

**IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION**

IA No. 80958 of 2021

IN

Transfer Case (Civil) No. 2 of 2004

In the Matter of :

The Securities and Exchange Board of India Petitioner

Versus

The Golden Forests (India) Ltd. Respondent

Through Committee- GFIL

(Appointed by Supreme Court of India)

INDEX

S.No.	Particulars	Pages No.
1.	Application on behalf of the Committee – GFIL for Directions.	1 - 5
2.	Affidavit in Support	6 - 7
3.	ANNEXURE A-1 Supreme Court order dated 5.9.2006	8 - 37
4.	ANNEXURE A-2 Supreme Court order dated 15.10.2008	38 - 44
5.	ANNEXURE A-3 Committee order dated 6.6.2019	45 - 51

New Delhi

Date:

Soumya Dutta
Advocate 2537
Counsel for Applicant- Committee – GFIL
(Appointed by Hon'ble Supreme Court of India)

1

**IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION**

IA No. of 2021

In

Transfer Case (Civil) No. 2 of 2004

In the Matter of :

The Securities and Exchange Board of India Petitioner
SEBI Bhavan, BKC, Plot No.C4-A
'G' Block, Bandra, Kurla Complex,
Bandra (E), Mumbai, Maharashtra-400051

Versus

The Golden Forests (India) Ltd. Respondent
Through Committee – GFIL,
Main Building, Golden Forests (India) Ltd.
VPO Jharmari, Via Lalru,
Ambala-Chandigarh National Highway-22,
Tehsil Dera Bassi, Distt. Mohali

APPLICATION FOR DIRECTIONS

To

The Hon'ble Chief Justice

and his Companion Judges of this Hon'ble Court

MOST RESPECTFULLY SHOWETH:

1. That the Hon'ble Supreme Court vide para 39 of order dated 5.9.2006 passed in TC(C) No. 2 of 2004 titled Securities & Exchange Board of India Vs. Golden Forests (India) Limited directed this Committee to pass appropriate order/make appropriate recommendation with regard to the properties sold/settled between 23.11.1998 and 20.1.2003. Para 39 of the order dated 5.9.2006 is reproduced as under:

"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."

Copy of order dated 5.9.2006 is annexed as **ANNEXURE**

A-1 (Pg 8 to pg 37).

2. That vide order dated 15.10.2008, the Hon'ble Supreme Court directed this Committee to take over all the properties of the Golden Forests Group Companies and pass appropriate orders on a third-party claim over any of the properties of Golden Forests India Ltd or its subsidiary/associate Companies. The relevant portion of the order is reproduced below: -

"In order to facilitate the disbursement due to the investors, the money has to be collected by selling these properties. The Committee is authorized to take possession of all the properties owned by the respondents. If there are any valid claims in respect of any of these properties by third parties, the Committee may consider the same and pass

4

appropriate orders, subject to confirmation by this Court."

Copy of the order dated 15.10.2008 is annexed as Annexure A 2. (Pg 38 to pg 44)

3. That the Committee discovered that land measuring 14 Bigha 16 Biswa situated in Village Pir Muchhala, District Tehsil Derabassi, District SAS Nagar (Mohali) had been purchased by M/s Golden Forests (India) Limited.

Acting on a complaint received from Investors Protection Forum, the Committee issued show cause notices to all the concerned. The Committee examined the documents places by the present occupants and after hearing them found that the company Golden Forests India Ltd sold the land to M/s Agroha Real Estate Pvt. Ltd on 5.10.2000. The company M/s Agroha Real Estate Pvt. was later amalgamated into M/s Pinnacle Builders and Engineers Pvt Ltd.

The claim of M/s Agroha Real Estate Pvt. Ltd was accepted to be valid as the amalgamation of M/s Agroha Real Estate Pvt. Ltd with M/s Pinnacle Builders and Engineers Pvt Ltd was ordered by Punjab and Haryana High Court Order

Copy of the order dated 6.9.2019 is annexed as ANNEXURE A-3. (Pg 45 to pg 51)

5

4. It is therefore prayed that:
- a. The order dated 6.6.2019 passed by this Committee may please be confirmed.
 - b. pass any other order which the Hon'ble Court may deem fit and proper in the interest of justice.

