IN THE HON'BLE SUPREME COURT OF INDIA

I.A. NO. _______/2026

IN

TRANSFERRED CASE NO.2 OF 2004

IN THE MATTER OF:-

THE SECURITIES AND EXCHANGE BOARD OF INDIA

...PETITIONER

VERSUS

THE GOLDEN FOREST(I) LTD ...RESPONDENT

And in the matter of:

Nikhil Kant Syal ... Applicant/Impleader

INDEX

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NIKHIL KANT SYAL … APPLICANT

APPLICATION FOR DIRECTIONS

TO,

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

The Applicant above named most respectfully submits:

1. That the Applicant is the surviving legal heir of the original promoter family/shareholders of Golden Forests (India) Limited (GFIL) and presently

holds and represents all equity shareholdings in the Company. The petitioner prays for determination of the total liability of the GFIL so that the resolution/payment of the debt over the company be facilitated and expedited. The captioned matter has a history of almost three decades. Therefore, it is important to produce the chronological facts of the case for assistance to the Hon'ble Court.

LIST OF DATES

<table>
<tr><th>Dates</th><th>Particulars</th></tr>
<tr><td>23.02.1987</td><td>Golden Forests (India) Ltd ("GFIL") is incorporated. All GFIL Companies were promoted and controlled by Syal Family Group- comprising of AL Syal, RK Syal, Neena Syal, Pamila Syal and Bimla Syal.
GFIL was engaged in the business of development of agricultural lands, social forestry, farms etc. GFIL came out with several schemes for raising funds from investors.
<u>Earlier Shareholding Pattern</u> (@Pg. 26, 1st Amicus Report)
<table>
<tr><th>S. No.</th><th>Name of Family Member</th><th>Shares (in equity)</th></tr>
<tr><td>1.</td><td>A.L. Syal</td><td>32,500</td></tr>
<tr><td>2.</td><td>R.K. Syal</td><td>4,300</td></tr>
<tr><td>3.</td><td>Neena Syal</td><td>18,300</td></tr>
<tr><td>4.</td><td>Nikhil Syal</td><td>12,400</td></tr>
<tr><td>5.</td><td>Madhurima Syal</td><td>11,200</td></tr>
<tr><td>6.</td><td>Pamila Syal</td><td>4,400</td></tr>
<tr><td>7.</td><td>Madhulika Syal</td><td>11,900</td></tr>
<tr><td>8.</td><td>Bimla Syal</td><td>5,000</td></tr>
</table>
<u>Current Status</u></td></tr>
</table>

	The Applicant is the grandson of Late A.L. Syal and son of Late R.K. Syal and Smt. Neena Syal. Applicant is also the largest shareholder in the Respondent company- GFIL as on today with shareholding of 72.5%. Applicant also has authorization from the remaining other two stakeholders of GFIL to act on their behalf.
1991-1997	Promoters of GFIL floated around 110 companies as their subsidiaries, associate companies, and sister companies. Amongst these 110 companies, the important ones were- (i) M/s Golden Tourist Resorts and Developers Ltd. (incorporated in 1991 and further expanded in 1996), (ii) M/s Golden Projects Ltd. (incorporated in 1996), (iii) M/s Golden Lease Finance Ltd. (incorporated in 1994), (iv) M/s Himachal Country Resorts Ltd. (incorporated in 1993).
	The Company announced some beneficial deposit schemes and attracted large number of investors and creditors. The company was set up in 1987 and till 1998 there has been no default in repayment of any maturity amounts and refunds of investors. **[@Order dated 18.06.2003 in CP 60 of 2001**]
1997	SEBI initiated inquiry against GFIL.
18.12.1997	SEBI called upon the 'Collective Investment Schemes' to submit information to SEBI on various schemes.
09.01.1998 SEBI's Order	SEBI passed Final Order against GFIL for violation of S.11B r/w S.11 of SEBI Act and (i) prohibited GFIL from alienating its properties, (ii) constituted a 2-member Committee to inquire into the affairs of GFIL

21.04.1998	The aforementioned 2-member Committee submitted its Report and highlighted financial and other irregularities committed by GFIL.
1998 WP 344/1998	SEBI filed Writ Petition (C) No. 344 of 1998 titled as *"Securities & Exchange Board of India Vs. Golden Forests (India) Ltd & Ors."* before the Hon'ble Bombay High Court.
14.07.1998 GFIL's Affidavit	GFIL filed an Affidavit and informed that the total assets of GFIL and its subsidiaries was Rs. 1395.41 crores as on 31.03.1998. **(@Para 10, Order dated 05.09.2006)** *"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 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."*
23.11.1998	The Hon'ble Bombay High Court restrained GFIL and its subsidiaries from disposing off any property until further orders.
16.02.2000	The Hon'ble Bombay High Court appointed **Mr. Justice (Retd) M. L. Pendse as Receiver**. The Hon'ble Bombay High Court earmarked certain properties for sale but the Receiver was unable to sell the properties.
24.12.2000	Directors of GFIL were arrested in respect of allegations contained in six different FIRs lodged by the Vigilance Department, Government of Punjab.
2001 CP 60/2001	A Winding-Up Petition is filed, bearing Company Petition No. 60 of 2001 titled "*National Investor Forum vs. Golden*

	Forests (India) Ltd." before the Hon'ble Punjab & Haryana High Court at Chandigarh, for the winding up of GFIL. **Written Statement of GFIL-** Company filed detailed written statement wherein it was stated that the company has adequate assets and resources to pay back all its debts. It is further stated that the company has moved an application before Hon'ble Mumbai High Court to remove the receiver and permit the company to hasten the process of repayment of the investors under the supervision of court. It has been stated that the company would welcome the intervention of the Chandigarh High Court in whose supervision the investors may be repaid to prevent any further loss of prestige of the company which is financially viable and investor friendly. It has been mentioned that there was a restraint order from Chief Judicial Magistrate restraining the respondents from operating their lockers, bank accounts till the investigation is over by the Vigilance Department. However, the permanent lok Adalat at Chandigarh was pleased to order on 20th August, 2001 that there is no bar to operate on the accounts of the respondent's company. It was stated that since the matter is sub-judice before the Mumbai High Court therefore, it cannot be stated that the respondent has failed or neglected to pay its creditors or is unable to pay its debts. It is further stated that problems of the company are transitory in nature. On merits, the company showed its readiness and willingness to pay the amount and dues payable to investors. However, it is stated that the appointment of liquidator is against the interests of investors as distress sale of assets which constitute the security of the investors would yield much lower proceeds. The Company sought a consolidated scheme to be filed on

