

IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION
I.A. NO. OF 2022
IN
T.C. No. 2 of 2004

IN THE MATTER OF :

The Securities & Exchange Board of India Petitioner
Versus

The Golden Forests (India) Ltd. Respondents
And

In the matter of:

The Hawk Capital Pvt.Ltd. Applicant

I.A. No. OF 2022: Application on behalf of the Applicant for
directions and sanction of the scheme
proposed by the applicant.

PAPER BOOK

(Kindly see inside for index)

ADVOCATE FOR THE APPLICANT: P.N.PURI

INDEX OF RECORD OF PROCEEDINGS

1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	
17.	
18.	
19.	
20.	

INDEX

S.No.	Particulars	Page No.
1.	<u>I.A. No. _____ OF 2022</u> Application on behalf of the Applicant for directions and sanction of the scheme proposed by the applicant alongwith affidavit.	1-28
2.	ANNEXURE A-1 A true copy of the order dated 12.9.2003 passed in TC (C) No. 696 of 2002 by this Hon'ble Court.	29-32
3.	ANNEXURE A-2 A true copy of the order dated 19.8.2004 passed by this Hon'ble Court in TC(C) No. 2 of 2004.	33-40
4.	ANNEXURE A-3 A true copy of order dated 5.9.2006 passed by this Hon'ble Court in TC (C) No. 2 of 2004.	41-68
5.	ANNEXURE A-4 A true copy of order dated 15.10.2008 passed by this Hon'ble Court in TC (C) No. 2 of 2004.	69-73
6.	ANNEXURE A-5 A true copy of the order dated 3.2.2010 passed by this Hon'ble Court in TC (C) No. 2 of 2004.	74-79
7.	ANNEXURE A-6 A true copy of the order dated 17.1.2012 passed by the Hon'ble Delhi High Court in CM NO. 20351/2011 in WP(C) No. 8611/2011.	80-81
8.	ANNEXURE A-7 A true copy of the order dated 3.9.2012 passed by the Hon'ble Delhi High Court in WP(C) No. 1399/2010.	82-83
9.	ANNEXURE A-8 A true copy of the Order dated 1.05.2013 passed by the Hon'ble Delhi High Court in WP(C) No. 1399 of 2010.	84-87
10.	ANNEXURE A-9 A true copy of the Status Report dated 25.10.2013.	88-232
11.	ANNEXURE A-10 A true copy of the order dated 24.04.2014 passed by the Hon'ble Delhi High Court.	233-260
12.	ANNEXURE A-11 A true copy of Order dated 19.02.2018 passed by this Hon'ble Court in M.A No.151 of 2018 in TC(C)	261-263

	No.2 of 2004.	
13.	ANNEXURE A-12 A true copy of order dated 11.04.2018 passed by this Hon'ble Court.	264-272
14.	ANNEXURE A-13 A true copy of order dated 02.05.2018 passed by this Hon'ble Court.	273-280
15.	ANNEXURE A-14 A true copy of order dated 09.05.2018 passed by this Hon'ble Court.	281-288
16.	ANNEXURE A-15 A true copy of order dated 17.05.2018 passed by this Hon'ble Court.	289-301
17.	ANNEXURE A-16 A true copy of the order dated 30.7.2018 passed by this Hon'ble Court in T.C. (C) No. 2 of 2004.	302-338
18.	ANNEXURE A-17 A true copy of the order dated 05.09.2018 passed by this Hon'ble Court.	339-353
19.	ANNEXURE A-18 A true copies of the orders passed by this Hon'ble Court on various dates.	354-436
20.	ANNEXURE A-19 A true copies of the relevant snapshots from the website of the Committee.	437-438
21.	ANNEXURE A-20 A true copy of the relevant documents showing the financial wherewithal of the Applicant.	439-563
22.	ANNEXURE A-21 A true copy of the letter dated 13.9.2022 of Suruchi Foods Pvt Ltd.	564
23.	ANNEXURE A-22 A true copy of the letter dated 13.9.2022 of Dalmia HPCL	565
24.	ANNEXURE A-23 List of properties of the golden group of companies.	566-575

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IN THE MATTER OF:

The Securities and Exchange Board of India ... Petitioner

Vs.

The Golden Forests (India) Ltd. ...Respondent

AND

IN THE MATTER OF:

The Hawk Capital Pvt. Ltd.
Having registered office at 704, 7th Floor
92, Deepali Building, Nehru Place,
New Delhi – 110019 ... Applicant

**APPLICATION ON BEHALF OF THE APPLICANT FOR DIRECTIONS
AND SANCTION OF THE SCHEME PROPOSED BY THE APPLICANT.**

To
The Hon'ble Chief Justice and his Companion
Judges of this Hon'ble Court

The humble application on behalf of
the applicant above-named

MOST RESPECTFULLY SHOWETH:

1. The present application is being filed by the applicant seeking necessary directions and imprimatur of this Hon'ble Court to the scheme propounded by the Applicant for the purpose of acquiring all assets, properties and interests of Golden Forests (India) Ltd.

("GFIL") and its group companies at a lumpsum consideration which together with the monies lying with the Committee constituted by this Hon'ble Court in relation to GFIL and its group companies can be utilised to repay the dues owed by GFIL and its group companies to investors/depositors.

2. The present matter has a chequered history. Litigation with respect to the affairs of GFIL and its group companies has been pending for over two decades. In fact, it was way back in the year 2003 that this Hon'ble Court for the first time became seized of a proceeding with respect to GFIL. From then on and till date, several fresh petitions and interlocutory applications have been filed and orders have been passed both by this Hon'ble Court and the Delhi High Court, for the purpose of selling the immovable assets of GFIL and its group companies in order to create a corpus to make payment to the investors/depositors of GFIL and its group companies. Despite all measures taken in good earnest, the progress on the ground has been inadequate. There has been inordinate delay in liquidating the immovable properties of GFIL and its group companies, owing to several reasons including the fact that such properties are spread in various states, often not contiguous and/or are under encroachment or have third parties making claims with respect to the same. The fact that the states of Punjab and Uttarakhand have declared large tracts of land belonging to GFIL and its group companies as Surplus

Lands and sought to take control over the same has made the already complex situation even more complicated. Even where the properties of GFIL and its group companies have been sold, the investors and depositors have been unable to reap full benefit of such sale. While a portion of the principal investment has been repaid to some investors/depositors, no investor/depositor has received his/her full dues and a large number of investors/depositors are yet to receive any sums of money, despite the pendency of matter for over two decades.

3. In this background, the Applicant which is an NBFC with a credible track record, respectfully submits that its present proposal to acquire all assets/properties and interests of the GFIL and its group companies provides a viable and meaningful solution to resolve the pending *impasse*. The acceptance of the proposal will cut through the cumbersome administrative labyrinth, free the process of processual rigours and ensure that the depositors /investors of GFIL and its group companies are paid their dues within the shortest possible period of time. Accordingly, by way of this present application, the applicant seeks necessary directions and approval of this Hon'ble Court to the scheme propounded by it for the afore stated purpose.

Brief background

4. Brief background to the instant application is as below: -
 - 4.1 GFIL was incorporated in the year 1987. Between the years 1991 and 1997, its promoters set up over 110 companies, including Golden Tourist Resorts and Developers Ltd (1991), Golden Lease Finance Ltd (1994), Golden Projects Ltd (1996), Himachal Country Resorts Ltd etc.
 - 4.2 These companies were controlled by a family consisting of Shri A. L. Syal, Shri R. K. Syal, Smt. Neena Syal, Smt. Pamila Syal, Smt. Bimla Syal and Shri H. K. Sinha (Brother-in-Law of Shri R. K. Syal).
 - 4.3 GFIL introduced a number of investment schemes promising handsome returns which lured investors and depositors and in a short span of 9-10 years, collected several hundred crores of rupees from such investors/depositors. With these funds, huge tracts of lands and properties were acquired by GFIL in different parts of India in name of different group companies. The funds necessary for purchase of such properties were mainly diverted from GFIL.
 - 4.4 Between 9-11 December 1997, the Security and Exchange Board of India ("**SEBI**"), through its Primary Market Policy Department,

conducted an onsite visit of GFIL to understand the functioning of plantation schemes modelled as Collective Investment Schemes. Post the aforesaid visit, SEBI on 09.01.1998 passed an order under section 11 (b) read with Section 11 of the Securities & Exchange Board of India Act, 1992 directing GFIL not to mobilise any further funds from investors and restrained it from selling/assigning any of the assets out of corpus of its scheme.

4.5 Thereafter, a two-member committee of SEBI submitted its report on 21.04.1998 highlighting financial and other irregularities committed by GFIL.