New Delhi

Soumya Dutta
Advocate 2537

Date:

Counsel for Applicant- Committee – GFIL
(Appointed by Hon'ble Supreme Court of India)

6

IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION

IA No. _____ of 2021

IN

Transfer Case (Civil) No. 2 of 2004

In the Matter of :

The Securities and Exchange Board of India Petitioner

Versus

The Golden Forests (India) Ltd. Respondent

Through Committee- GFIL

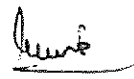
(Appointed by Supreme Court of India)

AFFIDAVIT

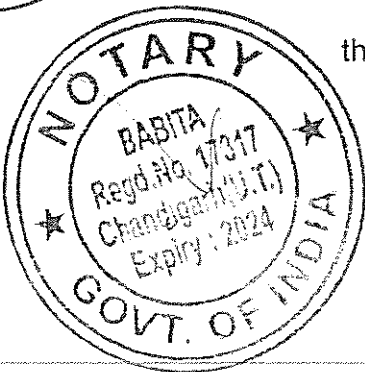
I, Sh. Brij Mohan Bedi S/o Sh. Sadhu Ram Bedi Aged about 71 years R/o H.No. 22, Sector -4 Panchkula, working as Member, Committee-GFIL do hereby solemnly affirm and declare as under:-

1. I am Member, Committee-GFIL, I am duly authorized and being fully conversant with the facts and circumstances of the case, I am competent to swear this affidavit.

2. I say that the Interlocutory Application for directions is drafted under my instructions and the contents thereof are true to the best of my knowledge and belief based on records.



DEPONENT

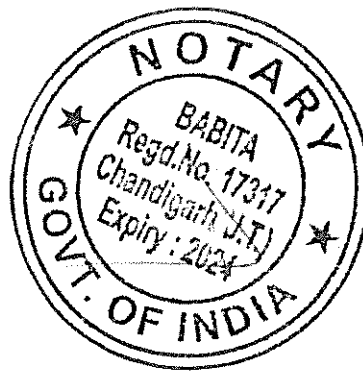


7

VERIFICATION: -

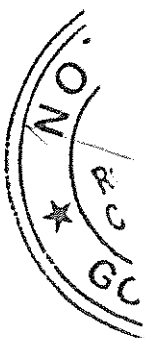
Verified on this 30th day of June 2021 at Chandigarh that the contents of paras 1 to 4 of the accompanied application and para 1 & 2 of the above affidavit are true to my knowledge based on records and nothing material has been concealed there from.

[Signature]
DEPONENT



Attested As Identified
[Signature]
BABITA
Notary, Chandigarh (U.I.)

30 JUN 2021



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

at Sr. No. 53 P. No. 22 dated 30 / 6 / 21

[Signature]
I identify the deponent / declarant executant has signed the document in my presence

ANNEXURE - A-1

ITEM NO.1

COURT NO.4

SECTION XVIA

8

**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

11

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

15

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.

21

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

23

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.

24

- (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

//TRUE TYPED COPY//

SUPREME COURT OF INDIA RECORD OF PROCEEDINGS

I.A.Nos.60-83,85-90 & I.A.No.91-92 & 93 in T.C.(C) No.2/2004

THE SECURITIES & EXCHANGE BD. OF INDIAPetitioner(s)

VERSUS

THE GOLDEN FORESTS (I) LTD.Respondent(s)

(For quashing order dated 2.5.2007 passed by the Chairman, Committee-Golden Forest (India) Ltd. and ad-interim ex-parte stay and for seeking urgent directions and impleadment and directions and permission to file additional documents and impleadment/ direction/ objection and intervention and impleadment/direction/ stay, and application to file rejoinder affidavit and directions and office report) with I.A. Nos.27, 29-38 in T.C.(C) No.68/2003 (For confirmation of sale and for quashing/ setting aside of order passed by the Chairman Committee and stay and intervention and directions and impleadment and merger of 110 companies with GIFL and for permission to file additional documents and office report) with Contempt Petition (Civil) No.74/2007 in T.C.(C) No.2/2004 With T.C.(C) No.1/2004 (With appln.

