

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)

VERSUS

THE GOLDEN FORESTS (I) LTD.

Respondent(s)

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

[For urgent direction]

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

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

With

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

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

CORAM:

HON'BLE MR. JUSTICE ASHOK BHAN

HON'BLE MR. JUSTICE MARKANDEY KATJU

For Petitioner(s) Mr. Altaf Ahmed, Sr. Adv.

Mr. Bhargava V. Desai, Adv. Mr. Rahul Gupta, Adv.
 Ms. Varuna Bhandari Gugnani, Adv.
 Mr. Rameshwar Prasad Goyal ,Adv
 In IA 23 Mr. Harpal Singh, in person.
 For the Committee Ms. Suruchii Aggarwal ,Adv
 Mr. Prashant Chouhan, Adv.
 For Respondent(s) Mr. S.K. Passi, adv.
 Ms. Naresh Bakshi, Adv.
 For Drive-in Tourist Resorts Pvt. Ltd. Mr. Alok Gupta, Adv
 Mr. Ranjan Mukherjee, Adv
 Mr. N.R. Choudhury, Adv.
 Mr. Somnath Mukherjee, Adv.
 Ms. Kiran Suri, Adv
 Ms. Minakshi Vij ,Adv 2
 Mr. Ugra Shankar Prasad ,Adv
 Mr. Abhijit Sengupta, Adv
 Mr. K.C. Dua, Adv
 Mr. Subramonium Prasad ,Adv
 Mr. G. Ramakrishna Prasad ,Adv
 Mr. Khwairakpam Nobin Singh ,Adv
 For intervenor(s) Mr. M.C. Dhingra ,Adv
 Mrs. V.D. Khanna, Adv. for
 M/S I.M. Nanavati Associates ,Adv
 Mr. Aditya Sharma, Adv.
 Mr. K.S. Rana ,Adv
 Ms. Chitra Markandaya ,Adv
 Mr. B. Sridhar, Adv.
 M/S. K.Ramkumar & Associates ,Adv

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

UPON hearing counsel the Court made the following

ORDER

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

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

2. M/s. Golden Forest (India) Limited, Chandigarh [for short "GFIL"], the respondent herein, was incorporated on 23rd February, 1987 and was granted certificate of commencement of business on 6th March, 1987. The main objects of the GFIL were, inter alia, development of agricultural land, social forestry farms, etc. From the commencement of the business, the GFIL had come out with several schemes for raising funds from the investors. The GFIL had mobilized approximately Rs. 16 lakhs in 1987, Rs. 3 crores by 1990 and by the year 1997 it had mobilized about Rs.311 crores. It had also acquired about 7750 acres of land. It had mobilized 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 mobilize 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 mobilized and outstanding are at Rs.735 crores as on 7th of March, 1998 and; that they were confident of meeting all the liabilities and have also formulated a scheme of premature repayment.

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

" Heard the learned counsel for the parties.

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

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

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

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

6. Stand over to 1st April 1999.

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

[Emphasis supplied]

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

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

similar relief so as to frustrate the working of the private receiver appointed by the High Court of Bombay.

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

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

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

16. In the High Court of Punjab and Haryana at Chandigarh a winding up petition being Company Petition No.60/2001 was filed in which Mr.

Justice R.N. Agarwal (retired Chief Justice of the High Court of Delhi, now heading the Committee appointed by this Court) was appointed as the provisional official liquidator. The said Company Petition was also transferred to this Court and numbered as T.C. No. 68/2003. Similarly, other cases which were pending in various other High Courts were also transferred to this Court.

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

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

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

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

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

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

18. Thereafter the matter came up before this Court on 17th August, 2004 and again this Court passed an order for appointment of a Committee and dismissed the applications of various parties to be impleaded as parties. Certain restraint orders were passed against the GFIL, its Directors, Officers, employees, agents and/or power of attorney holders from creating any third party rights on any of the assets. The gist of the said order is as under:

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

The Company, its Directors, Officers, Employees, agents and / or power of attorney holders are restrained from alienating,

encumbering, creating any third party rights or transferring in any manner whatsoever any of the assets of the Company and/or their personal assets and restrained from making any withdrawals from any of the accounts.

Proposal for appointment of committee recorded.

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

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

No other Court or Forum or Tribunal any claim or application for return of monies or interest as this Court will deal with the same after realization of all assets. If any claims already filed, the same shall remain stayed.

It was further clarified that criminal cases are not covered by this Order and can proceed.

IA Nos. 1,5,9,6,30,7,14,15,32 in TC No.2/2004 dismissed as not pressed.

IA No. 25 in TC No.2/2004 dismissed as withdrawn.

IA No. 11 in TC No.2/2004 dismissed as infructuous.

IA No. 28 in TC No.2/2004: Time to deposit extended by four weeks. If not deposited within four weeks, the earlier order to stand vacated.

Matters directed to be listed on 19th August, 2004.

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

(i) The Chairman of the Committee at liberty to appoint CA to assist.

(ii) Committee to take in custody all assets of the company [GFIL] with the help of Police/DM, if required.

(iii) Committee to issue advertisements calling upon all creditors to submit their claims before the Committee.

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

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

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

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

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

(ix) Committee granted liberty to approach this Court.

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

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

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

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

A. Reconstitution of the Committee:

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

- C. Directions regarding sale of properties:
- D. Setting aside sale of immovable properties:
- E. Various settlements by or on behalf of the respondent-company
- F. Directions regarding claims made by investors on their investments:
- G. Properties of Golden Group:
- H. Action against Manzoor Ahmad Shah:

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

A. Reconstitution of the Committee:

25. Reconstitution of the Committee for faster results has been sought with the Chairman and other members who have experience and interest in the field work and also sale of properties. Also a small police force including an officer with the rank of Deputy Superintendent of Police [DSP] is sought to be attached with the Committee. It was stated that the officials appointed by the SEBI and RBI as members of the Committee had little to contribute in matters of realization of properties. The Committee has suggested some names for induction in the Committee and also obtained telephonic consent from one of them.

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

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

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

29. The Committee has not suggested the names of any officer from the revenue or the police whom it seeks to associate with itself in discharging its work effectively. We leave it to the Committee to appoint one retired revenue officer as well as a police officer who it thinks to be of assistance.

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

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

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

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

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

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

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

C. Directions regarding sale of properties:

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

37. The Committee is put at liberty to put to sale the properties at Village Jharmari, lands at Village Kot Billa, Jaswant Garh and other adjoining villages and a Resort at Nalagarh and other properties of GFIL, possession of which has already been taken by the Committee, by auction after due publicity. The sale shall be subject to the confirmation by this Court. After the properties are put to sale, the Committee shall report to this Court about the auction sale effected which shall be subject to the final orders of this Court.

D. Setting aside sale of immovable properties:

38. The Committee has sought the following directions :

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

1. Period prior to the appointment of provisional liquidator in the winding up petition in Punjab High Court / Delhi High Court and their respective restraint orders.
2. Period between the appointment of provisional liquidator and the date of restraint order dated 17th August, 2004 passed by this Court and the appointment of the present Committee; and
3. From 17th August, 2004 till date

39. Insofar as the period prior to the appointment of provisional liquidator in the winding up petition in the Punjab and Haryana High Court and Delhi High Court is concerned, the Bombay High Court in its order dated 23rd November, 1998 had restrained the company, its subsidiary as well as directors not to dispose of the properties of the respondent company or its subsidiaries or its directors till further orders. It would be to the Committee to make appropriate recommendations to this Court regarding the status of sales made after the restraint order passed by the Bombay High Court on 23rd November, 1998. Any application putting a claim for settlement of properties after the restraint order passed by the Bombay High Court should be made to the Committee which shall be at liberty to make appropriate recommendations to this Court for its consideration.

40. Insofar as the settlement/sales of immovable properties for the period between the appointment of provisional liquidator passed by the High Court of Punjab and Haryana and the restraint order dated 17th August, 2004 passed by this Court are concerned, any sales/settlement made contrary to the orders passed after the appointment of Provisional

Liquidator by the High Court of Punjab and Haryana on 20th January, 2003 and the restraint order passed on 17th August, 2004 by this Court shall be ignored and the Committee would be at liberty to get hold of those properties by taking vacant possession thereof with the help of civil and police authorities and deal with them in accordance with the directions already given.

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

41. The following directions are sought by the Committee:

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

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

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

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

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

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

43. Mr. Jain, learned senior counsel for the Company, has no objection to the Committee taking over the properties and assets of the companies mentioned at serial nos. 1-90. The Committee would be at liberty to take hold of the properties of the companies mentioned at Sl. Nos. 1-90 as well and deal with them as a part of the properties of GFIL.

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

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

45. The following directions are sought

- (a) to decide upon the cut off date for entertaining claims
- (b) to accept claims for consideration of only those claimants who have original authenticated receipts issued by the respondent company;
- (c) to categorise the range of investment by depositors and treat the small, medium and big investors in separate categories;

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

(e) to reject the claims of investors of Golden Projects Ltd. Since the investors were and are claiming to be under the impression that all the companies known as Golden Group of Companies belong to GFIL and are owned and managed by the Sayal family.

46. By an order dated 20th January, 2005 this Court had directed the Committee to issue advertisement fixing the cutoff 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. Cutoff date is fixed as 10th August, 2006. Hence, all claims filed before the Committee by the cutoff 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 categorize the range of investment by depositors and treat the small, medium and big investors in separate categories. Appropriate orders regarding disbursement of the amount among the small, medium and big investors shall be passed at a later date, after the total amount of sale of the properties is received. The

Committee shall not entertain claims passed on alleged deposits accepted by any agents in the year 2001 till date after the closure of the business of the GFIL. No claim without clear proof of deposit of money with the company shall be considered.

G. Properties of Golden Group:

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

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

H. Action against Manzoor Ahmad Shah:

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

"As set out in the petition, this Court has appointed an Administrator of the golden Forests (I) Limited. The purpose is to see there is an equitable distribution amongst all the depositors

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

51. It is apparent from the reading of the afore-quoted order of this Court that M.A. Shah could not be treated as a preferential depositor or creditor. The company was not at liberty to allot premises to any particular party. M.A. Shah was directed to handover the property to the Administrator if the Administrator has not already taken charge of the same. In spite of the said direction, M.A. Shah has not handed over the property to the Administrator. Mr. Shah is directed to handover the vacant possession of the property to the Committee forthwith and, in case he fails to hand over 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 20. These applications are dismissed with liberty to approach the Committee for appropriate orders in accordance with the directions issued in this order.

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

57. IA 50 is dismissed.

58. IA 4 in WP 188/2004

No orders. To be taken up with main case.

59. IA 44 is dismissed.

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

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

(Kanwal Singh)
Court Master

//TRUE TYPED COPY//

ANNEXURE A/11

OFFICE OF THE CHAIRMAN

Committee – Golden Forests (India) Ltd.

(Appointed By The Hon'ble Supreme Court of India)

Bungalow No.60, Sector-4, Chandigarh,

Tel: 0172-2740134,

Website:www.goldenforestcommittee.com

COM/CHD/P-HR-1/2012/200-204

25.05.2012

Notice to :-

- (1) Smt. Krishna Devi w/o Shri O.P. Bhola
- (2) Shri Hari Om s/o Shri O.P. Bhola
- (3) Dr. Taruna Premi w/o Shri Hari Om
- (4) Smt. Kalyani Bhola d/o Shri O.P. Bhola
- (5) Shri Shiv Om Bhola s/o Shri O.P. Bhola

All residents of H.No.27/4, PWD Colony, Ambala Cantt.

1. This Committee has been constituted by the Hon'ble Supreme Court of India. Among other things, mandate given by the said Hon'ble Court to this Committee is to identify the properties of M/s. Golden Forests (India) Limited and if they are in illegal, unlawful and unauthorized possession of any

person(s), to take their possession through the District Administration, with police aid, if need be.

2. It has come to the notice of this Committee that among other lands, the following land situated in Village Billa, Hadbast No.237, Tehsil & District Panchkula as entered in the Jamabandi for the year 1997-98 is owned by M/s. Golder Forests (India) Limited:-

(i) Land measuring 27 Kanal 11 Marla being 551/1052th share of the land measuring 52 kanal 12 Marla, entered in Khewat/Khatauni No.245/252 bearing Khasra Ncs.38//13/2(7-0), 14(8-0), 15(8-0), 17(8-0), 18(8-0), 19(8-0), 20/1(5-12) Kitte 7.

(ii) Land measuring 16 Kanal 3 Marla being 323/645th share bearing Khewat/Khatauni No.289/297 bearing Khasra Nos. 37//16(0-18), 24/2(2-19) & 38//9/2(4-14), 11/2(2-8), 11/2(7-18), 12/1(1-0), 20/2(2-8). Total 43 Kanal 14 Marla.