	repayment to the satisfaction of the court. **[@ Order dated 18.06.2003 in CP 60/2001]**
17.08.2001 Restraint Order in CP60/2001	Hon'ble Punjab & Haryana High Court restrained the company not to alienate the property. **[@ Order dated 18.06.2003 in CP 60/2001]**
20.12.2001 C.P. No. 237 of 2001	The respondent company filed C.P. No. 237 of 2001 under section 391(1) of the Act seeking permission to enter into an agreement and making arrangement with the class of investors. On 20th December, 2001, company was directed to give wide publicity to the proposed arrangement to enable any interested person to file objections. However, the counsel for the company stated on August 1, 2002 that the company is unable to comply with the directions issued to give wide publicity and therefore, the company petition No. 237 of 2001 was dismissed as withdrawn. **[@ Order dated 18.06.2003 in CP 60/2001]**
20.08.2002 TP(C) 696/ 2002	SEBI filed a TP(C) No. 696 of 2002 titled as "*Securities and Exchange Board of India v. Golden Forests (India) Ltd. & Anr.*" before this Hon'ble Court for transfer of all proceedings in every forum against GFIL to this Hon'ble Court.
18.06.2003	The Hon'ble Punjab and Haryana High Court *vide* Order dated 18.06.2003 had refused to liquidate GFIL for payment of dues. However, only a provisional liquidator was appointed. The observed- *"Here the company has stated on an affidavit that it has assets more than the due amount. The management of the company is not able to sell the property because of its physical disability being in custody, in an FIR lodged by vigilance*

	Bureau, Punjab. Keeping in view the projected solvency of the company, it will not be fair and reasonable to pass an order of winding up but the interest of the creditors is required to be watched which will be best served by appointing a provisional liquidator for effecting sale of the property of company… *In view of above, it is not possible, at this stage, to hold that the company is insolvent so as to discharge its liability towards the creditors.* … … *A perusal of the written statement filed by the company shows that the liability is not disputed. Rather it has sought intervention of this court in whose supervision the investors may be repaid to prevent further loss of prestige to the company. It has been stated that the company has assets worth Rs. 1500 crores as against liability of only Rs. 761 crores and this company is very much in a position to pay its dues. It is stated that the company was set up in 1987 and till 1998 there has been no default in repayment of any maturity amounts and refunds of investors.* … … *The company disclosed that in 1998, SEBI filed writ petition No. 344 of 1998 before Mumbai High Court seeking inter-alia, that the company may be prevented from conducting its business. Such writ petition was opposed on the ground that the petition was not maintainable as an instrumentality of state without any statutory power, was not entitled to seek any relief against the private party. The respondent company was called upon to satisfy the Mumbai High Court in the interest*

	of investors with regard to its workability. The company got their assets valued which were assessed at Rs. 1071.55 crores… *It is further stated in the written statement that the company invited offers for the sale of its certain properties but non of the buyers had shown any interest in view of the restraint imposed by Mumbai High Court dated 30th September, 1999. Ultimately, Mumbai High Court has appointed Mr. Justice M.L. Pendse (retd.) as private receiver for sale of 19 properties as set out in schedule vide order dated 31.01.2000.* *In view of the above, it is apparent that there is no dispute about the liability of the company towards the investors. It is the stand of the company that it has assets more than Rs. 1,000 crores which are sufficient to discharge the liability of the investors. <u>It has come on record that Directors of the company are in custody since December 2000 and the company has not been able to dispose of any property for payment to the investors. It is also on record that private receiver appointed by Mumbai High Court has also not been able to sell any property so far</u>. Thus a mechanism is required to be drawn so as to facilitate the sale of the property of the company at the earliest with a view to ensure payment to the investors without any further delay. … <u>The scheme which the company has earlier proposed, has been withdrawn from the court.</u>* The Hon'ble High Court of Punjab and Haryana directed that all properties of GFIL shall be managed, controlled and

	regulated by a provisional liquidator, who shall have the power to sell the moveable and immovable properties. Further, by way of Order, HMJ Mr Aggarwal (Retd. Judge of the Hon'ble Punjab and Haryana High Court) was appointed as the Provisional Liquidator. (@Para C, Pg. 4-5, IA 275461/2024) [**Annexure A-1:** A true copy of the Order dated 18.06.2003 passed by Punjab & Haryana High Court in CP No. 60 of 2001.]
	Several other proceedings against GFIL had been filed and were pending in various Courts throughout the country**.**
12.09.2003 *SC Order*	This Hon'ble Court *vide* Order dated 12.09.2003, in a transfer petition being T.P.(C) No. 696 of 2002 filed by SEBI directed that all the cases pending in various High Courts throughout the country shall stand transferred this Hon'ble Court. By way of this order, the following cases were transferred to this Hon'ble Court and renumbered: ● CP 60/2001 before Hon'ble Punjab and Haryana High Court : T.C. (Civil) No. 68 of 2003 ● W.P. 344/1998 before the Hon'ble High Court of Bombay: T.C. (Civil) No. 2 of 2004
15.03.2004 W.P. 188/ 2004	M/s Raiganj Consumers Forum, a society regd. under West Bengal Societies Registration Act, 1961, represents various investors of GFIL and they filed a Writ Petition (C) No. 188 of 2004 before this Hon'ble Court seeking directions against GFIL to restrain from disposing/alienating properties and assets. **(@Pg. 28, 1st Amicus Report)**
27.04.2004	Notice was issued in Writ Petition (C) No. 188 of 2004, and it was tagged along with T.P.(C) No. 696 of 2002.

27.07.2004	This Hon'ble Court observed that the properties of Golden Forests (India) Ltd. were spread throughout the country and that the Hon'ble Punjab & Haryana High Court had appointed Hon'ble Mr. Justice R.N. Aggarwal (Retd.) as Provisional Liquidator while the Hon'ble Bombay High Court had appointed Hon'ble Mr. Justice M.L. Pendse (Retd.) as Receiver. Considering that all proceedings relating to GFIL had been transferred to avoid conflicting orders and parallel proceedings, this Hon'ble Court called for the Status Report of the Receiver appointed by the Hon'ble Bombay High Court. The Court further recorded the consensus amongst all parties that a Central Committee should be constituted for realisation of the assets of GFIL, adjudication of the claims of investors and investigation into diversion of the funds of the Company, and accordingly granted two weeks' time to the Reserve Bank of India, SEBI and various Investors' Forums to submit their suggestions regarding the constitution of such Committee. Pending constitution of the Committee, this Hon'ble Court directed that the tenders already invited by the Provisional Liquidator pursuant to the sale notice dated 20.05.2004 may be received but that no sale shall be finalised without further orders of this Hon'ble Court. The Court further directed that none of the bank accounts of GFIL, its subsidiaries and associate companies shall be operated for withdrawal of any amount without permission of this Hon'ble Court and directed the Reserve Bank of India to issue necessary circulars to all banks.