4.6 A writ petition was filed in the High Court of Bombay by SEBI being W.P. 344 of 1998 pursuant to which orders restraining GFIL from alienating its properties were passed. Justice M. L. Pendse (Retired) came to be appointed as the Receiver and thereafter, certain properties were earmarked for sale, but the said properties could not be sold. Parallely, winding up proceedings, bearing CP No 60/2001 (National Investor Forum vs. Golden Forests (India) Ltd) were filed before the Punjab & Haryana High Court in the year 2001. In these proceedings, the Court by way of Order dated 18.6.2003 directed that all properties of GFIL shall be managed, controlled and regulated by a provisional liquidator, who shall have power to sell the moveable and immovable properties. Further, by

way of Order dated 20.6.2003, Justice R.N. Aggarwal (Retd.) was appointed as the Provisional Liquidator.

4.7 At this juncture, several proceedings against GFIL had been filed and were pending in various Courts throughout the country. In view of the multitude of proceedings in relation to GFIL, this Hon'ble Court by Order dated 12.9.2003 in a transfer petition filed by SEBI (Securities and Exchange Board of India) vs. Golden Forests (India) Ltd & Anr. – TP (C) No. 696 of 2002) directed to the effect that all cases pending in various High Courts throughout the country shall stand transferred to the Hon'ble Supreme Court of India. By way of this order, the aforesaid CP 60/2001 also stood transferred to this Hon'ble Court and was numbered as T.C. (Civil) No.68 of 2003. The W.P. 344 of 1998 before Hon'ble High Court of Bombay stood transferred and renumbered as T.C. (C) No. 2 of 2004. A true copy of the order dated 12.9.2003 passed in TC (C) 696 of 2002 by this Hon'ble Court is annexed herewith and marked as **Annexure A-1 (Pgs. 29 to 32)**.

4.8 Subsequently, a Writ Petition was filed by Raiganj Consumer Forum before this Hon'ble Court in respect of various issues concerning the investors/depositors of GFIL and its group companies. The said Writ Petition (being Writ Petition (Civil) No.

188 of 2004) was tagged along with the aforesaid transferred cases and is pending as on date.

4.9 Thereafter, this Hon'ble Court by way of its Order dated 19.08.2004 constituted a committee consisting of (i) Justice K. T. Thomas (Former Judge of this Hon'ble Court), (ii) an officer to be nominated by the Reserve Bank of India (RBI) and (iii) an officer to be nominated by SEBI (hereinafter referred to as '**the Committee**'). This Hon'ble Court further ordered the Committee (i) to take all assets of the company (wherever they may be) in its custody and (ii) to issue an advertisement in newspapers calling upon all the creditors of GFIL to submit the claim(s) before the Committee. A true copy of the order dated 19.8.2004 passed by this Hon'ble Court in TC(C) No. 2 of 2004 is annexed herewith as **Annexure A-2 (Pgs. 33 to 40).**

4.10 Subsequently, Mr. Justice K. T. Thomas (Retd.) expressed his inability to head the Committee and consequently this Hon'ble Court on 10.09.2004, appointed Justice R. N. Aggarwal (Retd.) as the Chairman of the Committee.

4.11 Subsequently, the Committee invited claims from the depositors/investors of GFIL and its group companies by issuing an advertisement in leading newspapers.

8

4.12 This Hon'ble Court by way of its order dated 05.09.2006 reconstituted the Committee by relieving the representative of SEBI and RBI as members of the Committee and appointed two former District and Session Judges as the members of the Committee. This Hon'ble Court further directed the Deputy Commissioner and other Revenue authorities in the states of Punjab/Haryana and Uttaranchal 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. Further directions were also issued by this Hon'ble Court regarding sale of certain immovable properties and annulment of sale of certain properties effected by GFIL. The Court also fixed the cut-off date for disbursement of monies to investors of GFIL as 10.08.2006. Since claims from the depositors of GFIL continued, this Court directed that no deposit accepted by an Agent after 1 January 2001 is to be considered as GFIL had closed business in December 2000 and the Directors of the company were in jail by December 2000. A true copy of order dated 5.9.2006 passed by this Hon'ble Court in TC (C) No. 2 of 2004 is annexed herewith and marked as **Annexure A-3 (Pgs. 41 to 68)**.

4.13 In the meantime, all directors of GFIL were arrested in criminal cases filed against them and their applications for bail were rejected.

- 4.14 On 15.10.2008, this Hon'ble Court took on record the list of immovable properties owned and possessed by GFIL and its group companies prepared by one Dr. Namavati (this list had been prepared sometime in the year 1998 at the instance and instructions of GFIL). This Hon'ble Court observed that in order to facilitate the disbursement due to investors, the money has to be collected by selling these properties. Accordingly, this Hon'ble Court directed the Committee to take possession of all the properties owned by GFIL and its group companies. This Hon'ble Court further issued certain directions regarding sale of aforesaid properties. A true copy of order dated 15.10.2008 passed by this Hon'ble Court in TC (C) No. 2 of 2004 is annexed herewith and marked as **Annexure A-4 (Pgs. 69 to 73).**
- 4.15 On 03.02.2010, this Hon'ble Court disposed of all proceedings pending before it, directing that the pending matters be considered by the High Court of Delhi treating the same as Writ Petitions. A true copy of the order dated 3.2.2010 passed by this Hon'ble Court in TC (C) No. 2 of 2004 is annexed herewith and marked as **Annexure A-5 (Pgs. 74 to 79).**
- 4.16 The Delhi High Court on 17.1.2012, while dealing with an application for disbursement of claim of investors noted that the Committee would devise a scheme for disbursement. A true copy

of the order dated 17.1.2012 passed by the Hon'ble Delhi High Court in CM NO. 20351/2011 in WP(C) No. 8611/2011 is annexed herewith and marked as **Annexure A-6 (Pgs. 80 to 81).**

4.17 The Delhi High Court on 03.09.2012 took on record the statement of the counsel for the Committee that it is in a position to settle the claims of small investors. The High Court accordingly passed an order granting liberty to the Committee to start making disbursements. A true copy of the order dated 3.9.2012 passed by the Hon'ble Delhi High Court in WP(C) No. 1399/2010 is annexed herewith and marked as **Annexure A-7 (Pgs. 82 to 83).**

4.18 On 01.05.2013, the Delhi High Court observed that the proposal of disbursement of funds by the Committee giving preference to "small" investors in distribution of proceeds is not entirely equitable. The Court directed the Committee to ensure that amount lying with the Committee is equitably distributed in accordance with non-discriminatory principle. A true copy of the Order dated 1.05.2013 passed by the Hon'ble Delhi High Court in WP(C) No. 1399 of 2010 is annexed herewith and marked as **Annexure A-8 (Pgs. 84 to 87).**

4.19 The Committee on 25.10.2013 filed a status report before the High Court of Delhi wherein it recorded the extent of assets held by GFIL and its group companies as per the report prepared by Dr.

Namavati. A copy of the report was also enclosed with Committee's status report. In this status report, the Committee also provided information with respect to assets of GFIL which were not included in the report prepared by Dr. Namavati. The status report also provided details of the funds lying with the Committee. A true copy of the Status Report dated 25.10.2013 is annexed herewith and marked as **Annexure A-9 (Pgs. 88 to 232)**.

- 4.20 The High Court of Delhi passed a detailed order on 24.04.2014 recapitulating the entire history of the matter and the steps taken by the Committee to effect the sale of properties of GFIL and its group companies. In the said order, the High Court referred to the proposal made by the Committee to disburse amounts to the investors and depositors of GFIL. Ultimately, the High Court observed in the extant facts it would not be appropriate to direct any claim to be paid at this stage and instead it would be appropriate that an expert be appointed to assist the Committee in its task of ensuring the management of its funds and evolve a method of disbursing its amounts. Accordingly, the Court directed the RBI to nominate an expert with sufficient expertise to advise the committee in its task of (a) managing the funds available with the Committee to optimise their returns having regard to previous orders of the court and (b) it evolve a feasible/practicable method for disbursement of various amounts to depositors/investors. A true

copy of the order dated 24.04.2014 passed by the Hon'ble Delhi High Court is annexed hereto and marked as **Annexure A-10** (Pgs. 233 to 260).

4.21 Thereafter, no substantive progress could be made with respect to the sale of properties of GFIL and disbursement of amounts to the investors/depositors of GFIL. In these circumstances, the Applicant filed MA No. 151/2018 in T.C. (C) No. 2 of 2004 before this Hon'ble Court proposing to acquire all assets of GFIL and its group companies for a lumpsum consideration. Considering the fact that, if the matter was left pending before the High court, another round of litigation from orders passed by High Court may arise causing further delay, this Hon'ble Court *vide* order dated 19.02.2018 was pleased to order that WP (C) No. 1399 of 2010 pending before the High Court of Delhi along with all applications filed in the said Writ Petition be transferred back to this Hon'ble Court to be heard along with T.C. (C) No. 2 of 2004 and connected matters. A true copy of Order dated 19.02.2018 passed by this Hon'ble Court in M.A No.151 of 2018 in TC(C) No.2 of 2004 is annexed herewith and marked as **Annexure A-11** (Pgs. 261 to 263).