3. It has further come to the notice of this Committee that you (1) Smt. Krishna Devi w/o Shri O.P. Bhola; (2) Shri Hari Om s/o Shri O.P. Bhola; (3) Dr. Taruna Premi w/o Shri Hari Om; (4) Smt. Kalyani Bhola d/o Shri O.P. Bhola; (5) Shri Shiv Om Bhola s/o Shri O.P. Bhola, all residents of H.No.27/4, PWD Colony, Ambala Cantt, are alleged to have purchased this land from Smt. Anita Rani w/o Shri Sanjeev Kumar s/o Shri Ramesh Kumar resident of Village Jandali, Tehsil & District Ambala vide registered sale deed No.4277 dated 16.03.2011 registered at the office of the Sub Registrar, Panchkula though said Smt. Anita Rani had no right, title or interest in the land in question. Hence no valid title in the land in question has passed to you (1) Smt. Krishna Devi; (2) Shri Hari Om; (3) Dr. Taruna Premi; (4) Smt. Kalyani Bhola; (5) Shri Shiv Om Bhola aforesaid. Therefore, your possession on the land in question is prima facie illegal, unlawful and unauthorized.
4. Therefore, as per the mandate of Hon'ble Supreme Court of India, you are liable to deliver possession of this land to this Committee forthwith. So, this notice is being issued to you (1) Smt. Krishna Devi;

(2)Shri Hari Om; (3) Dr. Taruna Premi; (4) Smt. Kalyani Bholra; (5) Shri Shiv Om Bholra and you are directed to deliver possession of this land to this Committee forthwith or in the alternative to appear before this Committee either in person or through duly authorized counsel/agent on 11.06.2012 at 11.30 A.M. to show cause why possession of this land be not taken from them through the District Administration, Panchkula, with police aid, if need be. You are further warned that in case you fail to appear before this Committee on the said date and time, the matter shall be disposed of in accordance with law even in your absence.

Sd/-	Sd/-	Sd/-
R.N.Aggarwal	H.L.Randev	B.S.Bedi
Chairman	Member	Member
COMMITTEE-GFIL	COMMITTEE-GFIL	COMMITTEE-GFIL
CHAIRMAN	MEMBER	MEMBER
COMMITTEE-GFIL	COMMITTEE-GFIL	COMMITTEE-GFIL

OFFICE OF THE CHAIRMAN

Committee - Golden Forests (India) Ltd.

(Appointed By The Hon'ble Supreme Court of India)

Bungalow No. 60, Sector - 4, Chandigarh,

Tel: 0172-2740134, Website: www.goldenforestcommittee.com

COM/CHD/P-HR-1-K/2012/392

06.11.2012

ORDER

1. By this order it is proposed to dispose of the following show cause notices which were issued by this Committee to the persons mentioned against each show cause notice as under:-

(i) Show Cause Notice No. COM/CHD/P-HR-1-K/2012/272 dated 18.07.2012 in respect of 7 Kanal 18 Marla of land situated in Village Billa, Tehsil & District Panchkula issued to the following persons:-

(1) Shri Narata Ram, (2) Shri Ram Rattan, (3) Shri Gian Chand sons of Shri Pat Ram S/o Sh. Atru; (4) Shri Raj Kumar, (5) Shri Ajay Kumar sons of Shri Gian Chand S/o Shri Pat Ram, all resident of Village Ramgarh, Tensil and District Panchkula (Haryana); and (6) Shri Sanjeev Kumar S/o Shri Kehar Singh S/o Shri Tulsi Ram, R/o H. No. 1005, Mohalla Sawanpuri, Jagadhari, District: Yamunanagar (Haryana);

Respondents represented by Shri Bharti Gupta,
Advocate.

- (ii) Show Cause Notice No. COM/CHD/P-HR-1-E/2012/265 dated 13.07.2012 in respect of 41 Kanal 5 Marla of land situated in Village Billa, Tehsil & District Panchkula issued to Smt. Sangeeta Rani W/o Shri Pradeep Kumar S/o Shri Jagdish Singh, R/o Ishar Heddi, Tehsil Ladwa, District Kurukshetra, Haryana (Present Address: Smt. Sangeeta Rani W/o Sh. Pradeep Kumar S/o Shri Jagdish Singh, R/o Village Billa, Tehsil & District Panchkula, Hayana);
- (iii) Show Cause Notice No. COM/CHD/P-HR-1-F/2012/266 dated 13.07.2012 in respect of 45 Kanal 5 Marla of land situated in Village Billa, Tehsil & District Panchkula issued to Smt. Anita Rani W/o Shri Sanjeev Kumar S/o Shri Ramesh Kumar, R/o Village Jandali, Tehsil & District Ambala, Haryana (Present Address: Smt. Anita Rani W/o Shri Sanjeev Kumar S/o Shri Ramesh Kumar R/o Village Billa, Tehsil & District Panchkula, Haryana);

Respondent represented by Shri Aman Pal, Advocate.

- (iv) Show Cause Notice No. COM/CHD/P-HR-1-G/2012/267 dated 13.07.2012 in respect of 8 Kanal 10 Marla of land situated in Village Billa, Tehsil & District Panchkula issued to Shri Ram Rattan S/o Shri Pat Ram, Village Ramgarh, Tehsil & District Panchkula, Haryana.

Respondent represented by Shri Sanjay Bharti Gupta,
Advocate.

2. This Committee has been constituted by the Hon'ble Supreme Court of India, inter alia with the following mandate:-

(1) To invite claims form the investors and creditors to the company M/s Golden Forests (India) Limited and tabulate the same.

(2) To identify the properties of Golden Forests (India) Limited. and take their possession through the District Administration concerned, and if need be with the police help as well.

(3) To put on sale the properties of the Company Golden Forests (India) Limited.

3. Further the Hon'ble Supreme Court in paragraphs Nos. 39 & 40 in its order dated 05.09.2006 passed in. 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 In the case titled The Securities & Exchange Board of India (SEBI) Versus The Golden Forests (India) Ltd., was pleased to order and direct as under:-

"39. Insofar as the period 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."

- (i) Show Cause Notice No. COM/CHD/P-HR-1- K/2012/272 dated 18.07.2012 in respect of 7 Kanal 18 Marla of land situated in Village Billa, Tehsil & District Panchkula issued to Shri Narata Ram and five others:

4. It came to the notice of the Committee that the Company Golden Forests (India) Limited has sold the following land vide registered Sale Deed No. 2285/1 dated 20.03.2003 to (1) Shri Narata Ram, (2) Shri Ram Rattan, (3) Shri Gian Chand sons of Shri Pat Ram s/o Shri Atru; (4) Shri Raj Kumar, (5) Shri Ajay Kumar sons of Shri Gian Chand s/o Shri Pat Ram; all residents of Village Ramgarh, Tehsil & District Panchkula (Haryana) and (6) Shri Sanjeev Kumar s/o. Shri Kehar Singh s/o Shri Tulsi Ram resident of H. No. 1005, Mohalla Sawanpurl, Jagadhari, District Yamunanagar (Haryana) in contravention and violation of the restraint orders dated 07.10.1998 passed by the Hon'ble High Court of Delhi and dated 23.11.1998 by the Hon'ble Bombay High Court:-

Khata No. 262/267min, bearing Khasra No. 38/11/2(7-18) described in the Jamabandi for the year-1997-98 of Village Billa, Tehsil & District Panchkula.

5. In view of the directions and order contained in para 39 of the order dated 05.09.2006 of the Hon'ble Supreme Court of India passed in 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 in the case titled The Securities & Exchange Board of India (SEBI) Versus The Golden Forests (India) Ltd., a reference was required to be made to the Hon'ble Supreme Court of India (now to Hon'ble High Court of Delhi to which the case has since been transferred by the Hon'ble Supreme Court of India). Therefore, a show cause notice on the lines Indicated In paragraph No.39 of the Hon'ble Supreme Court order referred to above, was served on all the six

Respondents named above. In response to this notice they appeared through their counsel Shri Sanjay Bharti Gupta, Advocate and filed a written reply in the shape of objections supported by some documents.

6. They have inter alia pleaded that they purchased the land in question from Golden Forests (India) Limited after making proper enquiries from the revenue authorities and the Sub Registrar Office. According to the Respondents, as per the amended order of the Hon'ble. Bombay High Court, M/s. Golden Forests (India) Limited had put an advertisement in the newspaper for sale of the land in question. They had passed a resolution dated 30.08.2000 authorising one Shri Kehar Singh s/o Shri Tulsi Ram resident of Village Jhanda, Tehsil & District Yamunanagar to execute and register the sale deed of the land measuring 86 Kanal 10 Marla. On the basis of that resolution he executed the sale deed No. 2285/1. dated 20.03.2003 in respect of the land measuring 7 Kanal 18 Marla (the land in question) and another sale deed No.2286/1 dated 20.03.2003 in respect of some other land measuring 78 Kanal 12. Marla total being 86 Kanal 10 Maria of land. It is further pleaded that in fact Shri Kehar Singh aforesaid was one of the Investors of M/s. Golden Forests (India) Limited. The investment had been made In terms of the units of land measuring 125 sq. ft. each. His total Investment came equivalent to 86 Kanal 10 Marla of land. Therefore, In order to discharge their liability to Shri Kehar Singh aforesaid M/s. Golden Forests (India) Limited passed the resolution dated 30.08.2000 authorising him to sell 86 Kanal 10. Marla of land, and appropriate the sale consideration to

discharge his debt. It is further stated by them that after having purchased the land in question and other land measuring 78 Kanal 12 Marla, the present Respondents/objectors, sold a parcel of land measuring 45 Kanal 5 Marla to one Smt. Anita Rani and another parcel of land measuring 41 Kanal 5 Marla to Smt. Sangeeta Rani.

7. We have perused the record. Shri Sanjay Bharti Gupta, learned counsel for the Respondents was given patient hearing on 03.10.2012. We have given careful consideration to the matter before us.
8. The contention of the Respondents in the fore-front is that they had no knowledge, of the existence of restraint orders passed by Hon'ble High Court of Delhi dated 07.10.1998 and Bombay dated 23.11.1998 and that they had purchased the land in question and another parcel of land from M/s. Golden Forests (India) Limited after making due enquiries and so they are protected as bonafide purchasers without notice. However for appreciation of this plea of the Respondents totality of the facts and circumstances of this case must be kept in view.
9. It was a notorious fact extensively known throughout the length and breadth of the country, particularly in this region, that the affairs of M/s. Golden Forests (India) Limited had entered doldrums in the year 1998, If not earlier. In any case, multiple litigation against M/s Golden Forests (India) Limited, indeed against the entire Golden Group of Companies, had started early in the year 1998. SEBI had put them on notice. Multiple litigation against them had started in the Hon'ble Punjab & Haryana High

Court, and restraint order was passed by the Hon'ble High Court of Delhi on 07.10.1998 restraining M/s. Golden Forests (India) Limited from alienating its properties. A similar restraint order was also passed by Hon'ble Bombay High Court on 23.11.1998. The Hon'ble Punjab & Haryana High Court also passed the restraint order on 17.08.2001. As It Is, five out of six Respondents belong to Village Ramgarh, Tehsil & District Panchkula which was just contiguous to the main theatre of the activities of M/s. Golden Forests (India) Limited which ultimately led to their doom. Shri Sanjeev Kumar the sixth. Respondent is also from the neighbouring district Yamunanagar. To cap It all he is son of aforesaid Shri Kehar Singh who was one of the investors of M/s. Golden Forests (India) Limited and who had been appointed as authorized person by the said Company for selling 86 Kanal 10 Marla of land, in order to discharge his own debt. In the circumstances it may not be unreasonable to conclude that the father and the son and the latter's co-vendees had knowledge of the restraint orders passed by Hon'ble High Court of Delhi and Bombay. About 17 Lakh hapless Investors throughout the length and breadth of the country were crying hoarse from roof-tops about the shenanigans and acts of omission and commission of M/s. Golden Forests (India) Limited. In these circumstances it becomes difficult to believe that the present Respondents had not known of the existence of multiple litigation against M/s. Golden Forests (India) Limited and existence of the restraint orders passed them by the Hon'ble High Courts of Delhi and Bombay. Therefore their plea referred to above must be rejected.