17.08.2004 *SC Order*	Pending the constitution of GFIL Committee to take charge of all assets and scrutinise investor claims, the Provisional Liquidator appointed by the Hon'ble Punjab & Haryana High Court and the Receiver appointed by the Hon'ble Bombay High Court were permitted by this Hon'ble Court to continue operating, but without transferring or disposing of any assets, while being authorised to take possession and pursue necessary legal action with full assistance from District Magistrates and the police. This Hon'ble Court held that depositors and investors were neither necessary nor proper parties, dismissed all impleadment applications, and directed that all investor claims must be submitted only before the Committee to be appointed by this Hon'ble Court. It further ordered that no other Court, Tribunal or Forum shall entertain any winding-up proceedings or investor claims for refund or interest, and that any such pending proceedings shall remain stayed, while clarifying that criminal cases may continue.
19.08.2004 ***SC Order***	This Hon'ble Court *inter alia* passed the following directions: A. Constitution and Functioning of the Committee 1. A Committee was appointed consisting of: o Justice K.T. Thomas (Retd.), Supreme Court of India - as Chairman. o One officer nominated by RBI. o One officer nominated by SEBI. 2. Officers nominated by RBI and SEBI must be deputed full-time for the functioning of the Committee.

	3. RBI and SEBI was directed to continue to pay the salary and perks of their respective deputed officers. 4. SEBI was directed to provide the Committee with secretarial staff and an office in Mumbai. 5. The Chairman was at liberty to appoint a Chartered Accountant of repute to assist the Committee. B. Custody and Control of Assets 6. The Committee was directed to take into its custody all assets of the Company, wherever located. 7. All authorities, including Police and District Magistrates, were directed to provide necessary assistance to enable the Committee to take charge of the assets. C. Claims Process 8. The Committee was directed to issue advertisements in newspapers calling upon all creditors to submit their claims at the address specified. 9. In selecting newspapers, the Committee was directed to consider that creditors are spread across India, including remote areas. D. Reporting to the Court 10. After realisation of assets and scrutiny of claims, the Committee was directed to submit a Report before this Hon'ble Court. 11. As far as possible, the Report was directed to be submitted within six months. E. Discharge of Existing Court Appointees 12. <u>The Provisional Liquidator appointed by the Hon'ble Punjab & Haryana High Court, the Receiver appointed by the Hon'ble Bombay High Court, and any other</u>

	<u>person appointed by any other Court were directed to stand discharged at the end of the month.</u> 13. They were directed to hand over all books, papers, and assets of the Company to the Committee expeditiously and in any event before the end of the month. F. Use of Company Offices 14. The Committee was directed to use the Company's offices at various locations for its functioning. G. Fixed Deposits Standing in Name of Provisional Liquidator 15. Deposit Receipts standing in the name of the Provisional Liquidator was directed to hand over to the Committee. 16. The deposits were directed to continue in the name of the Provisional Liquidator until maturity. 17. Upon maturity, the Provisional Liquidator was directed to cooperate in transferring them into the joint names of the Committee members. 18. Until maturity, the Provisional Liquidator was directed to not alienate or encumber the receipts. 19. The Provisional Liquidator was entitled to draw remuneration as per the Hon'ble Punjab & Haryana High Court's order till the end of the month. H. Remuneration and Staffing 20. The Chairman was entitled to receive, from the Company's bank account, monthly remuneration equal to his last drawn salary, along with travelling and other expenses. 21. The Committee was entitled to appoint staff as required, including for safeguarding assets. I. Liberty and Coordination

	22. Liberty was granted to the Committee to approach the Hon'ble Court. 23. The Committee was directed to consult the Provisional Liquidator before his discharge. J. First Meeting and Logistical Directions 24. The Committee was requested to hold its first meeting at the Company's Chandigarh office on or before 30.08.2004. 25. The Provisional Liquidator was directed to ensure that possession of the Chandigarh office is taken before 30.08.2004, with police assistance if necessary. 26. Police authorities were directed to provide such assistance. K. Coordination Between SEBI, RBI and Chairman 29. Representatives of SEBI and RBI were directed to contact the Chairman forthwith, obtaining his address and telephone number from the Registry. **(Annexure A-2:** True Copy of the Order dated 19.08.2004 passed by this Hon'ble Court in Transferred Case (Civil) No. 2 of 2004, Transferred Case (Civil) No. 68 of 2003 and Writ Petition (Civil) No. 188 of 2004.)
10.09.2004	Justice K. T. Thomas (Retd.) expressed his inability to head the Committee and as a consequence, this Hon'ble Court on 10.09.2004, **appointed Justice R. N. Aggarwal (Retd.)** (earlier Provisional Liquidator) as the Chairman of the Committee.
2004	RBI appointed Mr. PK Arora, DGM, as the Whole-Time Nominee of the GFIL Committee and SEBI appointed Mr. S.K. Sharma as the Whole-Time Nominee of the Committee.
25.10.2004	The Committee, *vide* Advertisement dated 25.10.2004, invited claims from the depositors/investors of GFIL and its

	group companies by issuing an advertisement in the leading newspapers upto 24.01.2005.
20.01.2005	The Hon'ble Supreme Court extended time by 3 months from 20.01.2005 for invitation of claims from the investors of GFIL upto 20.04.2005. This Hon'ble Court also passed following order: *"These Companies to disclose who their shareholders were when these Companies were incorporated and who are the shareholders at present. They also to disclose who were the Directors when these Companies were incorporated and who are the Directors at present. They to further disclose with what capital these Companies were incorporated, what properties were held by them on in corporation, what properties are since acquired and from what funds. They to disclose all bank accounts and/or deposits and/or investments, if any, made by them. The Companies to disclose the nature of the business carried on by them. These Companies to disclose all their assets and also whether they have dealt with their assets and if so, to give details of such dealing s including transfer of assets and/or dealings between these Company/Companies and/or with Golden Forests (I) Limited."* *Each of the Company, its agents and its directors are restrained from alienating, encumbering, parting with possession or dispossessing of in any manner any of its assets.* This Hon'ble Court IA No.5 in T.C. (Civil) No. 68/2003 recorded the statement learned senior counsel appearing for