4.22 Thereafter on 11.04.2018 when the matter came up before this Hon'ble Court, this court noted after open court bidding that the best offer made in Court was an offer of 721 crores made by the

Applicant. This court directed the Applicant to deposit the said amount of 721 crores before the Court or furnish a bank guarantee for the said amount within a period of 3 weeks. The order also made it clear that if anybody else was interested in participating in the bidding, they were free to deposit the said amount of 721 cores or furnish bank guarantee before 02.05.2018. The final bidding was directed to take place on 02.05.2018 in the Court. The Committee was directed to make this order known to the public through all leading newspapers. This Court by the same order also directed the states of Punjab and Uttarakhand to file affidavits furnishing particulars of lands which have been declared as surplus. A true copy of order dated 11.04.2018 passed by this Hon'ble Court is annexed herewith and marked as **Annexure A-12** (Pgs. 264 to 272)

- 4.23 The next substantive hearing in the matter took place on 09.05.2018 when this Hon'ble court took on record the affidavits filed by the Govts of Punjab and Uttarakhand furnishing the particulars of the surplus land. With respect to the auction of the properties of GFIL and its group companies, this Court noted that when the matter was taken up for hearing on 02.05.2018 nobody was clear as to the extent and item of properties, constraining the Court to direct *vide* order dated 02.05.2018 to furnish a list of properties showing the available particulars. In its order of

09.05.2018, the court noted that in compliance of the Order dated 02.05.2018, the Committee had filed a compliance report furnishing details of properties available for sale with appropriate details. This Court directed these details to be put up on the website of Committee and posted matter for hearing on 17.05.2018 making it clear that anyone interested in participating in the auction in respect of properties of GFIL and its group companies should be present in Court on 17.05.2018 after depositing or furnishing bank guarantee for a sum of Rs. 721 crores. A true copy of order dated 02.05.2018 passed by this Hon'ble Court is annexed herewith and marked as **Annexure A-13 (Pgs. 273 to 280)** and A true copy of order dated 09.05.2018 passed by this Hon'ble Court is annexed herewith and marked as **Annexure A-14 (Pgs. 281 to 283)**.

- 4.24 The auction intended to take place on 17.05.2018 did not go through on account of the representations made by certain intending purchasers that they did not get sufficient time to verify the particulars of the properties from the case records as well as from the Committee. This Court accordingly adjourned the matter to 04.07.2018 for the purpose of auction, permitting the Applicant to take back its bank guarantee and depositing amount before registry of this Court on or before 03.07.2018. Any other person who intended to participate in auction on 04.07.2018 was also directed to deposit said amount before registry of this Court on or

before 03.07.2018. A true copy of order dated 17.05.2018 passed by this Hon'ble Court is annexed herewith and marked as **Annexure A-15 (Pgs. 289 to 301)**.

4.25 Subsequently when the matter came up before this Hon'ble Court on 30.07.2018, this Hon'ble Court observed that it is necessary to obtain the current valuation of the properties which may be sold and only thereafter the sale of properties can be effected. Accordingly, this Hon'ble Court constituted a three-member team consisting of senior Income Tax officers to submit a correct valuation of the property. This Hon'ble Court further observed that it would not be appropriate to proceed with the auction notice that was published by the Committee pursuant to the earlier orders passed by the Court. The Court also observed that a final call on the issue of whether the lands declared as surplus by the states of Punjab and Uttarakhand can be included in the auction notice or not would be decided at a later stage.

4.26 The aforesaid order dated 30.07.2018 also noted that the Committee had submitted the summary of data of claims made by the investors of GFIL as on 01.02.2017 and Golden Projects Ltd. (GPL) as on 01.02.2017 (the order had inadvertently provided details of GFIL twice which order was rectified by a subsequent order dated 05.09.2018) as per which the principal amount was to

the tune of Rs. 900 Crores. This Hon'ble Court observed that it would first take care of the principal amount to be distributed among the investors and the payment of interest/maturity value as assured shall be considered later after property is sold. It was further recorded in the said order that as per the Committee's submission approximately Rs. 700 Crores was available for distribution to the investors. The Court directed that 70 % of the principal amount be distributed (out of the aforesaid amount of Rs. 700 Crores) to each of the investors whose claims had been received by the Committee. The Court further directed that the Committee may take the services of M/s. Karvey Investors Services Limited (which name had been suggested by RBI) (subsequently there was modification of this order by way of order dated 05.09.2018 and it was observed that the company empowered to undertake the task was in fact 'Karvy Computershare Pvt. Ltd.') for disbursement of 70 % of principal amount as aforesaid; and further that the process of distribution is to be completed within a period of three months from the date of the order. It was further observed that the report of the Valuer along with the rate prescribed by the Collector for the property is also to be furnished along with the report within a period of two months from the date of the order. A true copy of the order dated 30.7.2018 passed by this Hon'ble Court in T.C. (C) No. 2 of 2004 is

annexed herewith and marked as **Annexure A-16 (Pgs. 302 to 338)**.

4.27 That by virtue of the aforesaid order dated 30.07.2018, as elaborated hereinabove, the previous orders regarding auction and bids etc. did not survive as the said order had *inter alia* ordered for fresh valuation. Accordingly, on 05.09.2018, this Hon'ble Court dismissed aforesaid M.A. No. 151 of 2018 filed by the Applicant herein as well as other similar applications filed by other entities citing the observations made in order dated 30.07.2018 with liberty that as and when fresh auction is ordered after valuation, it would be open for all to participate as and when modalities of fresh auction sale are worked out. It was further observed that Income Tax Department shall not make any further attachment of account, without permission of this Hon'ble Court. A true copy of the order dated 05.09.2018 passed by this Hon'ble Court is annexed herewith and marked as **Annexure A-17 (Pgs. 339 to 353)**.

4.28 Thereafter, the matter came up for hearing before this Hon'ble court on several dates such as 27.11.2018, 07.05.2019, 07.08.2019, 25.09.2019 and 14.01.2020 wherein various directions have been issued by this Hon'ble court with respect to the sale of certain immovable properties and remittance of the proceeds thereof. A true copies of the orders passed by this Hon'ble Court

on various dates are annexed hereto and marked as **Annexure A-18 (Pgs. 354 to 436)**

5. As per the latest information available on the website of the Committee (www.goldenforestcommittee.com), as on 01.03.2022, out of total 14,73,822 claims, 9,55,943 have been paid 70% of their investment. Cheques sent to 2,38,087 investors have been received back undelivered and cheques sent to about 2,33,098 investors have neither been presented to the bank nor received back. About 48,700 claims are under scrutiny. Furthermore, the information on the website discloses that till 01.12.2021, Rs. 460,56,00,000 had been disbursed to the investors. The true copies of the relevant snapshots from the website of the Committee are annexed hereto and marked as **Annexure A-19 (Pgs. 437 to 438)**

Raison D'etre of the present Application

6. From the foregoing facts it is evident that the investors and depositors of GFIL and its group companies are yet to receive their full refund from the Committee, despite passage of more than 20 years from the date when the illegalities in respect of GFIL and its group companies were unearthed. Going by the latest statistics provided by the Committee on its website, it appears that around 60% of the investors have only received about 70% of the principal amount invested by them and presently there is no visibility on how

and when the balance principal amount and interest/maturity amount will be paid to all investors and depositors of GFIL and its group companies.

7. Likewise, despite the efforts made by this Hon'ble court and the Committee, large number of immovable properties of GFIL and its group companies are yet to be liquidated. This is primarily on account of inadequate documentation concerning the lands, competing claims made by various third parties on such properties and most importantly steps taken by states of Punjab and Uttarakhand to resume large part of such lands as surplus lands, proceedings in relation to which have been pending for several years now.
8. The aforesaid delays are naturally causing great prejudice to lakhs of investors and depositors of GFIL and its group companies who have been deprived of their monies for an extraordinarily long period of time. The underlying assets of GFIL and its group companies, which comprise of land parcels spread across various states also face the risk of diminution in value owing to the threat of encroachments.
9. In the respectful submission of the Applicant, the current *impasse* can only be resolved by a consolidated one-time sale of all the assets, properties and interests of GFIL and its group companies for

a lump sum consideration. This would ensure that monies in lieu of such assets are received in the shortest possible time and the process is decoupled of administrative, bureaucratic and other delays. Past experience has shown that the sale of individual assets is inordinately time consuming, inefficient and has failed to serve the purpose of expeditious realisation out of the assets of GFIL and its group companies.