10. Even otherwise, the defence of the Respondents is bound to be rejected. As already Indicated the plea of the Respondents is that the Company passed resolution dated 30.08.2000 authorising Shri Kehar Singh aforesaid to sell its land measuring 86 Kanal 10 Marla in discharge of their liability qua him. Obviously it means that preferential treatment had been given by the said Company to said Shri Kehar Singh Investor vis-a-vis 17 lakh other hapless. investors. As ruled by Hon'ble Supreme Court of India on 05.01.2005 in W.P. (C) No. 693 of 2004, titled Manzoor Ahmed Shah Vs. Golden Forests (India) Limited; preferential treatment cannot be given to one of the Investors qua the other investors. Therefore the preferential treatment given by M/s. Golden Forests (India) Limited to Shri Kehar Singh in this case by allowing him to sell 86 Kanal 10 Marla of the land and to appropriate the sale proceeds to discharge his debt cannot be sustained.

11. Another plea of the Respondents is that M/s. Golden. Forests (India) Limited had put an advertisement in a newspaper issue dated 13.11.1999 for sale of land In question and some other land under the amended order of the Hon'ble Bombay High Court. It is alleged that it was in compliance with that amended order that the sale had been conducted by M/s. Golden Forests (India) Limited and so it does not offend against the restraint order dated 23.11.1998 of Hon'ble Bombay High Court. This plea has been noted only to be rejected. The amended order was passed by Hon'ble Bombay High Court on 16.02.2000 In the case of Securities and Exchange Board of India (SEBI) Vs. Golden Forests (India) Limited. Relevant portion of the amended order

dated 16.02.2000 of the Hon'ble Bombay High Court reads as under:-

[1] "Mr. Justice M.L. Pendse [Retd.] is appointed as a private receiver for sale of properties described in Exhibit No.1 to the affidavit dated 2nd September, 1999 filed by Neeraj Chaudhary as Constituted Attorney on behalf of Respondent. The list of properties are set out in the Schedule attached to this order [hereinafter referred to as "the said properties" for short].

[2] The Directors of the company shall within two weeks from today pass resolution for sale of the said properties referred to hereinabove.

[3] The said properties to be sold through the private receiver named and appointed under this order:

[4] The Petitioner SEBI will maintain account in respect of sale of the properties. The Respondent No. 1, Company and its Directors shall deposit initially Rs. 25 Lacs with SEBI on account within two weeks from today towards the cost and expenses to be incurred for sale of the properties.

[5] The Respondent No.1 Company and Its Directors shall hand over the original title deeds in respect of the properties referred in the Schedule to the receiver within four weeks from today.

[6] In case the original title 'deeds do not stand in the name of Respondent No. 1 Company. Then the Directors shall produce duly verified affidavit of the person in whose name the properties are standing equivocally undertaking that such

person has no objection and Consents to the properties being sold by the private receiver and the sale proceeds thereof to the appropriated as per the directions of this Court. The affidavit to disclose that such person has no personal Interest whatsoever in the properties to be sold.

[7] The Respondent No.1 Company and its Directors to file an affidavit stating therein that none of the nineteen properties to be sold are charged, mortgaged or encumbered in any manner whatsoever and that there is no restriction whatsoever for sale of any the said properties. The Respondent no.1 and the Directors to file an affidavit to this effect before this Court within two weeks from today.

[8] The Respondent No.1 Company and the Directors shall obtain necessary consent/approval of authorities as may be directed by the private receiver from time to time.

[9] The private receiver shall be at liberty to appoint any personnel including valuers and to do all acts and things necessary to facilitate the sale of the properties. The Respondent No.1 Company and Directors shall deposit such amounts as may be directed by the private receiver with SEBI from time to time, SEBI to make payment to the private receiver and to others as directed by the private-receiver from time to time.

[10] The private receiver shall settle the terms and conditions of sale and determine whether property should be sold by the public auction or private treaty. The sale proceeds shall be

deposited in the account maintained by SEBI from time to time. The sale of the properties shall be subjected to confirmation by this Court.

[11] The private receiver shall submit report to the Court once in, every three months. The parties are at liberty to move the court in case any direction or clarification is required.

[12] The Directors of Respondent, no.1 Company and their relations and/or Companies associated with Respondent no.1 shall not purchase any of the properties mentioned in the Schedule without prior approval of this Court."

12. This amended order had been passed by Hon'ble High Court of Bombay on 16.02.2000 but wonder of wonders, the advertisement in the newspapers for sale, relied upon by the objectors, was issued by Golden Forests (India) Limited on 13.11.1999. Apart from that, under the order of 'Hon'ble Bombay High Court the sale was to be conducted by or under the supervision of Mr. Justice M.L. Pendse. Sale proceeds were to be deposited with SEBI. However, that was not the case in the present private sale conducted by M/s. Golden Forests (India) Limited through Shri Kehar Singh aforesaid one of its investors. Therefore this sale cannot be defended under the amended order of the Hon'ble Bombay High Court.

13. Be that it may, even the sale consideration in this case has not been proved. It is submitted by the learned counsel for the Respondents/objectors that Shri Kehar Singh aforesaid admitted

before the Sub Registrar that the sale consideration had already been received. However, there is no evidence of the manner of payment of sale consideration by the vendees to the vendor, whether it was in cash, by bank draft, electronic transfer or in other manner. The contention of learned counsel of the Respondents/objectors that admission of Shri Kehar Singh is binding. However, we find that in the facts and circumstances of this case it does not carry much weight. This Committee has been constituted by the Hon'ble Supreme Court to watch and protect the interest of about 17 lakh hapless investors. As already demonstrated preferential treatment had been given by the Company to Shri Kehar Singh aforesaid which cannot be sustained in law. In the facts, and circumstances of the case, we are of the considered opinion that the alleged admission of Shri Kehar Singh aforesaid is in no manner binding on 17 lakh poor and helpless investors who have been waiting for more than twelve years for refund of their hard earned money, of which they have been mulcted. Apart from this, Shri Kehar Singh aforesaid is manifestly a witness hostile to the body of about 17 lakh investors, because he had accepted preferential treatment from the Company. Therefore, his admission cannot bind the entire body of the investors.

14. For the reasons stated above, it may be unhesitatingly concluded that the objectors/ respondents purchased the land in question fully knowing the existence of the restraint orders against the Golden Forests (India) Limited passed by Hon'ble Delhi High

Court on 07.10.1998 and Hon'ble Bombay High Court on 23.11.1998.

15. For the reasons stated above, the alleged sale of 7 Kanal 18 Marla of land in favour of aforesaid Shri Narata Ram and five others cannot be sustained in the eyes of law. Therefore in view of the directions contained in Para No. 39 of the order dated 05.09.2006 of the Hon'ble Supreme Court of India it is fit case where a reference should be made to the Hon'ble High Court of Delhi.

16. Therefore it is directed that a respectful reference in the shape of a C.M. be made to the Hon'ble High Court of Delhi praying that the registered Sale Deed No. 2285/1 dated 20.03.2003 in respect of 7 Kanal 18 Marla of land described above in favour of aforesaid Shri Narata Ram and five other respondents in this case be set aside and its possession be recovered from them through the District Administration, Panchkula with Police aid, if need be. This disposes of the Show Cause Notice No. COM/CHD/P-HR-1-K/2012/272 dated 18.07.2012 in respect of 7 Kanal 18 Marla of land situated in Village Billa, Tehsil & District Panchkula issued to (1) Shri Narata Ram, (2) Shri Ram Rattan, (3) Shri Gian Chand sons of Shri Pat Ram S/o Shri Atru; (4) Shri Raj Kumar, (5) Shri Ajay Kumar sons of Shri Gian Chand S/o Shri Pat Ram, all resident of Village Ramgarh, Tehsil and 7 District Panchkula (Haryana); and (6) Shri Sanjeev Kumar S/o. Shri Kehar Singh s/o Shri Tulsi Ram, R/o H. No. 1005, Mohalla Sawanpuri, Jagadhari, District Yamunanagar (Haryana) referred to above.

(II) Show Cause Notice No. COM/CHD/P-HR-1-E/2012/265 dated 13.07.2012 in respect of 41 Kanal 5 Marla of land situated in Village Billa, Tehsil & District Panchkula issued to Smt. Sangeeta Rani W/o Shri Pradeep Kumar S/o Shri Jagdish Singh, R/o Ishar Heddi, Tehsil Ladwa, District Kurukshetra, Haryana (Present Address: Smt. Sangeeta Rani W/o Sh. Pradeep Kumar S/o Shri Jagdish Singh, R/o Village Billa, Tehsil & District Panchkula, Haryana); and

(iii) Show Cause Notice No. COM/CHD/P-HR-1-F/2012/266 dated 13.07.2012 in respect of 45 Kanal 5 Marla of land situated in Village Billa, Tehsil & District Panchkula issued to Smt. Anita Rani w/o Shri Sanjeev Kumar S/o Shri Ramesh Kumar, R/o Village Jandall, Tehsil & District Ambala, Haryana (Present Address: Smt. Anita Rani W/o Shri Sanjeev Kumar S/o Shri Ramesh Kumar R/o Village Billa, Tehsil & District Panchkula, Haryana):

17. Before proceeding further It may be noted that another show cause notice No. COM/CHD/P-HR-1-L/2012/273 dated 18.07.2012 was served on aforesaid (1) Shri Narata Ram, (2) Shri Ram Rattan, (3) Shri Gian Chand sons of Shri Pat Ram s/o ShriAtru; (4) Shri Raj Kumar, (5) Shri Ajay Kumar sons of Shri Gian Chand s/o Shri Pat Ram, all resident of Village Ramgarh, Tehsil and District Panchkula (Haryana); and (6) Shri Sanjeev Kumar s/o Shri Kehar Singh S/o Shri Tulsi Ram, R/o H. No. 1005, Mohalla Sawanpuri, Jagadhari, District Yamunanagar (Haryana) In respect of 78 Kanal 12 Marla of land situated in Village Billa, Tehsil and District Panchkula which they had allegedly purchased

vide registered sale deed No. 2286/1 dated 20.03.2003 from M/s Golden Forests (India) Limited through Shri Kehar Singh aforesaid. Detailed description of this land is as under:-

Khata No. 221/226, Bearing Khasra Nos. 38/20/1(5-12), 13/2(7-0), 14(8-0), 15(8-0), 17(8-0), 18(8-0), 19(8-0), Kitey 7, Measuring 52 Kanal 12 Marla and Khata No.262/267, Khasra Nos. 38/9/2(4-14), 12/1(1-0), 11/1(2-8), 20/2(2-8), 22/2/2/2(1-13), 37/16(10-18), 24/1(2-19), Kitey 7, Measuring 26 Kanal, total measuring 78 Kanal 12 Marla, described In Jamabandi for the year 1997-98.

18. However the respondents in that case did not turn up to contest and show cause despite service and so it was disposed of ex-parte in accordance with law by our order No.COM/CHD/P-HR-1-L/2012/278 dated 30.07.2012. The operative part of that order is as under:-

"9. For the reasons stated above it is held that the Company M/s. Golden Forests (India) Limited sold the land in question to the respondents in contravention and violation of the restraint orders of Hon'ble Delhi High Court and Bombay High Court. The respondents have not been able to show that they were unaware of these restraint orders. They have not put up any other defence either. Therefore, in the view of order dated 05/09/2006 of Hon'ble Supreme Court of India reproduced above, It is a fit case in which a reference should be made to the Hon'ble High Court of Delhi (to which all the proceedings have been transferred since then) that the registered sale deed No. 2286/1 dated 20.03.2003 of the land

described above in favour of the respondents be set aside and that its possession be recovered from them through District Administration Panchkula, with police aid, if need be.

10. Therefore, a respectful reference is made to the Hon'ble Delhi High Court that the registered Sale Deed No. 2286/1 dated 20.03.2003 executed by M/s Golden Forests (India) Limited in favour of the respondents be set aside and the respondents be directed to deliver the possession of the land in question to this Committee forthwith and further that if they fail to comply, warrant of possession of this land be Issued against the respondents and be got executed through District Administration, Panchkula with Police aid, if need be.

11. Copy of this order be communicate to respondents forthwith.”

19. This brings us to dispose of the Show Cause Notice No. COM/CHD/P-HR-1-F/2012/266 dated 13.07.2012 in respect of 45 Kanal 5 Maria of land, situated in Village Billa, Tehsil & District Panchkula issued to Smt. Anita Rani w/o Shri Sanjeev Kumar S/o Shri Ramesh Kumar, R/o Village Jandali, Tehsil & District Ambala, Haryana (Present Address: Smt. Anita Rani w/o Shri Sanjeev Kumar S/o Shri Ramesh Kumar, R/o Village Billa, Tehsil & District Panchkula, Haryana) and the Show Cause Notice No. COM/CHD/P-HR-1-E/2012/265 dated 13.07.2012 in respect of 41 Kanal 5 Maria of land situated in Village Billa, Tehsil & District Panchkula issued to Smt, Sangeeta Rani w/o Shri Pradeep Kumar S/o Shri Jagdish Singh, R/o Ishar Heddi, Tehsil Ladwa, District

Kurukshetra, Haryana (Present Address: Smt. Sangeeta, Rani w/o Shri Pradeep Kumar s/o Shri Jagdish Singh, r/o Village Billa, Tehsil & District Panchkula, Haryana). Except for the area of the lands and amounts of consideration the facts of these two cases are almost identical. So, It would-be justified to dispose of these two cases by a common order. The facts have been culled from Smt. Anita Rant's case.

