society</p> <p>v/s</p> <p>UOI & Ors.</p>

12	<p>IN THE HIGH COURT OF ORISSA AT CUTTACK.</p> <p>Writ Petition No. 5444/2002</p> <p>Chandra Sekhar Samal & Ors.</p> <p>V/s</p> <p>UOI & Ors.</p>
13	<p>HON'BLE HIGH COURT OF PUNJAB & HARYANA</p> <p>Company Petition No. 60 of 2002</p> <p>National Investors Forum</p> <p>Vs</p> <p>Golden Forests (India) Ltd.</p>

SUPREME COURT OF INDIA
RECORD OF PROCEEDINGS

I.A. NOS.28, 36, 41, 42, 43, 44, 45, 46 & 47-49 and IA No. 50 in IA No. 33
IN TRANSFER CASE (CIVIL.) NO. 2 OF 2004

THE SECURITIES & EXCHANGE BD. OF INDIA

Petitioner(s)

VERSUS

THE GOLDEN FORESTS (I) LTD.

Respondent(s)

(For directions, intervention, stay, clarification and/or modification
of the order dated 19.8.2004, impleadment, modification of
Court's order dated 17.8.2004, filing of summary of records and
office report)

[For urgent direction]

WITH I.A. Nos.5, 6, 7-11, 13, 14-15, 16-18, 19-22 and 23-24 in T.C.(C)
NO.68/2003

(For directions by the Committee appointed by this Hon'ble Court,
directions, impleadment, exemption from filing O.T. and impleading party
and office report)

With

IA No. 4 in WP(C) No. 188/2004 (for urgent directions and office report)

Date: 05/09/2006 This Matter was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE ASHOK BHAN

HON'BLE MR. JUSTICE MARKANDEY KATJU

For Petitioner(s)

Mr. Altaf Ahmed, Sr. Adv.

Mr. Bhargava V. Desai, Adv.

Mr. Rahul Gupta, Adv.

Ms. Varuna Bhandari Gugnani, Adv.

Mr. Rameshwar Prasad Goyal, Adv

In IA 23

Mr. Harpal Singh, in person.

For the Committee

Ms. Suruchii Aggarwal, Adv

Mr. Prashant Chouhan, Adv.

For Respondent(s)

Mr. S.K. Passi, adv.

Ms. Naresh Bakshi, Adv.

For Drive-in Tourist
Resorts Pvt. Ltd.

Mr. Alok Gupta, Adv

Mr. Ranjan Mukherjee, Adv

Mr. N.R. Choudhury, Adv.

Mr. Somnath Mukherjee, Adv.

Ms. Kiran Suri, Adv

Ms. Minakshi Vij, Adv

Mr. Ugra Shankar Prasad, Adv

Mr. Abhijit Sengupta, Adv

Mr. K.C. Dua, Adv

Mr. Subramonium Prasad, Adv

Mr. G. Ramakrishna Prasad, Adv

Mr. Khwairakpam Nobin Singh, Adv

For intervenor(s)

Mr. M.C. Dhingra, Adv

Mrs. V.D. Khanna, Adv. for

M/S I.M. Nanavati Associates, Adv

Mr. Aditya Sharma, Adv.

Mr. K.S. Rana, Adv

Ms. Chitra Markandaya, Adv

	Mr. B. Sridhar, Adv. M/S. K.Ramkumar & Associates ,Adv
	Mr. Makarand D.Adkar, Adv. Mr. Vijay Kumar, Adv. Mr. Vishwajit Singh ,Adv
	Mr. Bimal Chakraborty, Adv. Mr. B.K. Pal, Adv.
	Ms. Sunita Sharma, Adv. Mr. S.K. Sabharwal, Adv.
State of Punjab	Mr. R.K.Rathore, AAG PB Mr. Arun K. Sinha, Adv.
State of Uttaranchal	Mr. Avatar Singh Rawat, AAG Mr. Jatinder Kumar Bhatia, Adv.
For Golden Forest	Mr. R.K. Jain, Sr. Adv. Mr. Ashok Kumar Singh, Adv. Mr. S.B. Meitei, Adv. Mr. Deepak Jain, Adv. Mr. Arjun Singh, Adv.
	Mr. Naresh Kumar Adv.
	Mr. Surender Sharma, Adv.
	Mr. S.N. Pandey, Adv.
For M.A. Shah	Mr. D.K. Garg, Adv.
For State of W.B.	Mr. T.C. Sharma, Ms. Neelam Sharma, Adv.

UPON hearing counsel the Court made the following

ORDER

1. On our direction the counsel appearing for the Securities & Exchange Board of India [SEBI] has filed the Note dated 4th of September, 2006 containing the factual history of the case along with the

directions sought for by the Committee. There is no dispute on the facts stated to us by the SEBI in the aforesaid Note submitted by the SEBI, which are as follows:

2. M/s. Golden Forest (India) Limited, Chandigarh [for short "GFIL"], the respondent herein, was incorporated on 23rd February, 1987 and was granted certificate of commencement of business on 6th March, 1987. The main objects of the GFIL were, inter alia, development of agricultural land, social forestry farms, etc. From the commencement of the business, the GFIL had come out with several schemes for raising funds from the investors. The GFIL had mobilized approximately Rs. 16 lakhs in 1987, Rs. 3 crores by 1990 and by the year 1997 it had mobilized about Rs.311 crores. It had also acquired about 7750 acres of land. It had mobilised an amount of Rs.1037 crores as on 31st December, 1997 on a capital base of Rs.10 lakhs only.
3. On the basis of investors' complaint, the Department of Company Affairs had found the GFIL violating various provisions of The Companies Act as well as accounting and auditing procedures.
4. On 26th November, 1997 by a press release as also public notice dated 18th December, 1997, SEBI had called upon the existing "Collective Investment Schemes" to submit information to SEBI and further

informed that the Regulations are under preparation and till that time no further schemes are to be sponsored.