	Mr. R.K. Syal that his client is willing to co-operate and give all information regarding all assets of the group. **NOTE:** Ld. Amicus in his 1st Report states that the GFIL Committee continued to receive claims even after expiry of the first period and the extended period. In all, 16,33,949 claims were received. The claims were scrutinized, and *prima facie* 14,73,828 claims were found to be valid. **(@Pg. 29, 1st Amicus Report)**
25.02.2005	This Hon'ble Court observed, *"By our Order dated 20th January, 2005 we have already directed Committee to issue advertisement in vernacular newspapers and advertisement has already been issued. Time for inviting claims has also been extended. Committee is further directed to accept the decrees and orders passed by competent Courts. Where parties do not have either original of the documents or decrees of any Court, they may make application before this Court for consideration of their claim. I.A. is disposed of accordingly."*
10.08.2006 Cut-Off Date	*Vide* Order dated 05.09.2006, this Hon'ble Court fixed 10.08.2006 as the cut-off date for receipt of claims from investors of GFIL. *"47. ... Cut off date is fixed as 10th August, 2006. Hence, all claims filed before the Committee by the cut off date fixed, i.e., 10th August, 2006 be taken into consideration for disbursement of the assets of the GFIL after verification of the claims."*
05.09.2006 ***SC Order***	This Hon'ble Court noticed the background of the litigation and recorded that GFIL had mobilised approximately ₹1,037

	Crores from the public by 31.12.1997, acquired approximately 7,750 acres of land in different States and had, according to its own affidavit filed before the Hon'ble Bombay High Court, assets valued at approximately ₹1,395.41 Crores against outstanding liabilities of approximately ₹735 Crores. The Court also noticed the earlier restraint orders passed by the Hon'ble Bombay High Court and the appointment of the Provisional Liquidator by the Hon'ble Punjab & Haryana High Court. In Para 40, Court held that sale of land and properties contrary to restraint order be ignored and directed the Committee to take possession of the same. In PARA 42(II) this Hon’ble Court directed that the Committee shall be at liberty to take steps to deal with Surplus land declared by Punjab Government. This Hon’ble Court first addressed the issue of reconstituting the Committee and directed that Justice R.N. Agarwal shall continue as Chairman, while relieving the SEBI and RBI officials from membership and appointing two former District & Sessions Judges, Shri H.L. Randev and Shri B.S. Bedi, as new members. This Hon’ble Court rejected the request to induct any GFIL officer as a member, though it permitted the Committee to take assistance from company officers only for identification of assets. The Committee was authorised to appoint a retired revenue officer and a police officer to aid field work, and the Chairman was empowered to fix remuneration and requisition

	serving officers from the Chief Secretaries of Punjab and Haryana, who were directed to release such officers when called upon. On the issue of immovable properties, this Hon'ble Court directed the Deputy Commissioners and revenue authorities of Punjab, Haryana and Uttaranchal to fully assist the Committee in identifying GFIL properties, taking possession with police help wherever required, and demarcating lands as per revenue entries. The Chief Secretaries and DGPs/IGPs were instructed to issue necessary directions to ensure cooperation, and civil and police authorities were specifically directed to act against illegal encroachments adjoining the Billa Resort and assist in their removal. With respect to sale of properties, this Hon'ble Court granted liberty to the Committee to auction the properties at Jharmari, Kot Billa, Jaswant Garh, adjoining villages, the Nalagarh Resort, and any other GFIL properties already taken into possession, after due publicity, with all sales being subject to confirmation by this Hon'ble Court and the Committee required to report auction results for final orders. The Court fixed 10.08.2006 as the cut-off date for receipt of investors' claims and directed that only claims received by that date would be considered for disbursement after verification (Para 47). **(Annexure A-3:** True Copy of the Order dated 05.09.2006 passed by this Hon'ble Court in Transferred Case (Civil) No. 2 of 2004 and connected matters.)

15.11.2006	This Hon'ble Court observed, *"Mr. Mohan Jain, Advocate, appearing in I.A. No.53 states that first of Committee should inform the Court about the total liability against all the Company (actual amount claimed by the investors, taxes, etc.) so that Company should deposit the amount to meet that liability.* *Counsel appearing for the Committee seeks time to give the total liability so on or before 30th November, 2006 to the Court for necessary orders. Permitted to do.* **(Annexure A-4:** True Copy of the Order dated 15.11.2006 passed by this Hon'ble Court in Transferred Case (Civil) No. 2 of 2004 and connected matters.)
14.05.2007	This Hon'ble Court directed the Committee to invest the amount received by it through auction in FDR so that it earns interest.
17.01.2008	Judicial Magistrate 1st Class Rajpura in **State vs Pamila** in Police Challan No. 265 of 16.05.2001 FIR No. 65 of 23.12.2000 u/s 420/467/468/471/477 IPC P.S Vigilance Bureau Patiala, while considering the criminal liability against the company held that Pamila Syal, d/o- R. L. Syal who has been appointed the whole time director of the company, was only responsible for any criminal liability arising against the company. The other accused R. K. Sayal, Neena Sayal and A.K Sayal who was its ordinary director from time to time are not responsible from any criminal liability of the company, therefore accused R.K Sayal, Neena Sayal and A.K Sayal were ordered to be discharged. (**Annexure A-5:** True Copy of the Order dated 17.01.2008 passed by Judicial Magistrate 1st Class Rajpura in State vs Pamila in Police Challan No. 265 of 16.05.2001 FIR No. 65

	of 23.12.2000 u/s 420/467/468/471/477 IPC P.S Vigilance Bureau Patiala .)
16.09.2008	While considering the pending interlocutory applications, this Hon'ble Court allowed I.A. No. 90 of 2008 and directed the counsel appearing for GFIL to furnish complete particulars of all the properties of the Company to the Committee within one month. The Court further directed service of the pending interlocutory applications upon all concerned parties and fixed the matters for further hearing.
15.10.2008	This Hon'ble Court observed, *"In order to facilitate the disbursement due to the investors, the money has to be collected by selling these properties.* *Committee is authorized to take possession of all the properties owned by the respondents. If there are any valid claims in respect of any of these properties by third parties, Committee may consider the same and pass appropriate orders, subject to confirmation by this Court."* (**Annexure A-6:** True Copy of the Order dated 15.10.2008 passed by this Hon'ble Court in Transferred Case (Civil) No. 2 of 2004 and connected matters.)
19.01.2010	Mr. AL Syal died in Judicial Custody. **(@Pg. 30, 1st Amicus Report)**