20. It came to the notice of this Committee that Smt. Anita Rani W/o Shri Sanjeev Kumar S/o Shri Ramesh Kumar, R/o Village Jandall, Tehsil & District Ambala, Haryana (Present Address: Smt. Anita Rani w/o Sh. Sanjeev Kumar S/o Shri Ramesh Kumar R/o Village Billa, Tehsil & District Panchkula, Haryana) is in illegal, unlawful and unauthorized possession of the following land situated in Village Billa, Hadbast No. 237, Tehsil & District Panchkula (Haryana) owned by M/s. Golden Forests. (India) Limited, recorded in the Jamabandi for the year 1997-98:-

(A) Bearing Khasra Nos. 38//13/2(7-0), 14(8- 0), 15(6-0), 17(8-0), 18(8-0), 19(8-0) and 20/1(5-12);

(B) Bearing Khasra Nos. 38//9/2(4-14), 11/2(7-18), 12/1(1-0), 11/1(2-8), 20/2(2-8), 22/2/2(1-13), 37//16(10-18) and 24/1(2-18) total Kitey 15, Total Measuring 86 Kanal and 10 Marla in which 181/346 share equivalent to 41 Kanal 5 Maria.

21. Therefore, a notice was issued to her to show cause why possession of this land be not taken from her through the District Administration, Panchkula with the police aid, if need be.

22. In response to this notice she appeared through her counsel and filed objections to the show cause notice supported by some documents.
23. She has not denied that the land in question was initially owned by M/s Golden Forests (India) Limited. Her defence that Shri Narata Ram and his co-vendees aforesaid had purchased this land from M/s Golden Forests (India) Limited after making the enquiries. In turn Smt. Anita Rani, purchased this land from Shri Narata Ram S/o Shri Pat Ram S/o Shri Atru, Shri Sanjeev Kumar S/o Shri Kehar Singh S/o Shri Tulsi Ram, Smt. Jeeto Devi widow of Shri Gian Chand and Smt. Kuldeep: & Smt. Deepak daughters of Shri Gian Chand S/o Shri Pat Ram S/o Shri Atru resident of Jagadhari District Yamunanager then residing at Village Ramgarh, Tehsil & District Panchkula after making due enquiries. Therefore, it is pleaded by her that she is a bonafide purchaser.
24. We have perused the record. The learned counsel for the Respondent was given a patient hearing on 03.10.2012, we have given the careful consideration to the material on record.
25. So far as the plea that Sarvshri Narata. Ram and five others aforesaid, were bonafide purchasers is concerned, it has already been disposed of in relation to the notice No. COM/CHD/P-HR-1-K/2012/272 dated 18.07.2012 in respect of 7 Kanal 18 Maria of land. The Show Cause Notice No. COM/CHD/P-HR-1-L/2012 /273 dated 18.07.2012 issued to aforesaid Shri Narata Ram and five others in respect of 78 Kanal 12 Marla of land was Issued to them but they did not contest it despite service. So, it was disposed

of ex-parte in accordance with law vide our order No. COM/CHD/P-HR-1-L/2012/278 dated 30.07.2012. Operative part of that order has already been reproduced above. Therefore, the reproduction of the same reasoning here may be avoided for economy of space and time.

26. Coming to the question whether Smt. Anita Rani is a bonafide purchaser for consideration, It must be borne in mind that M/s. Golden Forests (India) Limited started entering doldrums in the year 1998 they were more than neck-deep In multiple litigation and wide spread adverse publicity against them, through the media and/or of the word of mouth which by itself is a very powerful medium, had taken place. The Securities & Exchange Board of India, (SEBI) had served notice on them. Restraint orders had been passed against the Company Golden Forests (India) Limited by Hon'ble High Court of Delhi on 07.10.1998 and by Hon'ble Bombay High Court on 23.11.1998. About 17 lakhs of hapless investors were crying hoarse from the roof-tops against the shenanigans and acts of omission and commission of the management of M/s. Golden Forests (India) Limited. Smt. Anita Rani Herself is the resident, of r/o Village Jandall, Tehsil & District Ambala, Haryana (Present Address: Smt. Anita Rani w/o Shri Sanjeev Kumar S/o Shri Ramesh Kumar, R/o Village Billa, Tehsil & District Panchkula, Haryana) which is in vicinity of Village Jharmari, Tehsil Dera Bassi where the Head office of M/s. Golden Forests (India) Limited was located at that time. It is difficult to believe that she would not have come to know of the acts of omission and commission and shenanigans of M/s Golden

Forests (India) Limited and the pendency of multiple litigation against them. Therefore, the purchase of land in question by her on 09.08.2006 [even after the Hon'ble Supreme Court had constituted this Committee and on 17.08.2004 had restrained the sale of properties of M/s Golden Forests (India) Limited] cannot be sustained as a bonafide transaction. In the circumstances just noticed, it is difficult to hold that Smt. Aníta Rani aforesaid had no knowledge of the restraint orders passed against the Company Golden Forests (India) Limited by various High Courts and the Hon'ble Supreme Court of India.

27. However for the sake of argument (but without conceding it) even if it is assumed that Smt. Anita Rani was bonafide purchaser, she does not and cannot become rightful owner of the land in question because Shri Narata, Ram and five others from whom she purchased the land in question had no transferable title in the land In question, and therefore the sale of land in their favour is liable to be set aside. At best she may be entitled to claim equitable right under Section 51 of Transfer of Property Act. She has not alleged or proved any Improvements in the land in question. So the payment of compensation for Improvement to her does not arise. She may be entitled to retain possession of this land on payment of the current market price to this Committee. Even by a rough and ready estimate the current market price of this type of land is not less than Rs. 2 crore per acre. Even here we may be erring on the lower side. Be that as it may she has not even exercised this option under Section 51 of the Transfer of Property Act and so it cannot be thrust upon her.

28. For the reasons stated above, it is held that Shri Narata Ram and five others had no transferable title in the land in question so they could not transfer a valid title to Smt. Anita Rani aforesaid. Therefore her possession on this land is totally illegal, unlawful and unauthorized. It is also proved that she had purchased the land in question vide sale deed No. 897 dated 09.08.2006 in contravention of the restraint order of Hon'ble High Court of Delhi dated 07.10.1998 and Hon'ble Bombay Court order dated 23.11.1998 and the Hon'ble Supreme Court of India order dated 17.08.2004.
29. In conclusion we are of the firm view it is a fit case In which a reference should also be made to the Hon'ble High Court of Delhi (to which all the proceedings have since been transferred) that the registered sale deed No. 897 dated 09.08.2006 of the land in question In favour of Smt. Anita Rani be set aside and possession be recovered from her through District Administration, Panchkula with police aid, if need be.
30. Therefore a respectful reference be made to the Hon'ble High Court of Delhi that the registered sale deed No. 897 dated 09.08.2006 by Shri Narata Ram and others vendors in favour of Smt. Anita Rani be set aside and she be directed to deliver the possession of the land to the Committee forthwith and if she falls to comply warrant of possession be Issued against her and it be got executed through the District Administration, Panchkula with police aid, if need be.

31. For the same reasons as advanced in Smt. Anita Rani's case supra we are also of the firm view that Smt. Sangeeta Rani's case is also a fit case in which reference should also be made to the Hon'ble High. Court of Delhi on the lines indicated above.
32. In conclusion we are of the firm view that it is a fit case in which a reference should also be made to the Hon'ble High Court of Delhi (to which all the proceedings have since been transferred) that the registered sale deed No. 896/1 dated 09.08.2006 of "the land in question in favour of Smt. Sangeeta Rani be set aside and possession be recovered from her through District Administration, "Panchkula with police aid, if need be. Detail of land sold vide registered sale deed No.896/1 dated 09.08.2006 is as under:-
- (A) Bearing Khasra Nos. 38//13/2(7-0), 14(8- 0), 15(8-0), 17(8-0), 18(8-0), 19(8-0) and 20/1(5-12);
- B) Bearing Khasra Nos. 38//9/2(4-14), 11/2(7-18), 12/1(1-0), 11/1(2-8), 20/2(2-8), 22/2/2(1-13), 37//16(10-18) and 24/1(2-18) total Kitey 15, Total Measuring 86 Kanal and 10 Marla in which 165/346 share equivalent to 41 Kanal 5 Marla.
33. Therefore a respectful reference in the shape of a C.M. be made to the Hon'ble High Court of Delhi that the registered sale deed No. 896/1 dated 09.08.2006 by Shri Raj Kumar, Shri Ajay Kumar sons of Shri Gian Chand S/o Shri Pat Ram and Ram. Rattan s/o Shri Pat Ram S/o Shri Atru, all residents of Jagadhari, District Yamunanagar (Present Address:- Ramgarh, Tehsil & District Panchkula vendors in favour of Smt. Sangeeta Rani be set aside and she be directed to deliver the possession of the land to this

Committee forthwith and if she falls to comply warrant of possession be Issued against her and it be got executed through the District Administration, Panchkula with police aid, if need be.

(iv) Show Cause Notice No. COM/CHD/P-HR-1-G/2012/267 dated 13.07.2012 in respect of 8 Kanal 10 Marla of land situated in Village Billa, Tehsil & District Panchkula Issued to Shri Ram Rattan s/o Shri Pat Ram, Village Ramgarh, Tehsil & District Panchkula, Haryana,

34. A pre-factory note in this case would be in order. As already Indicated M/s Golden Forests (India) Limited through said Shri Kehar Singh sold 7 Kanal 18 Marla of land to Shri Narata Ram and five others vie Sale Deed No. 2285/1 dated 20.03.2003 and another 78 Kanal 12 Marla of land to them vide registered sale deed No. 2286/1 dated 20.03.2003. Shri Ram Rattan the present Respondent was one of the vendees in both these sale deeds. One Shri Sanjeev Kumar S/o Shri Kehar Singh aforesaid was also one of the vendees. It appears that vide registered sale deed No.580 dated 31.05.2005 the said Shri Sanjeev Kumar sold his share equivalent to 8 Kanal 10 Maria of entire land to Shri Ram Rattan aforesaid. Description of this land measuring 8 Kanal 10 Marla Is as under:

(A) Bearing Khasra Nos. 38//13/2(7-0), 14(8- 0), 15(8-0), 17(8-0), 18(8-0), 19(8-0) and 20/1(5-12); Kitey 7, Measuring 52 Kanal 12 Marla;

(B) Bearing Khasra Nos. 38//9/2(4-14), 11/2(7-18), 12/1(1-0), 11/1(2-8), 20/2(2-8), 22/2/2(1-13), 37//16(10-18) and 24/1(2-

19) Kitey 8, Measuring 33 Kanal 18 Marla, Total Measuring 86 Kanal and 10 Marla in which 170/1730 share equivalent to 8 Kanal 10 Marla.

35. So in this background, show cause notice No. COM/CHD/P-HR-1-G/2012/267 dated 13.07.2012 was issued to Shri Ram Rattan in respect of this parcel of land measuring 8 Kanal 10 Marla. However, it appears that he could not grasp the significance of this notice limited to 8 Kanal 10 Marla of land. However he and other co-vendees were issued a registered show cause notice No. COM/CHD/P-HR-1-L/2012/273 dated 18.07.2012 In respect of 78 Kanal 12 Marla of land but they did not contest it despite service. Therefore, this show cause notice was finally disposed of in accordance with the law by our order No. COM/CHD/P-HR-1-L/2012/279 dated 30.07.2012. Another Show Cause Notice No. COM/CHD/P-HR-1-K/2012/272, dated 18.07.2012 was also Issued to them in respect of the measuring 7 Kanal 18 Marla. Shri Ram Rattan along with his co-vendees filed reply/objections to this show cause notice. It has been disposed in the manner Indicated above. Therefore, the reply filed by Shri Ram Rattan in this case does not synchronize with the notice No.COM/CHD/P-HR-1-G/2012/267 dated 13.07.2012 relating to only 8 Kanal 10 Marla of land which he had purchased from co-vendee Shri Sanjeev Kumar. Since two notices relating to sale deed No.2285/1 dated 20.03.2003 and sale deed No. 2286/1 dated 20.03.2003 have already been disposed of therefore the repetition may be avoided with advantage. At the same time, we are of the considered view that the Sale Deed No. 580 dated 31.05.2005 relating to the sale of

8 Kanal 10 Marla of land by Shri Sanjeev Kumar co-vendee in favour of Shri Ram Rattan aforesaid, should not be allowed to stand. The reasons of illegality of this sale deed are the same as in respect of the sale deed. No. 2285/1 and 2286/1 both dated 20.03.2003, and the respective sale deed in favour of Smt. Anita Rani and Smt. Sangeeta Rani aforesaid. The unnecessary repetition may be avoided with advantage. Suffice does it to say that for the same reasoning as stated In the above cases, the sale deed No.580 dated 31.05.2005 in respect of 8 Kanal 10 Marla of land sold by Shri Sanjeev Kumar in favour of Shri Ram Rattan is also liable to be set aside. Therefore a respectful reference in the shape of C.M. be made to the Hon'ble High Court of Delhi with a prayer to set aside this sale deed No.580 dated 31.05.2005. Since this land has already passed on to the hands of Smt. Anita Rani and Smt. Sangeeta Rani aforesaid and since a prayer. for taking possession from them has already been ordered to be made to the Hon'ble High Court of Delhi, therefore a separate prayer for possession In respect of this small piece of land from Shri Ram Rattan is not necessary.