5. Thereafter SEBI conducted survey on various collective investment schemes floated by different persons including the respondents. On the basis of the survey reports, SEBI issued order dated 9th January, 1998 to the GFIL under Section 11B read with Section 11 of The Securities & Exchange Board of India Act [for short "the SEBI Act"] directing it not to mobilise any further funds from the investors and restrained it from selling, assigning or alienating any of the assets out of the corpus of the scheme. The GFIL however questioned the power of the SEBI to issue such directions.

6. Having received further complaints of misappropriation of funds and transfer of funds by GFIL, SEBI requested the Government to take action against the company-GFIL.

7. Due to non compliance of the aforesaid order dated 9th January, 1998 and to protect the interest of investors, SEBI filed a Writ Petition in public interest (PIL) being Writ Petition No. 344 of 1998 before the High Court of Judicature at Bombay, seeking certain restraint orders against the GFIL and its promoters/directors. SEBI, being the statutory administrative body to monitor the stock market, filed the aforesaid Writ Petition - WP No. 344/98 to protect the interest of various investors in GFIL since the GFIL failed and neglected to get itself registered under the SEBI (Collective

Investment Scheme) Regulations, 1999 and to subject itself to regulating mechanism of SEBI under the powers conferred upon it under the SEBI Act.

8. The following directions were sought in the aforesaid writ petition before the High Court of Bombay:

- "a) that this Hon'ble Court issue a writ of Mandamus or a writ in the nature of mandamus or any other writ, direction or order under Article 226 of the Constitution of India, directing Respondent No.2 to issue orders against all the Commercial Banks and/or Cooperative banks where Respondent No.1 has an account directing the Commercial Banks and/or the Cooperative Banks to restrain Respondent No.1 from withdrawing any funds from any of its accounts with the said commercial banks and/or Cooperative banks and /or any of their respective branches whether in India or abroad.
- b) that pending the hearing and final disposal of this Petition this Hon'ble Court may be pleased to appoint any fit or proper person as a Special Officer or may appoint any agency as this Hon'ble Court may deem fit to operate the Bank accounts of Respondent No.1 to pay off those investors whose investments have matured or are likely to mature shortly;

- c) that pending the hearing and final disposal of this Petition the Special Officer or agency as the case may be directed by an order of this Hon'ble Court to act in accordance with the directions given from time to time by this Hon'ble Court if this Hon'ble Court deems fit and proper;
- d) that pending the hearing and final disposal of this Petition, Respondent No.2 be ordered and directed to issue orders against all the Commercial Banks and or Cooperative Banks where Respondent No.1 has an account directing the Commercial Banks and/or the Cooperative Banks to restrain Respondent No.1 from withdrawing any funds from any of its accounts with the said Commercial Banks and/or Cooperative banks and/or any of their respective branches whether in India or abroad;
- e) that pending the hearing and final disposal of this Petition, Respondent No.1 by itself or by its servants and agents be restrained by an order of this Hon'ble Court from receiving any monies from any investor under a new scheme or existing schemes, from operating any of its Bank accounts by withdrawing any monies from any of its bank accounts or from transferring, selling, assigning or alienating in any way the assets created out of the corpus of the Schemes of Respondent No.1 or

~~from in any manner dealing with or disposing off any of its~~
assets whether moveable or immovable tangible or
intangible without the prior written permission of the Petitioner.

f) that pending the hearing and final disposal of this Petition this Hon'ble Court be pleased to direct Respondent No.1 to render its full and complete accounts in respect of the funds mobilized by Respondent No.1 under all its schemes, payments, if any, made to its investors, source of such payment and details of monies to be immediately repaid to the investors under all its schemes, and to hand over true copies of all books of accounts, bank statements and all banking documents, papers, vouchers, records, registers and all other documents containing details of the land, documents supporting the purchase or lease of various land including lien agreements entered into with the various unit holders from inception till date, in its custody possession and power to the Special Officer or Agency as the case may be.

g) for interim and ad interim reliefs in terms of prayer (b) to (f)

above;

h) for costs of this Petition; and

i) for such further and other reliefs as the nature and circumstances of the case may require or as this Hon'ble Court may deem fit and proper."

9. The High Court of Bombay passed various orders from time to time protecting the investors' interest by way of injunction, restraint orders and also directed the SEBI and Reserve Bank of India [RBI] to constitute a Committee for taking stock of the situation. The Committee was constituted and report was submitted which affirmed various violations and manipulations and non-genuineness of the schemes of the GFIL. On an order passed by the Bombay High Court, Credit Rating Information Services of India Ltd. [CRISIL] gave a high risk rating to the GFIL as Grade-V.

10. GFIL through the constituted attorney filed an affidavit dated 14th July, 1998 and informed that the GFIL and its subsidiaries had total assets worth Rs.1395.41 crores as on 31st March, 1998; that its investment mobilised and outstanding are at Rs.735 crores as on 7th of March, 1998 and; that they were confident of meeting all the liabilities and have also formulated a scheme of premature repayment.

11. The High Court of Bombay by its order dated 23rd of November, 1998, approved the scheme of premature repayment as proposed by the GFIL, with interim directions. The said order is extracted in extenso:

" Heard the learned counsel for the parties.

2. It has been pointed out by the learned Counsel for the company that the company is at present holding land

worth about Rs.1,350 crores and is in a position to repay the amount of all the investors.

3. He, therefore, states that the company and its Directors shall give an undertaking to this Court on or before 30th November 1998 to the effect that the company is prepared to refund the amounts of the shareholders as well as the investors if they so demand and the demand application is received by the company and/or its Directors on or before 31st January 1999. He further states that public advertisements would be issued in leading newspapers all over the country on or before 15th December, 1998 for the said purpose. He further submits that genuineness of the demands/applications would be processed by the company or its Directors on or before 31st March 1999. Wherever the applications are found to be of genuine shareholder or investor, the amount invested by them would be refunded on or before 31st December 1999 with interest thereon @ 10% per annum.

4. In view of the aforesaid statements, the company and its Directors are directed to file necessary undertaking on or before 30th November 1998. It would be open to the respondent-company to apply to concerned authorities as also to this Court, after 31st March 1999, for sale of some part of the land for realizing the amount and paying it over to the

investors who have demanded refund of amount/and or deposits.

5. 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.