03.02.2010 *SC Order*	This Hon'ble Court directed that all writ petitions, transferred cases, interim applications, contempt petitions and related proceedings concerning GFIL be transferred to the Hon'ble High Court of Delhi for comprehensive adjudication. The Hon'ble High Court was asked to treat the transferred matters as writ petitions, hear the pending winding-up proceedings alongside them, and proceed with all issues, including investor claims, while having due regard to the interim orders earlier passed by this Hon'ble Court. The parties were granted liberty to raise additional contentions, and the Hon'ble High Court was authorised to appoint an Arbitrator or Commissioner if required. Purchasers who had bought properties in Court-ordered auctions were granted an extension of time for payment and taking possession until 15.03.2010. This Hon'ble Court clarified that it was expressing no opinion on the merits, and further authorised the Committee to pass appropriate orders regarding sales already confirmed, subject to approval of the Hon'ble High Court. Consequently, the Registry was also directed to transmit the entire record to the Hon'ble Delhi High Court forthwith, and the parties were directed to appear before the Hon'ble Delhi High Court on 15.03.2010.
05.04.2010	All transferred matters and other petitions were listed for the first time before the Hon'ble Delhi High Court as WP(C) 1399/2010 alongwith other connected matters. **(@Pg. 30, 1st Amicus Report)**

05.08.2010	Judicial Magistrate 1st Class, Chandigarh in Police Challan No. 48 of 02.06.2001 FIR No. 62 of 23.03.2001 u/s 406/420/120 B of IPC P.S Mani Majra, Chandigarh, observed that the prosecution has failed to prove the charges against the accused under Section 406/420/120 B of IPC. Hence the accused R.K. Sayal and Pomila Sayal are acquitted of the charges levelled against them by giving the benefit of doubt. (**Annexure A-7:** True Copy of the Order dated 05.08.2010 passed by Judicial Magistrate 1st Class, Chandigarh in Police Challan No. 48 of 02.06.2001 FIR No. 62 of 23.03.2001 u/s 406/420/120 B of IPC P.S Mani Majra, Chandigarh, .)
31.10.2010	Mrs. Neena Syal died in Judicial Custody as she was suffering from stage 4 cancer. **(@Pg. 30, 1st Amicus Report)**
06.04.2011	Mr. RK Syal died in Judicial Custody. **(@Pg. 31, 1st Amicus Report)**
01.07.2013	Additional Session Judge (FTC) Rup Nagar in Criminal Appeal No. 57 of 19.10.2011 and RBT No. 50 of 10.11.2012 held that the appeal filed by Pomila Sayal against the judgement dated 19.09.2011 is found to be sustainable and consequently is allowed and the judgement dated 19.09.2011 under appeal and order dated 19.09.2011 are set aside and the appellant is acquitted from the charges under Section 420/120 B of IPC by directing the appellant to furnish bail bond under Section 437-A of the CrPC for a sum of Rs. 50000/- with one surety of alike amount forthwith. **(Annexure A-8:** True Copy of the Order dated 01.07.2013 passed by Additional Session Judge (FTC) Rup Nagar in Criminal Appeal No. 57 of 19.10.2011 and RBT No. 50 of 10.11.2012.)

24.04.2014	GFIL Committee disclosed before the Hon'ble Delhi High Court that as on 31.03.2013, it had fixed deposits of Rs 433.5 Cr for disbursement. After deliberating upon the various options, the Hon'ble Delhi High Court proposed to consider the question of disbursement at a later stage after obtaining the report of an expert. Governor of RBI was requested to indicate the name of a suitable professional or individual who can assist in the matter. **(@Pg. 31, 1st Amicus Report)**
04.06.2014	In a similar case of *"S.E.B.I. vs Sahara India Real Estate & Others"* 2014 (8) SCC 751 *vide* Order dated 04.06.2014, this Hon'ble Court had *inter alia* allowed the owners of the company to sell its properties for a minimum rate set as the circle/ collector rate. The relevant portion is extracted below: *"21. Keeping in view the total number of properties held by Sahara Group of companies, transfer of sale and/or mortgage of the nine items of properties situated in nine cities mentioned in the note and extracted above should, in our opinion, suffice to enable the contemnors to comply with the 26th March, 2014 directions of this Court. In order, however, to ensure that the sale value is fair and reasonable, we need to make it clear that no item of property shall be sold at a price lesser than the circle value of the properties fixed for the area where such property is located."*
22.07.2014	This Hon'ble Court, in IA Nos. 8-9 & 10-12 of 2014 in Contempt Petition (C) No. 412 of 2012 in Civil Appeal No. 9814 of 2011, i.e. *"S.E.B.I. vs Sahara India Real Estate & Others",* was pleased to order that the promoters of Sahara India be permitted to sell off properties in the most profitable manner so as to expeditiously pay off investors. The relevant portion is extracted below:

	"11….We, therefore, see no legal impediment in permitting the sale of the offshore properties owned by Saharas. This is particularly so when not only do we have the valuation reports of the said properties on record prepared as they are by internationally reputed valuers but also the concurrence of SEBI for the sale of such properties at that value subject to the condition that the sale consideration shall as far as possible be at the estimated value of such properties, less, at the most by 5% of such value."
18.11.2015	The Hon'ble Delhi High Court reserved the matter for orders. **(@Pg. 31, 1st Amicus Report)**
25.04.2016	The Hon'ble Delhi High Court directed the GFIL Committee to file latest financial statements. **(@Pg. 31, 1st Amicus Report)**
26.09.2016 *SC Order*	Subsequently, Mr. HL Randev and Mr. BS Bedi resigned due to old age and expressed their inability to cope with the work. Later the Chairman, Justice RN Aggarwal also expressed his inability to continue with the Committee's work as he had crossed the age of 90. An application was preferred before the Hon'ble Supreme Court requesting that Justice RN Aggarwal be relieved of his responsibility. Accordingly, following Order was passed by this Hon'ble Court: *"By order dated 19th August, 2004, this Court appointed a Committee in the interest of investors. Thereafter, the Committee has been re-constituted. It is seen that as of now only the Chairman remains in the Committee. On behalf of the Chairman, it is also requested that he may not be in a position to continue in the Committee because of his age. All*