10. It is in this background that the Applicant is propounding the present scheme for consideration of the Hon'ble Court. The Applicant is registered as Non-Banking Financial Institution with RBI under Registration No U74899DL1 995PTC067864. It is a professionally managed NBFC with current net worth of around Rs. 100 Crores. In course of its normal business, the propounder raises funds, lends/ invests as per the opportunity available. It has been providing loan syndication, advisory services on assets reconstruction/ mergers acquisitions' etc. The propounder is having adequate financial arrangement to make payment of funds as per the Scheme propounded by it. A true copy of the relevant documents showing the financial wherewithal of the Applicant is annexed herewith and marked as **Annexure A-20 (Pgs. 439 to 563)**.
11. The Applicant has also secured in principle financial commitments from two investors to support the financial outlay under the present

scheme. The true copies of in principle financial commitment letters dated 13.9.2022 are annexed herewith and marked as **Annexure A-21 (Pgs. 564 to —)** and **Annexure A-22 (Pgs. 565 to —)**.

12. The Applicant submits that it had previously as well made a proposal for the purchase of all properties of GFIL and its group companies by offering a lump sum consideration of 721 crores. This was done by filing M.A No. 151/2018 before this Hon'ble court pursuant to which this Hon'ble Court had directed an open bidding to be conducted by taking the base price as 721 Crores. In response to this, proposals were also received from other intending bidders to participate in the open bidding process. However subsequently, this proposal of open bidding was not taken to its logical conclusion and this Hon'ble Court had instead opted for a fresh valuation of the properties and an auction to be conducted only thereafter. Unfortunately, despite a period of four years having been passed since this Hon'ble Court passed the order for fresh valuation and auction thereafter, very little progress has been made.
13. In this vein it is pertinent to clarify that while in the earlier M.A No. 151/ 2018 the applicant had proposed a total amount of Rs. 721 crores to purchase all the land and properties of GFIL and its group companies, the said figure is being revised to Rs. 400 crores in the Scheme proposed *vide* the present Application, on account of sale

of certain land and properties of GFIL and its group companies in the interregnum.

14. It is pertinent to mention here that sometime in the year 2020, the Applicant had filed an application being M.A. No. 79102/2020 proposing a scheme similar to the one being proposed *vide* the present application. However, this application never came up for hearing before this Hon'ble court. In view of the changed circumstances and the intervening sale of assets by the Committee, the applicant seeks liberty to withdraw this M.A No. 79102/2020 and prays that the Scheme mooted *vide* the present Application be treated as its final proposal, which in any case is more beneficial to the investors and depositors of GFIL and its group companies than the scheme mooted earlier.

15. The salient features of the scheme proposed by way of this application are as follows:-

15.1 The Applicant (either by itself or through its nominee (s)) will acquire all assets, properties (whether agricultural or otherwise) and interests of GFIL and its group companies that are currently under the administration of the Committee or which may hereinafter be discovered/adjudicated to be properties of GFIL and

its group companies ("**Subject Properties**") for a total lumpsum consideration of Rs. 400 crores. ("**Total Consideration**"). Annex A-23 Pg (566-575)

15.2 The Applicant states that it will deposit the total consideration of Rs. 400 Crores in the following manner:-

- a. 10% of the Total Consideration i.e., Rs. 40 crores will be deposited with the Registry of this Hon'ble Court within 5 working days of the date this Hon'ble Court accords approval to the present scheme. The date when 10% of the Total Consideration is deposited by the Applicant will be treated as the "**Relevant Date**".
- b. The balance 90% Total Consideration i.e., an amount of Rs. 360 will be deposited by the Applicant within Six months of the date of approval of the present Scheme by this Hon'ble Court. The date when the Applicant deposits the Total Consideration would be treated as the "**Effective Date**" of the Scheme.

15.3 From the Effective Date, the Subject Properties will vest with the Applicant (and / or its nominee (s) as the case maybe), free of all encumbrances, claims and disputes and the Applicant will have clear title over the same. The Applicant will be free to deal with the Subject Properties as it deems fit. The Applicant prays that this Hon'ble Court be pleased to declare that the steps taken by the

states of Punjab and Uttarakhand to reclaim / reposess land belonging to GFIL and its group companies as surplus lands will stand revoked and nullified such that the Applicant gets clear title and possession over such lands. Directions will also be given to relevant government authorities to remove encroachments on the Subject Properties so that the Applicant can get clear possession over the Subject Properties.

- 15.4 Between the Relevant Date and the Effective Date, the Committee and/or any other body, governmental or judicial, shall not take any steps to sell any property or asset of GFIL or any of its group companies and/or make any recoveries / attachments / creation of encumbrance in relation thereto and / or act in furtherance of any attachment / encumbrances previously made.
- 15.5 On the application of the Applicant, the governmental and revenue authorities will be directed to transfer, mutate and/or make necessary changes in the revenue records to reflect the change in ownership of the Subject Properties from GFIL and its group companies in the name of the Applicant and/or its nominee(s) without payment of any charges, stamp duty or any other levy.
- 15.6 On the effective Date, the Committee will hand over all records and documents related to GFIL and its group companies (both in

electronic and in physical form) to the Applicant (and / or its nominee (s) as the case maybe).

- 15.7 On and from the Effective Date, the Committee will stand divested of its responsibility to effect sale of the Subject Properties and will only be responsible to repay the dues of the investors and depositors of GFIL and its group companies.
16. The present application is made *bona fide* and in the interest of justice. The Applicant respectfully submits that the Scheme will bring immediate solace to the investors/depositors who have been suffering for a long time in absence of any viable resolution due to insufficiency of funds with the Committee. If this Hon'ble Court approves the Scheme as proposed by the Applicant by way of the instant application, the Total Consideration, in addition to funds already accumulated with the Committee can be utilized for full and final disbursement to investors/depositors in one go.
17. It is most respectfully submitted that in light of the above the present Application may be allowed.
18. That the Applicant herein prays the leave of this Hon'ble Court to allow the Applicant to raise such additional grounds as required during the time of arguments and to enable him to bring the relevant points for consideration before this Hon'ble Court.

19. That the present Application is made bonafide and in the interest of justice.
20. It is humbly submitted that no prejudice whatsoever would be caused to any party if the present Application for direction is allowed by this Hon'ble Court.

PRAYER

It is therefore most respectfully prayed that this Hon'ble Court may graciously be pleased to:

- (a) Direct the sanction of the Scheme as proposed by the Applicant;
- (b) stay further sale / auction of lands, properties and assets of Golden Forest (India) Ltd. or its group companies during the pendency of the present application;
- (c) pass such other appropriable order/orders, as this Hon'ble Court may deem fit and proper in the interest of justice.

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

Drawn on : 13.10.2022

Filed on: 14.10.2022

Filed by:

P.N.PURI
ADVOCATE FOR THE APPLICANT

IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION
I.A. NO. OF 2022
IN
T.C. (C) No. 2 of 2004

IN THE MATTER OF :

The Securities and Exchange Board of India Petitioner

Versus

The Golden Forests (India) Ltd. Respondent

AND

IN THE MATTER OF :

The Hawk Capital Pvt. Ltd. Applicant

AFFIDAVIT

I, Pramod Sharma, S/o Lt. Sh R.K. Sharma, of 704, 7th Floor, Deepali Building, 92, Nehru Place, New Delhi do hereby solemnly affirm and declare as under:-

1. That I am one of the Directors and authorised representative of the applicant company in the above mentioned petition and as such, I am fully conversant with the facts and circumstances of the present case and as such competent to sign and verify the present affidavit.

2. That the application for direction has been drafted by my counsel under my instructions and I have read the same and understood the contents thereof and admit them to be true and correct to the best of my knowledge.

3. That the contents of the accompanying application in paragraphs 1 to 20 at page 1 to 28 are true and correct to knowledge. The annexures filed with the application are the true copy of the respective original and part of the record below.

4. That the annexures filed with the application are true copies of their respective originals.

DEPONENT

VERIFICATION:

Verified at New Delhi on this 14th day of October 2022 that the contents of my above Affidavit are true and correct to the best of my knowledge and belief. No part of it is false and nothing has been concealed therefrom.

DEPONENT

T.P.(C) No. 696 OF 2002

Annex ²⁹ A-1

ITEM No.16

Court No. 4

SECTION XVIA
A/N MATTER

S U P R E M E C O U R T O F I N D I A

RECORD OF PROCEEDINGS

Transfer Petition.(Civil) No.696/2002

SECURITIES & EXCHANGE BOARD OF INDIA ... Petitioner (s)

VERSUS

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

(With Appln(s). for stay and intervention)

(With Office Report)

With

T.P.(C) No.216/2003,T.P.(C) No.889-892/2002

Date: 12/09/2003 These Petitions were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE R.C. LAHOTI
HON'BLE MR. JUSTICE ASHOK BHANU

For Petitioner (s) Mr. Soli J. Sorabjee, A.G.
Mr. Bhargava V. Desai, Adv.
Mr. Sanjeev Kr. Singh, Adv.
Mr. Pradeep Malik, Adv.
Mr. Neeraj Sharma, Adv. with
Mr. Vikas Jain, Mr. Ashok Sehgal, Advs.
Mr. M.C. Dhingra, Adv.
Mr. S.B. Sanyal, Sr. Adv.
M/s N.R. Choudhury, Somnath Mukherjee
and J.P. Pandey, Advs.
M/s R.N. Keshvani, S. Prasad, Abhay
Kumar, R. Gopal Krishan, S.N. Jha and
Prachi Bajpai, Advs.
M/s Pijush K. Roy and
MR. G. Ramakrishna Prasad, Advs.