6. Stand over to 1st April 1999.

7. Issuance of certified copy of this order is expedited."

[Emphasis supplied]

12. The GFIL assured the High Court that it was complying with the scheme of repayment as approved by the High Court and prayed for removal of restraint orders so as to withdraw the funds and make repayment. The High Court permitted the GFIL to negotiate sale of assets with a view to generate liquidity to pay off the liabilities but not to create any interest in the assets in favour of the proposed purchasers and should not enter into any agreement. The GFIL initially sought permission of the High Court of Bombay to sell off 19 properties but could not sell or negotiate and moved the High Court. Thereupon, the High Court Bombay appointed Hon'ble Mr. Justice M.L. Pendse (retired Chief Justice) as private receiver vide its order dated 16th February, 2000 to sell the 19 properties as given in Annexure to the affidavit filed by GFIL.

13. After the appointment of Justice Pendse as private receiver for disposing of 19 properties of the GFIL to repay to the investors, a number of writ petitions came to be filed in various High Courts along

with applications for restraint against the sale of properties and other similar relief so as to frustrate the working of the private receiver appointed by the High Court of Bombay.

14. The SEBI, apprehending that the various writ petitions filed in the various High Courts may result in passing of conflicting orders, thus frustrating the payment to the investors, filed a petition in this Court, seeking transfer of writ Petition No. 344/98 from the High Court of Bombay to its own board and stay of the proceedings in other High Courts in relation to the writ petitions. This Court vide its order dated 12th September, 2003, while allowing the transfer Petition, transferred to this Court:

- (i) W.P. No. 344/1998;
- (ii) all proceedings referred to in Annexure P-3 to the Transfer Petition;
- (iii) all winding up Petitions (other than listed in Annexure P-3), if pending in any High Court; and directed
- (iv) that no other Court except this Court to entertain any winding up proceedings relating to the GFIL; and
- (v) the order to be communicated to all Courts.

15. The writ petition so transferred (being WP No. 344/98) from the High Court of Bombay was renumbered as Transferred Case No. No.2/2004.

16. In the High Court of Punjab and Haryana at Chandigarh a winding up petition being Company Petition No.60/2001 was filed in which Mr. Justice R.N. Agarwal (retired Chief Justice of the High Court of Delhi, now heading the Committee appointed by this Court) was appointed as the provisional official liquidator. The said Company Petition was also transferred to this Court and numbered as T.C. No. 68/2003. Similarly, other cases which were pending in various other High Courts were also transferred to this Court.

17. On 27th July, 2004 this Court passed a detailed order and dealt with IA Nos. 1, 9 and 28 of 2004 and passed certain interim directions and put forward a proposal for appointment of a Committee. The gist of the said order is as under:

The Private Receiver appointed by Bombay High Court Justice (Retd) M.L. Pendse to submit status report to apprise the Hon'ble Court on the stage of proceedings. RBI, SEBI and other investors were granted two weeks time to make suggestions on the appointment of Central Committee to be nominated by this Court which should be entrusted with the responsibility of realising the assets, distributing the receipts amongst the claimants after identifying their claims and investigating into siphoning off the funds by GFIL.

All pending applications directed to be listed for hearing on the next date.

IA No.1/2004 in TC No. 68/2003: The sale of 15 properties for which tenders were issued by Provisional Liquidator not to be finalized but continue to receive the tenders.

IA No. 9 in TC No. 2/2004: All accounts of GFIL, its subsidiaries and associate companies as per list in IA No.1 were directed not to be operated either by themselves, their officers/agents unless permitted by this Court. RBI to issue circulars to all banks in the country.

IA No.28/2004 in TC No. 2/2004 by Drive-in-Tourist Resorts Pvt. Ltd.: The Resort-Applicant undertakes to make payment of rent @ Rs. 1 lakh per month for the period 1st August, 2003 till date to Provisional Liquidator within two weeks. Thereupon the PSEB to be informed for restoring Electricity to the Resort. And further payment by the applicant to Provisional Liquidator to continue on month to month basis by 15th of each month. This is in interim arrangement. IA not disposed off.

18. Thereafter the matter came up before this Court on 17th August, 2004 and again this Court passed an order for appointment of

a Committee and dismissed the applications of various parties to be impleaded as parties. Certain restraint orders were passed against the GFIL, its Directors, Officers, employees, agents and/or power of attorney holders from creating any third party rights on any of the assets. The gist of the said order is as under:

All petitioners in Transfer Petitions to file their copies of writ petitions and copies be given to SEBI & RBI and other parties within a month.

The Company, its Directors, Officers, Employees, agents and / or power of attorney holders are restrained from alienating, encumbering, creating any third party rights or transferring in any manner whatsoever any of the assets of the Company and/or their personal assets and restrained from making any withdrawals from any of the accounts.

Proposal for appointment of committee recorded.

All applications for intervention/impleadment filed by the depositors / investors stand dismissed.

The depositors/investors must submit their claims before the Committee which will be appointed by the Court who will consider their claims. This Court will then decide how the assets of the Company should be distributed.

- No other Court or Forum or Tribunal any claim or application for return of monies or interest as this Court will deal with the

same after realization of all assets. If any claims already filed, the

same shall remain stayed.

- It was further clarified that criminal cases are not covered by this Order and can proceed.
- IA Nos. 1,5,9,6,30,7,14,15,32 in TC No.2/2004 dismissed as not pressed.
- IA No. 25 in TC No.2/2004 dismissed as withdrawn.
- IA No. 11 in TC No.2/2004 dismissed as infructuous.
- IA No. 28 in TC No.2/2004: Time to deposit extended by four weeks. If not deposited within four weeks, the earlier order to stand vacated.
- Matters directed to be listed on 19th August, 2004.

19. On 19th of August, 2004, this Court had appointed Hon'ble Mr. Justice K.T. Thomas, a retired Judge of this Court, with an officer nominated by RBI and SEBI both as a Committee, with various directions which are summarized as under:

- (i) The Chairman of the Committee at liberty to appoint CA to assist.
- (ii) Committee to take in custody all assets of the company [GFIL] with the help of Police/DM, if required.
- (iii) Committee to issue advertisements calling upon all creditors to submit their claims before the Committee.