	cases before this Court have been sent back to the High Court of Delhi. *It will be open to the High Court of Delhi to take appropriate action in the matter of re-constitution of the Committee.* *It is made clear that the orders passed earlier by this Court shall not stand in the way of the High Court in passing further orders.* *All the parties before this Court are free to approach the High Court for appropriate relief."*
20.12.2016	The Hon'ble Delhi High Court (on the basis of recommendation of Hon'ble Chief Justice of Punjab & Haryana High Court) nominated the following to assume charge and act as the Chairman and the Members of the Committee: (i) Justice K.S. Garewal (Retd), Former Judge of Punjab & Haryana High Court, as Chairman, (ii) Mr. PL Ahuja, Former District & Sessions Judge at Haryana, as Member. (iii) Mr. BM Bedi, Former District & Sessions Judge at Haryana, as Member.
06.03.2017	The reconstituted GFIL Committee took charge. This Hon'ble Court also approved of the same. The GFIL Committee was entrusted to foresee the mandates: a) To invite claims from the investors and creditors of the Golden Forests Group of Companies and tabulate the same; b) To identity the properties of Golden Forests Group of Companies and take their possession through the concerned District Administration, and if need be with the police help as well;

	c) To put on sale the properties of the Golden Forests Group of Companies under the supervision of/and subject to the confirmation by the Hon'ble SC; d) On 30.7.2018, the Hon'ble SC directed that 70% of the principal amount be disbursed from the available money to each of the investors; whose names have been received and verified by the Committee.
15.02.2018	The Hon'ble Delhi High Court rejected the claims of around 125 claimants on the ground that original receipts were submitted after the cut-off date of 10.08.2006, and any deficiencies cured after the cut-off date would not be taken into account. **(@Pg. 32, 1st Amicus Report)**
11.04.2018 ***SC Order***	This Hon'ble Court recorded that one M/s Hawk Capital Pvt. Ltd. has made the best offer of Rs. 721 crores amongst all other bidders. Accordingly, M/s Hawk Capital Pvt. Ltd. was directed to deposit Rs. 721 crores alongwith Bank Guarantee to that effect. The relevant portion of the Order is extracted below: *"Of the several offers today among those present, the best offer, which is made in Court, has reached upto Rs. 721 Crores, from M/s. Hawk Capital Pvt. Ltd. We direct the abovementioned company to deposit the said amount of Rs.721,00,000,00/- (Rupees Seven Hundred and Twenty One Crores) before this Court or furnish Bank Guarantee to the said amount within a period of three weeks from today.* *We make it clear that if anybody else is still interested in participating in the bid, they are free to deposit the said amount of Rs. 721 Crores or furnish bank guarantee before 02.05.2018, without prejudice to their contentions before this Court and the final bid will take place on 02.05.2018 in the Court.*

	Needless to say that <u>none other than those who have deposited/furnished bank guarantee for the said amount of Rs. 721 Crores in the name of Registrar, Supreme Court of India before 02.05.2018 shall be permitted to participate in the bid</u>. *We direct the Committee to make this order known to the public through all the leading newspapers."* (**Annexure A-9:** True Copy of the Order dated 11.04.2018 passed by this Hon'ble Court in W.P.(C) No.188 of 2004 and connected matters.)
09.05.2018 ***SC Order***	This Hon'ble Court took on record the affidavits filed in this Hon'ble Court by the Principal Commissioner of Income Tax, Chandigarh, and by the Revenue Secretaries of Punjab and Uttarakhand furnishing particulars of surplus land, and dispensed with their personal appearance. This Hon'ble Court permitted all parties to respond to these reports and directed the Registry to verify the bank guarantee. <u>Recalling its earlier order dated 11.04.2018, where the highest offer had reached Rs. 721 crores and further opportunity for participation in the auction was granted, this Hon'ble Court noted that clarity regarding the extent and particulars of properties was lacking on 02.05.2018.</u> It was noted that the Committee had since filed a Compliance Report detailing the properties available for sale, including nature, location, area, Collector's rate and valuation, and this Hon'ble Court directed that these particulars be uploaded on the Committee's website forthwith.

<table>
<tr><td></td><td>The matter was directed to be listed on 17.05.2018, with a clear stipulation that any person wishing to participate in the auction must appear before this Hon'ble Court on that date and deposit or furnish a bank guarantee of Rs. 722 crores with the Registry by 4 p.m. on 16.05.2018.

This Hon'ble Court further clarified that interested parties may seek additional information from the Committee, that the auction will be conducted strictly on an "as is where is" basis and on the principle of caveat emptor, including with respect to disputes over surplus land.
Pertinently, the Committee was also directed to give wide publicity to this order and to publish the property details furnished in its affidavit dated 03.05.2018 as part of the advertisement.

(Annexure A-10: True Copy of the Order dated 09.05.2018 passed by this Hon'ble Court in W.P.(C) No.188 of 2004 and connected matters.)</td></tr>
<tr><td>04.07.2018
SC Order</td><td>HMJ Sanjay Kishan Kaul recused.</td></tr>
<tr><td>21.07.2018
SLP
25407/2018</td><td>Various claimants filed SLP No. 25407 of 2018 titled as "Ramasita Mahalakshmi v. GFIL" before this Hon'ble Court. (@Pg. 32, 1st Amicus Report)
<table>
<tr><td colspan="3">Relevant Dates for SLP No. 25407 of 2018</td></tr>
<tr><td>S. No.</td><td>Date</td><td>Particular</td></tr>
<tr><td>i.</td><td>14.09.2018
Notice</td><td>Notice was issued.</td></tr>
</table>
</td></tr>
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	ii.	04.03.2024	This Hon'ble Court observed that out of 125 claimants, the payment was successful for only 91 claimants. Accordingly, the parties were directed to take steps to successfully pay the other claimants also.
	iii.	27.01.2025 *Disposed*	The Hon'ble High Court had rejected the petitioners' applications because their original receipts were submitted long after this deadline, despite repeated opportunities. This Hon'ble Court found no reason to interfere with the Hon'ble High Court's Order, especially since the Committee was still functioning and actively settling claims. Referring to its earlier order dated 04.03.2024, this Hon'ble Court directed that claimants whose payments were pending must be completed necessary steps within four weeks, after which the Committee was directed to settle their claims within a further four weeks and file a fresh compliance affidavit. With these observations, SLP and all pending applications were disposed of.
30.07.2018	This Hon'ble Court *inter alia* passed the following directions:		