For Respondent/ (s) Mr. Ranjan Mukherjee, Adv.
Intervenors

M/s Uma Kanth, Gagan Kathuria,

30

Subramonium Prasad and Ravi N. Raut,
Advs.

M/s Ravi Raut, V.D. Khanna, Nirmala
Gupta, Advs.

M/s I.M. Nanavati Associates

Ms. Naresh Bakshi, Adv.

Mr. Mukul Rohtagi ASG

M/s Rajiv Shaktiher, Parmeshwaran,
Ranjan Mukherjee and Bhargwa V. Desai,
Advs.

UPON hearing counsel the Court made the following

O R D E R

The Transfer Petition is allowed in terms of the signed order.

INDU (RADHA R. BHATIA)

COURT MASTER

(Signed order is placed on the file)

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)

O R D E R

The prayer for transfer is allowed. Writ Petition(C) No. 44/98 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

32

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.

Sd/-
(R.C. LAHOTI, J.)

Sd/-
(ASHOK BHAN, J.)

NEW DELHI
DATED 12TH SEPTEMBER, 2003.

//TRUE COPY//

T.C.(C)No. 2 OF 2004

33
Annex A-2

ITEM No.2

Court No. 3

SECTION XVIA

SUPREMECOURTOFINDIA

RECORD OF PROCEEDINGS

T.C. (Civil) No. 2/2004

THE SECURITIES & EXCHANGE BD. OF INDIA ... Petitioner (s)
VERSUS

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

(With Office Report)

With

T.C. (Civil) No. 68 of 2003

(With appln. for directions)

W.P. (C) 188 of 2004

Date : 19/08/2004 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. Ranjan Mukherjee, Adv.

For Respondent(s) Ms. Naresh Bakshi, Adv.
Mr. K.C.Dua, Adv.
Mr. Parthapratim Chaudhuri, Adv.
Mr. K.S.Rana, Adv.
Ms. Kiran Suri, Adv.
Mr. Himanshu Bhuttan, Adv.
Ms. Amrita Swarup, Adv.
Mr. Vikas Jain, Adv.
Mr. Neeraj Sharma, Adv.
Mr. Raja Bahadur Singh, Adv.
Mr. Gaurav Dhingra, Adv.

34

Mr. M.C. Dhingra ,Adv
Mr. Ranjan Mukherjee, 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
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. 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. Mohd. Saud, Adv.
Mr. L.R.Singh, Adv.

UPON hearing counsel the Court made the following

O R D E R

The Court appointed a Committee consisting of Justice K.T.Thomas, Retired Judge of the Supreme Court of India; an officer nominated by the Reserve Bank of India (RBI) and an officer nominated by the Securities & Exchange Board of India (SEBI) and passed certain directions in terms of the signed order.

85
Office to forward a copy of this Order to the Chairman of the
Committee.

All the Transfer Petitions to be listed after one month.

Anita
(Radha R. Bhatia)
Court Master

(Signed Order is placed on the file.)

IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION
TRANSFERRED CASE (CIVIL) NO. 2 OF 2004

THE SECURITIES & EXCHANGE BOARD OF INDIA
... Petitioner (s)

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

WITH

TRANSFERRED CASE (CIVIL) NO. 68 OF 2003

AND

WRIT PETITION (CIVIL) NO. 188 OF 2004.

ORDER

We hereby appoint a Committee consisting of Justice K.T.Thomas, Retired Judge of the Supreme Court of India; an officer nominated by the Reserve Bank of India (RBI) and an officer nominated by the Securities & Exchange Board of India (SEBI). The Committee will be headed by Justice K.T.Thomas. The officers of RBI and SEBI must be deputed full time for the purpose of functioning of this Committee. The salary and other perks which they are entitled must be continued to be paid to them by RBI and SEBI. SEBI to provide to the Committee secretarial staff and an office at Mumbai.

The Chairman of the Committee is at liberty to appoint a Chartered Accountant of repute to assist the Committee in its functioning.

The Committee shall take into its custody all assets of the Company, wherever they may be. For the purpose of enabling the Committee to take charge of the assets all authorities including the Police, District Magistrates etc. are directed to give all necessary assistance.

The Committee to issue advertisements in such newspapers as they consider fit calling upon all creditors of the Company to submit their claim/s before the Committee at the address to be specified in the advertisement. In selecting the newspapers, we are sure that the Committee will keep in mind the fact that creditors are from all over India and many are from remote areas.

After realisation of the assets and scrutinisation of the claims, the Committee to put up a Report before this Court. As far as possible such Report to be put up within six months from to day.

The Provisional Liquidator appointed by the Punjab & Haryana High Court and the Receiver appointed by the Bombay High Court or any other person appointed by any

other Court shall stand discharged at the end of this month. They are requested to hand over to the Committee all books, papers and assets of the Company in their possession as expeditiously as possible and in any event before the end of this month.

The Committee may have to visit and function in many different places. Where the Company has an office, the Committee will be entitled to use those offices for the purposes of its work. We are told that a large number of Fixed Deposits are standing in the name of the Provisional Liquidator appointed by the Punjab and Haryana High Court. We are informed that they are maturing in future. The Deposit Receipts to be handed over to this Committee however they may continue to remain in the name of the Provisional Liquidator till the date of their maturity. As and when the deposits mature the Provisional Liquidator to cooperate in getting them transferred into the joint names of the Committee members. In the meantime, Provisional Liquidator not to alienate or encumber the receipts in any manner.

The Provisional Liquidator will be entitled to draw remuneration as per the Order of the Punjab & Haryana High Court till the end of this month.

39

The Chairman of the Committee will be entitled to receive, from the bank account of the Company a per month remuneration equal to his last drawn salary. The Chairman will also be entitled to travelling and other expenses.

The Committee will be entitled to appoint staff as required by it and also for safeguarding assets which may be taken possession of.

Liberty to the Committee to approach this Court.

As the Provisional Liquidator has gained knowledge by now, the Committee may consult with him prior to his discharge. The Committee is requested to hold its first meeting at the office of the Company in Chandigarh on or before 30th August, 2004.

Intimation of date and time of the meeting to be given to the Provisional Liquidator who is requested to remain present at the meeting. The Provisional Liquidator is requested to ensure that possession of the office at Chandigarh is taken before 30th August, 2004 if necessary with police help. Police is directed to give assistance in this behalf. The Provisional Liquidator is requested to ensure that at least one room is usable in the office premises before the date of the 1st meeting.

40

The representative of SEBI and RBI to contact the Chairman forthwith by obtaining his address and telephone number from the Registry of this Court's Office to forward a copy of this Order to the Chairman of the Committee.

All the Transfer Petitions to be listed after one month.

Sd/-
(S.N.Variava,J.)

Sd/-
(G.P.Mathur,J.)

New Delhi,
August 19, 2004.

//TRUE COPY //

ITEM NO.1

COURT NO.4

SECTION XVIA

S U P R E M E C O U R T O F I N D I A

R E C O R D O F P R O C E E D I N G S

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)

V E R S U S

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.

C O R A M :

H O N ' B L E M R . J U S T I C E A S H O K B H A N

H O N ' B L E M R . J U S T I C E M A R K A N D E Y K A T J U

For Petitioner(s)

Mr. Altaf Ahmed, Sr. Adv.
Mr. Bhargava V. Desai, Adv.
Mr. Rahul Gupta, Adv.
Ms. Varuna Bhandari Gugnani, Adv.

In IA 23	Mr. Rameshwar Prasad Goyal ,Adv 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. Ashok Kumar Singh, Adv.	Mr. R.K. Jain, Sr. Adv. Mr. S.B. Meitei, Adv. Mr. Deepak Jain, Adv.

43

For M.A. Shah

For State of W.B.

Mr. Arjun Singh, Adv.
Mr. Naresh Kumar Adv.
Mr. Surender Sharma, Adv.
Mr. S.N. Pandey, Adv.
Mr. D.K. Garg, Adv.

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

50

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 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,

51

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

52

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.

54

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 :

- 56
- 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.

57

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

58

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

59

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 suit able 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

60

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

65

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.

68

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.