(iv) After realization of the assets and scrutinization of the claims the Committee to put up a report to this Court [in 6 months]

(v) The Provisional Liquidator and the Bombay High Court receiver discharged and directed to handover all books, assets etc. to the Committee.

(vi) Committee may have to visit and function at different places.

(vii) FDR's to remain in the name of Provisional Liquidator till maturity and thereafter in the joint names of Committee members.

(viii) Provisional Liquidator not to alienate or encumber the receipts in any manner.

(ix) Committee granted liberty to approach this Court.

20. On the inability expressed by Hon'ble Mr. Justice K.T. Thomas to head the Committee, this Court on 10th of September, 2004 appointed Mr. Justice R.N. Agarwal, who had been appointed as Provisional Liquidator by the Punjab and Haryana High Court in Company Petition No. 60/2001 as Chairman of the Committee along with an official each of the SEBI and RBI as members.

21. Thereafter the matter has been coming up before this Court from time to time and the Court has been passing certain directions.

22. The Committee headed by Justice R.N. Agarwal has, inter alia, filed a status report dated 10th of August, 2006 supplemented by the report dated 2nd of September, 2006 seeking certain directions.

23. We have taken into consideration these status reports. As per these reports, the directions are sought by the Committee on the following points :

- A. Reconstitution of the Committee:
- B. Immovable properties identification, taking possession and removal of encroachments:
- C. Directions regarding sale of properties:
- D. Setting aside sale of immovable properties:
- E. Various settlements by or on behalf of the respondent-company
- F. Directions regarding claims made by investors on their investments:
- G. Properties of Golden Group:
- H. Action against Manzoor Ahmad Shah:

24. We would take up these points one by one and pass appropriate orders on each of them separately.

A. Reconstitution of the Committee:

25. Reconstitution of the Committee for faster results has been sought with the Chairman and other members who have experience and interest in the field work and also sale of properties. Also a small police force including an officer with the rank of Deputy Superintendent of Police [DSP] is sought to be attached with the Committee. It was stated that the

officials appointed by the SEBI and RBI as members of the Committee had little to contribute in matters of realization of properties. The Committee has suggested some names for induction in the Committee and also obtained telephonic consent from one of them.

26. Justice R.N. Agarwal shall continue to be the Chairman of the Committee.

27. Counsel appearing for the SEBI and Mr. R.K. Jain, learned senior counsel appearing for the GFIL have no objection to such reconstitution of the Committee and the officials of the SEBI being relieved. RBI is not a party before us. Accordingly, we relieve the officials of SEBI as well RBI from being members of the Committee and in their places S/Shri H.L. Randev and B.S. Bedi, former District and Sessions Judges in the State of Punjab, are appointed as members of the Committee.

28. It is submitted by Shri R.K. Jain, learned senior counsel appearing for the Company, that an officer of the GFIL should also be taken as a member of the Committee which prayer is rejected. However it would be open to the Committee, if it deems fit, to take assistance of any officer of the company to identify the companies and their assets.

29. The Committee has not suggested the names of any officer from the revenue or the police whom it seeks to associate with itself in discharging its work effectively. We leave it to the Committee to appoint

one retired revenue officer as well as a police officer who it thinks to be of assistance.

30. The Chairman of the Committee shall determine the remuneration which is to be paid to the other members of the Committee as well as the officers so appointed. The Chairman of the Committee shall also be at liberty to requisition the services of a revenue official and a police officer from the Chief Secretaries of Punjab / Haryana who are directed to release the officers, so requisitioned, to assist the Committee to effectively discharge the work entrusted to it.

B. Immovable properties identification, taking possession and removal of encroachments:

31. Directions are sought to be given to the Deputy Commissioners and other Civil and Revenue authorities of the States of Punjab and Uttaranchal to help in ascertaining the details of the properties owned by the GFIL and to extend all help and cooperation to recover the possession of such properties with the help of police, if and wherever required and to demarcate the lands belonging to the companies in accordance with the revenue entries relating to the year 2000 and onwards.

32. The GFIL or any of the other lawyers representing various other claimants have no objection to issuance of the directions sought for by the Committee under this point.

33. Accordingly, the Deputy Commissioner and other revenue authorities in the States of Punjab / Haryana and Uttaranchal are directed to help the Committee in ascertaining the details of properties owned by GFIL and to extend all help and cooperation to recover the possession of such properties even with the help of police, if and when required, and to demarcate the lands belonging to the companies in accordance with the revenue entries relating to the year 1998 and onwards.

34. Chief Secretaries and the DGPs./IGPs. are directed to issue suitable directions to all the Deputy Commissioners, police officers and civil servants to render such help.

35. The civil as well as police authorities are also directed to take action against the illegal encroachments and construction adjoining the Resort at Billa. Revenue authorities of the respective States are also directed to help in removal of such illegal encroachments.

C. Directions regarding sale of properties:

36. Directions for sale are sought in respect of the properties at Jharmari, lands at Village Kot Billa, Jaswant Garh and other adjoining villages and a Resort at Nalagarh, and the mode and procedure for the sale of the properties of GFIL, possession of which has been taken.

37. The Committee is put at liberty to put to sale the properties at Village Jharmari, lands at Village Kot Billa, Jaswant Garh and other adjoining villages and a Resort at Nalagarh and other properties of GFIL,

possession of which has already been taken by the Committee, by auction after due publicity. The sale shall be subject to the confirmation by this Court. After the properties are put to sale, the Committee shall report to this Court about the auction sale effected which shall be subject to the final orders of this Court.

D. Setting aside sale of immovable properties:

38. The Committee has sought the following directions :

(a) to issue directions for setting aside the illegal sales of properties of GFIL and its subsidiary and associate companies for the following periods contrary to the orders passed by this Court from time to time and to bring back the status quo ante as of the date of appointment of the Provisional Liquidator:

1. Period prior to the appointment of provisional

liquidator in the winding up petition in Punjab High Court / Delhi High Court and their respective restraint orders.