SC Order	• Summary of Data of GFIL as on 01.02.2017 (@Pg, 36, IA 275461/2024) o 13,34,391 claims o 768.93 Principal Amount A. Directions Regarding Fresh Bids and Auction Notice 1. Pursuant to Order dated 09.05.2018, advertisements were published in *Indian Express*, *Hindustan Times*, and *Dainik Jagran*. 2. Properties were categorised in the auction notice as: o Part A – Properties available for sale. o Part B – Properties/lands under litigation before Court/Committee. o Part C – Surplus land declared by the States of Punjab and Uttarakhand. o Part D – Properties/lands yet to be identified (as per Dr. Nanavati's Report). 3. All properties listed were proposed for sale. B. Directions Regarding Valuation of Properties 5. <u>This Hon'ble Court recorded submissions that no current valuation exists and that valuations from 1998 or by Hawk Group cannot be relied upon.</u> 6. This Hon'ble Court observed that current valuation is absolutely necessary before proceeding with any sale. 7. A three-member valuation team was constituted: o Sh. S.S. Rathore, Principal Chief Commissioner of Income Tax, Delhi. o Sh. Sanjay Kumar Mishra, Principal Chief Commissioner of Income Tax-4, Delhi. o Sh. Anup Kumar Dubey, Commissioner of Income Tax (OSD), Delhi.

8. The team was directed to submit a correct valuation of the properties.

C. Directions for Identification of Properties

9. For identifying each property, the Collector was directed to nominate a Revenue Officer of the rank of Sub-Divisional Officer or Tehsildar of the concerned district.
10. The valuation report, along with plot numbers and identification details, was to be submitted to the Court.
11. The existing Committee was directed to:
    - Submit details of the properties on affidavit to the Court.
    - Provide the same details to the valuation team.
12. The concerned District Magistrate was directed to assist the valuation team in identifying properties, including with reference to Dr. Nanavati's reports.
13. The Committee was directed to furnish all relevant data to this Hon'ble Court and to the valuation team.

D. Directions Regarding Surplus Land

14. This Hon'ble Court noted submissions that surplus land declared by Punjab and Uttarakhand was included in the auction notice, and directed that valuation shall not be undertaken for surplus land.
15. This Hon'ble Court recorded a prima facie view that land declared surplus and vested in the State cannot be sold for satisfying debts of Golden Forest Group.
16. At the first instance, this Hon'ble Court observed that the valuation was to be obtained only for:
    - Properties in Part A (available for sale).
    - Properties in Part B (under litigation).

	o Properties in Part D (yet to be identified), to the extent identification is possible. 17. This Hon'ble Court also expressed that the valuation report must also indicate whether any Part-D property has been declared surplus. E. Directions Regarding Auction Process 21. This Hon'ble Court held that it would not be appropriate to proceed further with the auction notice. No bid had been offered pursuant to the advertisement. 22. Hawk Capital (P) Ltd. had not deposited the amount and had withdrawn its bank guarantee. 23. This Hon'ble Court deferred consideration of the consequences of Hawk Capital's conduct. 24. This Hon'ble Court was of the view that property can be auctioned only after fixing a minimum price, which requires valuation. F. Directions Regarding Funds and Distribution to Investors 26. This Hon'ble Court noted that approx. Rs. 100 crores had been attached by the Income Tax Department. 27. This Hon'ble Court noted that approx. Rs. 700 crores was available for distribution. 28. Approx. Rs. 900 crores was the principal amount of claims received. 29. This Hon'ble Court directed that 70% of the principal amount be distributed to each investor whose claim has been received by the Committee. 30. The Committee was directed to use M/s Karvy Investors Services Limited for disbursement. 31. The process of distribution was to be completed within three months. G. Directions Regarding Valuation Report Timeline

	32. The valuation report was to be submitted within two months. 34. The Collector’s prescribed rate for the property was also to be furnished within the same period. (**Annexure A-11**: True Copy of the Order dated 30.07.2018 passed by this Hon'ble Court in W.P.(C) No.188 of 2004 and connected matters.)
05.09.2018 ***SC Order***	This Hon’ble Court modified the Order dated 30.07.2018 and replaced Karvy Investors Services Limited with Karvy Computer Share Pvt. Ltd. ● Summary of Data of GPL as on 01.02.2017 o 1,39,437 claims o 130.58 Principal Amount (Annexure A-12: True Copy of the Order dated 05.09.2018 passed by this Hon'ble Court in W.P.(C) No.188 of 2004 and connected matters.)
October 2018	GFIL Committee had meetings with the Officers of Karvy Computershare Limited (Karvy) and suggestions for creating a web portal for the investors for uploading their bank details and issuance of public notices to the investors were discussed. A web portal was designed and managed by Karvy. Consequently, Karvy started the website of the Committee. Notices to investors were published in leading national and regional newspapers. For the benefit of the investors a telephone helpline and an e-mail account were opened, and investors were provided a toll-free helpline number. As per the information furnished by Karvy, total 2,19,871 calls were received during the period July 2019 to December 2021.

	Further 90,153 queries were received, 45,354 were replied by e-mail and 44799 were replied by physical letters. **(@Pg. 33, 1st Amicus Report)**
27.11.2018 ***SC Order***	This Hon'ble Court passed an Order on two major points, namely: A. Valuation *"2. The valuation team has filed the affidavit in the form of First Interim Progress Report of valuation of the properties pursuant to the order dated 30th July, 2018 passed by this Court. It appears from the perusal of the Report that substantial progress has not been done so far with respect to the properties that stand already identified. We request the Valuation Team to make the valuation of the property which has already been identified in Part A as early as possible. It was stated by learned counsel appearing on behalf of the Committee appointed by this Court that there are 23 identified properties which can be valued.* *3. The learned counsel appearing on behalf of the State of Uttarakhand has pointed out that the basis taken for valuation of certain property was not correct, consequently value determined by the Valuation Team is not correct and is on lower side. Radhakrishnan, learned senior counsel appearing for the Valuation Team agreed that the suggestions and material may be filed before the Valuation Team and they will be considered and looked into by the Valuation Team for making the proper valuation and correcting the one already made. It is also submitted that as and when Valuation Team is valuing any property, they may associate Collector of the concerned District also, as offered by the learned counsel appearing for the State of Uttarakhand and to this there is no objection raised by Shri Radhakrishnan. Let Collector be*