39

for early hearing and directions and office report)With W.P.(C)
No.188/2004 (With appln. for directions and office report)

Date: 15/10/2008 These Petitions were called on for hearing today.

CORAM :

HON'BLE THE CHIEF JUSTICE

HON'BLE MR. JUSTICE P. SATHASIVAM

HON'BLE MR. JUSTICE J.M. PANCHAL

For Petitioner(s)

Mr. Bhargava V. Desai, Adv.

Mr. Rahul Gupta, Adv.

Ms. Reema Sharma, Adv.

Mr. Ajay Majithia, Adv.

Mr. Rajesh Kumar, Adv.

Dr. Kailash Chand, Adv.

For the Committee

Ms. Suruchii Aggarwal, Adv

Mr. Prashant Chauhan, Adv.

Mr. Arvind Gopal, Adv.

WP(C) 188/04

Mr. Ranjan Mukherjee, Adv.

For Applicant(s)

Mr. K.N. Krishnamani, Sr. Adv.

Mr. Shagir Khan, Adv.

TC(C) 1/04

Mr. Somnath Mukherjee, Adv.

Mr. S. Ravishankar, Adv.

40

Mr. Vivek Shukla, Adv.

For Respondent(s)

Mr. Shailendra Bhardwaj, Adv.

Mr. S.B. Sanyal, Sr. Adv.

Mr. Anand Prakash, Adv.

Mr. T.D. Kashar, Adv.

For Ms. S. Usha Reddy, Adv.

Mr. S.K. Nandy, Adv.

Mr. Y.P. Dhingra, Adv.

Ms. Kusum Chaudhary, Adv.

Mr. Subodh Markandeya, Sr. Adv.

Mr. Alok Gupta, Adv.

Ms. Shalu Sharma, Adv.

Mr. Manoj Swarup, Adv.

Mr. P.S. Patwalia, Sr. Adv.

Mr. Anandeshwar Gautam, Adv.

Mr. Joseph Pookkatt, Adv.

Mr. Prashant Kumar, Adv.

For M/s AP & J Chambers

Mr. D.N. Goburdhan, Adv.

Mr. Arun Kumar Sinha, Adv.

Mr. Ranjan Mukherjee, Adv.

Mr. Ajay Majithia, Adv.

Mr. Rajesh Kumar, Adv.

41

Dr. Kailash Chand, Adv.
Mr. S. Ravi Shankar, Adv.
Mr. G.L. Rawal, Sr. Adv.
Mr. Ashwani Kumar, Adv.
Mr. Kuljeet Rawal, Adv.
Mr. Subramonium Prasad, Adv.
Ms. Sunita Sharma, Adv.
Mr. Rana Ranjit Singh, Adv.
Mr. Somvir Singh Daswal, Adv.
Mr. Shreepal Singh, Adv.
Mr. S.K. Sabharwal, Adv.
Mr. Jatinder Kumar Bhatia, Adv.
Ms. S. Usha Reddy, Adv.
Ms. Naresh Bakshi, Adv.
Mrs. Varuna Bhandari Gugnani, Adv.
Mr. Rameshwar Prasad Goyal, Adv.
Mr. S.N. Pandey, Adv.
Mr. C.S. Ashri, Adv.
Ms. Shalu Sharma, Adv.
Mr. N.R. Choudhury, Adv.
Mr. Tara Chandra Sharma, Adv.
Ms. Neelam Sharma, Adv.

UPON hearing counsel the Court made the following

ORDER

Dr. Namavati has filed the list of immovable properties owned and possessed by the Golden Forests (I) Ltd and its group of companies. These properties were allegedly purchased by Golden Forest (I) Ltd. and other group of companies. It is said that the title deeds vest with these respondents.