2. Period between the appointment of provisional

liquidator and the date of restraint order dated 17th August, 2004 passed by this Court and the appointment of the present Committee; and

3. From 17th August, 2004 till date

39. Insofar as the period prior to the appointment of provisional liquidator in the winding up petition in the Punjab and Haryana High Court and Delhi High Court is concerned, the Bombay High Court in its order

dated 23rd November, 1998 had restrained the company, its subsidiary as well as directors not to dispose of the properties of the respondent company or its subsidiaries or its directors till further orders. It would be to the Committee to make appropriate recommendations to this Court regarding the status of sales made after the restraint order passed by the Bombay High Court on 23rd November, 1998. 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.

40. Insofar as the settlement/sales of immovable properties for the period between the appointment of provisional liquidator passed by the High Court of Punjab and Haryana and the restraint order dated 17th August, 2004 passed by this Court are concerned, 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 and the Committee would be at liberty to get hold of those properties by taking vacant possession thereof with the help of civil and police authorities and deal with them in accordance with the directions already given.

E. Various settlements by or on behalf of the respondent-company:

41. The following directions are sought by the Committee:

(i) decide the legality and validity of thousands of settlements alleged to have been entered into with the Respondent Company under the Resolution dated 5th December, 2000.

(ii) deal with the surplus land declared by the Punjab government under the Urban Land Ceiling Act or otherwise; and

(iii) issue appropriate orders and directions regarding properties of the subsidiary and associate companies including Golden Projects Ltd.

42. The directions issued in clause (a)(i) of point D regarding setting aside of immovable properties would ipso facto be applicable to the directions sought in clause (i) of Point E.

(ii) The Committee shall be at liberty to take appropriate steps by file revisions, appeals, representation or avail of any other alternate remedy to deal with the surplus land declared by the Punjab Govt. under the Urban Land Ceiling Act or otherwise.

(iii) Mr. Jain has filed a list of 110 companies which formed the group companies of GFIL dividing them into three categories (a) GFIL and its assets mentioned at serial Nos. 1-90 (b) Golden project and its associate companies mentioned at Serial Nos. 91-104, which do not form part of the GFIL and (c) Societies and Trusts mentioned at Serial Nos. 105-110, which would also be outside the GFIL.

43. Mr. Jain, learned senior counsel for the Company, has no objection to the Committee taking over the properties and assets of the companies mentioned at serial nos. 1-90. The Committee would be at

liberty to take hold of the properties of the companies mentioned at

Sl. Nos. 1-90 as well and deal with them as a part of the properties of GFIL.

44. Insofar as the properties of the companies mentioned at Sl. Nos. 91-104 belonging to Golden Project and its associates and the properties of societies and trusts mentioned at Sl. Nos. 105-110 are concerned, Mr. Jain states that he would seek instructions and file an affidavit if they can be taken as the properties of GFIL, within two weeks from today.

F. Directions regarding claims made by investors on their investments:

45. The following directions are sought

(a) to decide upon the cut off date for entertaining claims

(b) to accept claims for consideration of only those claimants who have original authenticated receipts issued by the respondent company;

(c) to categorise the range of investment by depositors and treat the small, medium and big investors in separate categories;

(d) not to permit entertainment of claims based on alleged deposit accepted by the Companies agents in the year 2001 till date, even after the closure of the business of the Company. No claim without clear proof of deposit of money with the company be directed to be considered:

(e) to reject the claims of investors of Golden Projects Ltd. Since

the investors were and are claiming to be under the impression that all the companies known as Golden Group of Companies belong to GFIL and are owned and managed by the Sayal family.

46. By an order dated 20th January, 2005 this Court had directed the Committee to issue advertisement fixing the cut off date which was extended by three months. The committee issued advertisement in 25 newspapers on 19th and 20th February 2005 inviting applications within three months of the said date.

47. Counsel appearing for the Committee has stated before us that the claims have been received even after 20th May, 2005 and the Committee has included all the claims filed before it up to 10th of August 2006. Cut off date is fixed as 10th August, 2006. Hence, all claims filed before the Committee by the cut off date fixed, i.e., 10th August, 2006 be taken into consideration for disbursement of the assets of the GFIL after verification of the claims. The Committee should accept the claims of only those claimants, who have original authenticated receipts issued by the GFIL. The Committee shall categorise the range of investment by depositors and treat the small, medium and big investors in separate categories. Appropriate orders regarding disbursement of the amount among the small, medium and big investors shall be passed at a later date, after the total amount of sale of the properties is received. The Committee shall not entertain claims

passed on alleged deposits accepted by any agents in the year 2001 till date after the closure of the business of the GFIL. No claim without clear proof of deposit of money with the company shall be considered.

G. Properties of Golden Group:

48. Committee has sought powers to investigate and ascertain the fund flow and acquisition of properties out of the investors' fund in GFIL and to authorize it to take possession of all such properties as in case of properties of GFIL. A further direction to hand over the possession of the Golden Group complex situated in Punjab, is sought under this point.

49. So far as the properties of the Golden Group, which can be clubbed with GFIL, is concerned, we have already passed appropriate directions on the applications filed in Court by the GFIL.

H. Action against Manzoor Ahmad Shah:

50. Mr. Manzoor Ahmad Shah [M.A. Shah], one of the investors, is in possession of certain flats at village Jarout, Tehsil Derabassi in District Mohali. He had filed CWP No. 693/04 in this Court, seeking a mandamus not to treat the properties under his occupation as the properties of the company as his claims have already been settled with the company. The petition was rejected on 5th January, 2005 and the following order was passed:

"As set out in the petition, this Court has appointed an Administrator of the golden Forests (I) Limited. The purpose is to

see there is an equitable distribution amongst all the depositors and creditors. Preferential treatment to any particular depositors and creditors cannot be permitted. It is not open for the company to allot any premises to any particular party, prayer asked for therefore stands rejected. The petitioner will hand over the property to the Administrator if the Administrator has not already taken charge thereof. The writ petition stands dismissed."