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

Sd/-
(Kanwal Singh)
Court Master

True G24

Annexa-4 69

ITEM NO.2

COURT NO.1

SECTION XVIA

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 INDIA

... Petitioner(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 GIL 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. for early hearing and directions and office report)

With

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

(With appln. for directions and office report)

70

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. Suruchi Aggarwal, Adv. Mr. Prashant Chauhan, Adv. Mr. Arvind Gopal, Adv.
W P(C) 188/04	Mr. Ranjan Mukherjee, Adv.
For Applicant(s)	Mr. K.N. Krishnamani, Sr. Adv. Mr. Shagrir Khan, Adv.
TC(C) 1/ 0 4	Mr. Somnath Mukherjee, Adv. Mr. S. Ravishankar, Adv. Mr. Vivek Shukla, Adv.
For Respondent(s)	Mr. Anil Kumar Sharma, Adv. 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.

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

OR D E R

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

73

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.

Sd/-
(R.K. Dhawan)
Court Master

Sd/-
(Veera Verma)
Court Master

//TRUE COPY//

CITEM NO.2

COURT NO.1

SECTION XVIA

74
Annex A-5

SUPREME COURT OF INDIA

RECORD OF PROCEEDINGS

I.A.NOS.60-67, 69-83, 85-89 & I.A.NO.91-100, 101

IN

I.A. NO.80, I.A.NOS.102-113 & 115-119

IN

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

THE SECURITIES & EXCHANGE BD. OF INDIA ... Petitioner(s)

VERSUS

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

WITH

I.A.NO.27, 29-39, 40 & 41

IN

T.C.(C) NO.68 OF 2003

WITH

CONTEMPT PETITION(C)NO.74 OF 2007

IN

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

WITH

T.C.(C) NO.1 OF 2004

WITH

W.P.(C) NO.188 OF 2004

Date: 03/02/2010 These Petitions were called on for hearing today.

CORAM :

HON'BLE THE CHIEF JUSTICE

HON'BLE MR. JUSTICE J.M. PANCHAL

HON'BLE DR. JUSTICE B.S. CHAUHAN

For Petitioner(s)

Mr. Bhargava V. Desai, Adv.

Mr. Rahul Gupta, Adv.

Mr. Nikhil Sharma, Adv.

For Respondent(s)

Ms. Suruchi Aggarwal, Adv.

Mr. Abhimanyu Sharma, Adv.

Mr. Anish Kumar, Adv.

Mr. K.K. Venugopal, Sr. Adv.

Mr. Manoj Goel, Adv.

Mr. Shuvodeep Roy, Adv.

Mr. Gopal Verma, Adv.

Mr. Ankur, Adv.

Mr. Chetan Sharma, Sr. Adv.

Mr.Aman Vachher, Adv.
Mr.Ashutosh Dubey, Adv.
Ms.R.D.Puri, Adv.
Ms.Rajshri Dubey, Adv.
Mr.Dhiraj, Adv.
Mr.P.N.Puri, Adv.
Mr. Shailendra Bhardwaj, Adv.
Ms. S. Usha Reddy, Adv.
Mr. S.K.Nandy, Adv.
Mr. Y.P. Dhingra, Adv.
Ms. Kusum Chaudhary, Adv.
Mr.Ranjit Kumar, Sr.Adv.
Mr. Alok Gupta, Adv.
Ms. Shalu Sharma, Adv.
Mr.Mukul Rohtagi, Sr.Adv.
Mr. Manoj Swarup, Adv.
Mr.Devesh Kumar Tripathi, Adv.
Mr.Ashok Anand, Adv.
For M/s AP & J Chambers
Mr. D.N. Goburdhan, Adv.
Mr. Arun Kr. Sinha, Adv.
Mr. Ranjan Mukherjee, adv.
Mr. S. Ravi Shankar, Adv.
Mrs.S.Yamunah Nachiar, Adv.
Mr. Ashwani Kumar, adv.
Mr.Vinay Bhasin, Sr.Adv.
Mr.Rohit Tandon, Adv.
Mr. Subramonium Prasad, Adv.
Ms.Shweta Mazumdar, Adv.
Mr.Jay Kishore, Adv.
Mr.Shyam D.Nandan, Adv.
Mr. Ansar Ahmed Choudhary, Adv.
Mr.Ranjit Kumar, Sr.Adv.
Mr.Mukul Rohtagi, Sr.Adv.
Mr. Ashok Kumar Singh, Adv.
Mr.Surinder Dutt Sharma, Adv.
Mr.Naresh Kumar Gaur, Adv.
Mr.Sapam B.Meitei, Adv.
Mr.Ajay Majithia, Adv.
Mr.Rajesh Kumar, Adv.
Dr. Kailash Chand, Adv.
Ms. Sunita Sharma, Adv.
Mr. Rana Ranjit Singh, adv.
Mr. Shreepal Singh, Adv.
Mr. S.K. Sabharwal, Adv.
Mr. Arun K. Sinha, Adv.
Mr. Jatinder Kumar Bhatia, Adv.
Ms. S. Usha Reddy, Adv.
Mrs.Noorjahan, Adv.
Mr.K.K.Mahalik, Adv.

Ms. Naresh Bakshi, Adv.
 Ms. Shalu Sharma, Adv.
 Mr. Somnath Mukherjee, adv.
 Mr. Ranjan Mukherjee, Adv.
 Mr. Siddharth Choudhary, Adv.
 Ms. Varuna Bhandari Gugnani, Adv.
 Mr. Rameshwar Prasad Goyal, Adv.
 Mr. K.V. Vishwanathan, Sr. Adv.
 Ms. Binu Sharma, Adv.
 Mr. Abhinav Mukerji, Adv.

UPON hearing counsel the Court made the following
 O R D E R

Heard learned counsel for the parties.

All the matters i.e. transferred cases, interim applications, contempt petition as well as the writ petition are directed to be transferred to the Delhi High Court, in terms of the signed order.

Sd/-
 (Sukhbir Paul Kaur)
 Court Master

Sd/-
 (Veera Verma)
 Court Master

(signed order is placed on the file)

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

77

I.A.NOS.60-67, 69-83, 85-89 & I.A.NO.91-100, 101
IN

I.A. NO.80, I.A.NOS.102-113 & 115-119
IN

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

THE SECURITIES & EXCHANGE BD. OF INDIA Appellant(s)

Versus

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

WITH

I.A.NO.27, 29-39, 40 & 41

IN

T.C.(C) NO.68 OF 2003

WITH

CONTEMPT PETITION(C)NO.74 OF 2007

IN

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

WITH

T.C.(C) NO.1 OF 2004

WITH

W.P.(C) NO.188 OF 2004

ORDER

We have heard learned counsel for the parties.

Various Writ Petitions which are pending before different High Courts were transferred to this Court. The main dispute in these cases are that the respondent The Golden Forests (I) Ltd. collected a large amount of money from a large number of depositors/investors and it purchased several immovable properties at different places. The said investors are putting up their claims.

Various transferred cases, interim applications, contempt petition as well as the writ petition are pending in this Court.

Some of the properties owned by the respondent were sold in auctions, pursuant to Court orders and in some cases the purchasers have deposited the full amount, and in some cases, purchasers have yet to pay the balance amount.

Having regard to the various claims, it is just and proper that these matters be considered by the High Court of Delhi treating the Transferred Cases as Writ Petitions. Pending winding up proceedings be also heard by the High Court, and proceed with the same for further directions and orders. Various interim orders have been passed by this Court in these cases and the High Court shall have due regard to the same while taking further proceedings. The High Court would be at liberty to pass any appropriate orders in these matters.

The parties shall be at liberty to raise additional contentions they wish and the High Court shall dispose of the claims of investors in accordance with law. If the High Court feels that any further Arbitrator or Commissioner is required to be appointed, the High Court may pass appropriate orders.

All the matters i.e. transferred cases, interim applications, contempt petition as well as the writ petition are directed to be transferred to the Delhi High Court. The parties are directed to

79

appear before the High Court on 15th March, 2010 and thereafter the High Court is requested to pass appropriate orders in these cases.

Time for payment as well as handing over of possession is extended till 15th March, 2010.

We are not expressing any opinion on the merits of the case.

As regards the sales which have already been confirmed, the Committee is authorised to pass appropriate orders and it may be subject to the approval of the High Court.

Record of all the aforesaid cases and applications be transmitted to the Delhi High Court forthwith.

Sd/-
(K.G.BALAKRISHNAN, CJI.)

Sd/-
(J.M.PANCHAL,J.)

Sd/-
(Dr. B.S.Chauhan,J.)

New Delhi,
February 03, 2010

//TRUE COPY//

80
Annex A-6

IN THE HIGH COURT OF DELHI AT NEW DELHI

W.P.(C) 8611/2011

JITENDRA KUMAR KHAN

..... Petitioner

Through: Mr. Ranjan Mukherjee,
Mr. S. Bhowmick, Advocates

Versus

CHAIRMAN COMMITTEE OF GOLDEN
FOREST LTD AND

..... Respondent

Through: Mr. Harpawan Kumar Arora, Adv.