It is stated that huge amounts were invested in these companies. A Committee had been appointed by this Court on 19.8.2004, consisting of a retired Chief Justice of the Delhi High Court and two District Judges. The said Committee had taken possession of substantial properties owned by the respondents.

In order to facilitate the disbursement due to the investors, the money has to be collected by selling these properties. The Committee is authorized to take possession of all the properties owned by the respondents. If there are any valid claims in respect of any of these properties by third parties, the Committee may consider the same and pass appropriate orders, subject to confirmation by this Court.

As regards the sale of properties is concerned, the Committee may make appropriate publication regarding the sale and sufficient notices be issued to the prospective purchasers by publishing the same in the local newspapers having wide circulation in the area where the property is situated. Any sale

conducted by the Committee shall be based on valuation made by either by the Committee or by other approved valuer and upset price is fixed before sale is finalized. The sale is, however, subject to the confirmation by this Court. As soon as the sale is over, the details including the purchase price and all the details shall be made over to this Court for the purpose of confirmation.

As soon as the bid is over the applicant/the prospective purchaser shall deposit 20% of the amount in a nationalized bank in the account maintained by the Committee. If there is any difficulty in getting the possession of any property owned by the respondents, the matter shall be reported to this Court and/or the Committee can also itself request for police aid or any other assistance from the governmental authorities. On all the pending applications, the Committee shall pass appropriate orders subject to confirmation by this Court.

As regards the pending claim of the petitioners/applicants the committee may pass appropriate orders and a gist of these orders be made available to this Court for further orders.

List in the month of March, 2009.

(R.K.Dhawan)
Verma)

Veera

Court Master
Master

44
Court

IN RE: LAND MEASURING 14 BIGHA 16 BISWA SITUATED IN VILLAGE
PIR MACHHALA, DISTRICT SAS NAGAR (MOHALI) BELONGING
TO M/S. GOLDEN FORESTS (INDIA) LTD. (P-PB-19-A) 45

June 6, 2019

ORDER

1. The Committee's office received a complaint through registered letter dated November 24, 2017. It was from a certain Devender Gupta, Investors Protection Forum, SCO 851 FF, Mani Majra, Chandigarh. The complaint was regarding an illegal transfer/alienation of about 4 acres owned by Golden Forest India Limited (hereinafter referred to as Company - GFIL) in Pirmachhala, Tehsil Dera Bassi, District Mohali, Punjab. The complainant stated that the transfer violated restraint orders dated November 23, 1998 passed by Bombay High Court in CWP 344 of 1998 and subsequent orders of the Hon'ble Supreme Court of India. Copy of jamabandi with English translation and copies of orders of Hon'ble Delhi High Court in the ongoing WP(C) 1399/2010 were also attached.

2. The Committee carried out a preliminary inquiry into the complaint and discovered that the subject land was sold by Company-GFIL to Agroha Real Estates Pvt. Ltd (hereafter referred to as Agroha) on October 5, 2000. Later Agroha was amalgamated with Pinnacle Builder & Engineers Pvt.

Limited (hereinafter referred to as Pinnacle) vide orders of Punjab & Haryana High Court dated January 18, 2007 in CP 78/06 in CP 41/06.

3. Details of the subject land are: Khasra Numbers 507/393 (1-19), 508/393 (1-15), 394 (3-14), 395 (3-14) and 396 (3-14) : Total 14 Bighas 16 Biswas or 3.01 acres.

4. Certified copies of sale deed dated October 5, 2000 and Company Petition No. 78/2006 were obtained. Show cause notices were issued to the two companies. Only Pinnacle has responded to the show-cause notice.

5. The Committee is required to determine whether the sale by Company GFIL to Agroha and the subsequent amalgamation of Agroha with Pinnacle was *bona fide*.

6. Pinnacle filed a detailed reply to the show-cause notice relying on the following crucial orders/documents/dates:

- Restraint order passed by Bombay High Court on November 23, 1998,
- Sale deed dated October 5, 2000 (sale in favour of Agroha),
- Order of Hon'ble Supreme Court dated September 5, 2006,
- Amalgamation order dated January 18, 2007.