36. This order shall be subject to confirmation by the Hon'ble High Court of Delhi.
37. In the result the office is directed to make reference in the shape of C.M. to the Hon'ble High Court of Delhi in the manner indicated above. A copy of this order be communicated to all the respondents.

Sd/- R.N. Aggarwal Chairman Committee-GFIL	Sd/- H.L. Randev Member Committee-GFIL	Sd/- B.S. Bedi Member Committee-GFIL
---	---	---

MEMBER

COMMITTEE-GFIL

MEMBER

COMMITTEE-GFIL

Sd/- 06-11-2012

CHAIRMAN

COMMITTEE-GFIL

//TRUE TYPED COPY//

OFFICE OF THE CHAIRMAN

Committee Golden Forests (India) Ltd. (Appointed By The Hon'ble
Supreme Court of India) Bungalow No.60, Sector-4, Chandigarh,
Website:www.goldenforestcommittee.com

Tel: 0172-2740134,

COM/CHD/P-HR-1-B/2012/401

23.11.2012

In the matter of:

- 1) Smt. Krishna Devi w/o Shri O.P. Bhola
- 2) Shri Hari Om s/o Shri O.P. Bhola
- 3) Dr. Taruna Premi w/o Shri Hari Om
- 4) Smt. Kalyani Bhola d/o Shri O.P. Bhola
- 5) Shri Shiv Om Bhola s/o Shri O.P. Bhola All residents of H.
No.787, Sector-26, Panchkula

Present: Shri Shiv Om Bhola one of the applicants in person with
Shri Davender Kumar, Shri N.S. Behgal and Shri Rajesh.
Jangra, Advocates, counsel for all the five
applicants/objectors.

ORDER

R.N. Aggarwal, Chairman.

1. This order shall dispose of the objections dated 22.08.2012 and
16.11.2012 by Krishan Devi and four others in response to the
show cause notice dated 25.05.2012 Issued by the Committee-

GFIL regarding the sale of land measuring 43K14M in Village Billa. Tehsil and District Panchkula by Anita Devi to the objectors.

2. The lands which are the subject matter of these objections admittedly were owned by GFIL. The said company ran into rough weather in the year 1998 onwards and it finally shut its business in the year 2000. The Managing Director and some other Directors were arrested in Dec 2000.
3. The lands covered by these objection petitions are subject matter of a chain of sale transactions. One Sh. Kehar Singh s/o Tulsi Ram, an official of the company, vide resolution dated 30.08.2000 was authorized to sell the lands measuring 86K - 10M as a representative of the company. Sh. Kehar Singh allegedly sold 86K10M vide sale deed nos. 2285 & 2286 dated 20.03.2003 to Narata Ram and others. The sale deed No.2286 was in respect of 7K 18M and the second sale deed no.2286 was pertaining to 78K- 12M. For clarity, it be noted that one of the vendees in the above noted sale deed no.2286, is Sh. Sanjeev son of Kehar Singh (The Vendor). Sh. Sanjeev sold his share of 8K 10M to. Sh. Ram Rattan vide sale deed no.580 dated 31.05.2005.
4. Narata Ram and others vide sale deed no.897 dated 09.08.2006 sold out of 86K10M, 45K5M to Anita Rani (The Present Vendor) and vide another sale deed no.896 dated 09.08.2006, Narata Ram and others sold the remaining 41K 5M to "Sangeeta Rani.

5. Anita Rani sold out of 45K 5M, 14M vide sale deed no.4277 dated 16.03.2011 to Krishna Devi, her sons Hari Om, Shiv Om, daughter Kalyani Bholra and Dr. Taruna Premi w/o Hari Om, all r/o H.No.787, Sector26, Panchkula.
6. The above mentioned are the objectors before us. This decision pertains to the sale made by Anita Rani in favour of Krishna Devi and others.
7. The present case is fully covered by the decision of the Committee, dated 06.11.2012 In the case of Narata Ram and others. The said decision also covers the sales made in favour of Anita Rani w/o Sanjeev Kumar, Sangeeta Rani w/o Pradeep Kumar, and Ram Ratan s/o Pat Ram. The Committee has held that the sales made in favour of Narata Ram and others, Sangeeta Rani, Anita Rani and Ram Rattan are not valid and legal. The said order is subject to confirmation by the Hon'ble Delhi High Court.
8. Anita Rani has further sold, to the objectors; 43K 14M out of 45K 5M vide sale deed dated 4277 dated 16.03.2011. As per the objectors, prior to the execution of the sale deed an agreement was executed on 15,10.2010. The objectors claim, inter alia, (a) that they have-raised loan from Karnataka Bank Ltd., Panchkula in the amount ofRs.39 Lakhs; (b) that the land is mortgaged (c) that Anita Rani had raised a loan of Rs.45.18 Lakh from the Panchkula Central Cooperative Bank Ltd. and she was a bonafide purchaser of the land, (d) that they had made Improvements, costing lakhs of rupees onthe land purchased by them and (e) that they are bonafide purchasers for value.

9. The Committee has heard the counsel for the objectors and perused the records. The Committee finds no merit in the objections. It is not worthy that In the undated affidavits (attested, on 10.11.2012) filed by the objectors along with the objection petition, there is no mention of the mortgage. The other noticeable fact is that in the objection petition... dated 22.08.2012, the objectors made no mention of the mortgage and the improvements. The objectors claimed to have spent more than Rs.45 Lakhs on the development of the lands. The objectors also have not, placed on record, the mortgage deed. These objections are purely an afterthought.. Even if, it is presumed that the objectors have raised loan and made improvement on the lands, this does not help their case as the transaction is malafide and void. The transfer had no legal title in the lands to transfer.
10. The contention of the objectors that they are bonafide purchasers is wholly without merit. The objectors claim that the Chairman of the Committee- GFIL did not take any steps or issue any instruction. to the office of the Registrar, Panchkula for not registering any sales pertaining to properties of the company. The objectors are factually not correct In stating that Committee-GFIL has taken no steps to direct the Sub Registrar not to register any sale deed pertaining to the Company... The Deputy Commissioner and Sub Registrar were directed more than once by the Provisional Liquidator, vide letter No.PL/CHD/2004/178 dated 13.05.2004 and PL/CHD/2004/245 dated 06.08.2004, not to register any sale

deed pertaining to properties of GFIL and its subsidiary companies. The Committee also later wrote similar letters to the Deputy Commissioner, Panchkula. The public was also warned through advertisement published on 25.10.2004 in the newspaper namely Indian Express, Dainik Bhaskar and Dainik Jagran warning General Public not to enter into any transaction in respect of the properties, of GFIL and its subsidiary companies.

11. After careful perusal of the records, the Committee find no merit in any of the objections. The case is fully covered by the decision of the Committee in the case of Narata Ram and others. The three successive vendors namely Kehar Singh, Narata Ram and others and Anita Rani do not possess any saleable right in the property and therefore the sale of land in favour of the objectors Krishna Devi and others is legally not valid. These sale deeds are in violation of the restraint order passed by the Hon'ble Bombay High Court, Hon'ble Delhi High Court and Hon'ble Supreme Court. It be added that the sale deeds executed by Kehar Singh show that one of the vendees Sh. Sanjeev Kumar is his son. This fact raises serious doubts on the genuineness of the sale transactions.

12. As already noticed earlier, the company had completely closed its business in Dec 2000, the directors were arrested on 23.12.2000, it is not believable that objectors, if they had made any genuine efforts they would not have found out the facts about the company affairs. The sale is not genuine and the malafides are obvious...

13.The Committee finds that the sale is null and void and the objections are dismissed. This file be linked with file No.P-HR1L & P-HR-1K of Narata Ram and others.

14.This order is subject to confirmation by the Hon'ble Delhi High Court. The Hon'ble High Court of Delhi be further prayed to direct the objectors to immediately deliver possession of the lands to the Committee- GFIL.

Sd/-

R.N. Aggarwal

Chairman

Sd/-

H.L. Randev

Member

Sd/-

B.S. Bedi

Member

CHAIRMAN

COMMITTEE-GFIL

MEMBER

COMMITTEE-GFIL

MEMBER

COMMITTEE-GFIL

//TRUE TYPED COPY//

ANNEXURE A/14

IN THE HIGH COURT OF DELHI AT NEW DELHI

C.M. NO. 595-5960F 2013

IN

W.P.(C) NO.1399 OF 2010

IN THE MATTER OF:

National Investor Forum

...Petitioner

Versus

Golden Forests (India) Ltd. & Anr.

...Respondents

AND IN THE MATTER OF:

1. Krishna Devi

W/o Sh. Om Prakash Bhola

2. Shiv Om

S/o Sh. Om Prakash Bhola

3. Hari Om

S/o Sh. Om Prakash Bhola,

4. Mrs. Taruna

W/o Sh. Hari Om

5. Kalyani

D/o Sh. Om Prakash Bhola,

All R/o: H.No.787, Sector-26, Panchkula, Haryana

...Applicants

VERSUS

Committee Golden Forests (India) Ltd. Appointed by Hon'ble Supreme Court of India Bungalow No.60, Sector-4, Chandigarh...

.... Respondent

APPLICATION UNDER SECTION 151 OF CIVIL PROCEDURE CODE, 1908 FOR SETTING ASIDE OF THE IMPUGNED ORDER DATED 23.11.2012 PASSED BY THE COMMITTEE GOLDEN FORESTS (INDIA) LIMITED APPOINTED BY THE HON'BLE SUPREME COURT OF INDIA IN COM/CHD/P-HR-1-B/2012/401

To

The Hon'ble Chief Justice
And his Lordships Companion Judges
Of the High Court of Delhi
At New Delhi

The humble application on behalf of applicants above named most respectfully showeth:-

1. That the applicants purchased the land measuring 43 Kanals 14 Marla in Village Billa Tehsil & District Panchkula from Smt. Anita Rani W/o Sh. Sanjeev Kumar R/o. Village Jandali, Ambala vide sale deed No. 4277 dated 16.03.2011 for a consideration amount of Rs. 1,25,63,750/- (Rupees One Crore Twenty Five Lacs Sixty Three Thousand Fifty Only) **(ANNEXURE-A COLLY)**.
2. That the Anita Rani purchased the aforesaid land from Narata Ram vide Sale Deed No.897 dated 09.08.2006**(ANNEXURE-B)** **(COLLY)** for a consideration of Rs.56,62,250/- and Narata Ram,

purchased the aforesaid land from Kehar Singh vide sale deed No.2286 dated 20.03.2003(ANNEXURE-C) (COLLY) on the basis of the resolution of the Golden Forests (India) Ltd. dated 30.08.2000(ANNEXURE-D) in favour of Kehar Singh.

3. That the applicants purchased the land in question after properly verifying the title of the Anita Rani from Govt. Authorities and also after verifying the actual physical possession of the land in question with Anita Rani. The land in question was also got demarcated by the then Tehsildar(ANNEXURE-E) (COLLY). Even a loan of Rs.45,18,000/- was also extended by the Panchkula Central Cooperative Bank Ltd., Sector-2, Panchkula, in favour of Anita Rani on the land in question and even a loan of Rs.39 Lacs was. given by the Karnataka Bank Ltd., Panchkula to the present applicants at the time of execution of the sale deed. In favour of the applicants by Anita Rani. The NOC was also issued by the Panchkula Co-Operative Bank to Anita Rani to entitle Anita Rani to execute sale deed of the applicants (ANNEXURE-F). As, the revenue records i.e. mutation and Jamabandi pertaining to the ownership of the land in question reflect the clear title have also spent more than Rs.40 Lacs on the development In land in question on Installation of Tube-Well, leveling of land, installation of transformer, construction of rooms and boundary wall and growing of the trees and crop etc, at the land in question. The photographs and Bills of the expenses are annexed herewith as **(ANNEXURE-I) (COLLY)**.
5. That the applicants came to know about the issuance of the show cause notice (ANNEXURE-J) bearing No.COM/CHD/P-HR-1-

H/2012/200-204 dated 25.05.2012 by the committee/respondent herein and filed their detailed objections (ANNEXURE-K)(COLLY) to the show cause notice issued by the committee/respondent to the applicants, but the objections filed by the applicants were dismissed by the committee/respondent vide dated 23.11.2012 which was received by the applicants on 04.12.2012. The copy of the order dated 23.11.2012 is annexed herewith as (ANNEXURE-L) (COLLY).

