IN THE HON'BLE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

INTERLOCUTORY APPLICATION NO. OF 2025
IN
TRANSFERRED CASE NO. 2 OF 2004

IN THE MATTER OF:

The Securities and Exchange Board of India ……PETITIONER

VERSUS

The Golden Forest (I) Ltd. ……RESPONDENT(S)

And in the matter of:

Golden Forest Investors Society Represented
Through Dr. Ajay Sharma ……APPLICANT

APPLICATION FOR DIRECTIONS ON BEHALF OF THE APPLICANT

PAPERBOOK
(FOR INDEX: KINDLY SEE INSIDE)

ADVOCATE FOR THE APPLICANT: GOVIND JEE

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To,

The Hon'ble the Chief Justice of India
& His Companion Justices of the Hon'ble Supreme Court of India

The Humble Application of the Applicant above named:

MOST RESPECTFULLY SHOWETH:

1. That the present application is being preferred by the Golden Forest Investors Society (hereinafter refereed as 'the Applicant Society'), through its duly authorized representative and the elected President, Dr. Ajay Sharma, in accordance with the authority vested in him by virtue of the Resolution passed by the Governing Body of the Society.

Brief Facts:

2. In the year 2004, in a Transfer Case moved by the Securities and Exchange Board of India, this Hon’ble Court appointed a Committee (‘GFIL Committee) to take custody of all assets of GFIL and to scrutinize the claims against the company, for realization of assets scattered and spread across the country and appropriate distribution of money to the investors who were duped by the said company.

3. The liquidation process is ongoing since 2004. To avoid any further delay and to expedite the liquidation process, this Hon’ble Court transferred all the matters concerning the said issue to itself vide an order dated 19.02.2018 passed by this Hon’ble Court.

4. That pursuant to the directions issued by this Hon'ble Court, the process of inviting bids from prospective purchasers for the realization of the assets of Golden Forest India Limited (GFIL) was duly initiated under the supervision of the Committee. In compliance thereof, a list of single purchasers, has been duly incorporated and enumerated in the First Report submitted by the learned Amicus Curiae before this Hon'ble Court, wherein the details of such purchasers are reflected at Page No. 6. Furthermore, the particulars of thirty-seven (37) individual purchasers have been comprehensively tabulated and placed on record at Pages 7 to 14 of the said report.

5. That subsequently, in the Second Report dated 29.04.2025 submitted before this Hon'ble Court, the learned Amicus Curiae has, inter alia, annexed a detailed chart at Page No. 2, delineating therein the particulars pertaining to the total quantum of disbursement of sale proceeds realized till date, the aggregate number of claimants entitled to receive payment, and the status of disbursal of such amounts, along with other relevant financial particulars pertaining to the liquidation process.

6. That the Applicant society herein, being a group of nearly 30,000/- bonafide investor, had invested its hard-earned and lawfully acquired monies in various schemes and financial products floated by Golden Forest India Limited (GFIL), with the legitimate expectation of

receiving assured and profitable returns thereon. However, despite the passage of more than two decades, the Applicant, along with similarly placed investors, continue to endure severe and unwarranted hardship, owing to the inordinate delay in the culmination of the liquidation and claims adjudication process. The prolonged pendency of the matter has not only caused substantial financial distress and economic insecurity to the Applicant and other investors but has also subjected them to extreme mental agony, emotional trauma, and hardship, depriving them of their rightful entitlements for the past twenty-one (21) years. The Applicant, therefore, most respectfully seeks the indulgence of this Hon'ble Court for an expeditious and final resolution of the matter, in the larger interest of justice and to mitigate the continuing hardship faced by the aggrieved investors.

7. That the total liability attributable to M/s Golden Forest (India) Ltd. and M/s Golden Projects Ltd. has neither been ascertained nor conclusively determined till date, thereby leaving the investors in a continued state of uncertainty and ambiguity regarding the status and extent of their entitlements. It is most respectfully submitted that, in the absence of such quantification of the principal liability, no auction proceedings ought to be initiated or undertaken, as doing so would be premature and may result in irreparable prejudice to the investors. Furthermore, proceeding in such a manner is likely to impede the fair, just, and equitable resolution of the claims at hand.

8. That the rate and quantum of interest payable to the investors in respect of the principal amounts deposited under the various investment schemes floated by M/s Golden Forest (India) Ltd. and M/s Golden Projects Ltd. have not been duly adjudicated or finally determined by this Hon'ble Court. In the absence of a definitive pronouncement on this crucial aspect, the claims of the investors remain incomplete and unresolved, thereby further depriving them of their rightful and lawful entitlements. This continuing omission has resulted in persistent grievance, financial prejudice, and undue hardship to the affected

investors, who are left in a position of uncertainty as to the actual value of their recoverable dues. It is submitted that the adjudication of interest is an essential component of comprehensive restitution and is imperative for ensuring a just, fair, and equitable resolution of the matter in accordance with the principles of natural justice and settled jurisprudence.