51. It is apparent from the reading of the afore-quoted order of this Court that M.A. Shah could not be treated as a preferential depositor or creditor. The company was not at liberty to allot premises to any particular party. M.A. Shah was directed to handover the property to the Administrator if the Administrator has not already taken charge of the same. In spite of the said direction, M.A. Shah has not handed over the property to the Administrator. Mr. Shah is directed to handover the vacant possession of the property to the Committee forthwith and, in case he fails to handover the same within a period of fifteen days from today, the Committee shall be at liberty to approach the Deputy Commissioner, Mohali, to get the vacant possession delivered with the help of police force, if need be.

52. It is reported to us that M.A. Shah has parted with possession with a part of the property to Punjab College of Engineering and Technology [for short "the College"] for running hostel and a mess in the said flats.

53. The College is directed to report to the Committee to prove its title over the property and in case it has taken over possession from M.A. Shah, then the College is directed to handover the vacant possession of the same to the Committee and, in such case, the College would be at liberty to recover the money from M.A. Shah. Similarly, any other person who has taken possession of the property through M.A. Shah, shall also handover the vacant possession of the property to the Committee. The Committee is put at liberty to recover the vacant possession of such properties with the help of civil / revenue authorities within one month from today.

54. Applications filed by the settlers would now be dealt with by the Committee in view of the directions contained in this order.

55. **IA Nos. 6/05, 16-18/05, 19/05, 20/05, 21-22/05, 36/05, 41-42/05, 46/05, 47-48/05, 23/06, 49/06**

These applications are dismissed with liberty to approach the Committee for appropriate orders in accordance with the directions issued in this order.

56. IA 45 has been filed by Shri Tapas Kumar Khan seeking certain directions. He is directed to approach the Committee and the Committee shall pass appropriate orders. IA stands disposed of.

57. IA 50 is dismissed.

58. IA 4 in WP 188/2004

No orders. To be taken up with main case.

59. IA 44 is dismissed.

60. Thus, all the applications for impleadment / intervention /
directions / clarification / modification stand disposed of accordingly.

(J.S. Rawat)
AR-cum-PS

(Kanwal Singh)
Court Master

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SUPREME COURT OF INDIA

RECORD OF PROCEEDINGS

I.A.Nos. 1- 33 in TRANSFERRED CASE (CIVIL) No. 2 OF 2004

THE SECURITIES & EXCHANGE BD. OF INDIA

Petitioner (s)

VERSUS

THE GOLDEN FORESTS (I) LTD.

Respondent (s)

(For intervention and for seeking an order of restraint/injunction and for impleadment and for seeking certain urgent directions and stay and directions and stay/intervention/ directions and office report)

WITH I.A.Nos. 1-4 in T.C. (Civil) No. 68/2003

(For directions and office report)

W.P. (Civil) No.188/ 2004

(With appln. for directions)

Date : 17/08/2004 These Petitions were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE S.N. VARIAVA

HON'BLE MR. JUSTICE G.P. MATHUR

For Petitioner(s)

Mr. Bhargava V.Desai, Adv.

Mr. Sanjeev Kumar Singh, Adv.

Mr. Pradeep Kumar Malik, Adv.

Ms. Naresh Bakshi,Adv.

Mr. Manoj Roy, Sr.Adv.

Mr. Ranjan Mukherjee, Adv.

For Respondent(s)

Mr. M.N.Krishnamani, Sr. Adv.

Mr. Parthapratim Chaudhuri, Adv.

Mr. K.S.Rana, Adv.

Mr. K.C.Dua, Adv.

Mr. Himanshu Bhuttan, Adv.

Ms. Kiran Suri ,Adv

Ms. Amrita Swarup, Adv.

Mr. Himanshu Upadhyay, Adv.

Mr. P.N.Puri, Adv.

Mr. Raja Bahadur Singh Jain, Adv.

Mr. Vikas Jain, Adv.

Mr. Neeraj Sharma, Adv.

Mr. Gaurav Dhingra, Adv.

Mr. M.C. Dhingra ,Adv

Mr. Aditya Kumar Chaudhary, Adv.

Mr. Neeraj Kumar Jain, Adv.

Mr. Bharat Singh, Adv.

Mr. Sanjay Singh, Adv.

Mr. Ugra Shankar Prasad ,Adv

Mr. N.R.Choudhury, Adv.

Mr. Somnath Mukherjee ,Adv

Mr. Manoj Roy, Sr.Adv.

Mr. Ranjan Mukherjee, Adv.

Ms. Minakshi Vij ,Adv

Mr. Rabi N.Raut, Adv.

Ms. V.D.Khanna, Adv.

Ms. Nirmala Gupta, Adv. for

M/S I.M. Nanavati Associates

Mr. Kh. Nobin Singh ,Adv

Mr. Gireesh Kumar, Adv.

Ms. Suruchii Aggarwal ,Adv.

Mr. Ashim Aggarwal, Adv.

Mr. Subramonium Prasad ,Adv

Mr. Abhijit Sengupta ,Adv.

Mr. G.Venkatesh, Adv.

Mr. D.Bharat Kumar, Adv.

Mr. Anand, Adv.

Mr. Pijush K.Roy, Adv.

Mr. G. Ramakrishna Prasad ,Adv

Mr. Alok Gupta, Adv.

Mr. Tara Chandra Sharma, Adv.

Ms. Neelam Sharma, Adv.

Mr. S. Wasim A. Qadri, Adv.

Mr. L.R. Singh, Adv.

UPON hearing counsel the Court made the following

ORDER

Heard all parties.

All Petitioners in Transferred Petitions to make copies of their Petition and all relevant papers. Enough sets must be prepared for use by the Court and for handing over to SEBI, RBI and other parties to those Petitions. This is to be done within a month from today.

In furtherance of our earlier Order, we direct that the Company, its Directors, Officers, Employees, Agents and/or Power of Attorney holders are restrained from alienating, encumbering, creating any third party right or transferring in any manner whatsoever any of the assets of the Company and/or their personal assets. They are also restrained from making any withdrawal from any of the accounts wherever the accounts may be.

This Court proposes to appoint a Committee for the purposes of taking charge of all the assets of the Company and for scrutinizing

the various claims by the various claimants against the Company. Till such Committee is appointed, the Provisional Liquidator appointed by the Punjab & Haryana High Court and the Receiver appointed by the Bombay High Court shall continue to operate save and except that they shall also not transfer or dispose of any asset of the Company. However, they may proceed to take charge of the assets and take follow up action including legal action which they deem necessary. The District Magistrate and Police to give all assistance to these two persons for the purposes of the recovery of the assets of the Company wherever those assets may be.