- Details of Pirmachhala land of Company GFIL which is covered by surplus order dated October 20, 2000 [Annexure R-5]
- Details of Pirmachhala land purchased by Company GFIL on February 2, 1996 vide sale deed no. 4479 [Annexure R-6]
- Auction notice issued by Committee GFIL in 2010 [Annexure R-7]
- Application dated April 22, 2011 filed by Committee GFIL for supply of latest khasra girdawari [Annexure R-10]
- Copy of fard jamabandi 1996-97 of 14 B - 16 B in the name of Company GFIL [Annexure R-11]

7. To begin with the Bombay High Court's restraint order of November 23, 1998 needs to be examined in the light of the further clarification contained in the Supreme Court's order September 5, 2006.

8. Restraint Order dated November 23, 1998

"8.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"

9. Supreme Court directions dated September 5, 2006

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"

10. Pinnacle's contention is that no revenue record relating to Pirmachhala lands of the company records the restraint order. Therefore, there was no way for a prudent buyer to know if the land was covered under any restraint order or not. No public notices were issued in newspapers warning the general public about the restraint order. It was the duty of the party at whose instance the restraint order was passed to put the general public on notice but this was not done.

11. There are three documents which list the Pirmachhala holdings of the company. First is the list based on surplus order date October 20, 2000, detailing khasra numbers of Pirmachhala lands (R-5) The numbers

of the subject land are not mentioned. The second is an auction notice issued by the Committee for selling of Pirmachhala land (R-7) which indicates that 14 B 16 B of subject land was not advertised. If the subject land had been included then the area advertised would not have been 33.75 acres but 33.75 acres + 3.01 acres. This signifies that the transfer of the subject land was accepted by the Committee in 2010. The third is an application moved by the Committee on April 22, 2011 (R-8) for obtaining copies of latest khasra girdawari of Pirmachhala land. In the application specific khasra numbers are mentioned. The khasra numbers of the subject land are missing. This also signifies that the Committee itself was treating the subject land as having been transferred.

12. One of the grounds mentioned in the complaint was that land was transferred to "Pinnacle Builder & Engineer Pvt. Ltd, a company owned by Raman Aggarwal, Chartered Accountant of Golden Forests India Ltd." This was a serious allegation and deserves to be examined. We have gone through the record and find nothing to suggest any professional relationship between Raman Aggarwal with company GFIL, as a Chartered Accountant or in any other capacity. Pinnacle, in reply to the notice, has annexed copy of Auditor's Report dated June 30, 2000 prepared by B.S. Arora & Co., Chartered Accountants, Ludhiana (R-12) and copies of audited balance sheets of Company GFIL, running into 230 pages (collectively R-15). These balance sheets do not reveal any nexus

between Raman Aggarwal and Company GFIL or any professional engagement of Raman Aggarwal by Company GFIL. The complainant was also summoned to appear before the committee, but notice could not be served as he was not available at the address given in the complaint. The notice was returned unserved. Therefore, there is no ground to even remotely suggest that Raman Aggarwal has or ever had any connection with Company GFIL.

13. Lastly, there is amalgamation of Agroha and Pinnacle on January 18, 2007 under a valid, legally binding order passed by the High Court under s. 394 of the Companies Act, 1956. There are no grounds to go behind this order. The Committee has no reasons to ignore this order, being bound by the amalgamation in every aspect.

14. In view of reasons recorded above, we conclude that the transfer by the company GFIL to Agroha had been accepted as valid by Committee GFIL and the amalgamation of Agroha with Pinnacle had been ordered by the High Court.

Resultantly, Pinnacle's explanation is accepted and the show-cause notice dated January 9, 2018 is withdrawn. Recommendation to this effect be made to the Hon'ble Supreme Court of India with reference to para 39 of Hon'ble Supreme Court's order dated September 5, 2006 in

51

Transfer Case (Civil) No. 2 of 2004 The Securities & Exchange Board of
India v. The Golden Forests (I) Ltd.

Justice K.S. Garewal (Retd)
Chairman

P.L. Ahuja
Member

B.M. Bedi
Member