CORAM: HON'BLE THE ACTING CHIEF JUSTICE
HON'BLE MR. JUSTICE RAJIV SAHAI ENDLAW

ORDER
17.01.2012

CM No. 20351/2011

This application is dismissed as not pressed in view of the statement made by learned counsel for the respondent Chairman, Committee of Golden Forest Ltd. and Others, that more than Rs.400 Crores have already been collected by the Committee on disposal of various assets of the company. He further informs that another property is sold for Rs.98 Crores approximately and the amount shall be realized soon and with this, the collection would swell to about Rs.500 Crores. There is a proposal to devise a scheme vide which the Committee shall now start disbursing the said amount to various small investors. It is assured that all these aspects shall be pointed out in the main petition to seek

81

appropriate orders from the Court. The petitioner is satisfied with the proposal.

The application is dismissed as not pressed.

Sd/-
ACTING CHIEF JUSTICE

Sd/-
RAJIV SAHAI ENDLAW, J

JANUARY 17, 2012

//TRUE COPY//

Annex A-7
82
IN THE HIGH COURT OF DELHI AT NEW DELHI

W.P.(C) 1399/2010

NATIONAL INVESTOR FORUM REGD. Petitioner

Through: Mr. Prashant Chauhan, Adv.
for the Committee

Versus

GOLDEN FORESTS INDIA LTD. Respondent

Through: Mr. Shailendra Bhardwaj, Adv.
for Respondent No.1
Mr. K.L. Nandwani, Adv. for R2
Mr. Akshat Goel, Adv. for applicant
in CM 11128/2012
Mr. Rajeev Saxena, Adv. for Guru Nanak Dev
Educational and Charitable Society

CORAM: HON'BLE THE ACTING CHIEF JUSTICE
HON'BLE MR. JUSTICE RAJIV SAHAI ENDLAW

ORDER
03.09.2012

CM 11230/2012

Exemption allowed subject to all just exceptions.

CM stands disposed of.

CM 11128/2012 and 11129/2012

Notice.

Learned counsel for the Committee as well as respondent Guru

Nanak Dev Educational and Charitable Society accept notice.

Reply be filed within three weeks. List on 16.10.2012.

WP(C) No.1399/2010

Learned counsel for the Committee has filed the status report, though the same is not on record. We are informed that the status report, inter alia, states that about Rs.357 Crores are available with the Committee for disbursement. It is also mentioned that the Committee is in a position to settle the claims of small investors. The Committee would be at liberty to start making disbursements.

Sd/-

ACTING CHIEF JUSTICE

Sd/-

SEPTEMBER 03, 2012

RAJIV SAHAI ENDLAW, J

//TRUE COPY//

Annex-A-8

IN THE HIGH COURT OF DELHI AT NEW DELHI 84

W.P. (C) 1399/2010
CM APPL.7072, 17809 and 18913/2012

NATIONAL INVESTOR FORUM REGD. Petitioner

Through: Mr. Ajay Majithia, Sr. Adv. with
Mr.S.Bhowmick, Adv.

Versus

GOLDEN FORESTS INDIA LTD. Respondent

Through: Mr. Shailendra Bhardwaj,
Ms. Aroma S.Bhardwaj, Advs. for
M/s. Golden Forests India Ltd.
Mr. Anip Sachthey and
Ms. ShagunMatta, Adv. for GFSI in CM
17809/2012.
Mr. Ranjan Mukherjee, Adv. in CM
7072/2012 and CM 18913/2012.
Mr. Harpavan Arora, Mr. Prashant
Chauhan and Mr. Saurabh Suman
Sinha, Adv. for Committee of GFIL.

CORAM: HON'BLE MR. JUSTICE S. RAVINDRA BHAT
HON'BLE MR. JUSTICE NAJMI WAZIRI

O R D E R
01.05.2013

Heard. The Court has considered the submissions of the parties. The Committee has proposed procedure for disbursement of about 205 crores of the sum of Rs.433,41,58,613/- lying in Fixed Deposits. According to its proposal, 8.5 lakhs small investors, would be reimbursed the full value of the amount deposited with the erstwhile Golden Forests India Limited or its group Companies to the extent of Rs.3,000/- plus 25% one- time interest. The Committee also proposes that further 2.5 lakh investors, who have invested between Rs.3,000/- to Rs.5,000/- would be paid back the

85

entire amount plus 25% one-time interest. The proposals have been described as follows in the Committee's Status Report:-

12. Keeping in view the availability of funds in ? Distribution Fund? Rs. 203.50 Crore, the Committee proposes to disburse the principal amount alongwith one time interest of 25%, to the small investors who invested upto Rs. 3000. This would exhaust approximately Rs. 125 Crore and claims of about 8.5 lakh investors shall be settled. According to the statement there are about 6.5 lakh claims in the slab of Rs. 1/- to Rs. 1000/-, about 1.4 Lakh claims in the slab of Rs. 1001/- to 2000/- and about 64,000 claims in the slab of Rs. 2001/- to Rs. 3000/-. Copy of Status of Funds is annexed as Annexure A-7.

13. The Committee apprehends that about 10 to 20% of the disbursement cheques are likely to be received back undelivered. So, the Committee recommends that the disbursement of the funds should be made in stages. The first stage will be payment to those investors who have deposited upto Rs. 1000/- along with one time settlement amount @ 25%. The result of first payment would show the effectiveness of the system adopted to make the payment. The next disbursement should be made after a gap of atleast four months. Thereafter, disbursement should be made to the next slab of deposit amount upto Rs.2,000/- and so on.

Further, as and when the funds become available, the Hon'ble' Court can be approached for obtaining order regarding payment and mode of payment.?

This Court is of the opinion that though the Committee had made some efforts for drawing up the proposal, prima facie it appears not to be entirely equitable. Every claimant regardless of the total amount invested by him or her should be treated alike. For instance, if a claimant has invested more than Rs.5,000/-, the Court is of the opinion that prima facie he or she should be reimbursed in the same manner as other investors who have deposited upto Rs.5,000/- to that extent. This is to ensure that the amount lying with the Committee are equitably distributed in accordance with non-discriminatory principle. It is, of course, open to the Committee to adopt an approach for reimbursing the depositors beyond Rs.5,000/- or having regard to the quantum of deposits made by them and give a preferential treatment to the small investors.

In other words, this Court feels that before sanctioning the scheme which has been proposed, the Committee should work out another scheme which invasions the disbursement by adopting a slab or some such device so that all investors are treated alike in terms of the amounts deposited by them and proportionate, as the case may be.

87

Counsel for the parties shall make submissions on the next date of hearing as to the scheme for disbursement of funds, after due verification of the parties, apart from the formulation of the scheme itself. The Committee shall also submit proposals for efficient investment of the funds held by it, and the kind of expert assistance it can expect to aid its task in terms of investment and drawing up of the scheme. It is open to the parties to make suggestions in this regard on the next date of hearing. The Committee shall also inform the Court about its intra-infrastructure investment and manpower which it requires to handle the task of verification and distribution of the funds to the investors of the erstwhile Golden Forests India Limited.

List on 27th May, 2013.

Issue notice, returnable on 27th May, 2013. Counsel for the non-applicants, who are present in the Court, accepts notice of the applications.

Copy of this order be given dasti to the learned counsel for the parties under the signatures of Court Master.

Sd/-
S. RAVINDRA BHAT, J

Sd/-
NAJMI WAZIRI, J

MAY 01, 2013

/TRUE COPY//

IN THE HIGH COURT OF DELHI AT NEW DELHI

Annex A-9

88

CM No. 7072 of 2012

In

WP (C) No. 1399 of 2010

IN THE MATTER OF:

National Investors Forum (Regd.)

.....Petitioner.

Versus

M/s Golden Forests (India) Ltd. & Anr.

.....Respondents.

INDEX

S.No.	Particulars	Date	Pages
1.	Supplementary Affidavit of the Committee.	16.10.2013	1-10
2.	Annexure A-1: Joint Inspection Report	16.03.2005	11-19
3.	Annexure A-2: Supreme Court Order	15.10.2008	20-23
4.	Annexure A-3: Vol.10, Dr. Namavati Report.	23.06.1998	24-71
5.	Annexure A-4: Chart of Land (as per Dr. Namavati Assets Evaluation Report)	-	72
6.	Annexure A-5: Chart of Land (Sources Other than Dr. Namavati Report)	-	73
7.	Annexure A-6 (Colly.): Chart of consolidated total Lands alongwith Chart of Sold Lands.	-	74-75
8.	Annexure A-7: Chart of Sold Built-up Properties.	-	76
9.	Annexure A-8: Chart of Other Built-up Properties - to be sold.	-	77
10.	Annexure A-9: Chart of total Complete Sales.	-	78-80
11.	Annexure A-10 (Colly.): Chart of Funds Status alongwith Bank accounts statements.	15.10.2013	81-84
12.	Annexure A-11: Summary of State wise Investors.	30.09.2013	85-87

Fixed for 30.10.2013

Through

Filed on 25.10.2013 (Harpawan Kumar Arora & Prashant Chauhan)
Advocates
New Delhi Counsels for the Committee-GFIL

Received on 25/10/13
at 11:30 A.M.