6. That the Impugned order of the committee dated 23.11.2012 has been passed by the committee is illegal and is liable to be set aside on the following grounds.

GROUNDS

- A. Because the committee/respondent passed the Impugned order without properly looking into the facts of the case and dismissed the objections of the applicants without application of mind... The committee has nowhere mentioned that how the transaction made by the applicants with Anita Rani was malafide. It is submitted that the applicants have purchased the land in question after properly verifying the revenue records i.e. mutation and jamabandi of the earlier owners and did not notice any irregularity or illegality in the same. Furthermore, even loan of Rs.45,18,000/- has been extended by the Panchkula Cooperative Bank to the earlier owner Anita Rani and even loan of Rs.39 Lacs has been extended to the applicants, but the committee/respondent dismissed the contention of the applicants relating to the mortgaging of the land in question with Karnataka Bank Ltd. on

the ground that mortgage deed has not been filed by the applicants with the objections. In this regard, it is submitted that the sale deed executed by Anita Rani in favour of the applicants itself reflects the facts of extending of the loan by the Karnataka Bank Ltd. to the applicants, which was filed by the applicants with objections, but the same was not considered by the committee, though there was specific mention in this regard. In the objections filed by the applicants. Furthermore, the applicants have also placed on record the photocopy of the NOC Issued by the Panchkula Cooperative Bank to Anita Rani, which reflect the factum of extending of the loan to Anita Rani on the land in question. This clearly shows, that there was ample evidence on record to show that the land was under mortgaged and the loan of Rs.39 Lacs was extended by the Karnataka Bank Ltd., Panchkula, but the same was not considered by the committee and hence the impugned order is liable to be set aside.

- B. Because the committee/respondent dismissed the objections of the applicants on Irrational grounds. The committee did not considered the factum of spending of Rs.40 Lacs on the development of the land in question by the applicants solely on the ground that the applicants have not taken this objection in the earlier objection petition dated 22.08.2012. In this regard, It is submitted that the earlier counsel did not take this ground and even the earlier grounds were also not heard by the committee on merit and has been dismissed solely on the ground that the matter has, already been heard ex-parte and after which, the applicants again, moved an application for setting aside of the ex-parte order

dated 29.06.2012 with fresh objections and the same was heard by the committee and were ultimately dismissed vide Impugned order dated 23.11.2012. The applicants placed photographs showing installation of Tube-Well; leveling of land, installation of transformer, construction of rooms and boundary walls and growing of the trees etc. but the same were not considered by the committee. It is submitted that the committee in its order dated 30.07.2012 In COM/CHD/P-HR-1- L/2012/278 have taken the fact that the previous owner i.e. Anita Rani has not exercised his option Section 51 of the Transfer of Property Act, but in the present case the committee passed the impugned order without explaining the fact that how the applicants are not entitled to the benefit of the Section 51 of the Transfer of Property Act and hence the Impugned order is liable to be set aside as the same is silent on various contentions raised by the applicants before the committee.

- C. Because the committee in the Impugned order has nowhere mentioned that how the present transaction is malafide not bonafide though the applicants have placed every documents to show that the applicants purchased the land after properly verifying the revenue records and actual physical possession of the land and even the banks have extended the loan without doubting the title of the land in question from any angle and hence the Impugned order of the committee is liable to be set aside as the same has been passed without proper application of mind.
- D. Because in the present case, the question involved is regarding the bonafide purchasing of the land by the applicants which required detailed enquiry and evidence and cannot be decided in a summary

manner. Even the order of the Hon'ble Supreme Court dated 19.08.2004 does not empower the committee to proceed the matter where evidence is required In the Interest of justice, to proceed summarily. The same will be against the settled principle of the law and the applicants will suffer irreparable loss and same will cause injustice to the applicants. As the impugned order clearly reflect that the committee has proceeded with the matter in a summary manner and did not allow the applicants to lead evidence to show their bonafide and the same is against the settled principal of law and is also against the law of equity as held by this court In 1999(51) DRJ 491 that "the objections cannot be summarily be dismissed-triable Issues arising from the objections- objections have to be adjudicated by the court and also in 2007(97) DRJ 189 Is has been held that "execution of decree-sale of property by agreement to sell etc.-objection against attachment-sale may during pendency of execution is hit by doctrine of lis pendens unless such sale is bonafide and protected by Section 53- Impugned order set aside and matter remanded for adjudication in accordance with law after giving opportunity to parties to lead evidence. The rights of the bonafide purchasers are protected under general law as well as law of equity as has been held in AIR 1928 ALL 29 "Fraud does not affect a stranger who acts in good faith and pays full consideration and also in AIR 1940 Lahore 198 "bonafide transferee even from fraudulent transferee is protected and in view of the aforesaid law laid down by various courts, the impugned order is liable to be set aside.

- E. Because the applicants being the bonafide purchasers of the land and on the other hand, the purpose of constituting of the present committee was just to collect the assets of the company, so that the Investors in the company could be compensated. It is submitted that the company is having various properties and the perusal of the same shows that the properties of the company are more than Rs.10,000/- Crores, whereas the liabilities of the company seems to be around Rs.1500/- Crores. It is submitted that after selling of the undisputed property of the company, the Investors can be compensated and there is no such urgency to proceed or decide the cases where, the purchasers of the assets of the company are bonafide purchasers. The priority should be given to first sell those properties which are having clear title in the name of the company and not to proceed against the persons (Including applicants) who are bonafide purchasers and this fact has, not been considered by the committee in the Impugned order and hence same is liable to be set aside.
- F. Because, if any, fraud has been committed then the same has been committed by the Golden Forests (India) Limited and the applicants are just the bonafide purchasers of the land in question. The applicants are also placed on the same foot as the other investors with the Golden Forests (India) Limited and hence the applicants cannot be penalized to compensate the other investors/victims of the company, as the same will be against the natural principal of law, but the committee did not consider this submission of the applicants and hence the Impugned order is liable to be set aside.

- G. Because the applicants have spent their all life savings in purchasing of the land in question and have made the payment of Rs.1,25,63,750/- after taking loan of Rs.39 Lacs from the Karnataka Bank Ltd. and remaining sum was collected after selling the prime located, properties in Gurgaon. It is submitted that, if there was any occasion for the applicants to doubt the legality of the aforesaid transaction then the applicants would never sold their properties in Gurgaon and would not consider of taking loan of Rs.39 lacs from the bank, of which the applicants are paying monthly instalment of Rs.76,500/-. Furthermore, the sale deed 'amount Itself shows that the land has been purchased at market price and hence there cannot be any greed on the part of the applicants. If, the applicants were having any doubt about the legality of the title of the property then the applicants could never think of purchasing the aforesaid land at market price. All these facts require detail evidence and the objections of the applicants cannot be dismissed by the committee In summary manner. The committee does not provide any opportunity for the applicants to lead evidence in this regard and proceeded with the matter against the settled principle of law and hence the impugned order Is liable to be set aside.
- H. Because the land in question has been transferred to other persons i.e. Narata Ram and Anita Rani before being-purchased by the present applicants and in all these cases sale deed has been registered at the Registrar Office Panchkula and No Objection was ever raised by the Sub Registrar Panchkula at the time of registration of the sale deeds even mutation have been made in the

revenue record and in Jamabandi regarding to the sale of the land in question, but even no revenue official ever raised any objection at the time of making of mutations in revenue records or in Jamabandi etc., this fact reflect that neither the Sub Registrar: Panchkula nor the Revenue Department were aware about any stay or Injunction by the court In regard to the aforesaid land and hence a lay man cannot be aware about the pendency of any litigation when the concerned Govt. authorities are also not aware. The land has ever been got demarcated by the Tehsildar and even at that time no objection raised by the revenue department. Even advertisement (ANNEXURE-M) was published in the Newspaper regarding sale of the aforesaid land by the Golden Forests (India) Limited' and even at that time no action was taken against the Golden Forests (India) Limited by any authority. The applicants are the bonafide purchasers of the land and the stay or Injunction was never brought to their notice and the applicants were also not aware of any stay or pendency of litigation on the land in question and. hence the applicants cannot be penalized by proceeding summarily by the committee and hence the impugned order is liable to be set aside.

- I. Because the committee is also not having any jurisdiction to set aside the sale deed of the land: In question in favour of the applicants, as the committee is not empowered to set aside the sale deed before the date of appointment of official liquidator which was appointed on 18.06.2003 as in the present case the sale deed is dated 20.03.2003 and hence the same cannot be set aside by the committee and the committee exceeded in his jurisdiction

in declaring the sale deed of land in question in favour of the applicants as null and void and hence the Impugned order is liable to be set aside.

PRAYER

In view of the aforesaid facts and circumstances, it is the humble prayer of the applicants above named that this Hon'ble Court may be pleased to;

- a) Set aside the impugned order dated 23.11.2012 passed by the committee- Golden Forests (India) Ltd. In COM/CHD/P-HR-1-B/2012/401;
- b) Pass any other order(s) as this Hon'ble Court may deem fit and proper.

Delhi

Dated: 02.01.2013

Applicants

Through

Sd/-

RAJESH JANGRA & DAVENDER KUMAR
ADVOCATES
CH.NO.129, LAWYERS CHAMBERS,
DELHI HIGH COURT, DELHI

//TRUE TYPED COPY//

ANNEXURE A/15

IN THE HIGH COURT OF DELHI AT NEW DELHI

C.M. NO.595 OF 2013

IN

WP (CIVIL) NO.1399 OF 2010

IN THE MATTER OF

National Investor Forum ...Petitioner

VERSUS

Golden Forest (India) Limited
& Another ... RespondentsAND IN THE MATTER OF

Krishna Devi and Ors. ... Applicants

VERSUS

Committee-Golden Forest India Ltd. ... Respondent

REPLY BY THE COMMITTEE-GFIL (APPOINTED BY THE
HON'BLE SUPREME COURT) TO C.M. NO.595 OF 2013
FILED BY KRISHNA DEVI AND OTHERS.MOST RESPECTFULLY SHOWETH:

1. The lands which are subject matter of this application were owned by Golden Forests India Ltd. One Sh. Kehar Singh, S/o. Sh. Tulsi Ram claimed to have been

authorized by the company vide alleged resolution dated 30.08.2001 to sell the land measuring 86 Kanal 10 Marla as a representative of the company. Sh. Kehar Singh allegedly sold 86 Kanal 10 Marla vide two sale deeds nos.2285 and 2286 dated 20.3.2003 to Narata Ram and others. Sale Deed No.2285 related to 7 Kanal 18 Marla and second Sale Deed No.2286 related to 78 Kanal 12 Marla. It be noted that one of the vendees in the sale deeds Sh. Sanjeev Kumar, S/o. Kehar Singh (Vendor) sold his share of 8 Kanal 10 Marla to another vendee Sh. Ram Rattan, S/o. Pat Ram vide Sale Deed No.580, dated 31.5.2005.

2. Narata Ram & others vide Sale Deed No.897 dated 09.08.2006, sold out of 86 Kanal 10 Marla, 45 Kanal 5 Marla to Anita Rani, W/o. Sanjeev Kumar and vide another Sale Deed No.896, dated 09.08.2006, sold the remaining 41 Kanal 5 Marla to Sangeeta Rani, W/o. Sh. Pradeep Kumar.
3. Anita Rani sold out of 45 Kanal 5 Marla, 43 Kanal 14 Marla vide Sale Deed No.4277 dated 16.03.2011 to Krishna Devi her sons Hari Om & Shiv Om, her daughter Kalyani and Dr. Taruna, W/o. Hari Om, all residents of H.No.787, Sector 26, Panchkula. The committee has

prepared a chart which shall be useful in understanding the chain of sales made in regard to the lands which are the subject matter of this application. The sales flow chart and details of land are annexed as Annexure R-1.