In our view, none of the depositors and investors are necessary or proper parties in these Petitions. All Applications for intervention/impleadment filed by the depositors/investors stand dismissed. The depositors/investors must submit their claims before the Committee which will be appointed by the Court who will consider their claims. This Court will then decide how the assets of the Company should be distributed.

By Order dated 12th September, 2003 we directed that no other Court except this Court shall entertain any winding up proceedings relating to the Respondent-Company. We now direct that no other Court or Forum or Tribunal will entertain any claim or application by depositors/investors for return of monies or payment of interest as these aspects will be dealt with by this Court after

realization of all the assets. If any such claim is filed by any party before any Court or Tribunal the same shall stand stayed. We clarify that criminal cases are not covered by this Order and can proceed.

I.A.Nos. 1, 5, 9, 6, 30, 7, 14, 15, 32 in T.C.(C) No.2/2004

Learned counsel appearing for the Applicants are not pressing these I.As. These I.As. are dismissed as not pressed.

I.A. No. 25 in T.C. (C) No.2/2004

Learned counsel for the Applicants seeks leave of the Court to withdraw this I.A. I.A. is accordingly dismissed as withdrawn.

I.A. No.11 in T.C. (C) No.2/2004

Learned counsel for the Applicants states that this I.A. has become infructuous. It is dismissed as such.

I.A. No.28 in T.C. (C) No.2/2004

Time to deposit the amount is extended by four weeks from today. It is clarified that if the entire amount is not deposited within four weeks from today the earlier order will stand vacated.

List these matters on 19th August, 2004.

Anita

(Jasbir Singh)

Court Master

//TRUE TYPED COPY//

COMMITTEE-GOLDEN FORESTS (INDIA) LIMITED

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

Chairman's Off: 1065/1, Sector 39-B, Chandigarh-160036 Tel.: 0172-2695065

E-mail: committee_gfil@rediffmail.com www.goldenforestcommittee.com

COM/CHD/P-PB-20-A/2019/780

November 13, 2019

Sh. Nikhil Kant Syal S/o late Sh. R.K. Syal,

House No. 573, Sector 12,

Panchkula .

Subject: Sale of property of late Sh. R.K. Syal and Smt. Nina Syal situated in village Meerpura, Tehsil Derabassi, District SAS Nagar (Mohali).

SHOW CAUSE NOTICE

It has come to the notice of the Committee that you Nikhil Kant Syal son of Sh. R.K. Syal as General Attorney sold the properties of Sh. R.K. Syal and Smt. Nina Syal situated in village Meerpura, Tehsil Derabassi, District SAS Nagar (Mohali) as per details given below:

- i) Sale deed no. 1053 dated 23.4.2010 as General Power of Attorney holder of Sh. R.K. Syal whereby land measuring 15

Bigha 1½ Biswa was sold to Smt. Neelam Bedi for an amount of Rs.28,27,000/-

ii) Sale deed no. 1054 dated 23.4.2010 as General Power of Attorney holder of Sh. R.K. Syal whereby land measuring 15 Bigha 1½ Biswa was sold to Smt. Neelam Bedi for an amount of Rs.28,27,000/-

iii) Sale deed no. 1055 dated 23.4.2010 as General Power of Attorney holder of Smt. Nina Syal whereby land measuring 12 Bigha was sold to Smt. Neelam Bedi for an amount of Rs.11,25,000/-

Hon'ble High Court of Bombay on 23.11.1998 passed an order that the respondent company (GFIL) and its subsidiaries as well as the directors are directed not to dispose off any property of the respondent company or its subsidiaries or its directors till further orders.

Later on Hon'ble Supreme Court passed an order on 17.8.2004 as under:

"The Company, its Directors, Officers, Employees, agents and/or power of attorney holders are restrained from alienating, encumbering, creating any third party rights of transferring in any manner whatsoever any of the assets of the Company and/or their personal assets and restrained from making any withdrawals from any of the accounts".

In view of the above order of the Hon'ble Supreme Court, neither Mr. R.K. Syal nor Smt. Nina Syal nor you as Power of Attorney holder could transfer even the personal assets of Directors. You being General Power of Attorney of both of them despite knowledge of orders of Hon'ble Bombay High Court and Hon'ble Supreme Court of India sold properties detailed on earlier page and thus violated the restraint order of the Hon'ble Supreme Court by transferring the assets of Sh. R.K. Syal and Smt. Nina Syal on 23.4.2010. You have prima facie committed contempt of the order of the Hon'ble Supreme Court. Before making a reference to the Hon'ble Supreme Court, this committee is giving an opportunity to you to show cause on or before **11.12.2019 at 11.00 A.M.** at Chairman's Office as to why a reference be not made to the Hon'ble Supreme Court for contempt of court proceedings against you. In case you do not appear before the Committee on that date the matter shall be heard ex-parte.

Please note that if you do not appear on **11.12.2019** recommendation shall be made to the Hon'ble Supreme Court for contempt of court proceedings against you.

By orders of the Committee-GFIL

Sd/-

(P.L Ahuja) & (B.M. Bedi)

District & Sessions Judges (Retd)

Members

COMMITTEE-GOLDEN FORESTS (INDIA) LIMITED

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

Chairman's Off: 1065/1, Sector 39-B, Chandigarh-160036 Tel.: 0172-2695065

E-mail: committee_gfil@rediffmail.com www.goldenforestcommittee.com

COM/CHD/P-PB-20-A/2019/648

August 26, 2019

Sh. Nikhil Kant Syal S/o late Sh. R.K. Syal,

House No. 570, Sector 12,

Panchkula .

Subject: Sale of property of late Sh. R.K. Syal and Smt. Nina Syal situated
in village Meerpura, Tehsil Derabassi, District SAS Nagar
(Mohali).