89
IN THE HIGH COURT OF DELHI AT NEW DELHI

CM NO.7072 OF 2012

IN

WP(C) NO.1399/2010

IN THE MATTER OF:

National Investors Forum (Regd.)

... Petitioner

Versus

M/s Golden Forest (India) Ltd. & Anr.

.... Respondents

SUPPLEMENTARY AFFIDAVIT

AFFIDAVIT OF SHRI H.L.RANDEV, DISTRICT AND SESSIONS JUDGE (RETD.) R/O H.NO.1510, SECTOR 36-D, CHANDIGARH, ONE OF THE MEMBERS OF THE COMMITTEE APPOINTED BY HON'BLE SUPREME COURT OF INDIA IN THE AFOREMENTIONED MATTER:

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

1. That being one of the Members of the Committee, I am fully conversant with the facts of the case and competent to depose thereto.
2. That the facts as stated in this affidavit are based on the information derived from the record of the case.
3. On 11.09.2013, the Hon'ble High Court of Delhi passed the following order:-

"The Committee seeks leave to place on record an affidavit pursuant to the order dated 21st August 2013. A copy of the affidavit has been shown to the Court. This Court is of the opinion that the affidavit is lacking in

certain details i.e. as to the extent of assets order than the fixed deposit lying with the Committee.

The Committee shall ensure that all details with respect to immovable properties including lands that are the subject matter of orders declaring them to be surplus by the State of Punjab and Uttarakhand are furnished.

Likewise, the affidavit shall also disclose the amounts to which the Committee may not be fully entitled to, (i.e. possible refund claims, transactions/sales not yet confirmed, etc.) These details shall be furnished in the form of supplementary affidavit within four weeks.

The Committee shall also comply with the order dated 19th April 2010 to obtain necessary information with respect to full details of all the properties owned by M/s Golden Forest India Ltd. and its 110 subsidiary companies, especially from the records lying in Jharmari office, District Mohali, Tehsil Dera Bassi. The order dated 19th April, 2010 clarifies that possession of that property is with the Committee"

4. It is brought to the notice of the Hon'ble Court that the management of Golden Forests Group of companies has not provided any information in respect of the total assets of the Group of companies.

5. The Committee has tried to find out the assets record (sale deeds) from the office of the company at Village Jharmari, where the record of the company was alleged to be stored, in fact under the order of the Hon'ble Supreme Court

dated 20.01.2005 also, a joint inspection, with the company representative (CA of the company with his staff), was conducted but the Committee could find only a few sale deeds of the properties of the Golden Group of Companies therein. However, during the joint inspection, a copy of Dr.Namavati Assets Evaluation Report was also found. The inspection report was filed in the Hon'ble Supreme Court. Copy of the Joint inspection report is annexed as Annexure A-1.

6. The Committee again, would have liked to undertake inspection of the record to discover the desired sale deeds but that exercise would prove to be a futile job for the reasons given below:

a. There were raids conducted by the income tax and Punjab vigilance departments in 1995 & 1998 who also seized their records before the directors were arrested on 23.12.2000. the committee has no information of the record seized by them.

b. From the date of arrest of Director of the companies on 23rd Dec 2000 till the Committee took over possession in Sep 2004, staff are definite chances that the important record (including sale deeds) were taken away[®] at the instructions of the directions of the company.

7. The main source of assets held by Golden Forest Group of Companies would be Dr.Namavati property evaluation

92

report, which was prepared in June 1998 at the instance of the Company GFIL. The report was filed by the GFIL company in the High Court of Bombay in the matter of WP(C) No.344 of 1998 and again in the matter of CP 60 of 2001 in the Punjab & Haryana High Court. The Committee also sought direction from the Hon'ble Supreme Court in regard to the assets information. The Hon'ble Apex Court vide order dated 15.10.2008 directed the committee to take over assets of the companies as provided in the Dr.Namavati evaluation reports. The relevant portion of the order is reproduced as under:-

"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.

Its is stated that huge amounts were invested in these companies. A committee had been appointed by this Court on 19.08.2004, consisting of a retired Chief Justice of the Delhi High Court and two District Judge. 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 their parties, the Committee

93

may consider the same and pass appropriate orders, subject to confirmation by this Court".

Copy of the order is annexed as Annexure A-2

8. As, your Lordships have asked the Committee to inform the court about the extent of assets held by the Golden Forest companies, the committee is taking the evaluation report prepared by Dr. Namavati as main source of information of assets held by the Companies. The report is in 10 volumes, running into more than 4000 pages and gives information of the lands with numbers and dates of the relevant sale deeds alongwith location are area of each property purchased by Golden Group of Companies. To give glimpse of the report, a copy of Volume No.10 is annexed as Annexure A-3. The Committee has prepared stated wise details of assets as per evaluation report prepared by Dr. Namavati is as under:

S.No.	State	Area (in Acres)
1.	Uttarakhand	1,355.68
2.	Haryana	1709.27
3.	Punjab (Patiala Div.)	2036.86
4.	Andhra Pradesh Choutuppal Mandal)	1094.33
5.	Madhya Pradesh (Gari Piplaya)	128.16
	Total=	6323.98 Acres

Copy of Chart is annexed as Annexure A-4.

94

9. Apart from the above mentioned evaluation report, the Committee has also collected information of assets which are not included in the evaluation report. This information is based on (1) Orders of Surplus passed by the Collector Agrarian Derabassi. Hoshiarpur & Mukerain (Punjab) (2) Lands in the state of Odisha. Karnataka and additional lands in the states of Andhra Pradesh as informed by intended buyers (3) Additional Lands in Madhya Pradesh which information has been verified by the District administration of Indore and (4) other Source. The Committee has prepared state wise details of these assets which are as under:-

S.No.	State	Area (in Acres)
1.	Punjab	2423.00
2.	Odisha	90.24
3.	Karnataka	17.00
4.	Andhra Pradesh	231.30
5.	Madhya Pradesh	791.88
6.	Delhi	30.00
7.	Himachal Pradesh	7.50
	Total=	3590.92 Acres

Copy of chart of assets (not mentioned in Dr. Namavati Assets Evaluation Report) prepared on the basis of Information received from different sources is annexed as **Annexure-A-5.**

as

10. The Committee has consolidated the information collected from various sources including Dr. Namavati Assets Evaluation Report and prepared a Chart of it. As per the information received till date, the total lands of the Golden Forests Group comes to 9914.90 Acres. The Committee has also tried to ascertain the total land available for sale as the lands situated in the State of Punjab & Uttrakhand are subject matter of surplus land orders passed by these respective states.

After deducting the lands in the State of Punjab & Uttrakhand, the land available for also comes to 4099 Acres out of which 485.73 Acres have been sold by the Committee and lands to the extent 2476.73 Acres were put to sale but could not be sold for various reasons (one of them being the sale cancelled by the Hon'ble High Court of Delhi). A copy of consolidated chart of land (other than built-up properties) is annexed as Annexure A-6 (Colly). The Chart of sold lands form part of Annexure A-6.

11. Apart from the lands, there are number of built up properties held by Golden Group of Companies. The Committee has sold some of them after taking possession of the same. There are some more built-up properties, which have been identified by the committee, and the committee has taken steps to verify the title of those built-up properties.

Some of them are under litigation, for example the matter of two properties in Lajpat Nagar, Delhi is pending before the Hon'ble High Court of Delhi, the matter of 10 Shops on the Mall Mussoorie is pending before the Hon'ble Punjab & Haryana High Court and the matter of Drive in Mussoori & Drive in Dhanaulti is pending before the Hon'ble Supreme Court. The Committee has in some cases issued warrants of possession for example buildings at Sonapat, Dehradun, Rishikesh, and Nainital. The details of built up properties auction sold by the Committee is annexed as Annexure A-7 and a copy of other built-up properties is annexed as Annexure A-8. For the convenience of the Hon'ble Court, updated chart related to completes sales is annexed as Annexure A-9.

12. In almost every case, there has been a contest and in some cases there was hard contest before possession could be obtained and property sold. It may not be out of place to notice that in most case of recovery of possession the properties and thereafter sale of property, the Committee had to face tough fight in the Courts and some cases ending up with Supreme Court.

13. The Committee submits that the present status of the above assets shall not be in line with the revenue record of the government for the reasons; (1) Some of the properties