4. The resolution dated 30.08.2000 authorizing Kehar Singh to sell the lands as representative of the company GFIL and subsequent registered Sale Deeds Nos.2285 and 2286, both dated 20.03.2003 (total 86 Kanal 10 Marla) executed by Kehar Singh on the basis of the resolution in favour of Narata Ram & others, are in violation of the restraint orders passed by Hon'ble High Court of Bombay dated 23.11.1998 and Hon'ble High Court of Delhi dated 07.10.1998. The respondent sales by Narata Ram & others, Sanjeev Kumar and Anita Rani are also violative of the restraint orders passed by the Hon'ble Supreme Court on 17.08.2004 in T.C.(C) No.2 of 2004 titled Securities and Exchange Board of India Vs. Golden Forests India Ltd. The Hon'ble Supreme Court further in its order dated 05.09.2006, has laid down that all the Sales of the properties of the company made after the appointment of the Provisional Liquidator on 20.06.2003 by the Punjab & Haryana High Court, should be ignored.

5. The Committee - GFIL, appointed by the Hon'ble Supreme Court, issued show cause notices to all the aforementioned purchasers as follow (a) Notice No.COM/CHD/P-HR-1- KI2012/272, and No.COM/CHD/P-HR-1-U2012/273, both dated 18.07.2012 to Narata Ram & others, (b) Notice no. COM/CHD/P-HR-1-G/2012/267, dated 13.07.2012 to Ram Rattan, (c) Notice No.COM/CHO/P-HR-1-F/2012/266, dated 13.07.2012 to Anita Rani, (d) Notice no. COM/CHD/P-HR-1-E/2012/265, dated 13.07.2012 to Sangeeta Rani, and (e) Notice No.COM / CHD / P-HR-1 / 2012 / 200-204, dated 25.05.2012 to Krishna Devi & others.
6. Narata Ram & others did not care to appear before this committee and, therefore, they were proceeded against ex-parte. The Committee on 30.07.2012, passed detailed order and the registered sale deed No.2286 dated 20.03.2003 of the land in favour of the Narata Ram and others was set aside. After hearing the other objectors, the Committee on 06.11.2012 rejected the contentions raised by the objectors before Committee and held the subsequent sale deeds to be illegal and invalid.

7. Krishna Devi and others were heard by the Committee and their objections decided on 23.11.2012. After hearing Krishna Devi and others, the Committee rejected the sale deed in favour of Krishna Devi and others.
8. The chain of sales beginning with the passing of the resolution dated 30.8.2000 in favour of Kehar Singh called company representative, sales made by Kehar Singh in favour of Narata Ram on 20.3.2003 ending with the sale dated 16.3.2011 by Anita Rani in favour of Krishna Devi and others are a pack of illegal and collusive transactions to deprive the company of the property and make illegal and unlawful gains. The Company GFIL and its Managing Director R.K. Syal and others Directors were facing serious financial problems from 1998 onwards and here were also enquiries initiated by SEBI, Vigilance Department and income tax authorities. Sh. R.K. Syal and other directors were arrested on 24th December, 2000. The Golden Group of companies completely shut the business in December 2000. There were restraint orders passed by the High Court of Bombay and Delhi on the company GFIL and its directors not to alienate the properties. Similar restraint orders were passed by the Punjab and Haryana High

Court on 17.08.2001 and again on 18.06.2003 while appointing Provisional Liquidator and by the Hon'ble Supreme Court on 17.08.2004.

9. The strange part is that the resolution was passed on 30.8.2000 and the sales pursuant to the resolution were made after 2 2/1 year on 20.03.2003. During the intervening period the managing director and directors were in jail and business of the Company completely shut. On 20.03.2003, there were number of petitions for liquidations of the Company GFIL pending in Punjab and Haryana High Court and other High courts. How in such a situation the property of the company could be sold. The sale deeds dated 20.03.2003 in favour of Narata Ram and others (including Sanjeev Kumar son of Kehar Singh – Vendor), it is, recited that the sale consideration has already been received and nothing is left to be paid in front of the Sub-Registrar. It has been noticed earlier that in the year 2003 the directors were in jail and the Company business completely shut. In these circumstances, a serious doubt arises regarding the genuineness of the transaction. Thereafter, to conceal the illegal resolution and the sales, the property was further repeatedly transferred in 2005, 2006 and 2011. One of the vendee Sh. Sanjeev Kumar is the son of

Kehar Singh son of Sh. Tulsi Ram (vedor) who had substantial interest in the land sold (pages 139 and 140 of the paper book filed by the applicants/objectors). The sale of property in favour of Krishna Devi and others in 2011 is completely a sham, collusive and fraudulent transaction. By 2011, everyone in the village knew of the correct and real state of affairs of the Golden Group of Companies. It is unfortunate that even the office of the Sub-registrar (documents) has connived in the registration of the illegal sale documents. It is noteworthy that within a short period of eight years the lands have changed hands repeatedly and to different parties. This fact itself shows that the sales are shady transactions.

10. The applicants-objectors also took the plea that they had raised a loan of Rs.39 Lakhs from Karnataka Bank Ltd., Panchkula, to purchase the lands and that they had mortgaged the land and further they have made improvements on the lands purchased. They further alleged that Anita Rani had also raised a loan of Rs.45.18 lakh from the Panchkula Central Cooperative Bank Ltd. to purchase the land. The applicants neither before the Committee nor before this Hon'ble Court have produced the mortgage deed. It is noteworthy that in the

objections dated 22.8.2012 filed before the Committee, there is no mention of the mortgage and the improvements. There is no legal document filed on record to prove creation of mortgage, lien or any charge on the property by the objectors in favour of the Bank. There is only one letter alleged to have been written by Karnataka Bank Limited manager to the Halka Patwari Village Billa dated 19.05.2011 stating therein that the bank had financed Rs.39 lakhs for purchase of the lands and that a note of the lien of the bank be recorded in the revenue record. This letter is not a legal and valid document to prove the factum of lien or any charge. The alleged plea of mortgage of the land to the bank is baseless and without any proof. Even if, it is presumed that the objectors have raised loan and made improvement on the lands, this does not help their case as the original vendors Kehar Singh, Narata Ram and others and Anita Rani did not possess any valid transferable title in the lands, and, therefore, could not have conveyed a valid and legal title in the lands sold. The alleged successive sales are malafide, not genuine and void.

11. It is submitted that after a perusal of the entire record it is plain and clear that the resolution dated 30.08.2000 in

favour of Kehar Singh is in complete violation of the restraint order passed by the Bombay High Court on 23.11.1998 and of the High Court of Delhi dated 07.10.1998 and therefore, illegal and unlawful. Therefore, Sh. Kehar Singh possessed no legal and valid authority to transfer the land owned by the Company (Golden Forest (India) Limited). Therefore, the sales of the property dated 20.3.2003 by Kehar Singh are null and void. The subsequent sales of the property / land are also illegal and unlawful as the vendors thereof did not possess any legal title on the lands sold. The resolution dated 30.08.2000 also appears to be collusive, antedated and false.

12. It be brought to the notice of the Hon'ble Court that the Committee, after passing the impugned order dated 23.11.2012, filed CM No.19571 in the Hon'ble High Court of Delhi for the confirmation of the orders dated 30.07.2012, 06.11.2012 and 23.11.2012 passed by the Committee. The Hon'ble Court has been pleased to pass the following order on 14.12.2012:

"These applications are disposed of with liberty to the applicant/petitioner to implement the orders in question but subject to challenge that may be made, if any, by the respondents."

13. After the passing of the above order, the committee, on 14.01.2013, issued warrant of possession to the Deputy Commissioner, Panchkula to take over possession of the land in question along with other land. The Field Kanugo, Panchkula has informed the committee that 11.04.2013 is fixed for the execution of said warrant of possession. Copy of the information letter has also been sent to the applicants.
14. This application is covered by the order of the Hon'ble High Court of Delhi passed in the matter of C.M. No.18353 of 2011 in CWP No.1399 of 2010 titled National Investors Forum Vs. Golden Forests India Ltd., decided on 01.11.2012.
15. The Committee has already auction-sold the land in question along with other lands to M/s. SAS Properties of Panchkula. The Hon'ble High Court has also while passing the order dated 11.08.2011 in C.M. No.9340-9341 of 2011, confirmed the sale.
16. Therefore, the Committee prays to the Hon'ble Court that :
 - a) the application be dismissed with cost,
 - b) pass any other order deemed proper and

appropriate.

Date ; 29/03/2013

Sd/- (illegible)
Committee -GFIL

Through

Sd/- (illegible)
Harpawan Kumar Arora &
Prashant Chauhan
Advocates
Counsel for the Committee-GFIL

TRUE COPY

ANNEXURE A/16

IN THE HIGH COURT OF DELHI AT NEW DELHI

W.P. (C) 1399/2010

CM APPL.595 and 596/2013

NATIONAL INVESTOR FORUM REGD. ...Petitioner

Through: Mr. Devender Kumar, Advocate.

Versus

GOLDEN FORESTS INDIA LTD ..Respondent

Through: Mr. Harpawan Arora, Advocate.

CORAM:

HON'BLE MR. JUSTICE S. RAVINDRA BHAT

HON'BLE MR. JUSTICE SUDERSHAN KUMAR MISRA

ORDER

01.04.2013

The applicants claim to be aggrieved by the order of the Committee dated 23.11.2012 which disposed of the objections preferred by them. The objections were filed pursuant to a show-cause notice dated 25.5.2012, Issued by the committee regarding sale of land measuring 43 Kanals 14 Marias in Village Billa Tehsil and District Panchkula by Anita Rani to the present applicants /objectors.

The Committee refused to recognise the sale said to have vested the applicants with the title through a deed dated 16.03.2011. The vendor, according to the said sale deed, was Anita Rani; the vendee was Krishna Devi and her sons who have preferred this application before the Court. The committee traced the facts and relevant surrounding circumstances and noticed that the Resolution by which the lands were

sought to be conveyed to Anita Rani, was dated 30.08.2000. That Resolution was issued contrary to the order dated 23.11.1998 of the Bombay High Court which was confirmed by the Supreme Court in its subsequent orders. The Supreme Court had designated that date, i.e. 23.11.1998 as the cut off period before which sale transactions could be considered by the committee for the purpose of adjudicating the rights of the third parties. To continue the narrative, the applicants claim that Anita Rani purchased the lands pursuant to the Resolution of the committee from Golden Forest India Ltd. (GFIL) which had empowered one Kehar Singh to sell the land. Kehar Singh is alleged to have sold the land to one Narata Ram from whom Anita Rani purchased the property in question through a sale deed dated 9.8.2006. The committee was of the opinion that the subject lands which were the subject matter of the objections, were similar to the facts decided in the case of Narata Ram and Ors, on 6.11.2012. The committee noted pertinently that: -

"7. The present case is fully covered by the decision of the Committee dated 06.11.2012 in the case of Narata Ram and others. The said decision also covers the sales made in favour of Anita Rani w/o Sanjeev Kumar, Sangeeta Rani w/o Pradeep Kumar, and Ram Ratan s/o Pat Ram. The Committee has held that the sales made in favour of Narata Ram and others, Sangeeta Rani, Anita Rani and Ram Ratan are not valid and legal. The said order is subject to confirmation by the Hon'ble Delhi High Court.

8. Anita Rani has further sold, to the objectors, 43K 14 M out of 45K 5M vide sale dated 4277 dated 16.03.2011. As per

the objectors, prior to the execution of the sale deed an agreement was executed on 15.10.2010. The objectors claim, inter alia, (a) that they have raised loan from Karnataka Bank Ltd, Panchkula In the amount of Rs.39 Lakhs, (b) that the land is mortgaged (c) that Anita Rani had raised a loan of Rs.45.18 Lakh from Panchkula Central Cooperative Bank Ltd and she was a bonafide purchaser of the land, (d) that they had made Improvements costing lakhs of rupees on the land purchased by them and (e) that they are bonafide purchasers for value.

9. The Committee has heard the counsel for the objectors and perused the records. The Committee finds no merit in the objections: It is noteworthy that in the undated affidavits (attested on 10.11.2012) filed by the objectors along with the objection petition, there is no mention of the mortgage. The other noticeable fact is that in the objection petition dated 22.08.2012, the objectors made no mention of the mortgage and the Improvements. The objectors claimed to have spent more than Rs.45 Lakhs on the development of the lands. The objectors also have not placed on record, the mortgage deed. These objections are purely an afterthought. Even if, it is presumed that the objectors have raised loan and made Improvement on the lands, this does not help their case as the transaction is mala fide and void. The transferor had no legal title in the lands to transfer.