9. It is respectfully submitted that this Hon'ble Court, on the last date of hearing (29.04.2025), was pleased to suggest the conduct of auction proceedings on a district-wise basis, which would entail the offering of substantial land parcels for sale as single lot. While the proposal is duly acknowledged, it is most respectfully submitted that such a mechanism may not be conducive to ensuring optimal participation in the auction process, inasmuch as the high valuation and logistical scale associated with large land parcels are likely to dissuade a significant segment of potential bidders, thereby undermining the competitive nature of the bidding process. It is further submitted that such diminished participation may adversely impact the realization of fair market value, to the detriment of the investors' interests. In light of the foregoing submissions, it is humbly prayed that this Hon'ble Court may be pleased to direct that the lands proposed to be auctioned be subdivided into smaller, more manageable parcels, preferably in the range of 100 to 200 acres each, so as to facilitate broader participation, enhance competitive bidding, and secure more favorable valuations. Such an approach would be more efficacious in subserving the paramount objective of safeguarding the rights and financial interests of the investors and ensuring the maximization of recoveries in a just, equitable, and efficient manner.

10. That it is most respectfully submitted that the final and efficacious adjudication of the present proceedings is inextricably linked to the conclusive determination of the principal liability of the defaulting entities, the quantification and approval of the rate of interest payable to the investors, and the orderly identification and disposal of surplus land.

In the absence of a definitive resolution of these foundational issues, the proceedings shall remain mired in uncertainty, resulting in continued delay, procedural impediments, and consequential prejudice to the rights and legitimate expectations of the investor community at large.

11. It is further submitted that this Hon'ble Court may be graciously pleased to dismiss all interlocutory applications presently pending before it, which are devoid of legal merit, lack locus standi, and appear to have been instituted with oblique motives calculated to delay the proceedings and divert the attention of this Hon'ble Court from the adjudication of the substantive and determinative issues. It is pertinent to place on record that this Hon'ble Court, vide order dated 18th February 2025, was pleased to observe that "presently we are not inclined to allow the application for intervention," and again, vide order dated 8th April 2025, this Hon'ble Court further recorded that "due to paucity of time, arguments remain inconclusive today." The cumulative effect of these repeated, unwarranted interventions and dilatory tactics strongly suggests a concerted and coordinated attempt to frustrate the adjudicatory process and forestall the determination of critical issues such as the fixation of liability and the settlement of surplus assets. Such applications, being prima facie vexatious and devoid of justiciable cause, deserve to be dismissed in limine in order to preserve the sanctity of the proceedings and advance the ends of justice.

12. That it is most respectfully submitted that the money currently lying unutilized and under the control of the Committee, as per the directions of this Hon'ble Court, may be directed to be expeditiously disbursed to the eligible investors in a manner that is just, equitable, and transparent, ensuring compliance with the principles of natural justice and due process. Such disbursement should be conducted in a manner that reflects the verified and rightful claims of the investors. It is further prayed that the Committee be directed to submit a detailed, comprehensive, and updated status report to this Hon'ble Court, setting forth, inter alia, the total number of claims received, the number of

claims verified and settled, and the claims that remain under verification or are pending resolution. Such a report should also include a clear delineation of the financial resources currently available and the liabilities yet to be settled, in order to facilitate full transparency and to ensure that all parties involved are properly informed as to the progress and status of the proceedings. The submission of such a report is crucial to safeguard the rights of the investors and to maintain the integrity of the proceedings before this Hon'ble Court.

13. That the present application is being filed by the Applicant for bonfide reasons and in the interest of justice, in order to secure the legitimate interest and rights of more than 30,000 investors having invested various products floated by the Respondent herein.

PRAYER

It is, therefore, most respectfully prayed before this Hon'ble Tribunal may kindly be pleased to:

I. Direct that the pending process of liquidation, disbursal of assets, and adjudication of claims of the investors be concluded in a time-bound & expeditious manner, ensuring due prioritization of the rights and entitlements of the investor community;

II. Direct the Committee to forthwith disburse the amount presently lying deposited under its control to the rightful and verified investors, strictly in accordance with the principles of equity, fairness, and due process, ensuring that the disbursement is carried out in a transparent and time-bound manner under the supervision of this Hon'ble Court; and/ or

III. Pass such further or other orders as may be deemed just, fit, and proper in the facts and circumstances of the present case, in order to secure complete justice and safeguard the legitimate interests of the investors.

AND FOR THIS ACT OF KINDNESS, THE APPLICANT AS IN DUTY BOUND SHALL EVER PRAY.

DRAWN & FILED BY: -

GOVIND JEE
Advocate-on-Record for the Applicant

Filed on: 13.05.2025
New Delhi

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AFFIDAVIT

I, Dr, Ajay Sharma, S/o Harbans Lal, Aged about 67 years, R/o Sharma Homoeo Hospital Vikas Nagar Near Nanaksar Gurudwara, Back Side Oats Complex, Barnala-148101, acting as President of the Golden Forest Investors Society, Sector 15, Panchula, Harayana-134109, presently at New Delhi, do hereby solemnly affirm and declare as under:

1. That I am the Authorised Signatory and hold the position of the President of the Golden Forest Investors Society and have been duly authorised by the society and hence eligible to file this Application and hence competent to swear the present affidavit.

2. That I have read and understood the contents of the present application/s which have been drafted by the advocate under my instruction and I say that the facts stated therein are true and correct to the best of my knowledge and belief, based on the records, contents whereof are not repeated for the sake of brevity and may be read as part and parcel of this affidavit no part of it is false and nothing material has been concealed therefrom.

3. That all the Annexure(s) forming part of the application are true copies of their respective original(s).

Ajay Sharma.

Ajay Sharma.

DEPONENT

VERIFICATION:

I the above-named deponent do hereby verify that the contents of the aforesaid affidavit from para 1 to 3 are true and correct to the best of my knowledge and belief, no part of it is false and nothing material has been concealed there from.

Verified at New Delhi on this 12th day of May, 2025.

Ajay Sharma.

DEPONENT