SHOW CAUSE NOTICE

It has come to the notice of the Committee that you Nikhil Kant Syal
son of Sh. R.K. Syal as General Attorney sold the properties of Sh. R.K.
Syal and Smt. Nina Syal situated in village Meerpura, Tehsil Derabassi,
District SAS Nagar (Mohali) as per details given below:

- i) Sale deed no. 1053 dated 23.4.2010 as General Power of
Attorney holder of Sh. R.K. Syal whereby land measuring 15

Bigha 1½ Biswa was sold to Smt. Neelam Bedi for an amount of Rs.28,27,000/-

- ii) Sale deed no. 1054 dated 23.4.2010 as General Power of Attorney holder of Sh. R.K. Syal whereby land measuring 15 Bigha 1½ Biswa was sold to Smt. Neelam Bedi for an amount of Rs.28,27,000/-
- iii) Sale deed no. 1055 dated 23.4.2010 as General Power of Attorney holder of Smt. Nina Syal whereby land measuring 12 Bigha was sold to Smt. Neelam Bedi for an amount of Rs.11,25,000/-

Hon'ble High Court of Bombay on 23.11.1998 passed an order that the respondent company (GFIL) and its subsidiaries as well as the directors are directed not to dispose off any property of the respondent company or its subsidiaries or its directors till further orders:-

Later on Hon'ble Supreme Court passed an order on 17.8.2004 as under:

"The Company, its Directors, Officers, Employees, agents and/or power of attorney holders are restrained from alienating, encumbering, creating any third party rights of transferring in any manner whatsoever any of the assets of the Company and/or their personal assets and restrained from making any withdrawals from any of the accounts".

In view of the above order of the Hon'ble Supreme Court, neither Mr. R.K. Syal nor Smt. Nina Syal nor you as Power of Attorney holder could transfer even the personal assets of Directors. You being General Power of Attorney of both of them despite knowledge of orders of Hon'ble Bombay High Court and Hon'ble Supreme Court of India sold properties detailed on earlier page and thus violated the restraint order of the Hon'ble Supreme Court by transferring the assets of Sh. R.K. Syal and Smt. Nina Syal on 23.4.2010. You have prima facie committed contempt of the order of the Hon'ble Supreme Court. Before making a reference to the Hon'ble Supreme Court, this committee is giving an opportunity to you to show cause on or before 18.9.2019 at 11.00 A.M. at Chairman's Office as to why a reference be not made to the Hon'ble Supreme Court for contempt of court proceedings against you. In case you do not appear before the Committee on that date the matter shall be heard ex-parte.

A notice was sent on 30.7.2019. However despite receipt of notice you did not appear. Please note that if you do not appear on 18.9.2019 recommendation shall be made to the Hon'ble Supreme Court for contempt of court proceedings against you.

By orders of the Committee-GFIL

Sd/-

Sd/-

(P.L Ahuja) & (B.M. Bedi)

District & Sessions Judges (Retd)

Member

COMMITTEE-GOLDEN FORESTS (INDIA) LIMITED

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

Chairman's Off: 1065/1, Sector 39-B, Chandigarh-160036 Tel.: 0172-2695065

E-mail: committee_gfil@rediffmail.com www.goldenforestcommittee.com

COM/CHD/P-PB-20-A/2019/602

July 30, 2019

Sh. Nikhil Kant Syal S/o late Sh. R.K. Syal,

House No. 570, Sector 12,

Panchkula .

Subject: Sale of property of late Sh. R.K. Syal and Smt. Nina Syal situated
in village Meerpura, Tehsil Derabassi, District SAS Nagar
(Mohali).

SHOW CAUSE NOTICE

It has come to the notice of the Committee that you Nikhil Kant Syal
son of Sh. R.K. Syal as General Attorney sold the properties of Sh. R.K.
Syal and Smt. Nina Syal situated in village Meerpura, Tehsil Derabassi,
District SAS Nagar (Mohali) as per details given below:

- i) Sale deed no. 1053 dated 23.4.2010 as General Power of
Attorney holder of Sh. R.K. Syal whereby land measuring 15

Bigha 1½ Biswa was sold to Smt. Neelam Bedi for an amount of Rs.28,27,000/-

- ii) Sale deed no. 1054 dated 23.4.2010 as General Power of Attorney holder of Sh. R.K. Syal whereby land measuring 15 Bigha 1½ Biswa was sold to Smt. Neelam Bedi for an amount of Rs.28,27,000/-
- iii) Sale deed no. 1055 dated 23.4.2010 as General Power of Attorney holder of Smt. Nina Syal whereby land measuring 12 Bigha was sold to Smt. Neelam Bedi for an amount of Rs.11,25,000/

Hon'ble High Court of Bombay on 23.11.1998 passed an order that the respondent company (GFIL) and its subsidiaries as well as the directors are directed not to dispose off any property of the respondent company or its subsidiaries or its directors till further orders.

Later on Hon'ble Supreme Court passed an order on 17.8.2004 as under:

"The Company, its Directors, Officers, Employees, agents and/or power of attorney holders are restrained from alienating, encumbering, creating any third party rights of transferring in any manner whatsoever any of the assets of the Company and/or their

personal assets and restrained from making any withdrawals from any of the accounts".

In view of the above order of the Hon'ble Supreme Court, neither Mr. R.K. Syal nor Smt. Nina Syal nor you as Power of Attorney holder could transfer even the personal assets of Directors. You being General Power of Attorney of both of them despite knowledge of orders of Hon'ble Bombay High Court and Hon'ble Supreme Court of India sold properties detailed on earlier page and thus violated the restraint order of the Hon'ble Supreme Court by transferring the assets of Sh. R.K. Syal and Smt. Nina Syal on 23.4.2010. You have prima facie committed contempt of the order of the Hon'ble Supreme Court. Before making a reference to the Hon'ble Supreme Court, this committee is giving an opportunity to you to show cause on or before 20.8.2019 at 11.00 A.M. at Chairman's Office as to why a reference be not made to the Hon'ble Supreme Court for contempt of court proceedings against you. In case you do not appear before the Committee on that date the matter shall be heard ex-parte.

By orders of the Committee-GFIL

Sd/-

P.L Ahuja,

District & Sessions Judge (Retd)

Member