10. The contention of the objectors that they are bonafide purchasers is wholly without merit. The objectors claim that the Chairman of the Committee-GFIL did not take any steps or

issue any instruction to the office of the Registrar, Panchkula for not registering any sales pertaining to properties of the company. The objectors are factually not correct in stating that Committee- GFIL has taken no steps to direct the Sub Registrar not to register any sale deed pertaining to the Company. The Deputy Commissioner and Sub Registrar were directed more than once by the Provisional Liquidator, vide letter no.PL/CHD/2004/178, dated 13.05.2004 and PL/CHD/2004/245, dated 06.08.2004, not to register any sale deed pertaining to properties of GFIL and its subsidiary companies. The Committee also later wrote similar letters to the Deputy Commissioner, Panchkula. The public was also warned through advertisement published on 25.10.2004 in the newspapers namely Indian Express, Dainik Bhaskar and Dainik Jagran warning General Public not to enter into any transaction in respect of the properties of GFIL and its subsidiary companies.

11. After careful perusal of the records, the Committee find no merit in any of the objections. The case is fully covered by the decision of the Committee in the case of Narata Ram and others. The three successive vendors namely Kehar Singh, Narata Ram and others and Anita Rani do not possess any saleable right in the property and therefore the sale of land in favour of the objectors Krishna Devi and others is legally not valid. The sale deeds are in violation of the restraint order passed by the Hon'ble Bombay High Court, Hon'ble Delhi High Court and Hon'ble Supreme Court. It be added that the sale

deeds executed by Kehar Singh show that one of the vendees Sh. Sanjeev Kumar is his son. This fact raises serious doubts on the genuineness of the sale transactions.

12. As already noticed earlier, the company had completely closed its business in Dec' 2000, the directors were arrested on 23.12.2000, it is not believable that objectors, if they had made any genuine efforts they would not have found out the true facts about the company affairs. The sale is not genuine and the mala fides are obvious."

It is urged by learned counsel that the committee did not apply its mind independently to the facts and circumstances of the present case. The objectors/applicants, it is submitted, are bona fide purchasers of the land and paid 1,25,63,750/- and even obtained a loan of 39 lakhs from Karnataka Bank, the servicing of which is being undertaken by payment of monthly instalment of over 76,000/-. It is stated that by ignoring the title deeds, the committee laid undue emphasis on the Resolution of the company of 2000 and gave a restrictive interpretation to the orders of the Supreme Court.

This Court has considered the submissions of the parties. The order of the Supreme Court is categorical as to the cut-off date before which the genuineness of the transactions of sale or any other kind of encumbrances of the company's property could be considered by the committee, i.e., 23.11.1998. This in turn was based on an order of the Bombay High Court directing the company not to part with any of its property during the pendency of the proceedings. As in the present case, several other transactions came under the scanner and the genuineness of these were doubted and subsequently ruled to be bogus

in the Committee's orders made on several subsequent dates. In the present case, the committee has noted that though notice was issued, the alleged predecessors-in-title of the present objectors/applicants, i.e., Narata Ram and Anita Rani did not chose to appear in the proceedings. Interestingly, they have not been impleaded as parties in the present applications.

Furthermore, the sale deed, pursuant to which, the present applicants claim to be genuine and bona fide, innocent purchasers was executed as late as in 2011. The genesis of the claim for valid title is the Resolution of 2000 made after the cut-off date. Having regard to these surrounding circumstances, this Court is of the opinion that the view taken by the Committee cannot be faulted. This Court also notices that a similar application had been made for confirmation of the determination of the Committee dated 12.8.2011. This Court confirmed that order in CM Appl. 18353/2011 by its order dated 1.11.2012. For these reasons, the relief claimed by the objectors/applicants cannot be granted. CM APPL.595 and 596/2013 are accordingly dismissed. In view of the above, the applicants/objectors are hereby directed to deliver possession of the subject property to the committee within two weeks from today.

S. RAVINDRA BHAT, J
SUDERSHAN KUMAR MISHRA, J
APRIL 01, 2013

//TRUE TYPED COPY//

ANNEXURE A/17

IN THE HIGH COURT OF DELHI AT NEW DELHI

REVIEW PET. 131/2014 IN W.P. (C) 1399/2010,

CM APPL.3578-3582/2014

NATIONAL INVESTOR FORUM REGD. Petitioner
Through: None.

Versus

GOLDEN FORESTS INDIA LTD. Respondent
Through: Mr. AjayKumar, Counsel for the
Review Petitioner.

Mr. Harpawan Kumar Arora, Advocate for Committee-GFIL.

CORAM:

HON'BLE MR. JUSTICE S. RAVINDRA BHAT

HON'BLE MR. JUSTICE SUDERSHAN KUMAR MISRA

ORDER

05.09.2014

The review petitioner's grievance is with regard to order dated 01.04.2013 dismissing the C.M, Nos.595 and 596/2013 without considering the true intent or purport of the order of the Supreme Court dated 5.9.2006 passed in Transfer Case No.2/2004. The specific parts of the order of the Supreme Court relied upon for the purpose of the submission in this case are as follows:

"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 appropriaterecommendations 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."

Learned counsel submitted that the Committee for GFIL was duty bound to examine the circumstances of each case and not proceed merely on the assumption that all sales post 23.11.1998 till 17.08.2014 were suspect and of no validity.

The order which is sought to be reviewed in this case would reveal that reasoning of the Committee was gone into. Apparently, the review petitioner claims title from one Ms. Anita Devi who in turn said to have purchased the property from Narata Ram. That vendor has in turn purchased the property from the GFIL on the basis of a Resolution of that company.

This Court upheld the Committees' determination that the sale deed was not binding upon the Committee which was constituted to go into the affairs of the erstwhile GFIL and also discharge various functions. There is nothing in the order of the Supreme Court dated 5.9.2006 especially in paragraph 39 and 40 thereof to indicate that the views expressed by this Court in its judgment dated 1.4.2013 is erroneous.

For this reason, this Court is of the opinion that review petition is without merit and is accordingly dismissed along with all the applications.

S. RAVINDRA BHAT, J
SUDERSHAN KUMAR MISRA, J
SEPTEMBER 05, 2014

//TRUE TYPED COPY//

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

Petition(s) for Special Leave to Appeal (C) No(s).
34259-34260/2014

(Arising out of impugned final judgment and order dated 05/09/2014 in CM No. 595/2013 05/09/2014 in RP No. 131/2014 01/04/2013 in CM No. 595/2013 01/04/2013 in WPC No. 1399/2010 05/09/2014 in WPC No. 1399/2010 passed by the High Court Of Delhi At New Delhi)

KRISHNA DEVI AND ORS

Petitioner(s)

VERSUS

CHAIRMAN GOLDEN FOREST INDIA LTD

Respondent(s)

(with appln. (s) for c/delay in filing SLP and directions and interim relief and office report)

Date : 12/04/2016 These petitions were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE A.K. SIKRI
HON'BLE MR. JUSTICE R.K. AGRAWAL

For Petitioner(s) Mr. Ajay Kumar, Adv.
Dr. Kailash Chand, Adv.

For Respondent(s) Mr. Harpawan Kumar Arora, Adv.
Mr. C. L. Sahu, Adv.

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

The Special Leave Petitions are dismissed.

Interlocutory application(s), if any, shall stand disposed of accordingly.

(Ashwani Thakur)
COURT MASTER

(Tapan Kr. Chakraborty)
COURT MASTER

IN THE HIGH COURT OF DELHI AT NEW DELHI

Reserved on 11.09.2013

Decided on: 30.09.2013

W.P.(C) NO.1399 of 2010

NATIONAL INVESTOR FORUM ...Petitioner,

Through: Mr.Harpawan Kumar Arora, with
Mr.Prashant Chauhan and Mr.Saurabh
Suman Sinha Advocates for
theCommittee/GFIL

Versus

THE GOLDEN FORESTS (INDIA) LTD. Respondent, Through:

CORAM:

HON'BLE MR. JUSTICE S. RAVINDRA BHAT

HON'BLE MR. JUSTICE NAJMI WAZIRI

MR. JUSTICE NAJMI WAZIRI

CM No.9656/2013

1. The application has been filed by the Committee/GFIL, seeking the following reliefs:-
 - i. to make an offer to the bidder M/s SAS Properties, No.105, Sector-6, Panchkula, on the lines of the order dated 14.06.2013 (Annexure A-3) read with previous order dated 27.2.2013 (Annexure A-1);
 - ii. If this offer is acceptable to the bidder M/s. SAS Properties, aforesaid, the Hon'ble, High Court of Delhi is prayed that the order

dated 11.8.2011 regarding confirmation of the sale may be modified accordingly, or if this offer is not acceptable to the bidder M/s SAS Properties, aforesaid, the Hon'ble High Court is prayed to order cancellation of the sale;

iii. pass an order which it deems just and proper in the interest of justice.

2. The Committee submits that the occasion for seeking the aforesaid reliefs has arisen because certain lands which were not intended to be sold in the auction formed a part of the details of the property advertised, pursuant to which M/s SAS Properties was, confirmed as the highest bidder. The property known as "Hotel & Resort at Village Billa, 10 km from Panchkula on Narain Garh State Highway, 1 km inside main road, District Panchkula (Haryana), Description: Incompletely constructed Tourist Resort, Amusement Park, Hotel (60:rooms Approx.), WP(C) No. 1399/2010 Page 2 Lakes, Green Parks, Farm House, Golf Course (9 holes), Swimming Pool and Water Chute, Area Approx. 1398 Kanal and 3 Marla was advertised for sale by inviting sealed bids and after the sealed bids were received and opened, the property was put to sale by auction on 15.4.2011, 'on as-is, where-is-and whatever-there-is-basis. The sale was confirmed by an order of this Court dated 11th August, 2011 in CM. No.9340-41/2011.

3. The offer of sale as per the advertisement was for 1398 Kanal and 3 Marias, however, at the time of drawing of certificate of sale, an inspection of the lands was conducted by the Committee and a site plan of the advertised and non-advertised lands was prepared. It was found that some portions of the buildings of an Engineering

College and its hostel buildings and lands appurtenant thereto had been inadvertently included in the sale details" purely on account of a clerical mistake, although, these lands were never intended to be part of the sale. In fact, the said lands measuring 21 Kanal 12 Marla being Khasra Nos.52//2/2(1-8), 3(7-2), 8/1(3-10), 9/1/1 (2- 9) and 26 (1-10); 46//21(0-16) and 52//1/1(0-13) and 2/1 (4-4) (known as WP(C) No.1399/2010 Page 3 Farmhouse) was not included in the site plan of the parcel of land on which the Resort was constructed and advertised for sale.

4. It is further submitted by the counsel for the Committee, Mr. Harpawan Kumar Arora, that non-contiguous lands that were part of a College and were not part of the parcel of, lands and property offered for sale through advertisement inadvertently found a way into the details of the property" supplied to the bidder concerned. This anomaly was discovered and duly considered in the order of the Committee dated 27 the February, 2013. The Committee listed the reasons why the lands mentioned in the details of the properties supplied to the bidder/respondent could not be sold. It reasoned that lands forming part of the Resort and in its vicinity had been clubbed into different parcels so as to make them more viable and attractive for sale. These marked as Part A, B and C. Certain parcels of the lands forming a portion of Part-C had inadvertently got included in the details" which could not be sold. However, to complete the sale, the Committee offered WP(C) No.1399/2010 Page 4 1403 Kanal 15 1/2 Marias to the bidder and requested him to deposit Rs.50,00,31,000/- plus Rs. 20,11,711/- towards the proportionate price for the excess area of 5 Kanal 2% Marias. The bidder declined

the offer and indicated that it would accept only certain lands as indicated by them in the letter dated 13th March, 2013. During the course of hearing, the learned counsel for the respondent bidder/company states that if the Committee is unable to effect sale of the entire lands which they got in the bid as per the details of property supplied to them, they would not like to proceed with the transaction and accordingly the monies paid towards sale consideration may be returned to them with Interest thereon along with the cost of stamp duty paid for the aforesaid transaction. "The learned counsel for the applicant submits that it is not possible for the Committee to sell those lands which were not intended to be sold nor formed part of the advertisement. All-the-more-so, because the lands which were advertised were about 1. km from the main road whereas certain portions of the land which erroneously got Included in the "details of property" were merely 340 mtrs. from the road.

Both formed different parcels of roads and would have to be assessed separately. It is common knowledge and accepted market practice that lands are evaluated primarily on the basis of their location and distance from motorable roads and highways. The parcel of land which was offered in the bid as per the advertisement was assessed to have a reserved bid price of Rs.50 crores. Those lands inadvertently got Included in the "details of the properties" supplied to the bidder belonged to a different parcel of land which would be evaluated and sold off separately. If the best located parts of the other parcels of land are sold out or included in the present bid, it would adversely affect the valuation of the remainder lands of Part-C.