	associated to help Valuation Team for arriving at a proper valuation.” B. Relaxation of Cut-off Date *“6. …Even if any person applies after the cutoff date, the Committee and agency appointed shall honour their claim and make the requisite payment. Let the order of distribution be complied with.* *We request the Chairman of the Committee to ensure that the order of distribution of money is complied with in pith and substance and there is no violation in any manner whatsoever by any agency/person.”* (**Annexure A-12:** True Copy of the Order dated 27.11.2018 passed by this Hon'ble Court in W.P.(C) No.188 of 2004 and connected matters.)
01.12.2018	This Hon’ble Court directed that in the cases of investors where bank particulars had already been furnished, payment be made on available data. In case information has not been furnished and no application has been filed by the investors, the 70% amount shall be disbursed through account payee cheques to investors on the available address. **(@Pg. 33, 1st Amicus Report)**
06.12.2018 – 26.08.2021	Committee opened a separate bank account with State Bank of India to facilitate funds disbursement through electronic mode. Rs 276,84,85,727/- were transferred to 423914 investors through electronic mode. **(@Pg. 33, 1st Amicus Report)**
01.12.2021	Rs. 460.56 Cr had been disbursed to the investors.

	NOTE: It was submitted by the Ld. *Amicus* in his 1st Report that the Committee was still receiving claims which are being scrutinized in collaboration with Karvy. **(@Pg. 34, 1st Amicus Report)**
02.12.2021	Mrs. Pamila Syal died. **(@Pg. 34, 1st Amicus Report)**
01.03.2022	Out of total 14,73,828 claims, 9,55,943 have been paid 70% of their investments. Cheques sent to 238087 investors have been received back undelivered. Cheques sent to about 2,33,098 investors have neither presented to bank nor received back. The Committee has sent reminder to them but no reply received. **NOTE:** It was submitted by the Ld. *Amicus* in his 1st Report that rest of approx. 46700 claims were under scrutiny. **(@Pg. 34, 1st Amicus Report)**
15.10.2022	Applicant had filed IA No. 157461 of 2022 dated 15.10.2022 for impleadment/intervention in the present matter. (@Para 3, Pg. 2 & Para L, Pg. 8-9, IA 275461/2024) (**A*nnexure A-13:*** A *true copy of the* IA No. 157461 of 2022 dated 15.10.2022 for impleadment/intervention in the present matter)
2023 IA 44362/ 2023	Applicant had filed IA No. 44362 of 2023 seeking an opportunity to identify some properties which, on being sold, would pay the remaining principal amount as indicated by the Committee.
24.01.2023 *SC Order*	This Hon'ble Court *inter alia* noted that GFIL owns large tracts of land across the country, many of which are embroiled in competing claims and litigation, making individual auctions impractical. To ensure the best price in the least

	complicated manner, this Hon'ble Court directed the Committee to furnish within four weeks a complete list of all properties capable of being auctioned to the Income Tax Department, which must in turn carry out valuation and submit its report within eight weeks. This Hon'ble Court indicated that a composite auction of all properties together, along with their liabilities and encumbrances, may be preferable, and clarified that properties already auctioned by the Income Tax Department should be taken to their logical conclusion, while no further auctions shall be conducted until further orders. The Committee was also directed to identify a new agency for investor disbursements, since Karvy Fintech was facing enforcement proceedings. This Hon'ble Court recorded that Rs. 700 crores had been received by the Committee, of which Rs. 463 crores had already been disbursed towards 70% of the principal amounts to 9,59,388 claimants, and that Rs. 253 crores remained available for further distribution, subject to appointment of a new disbursing agency. This Hon'ble Court also observed that the existing Earnest Money Deposit of Rs. 2,00,000/- for auctions was too low and prima facie required enhancement to 10% of the upset price to prevent cartelisation. The relevant portions are extracted below: *"8. <u>We find that it is not in dispute that the company owns huge pieces of land throughout the Country.</u>*

	9. Indisputably, with regard to the certain pieces of land, there are competing claims and litigation pending *10. We find that monitoring the auction of each and every property separately would be a herculean task. It will be difficult for the committee to monitor such independent auctions. Equally, it will be difficult for us to review such decisions.* *…* *14. We, prima facie, find that what is of paramount importance is getting the best price in the least complicated manner, so that interest of investors is safe guarded."*
25.04.2023 *SC Order*	Applicant's IA No. 44362 of 2023 came to be partly allowed by this Hon'ble Court *vide* Order dated 25.04.2023. This Hon'ble directed as under: *"…5. We see no impediment in allowing the same, if the applicant, at his own expenses, desires to do the valuation of the properties and get a buyer who is willing to pay for the properties at such a valuation as it will be in the interest of all the stake holders.* *…* *9. The applicant is permitted to do an independent valuation of the properties and also furnish the details about the buyer who would be willing to purchase the said properties. …"* **Annexure A-14:** A true copy of the Order dated 25.04.2023 passed in IA No. 44362 of 2023 is annexed herewith.
24.01.2024 *SC Order*	This Hon'ble Court, *vide* its Order, *inter alia,* observed the following: ● The Committee was directed to point out as to how much balance amount was required to be paid to the investors. Even then, it is submitted by the Applicant that the actual picture of total liability on GFIL has not

	been clarified. *"7. The Committee shall submit its response upon the same within two weeks thereafter. The Committee shall also point out as to how much balance amount is required to be paid to the investors."* ● 3 contenders: *"10. However, prima facie, it appears that there are three contenders i.e. the Hawk Capital Pvt. Ltd., M/s. Ramky Truspace Homes Pvt. Ltd., and M/s. Raamsai Infra, who are willing to participate in the auction for purchase of the properties throughout India, as recorded in the order dated 24.01.2023"*
29.02.2024 *SC Order*	*"…11. In our earlier orders, we have already observed that, prima facie, it will be in the interest of everyone that all the properties are auctioned together on a Pan India Basis so that complications are avoided.* *12. We are informed that three parties are willing to submit their bids for acquisition on a Pan India basis.* *13. We are also informed that there are some other parties who would be interested to bid on a Pan India basis. We have also clarified that bids would be on as is where is basis. If any land is under litigation, the bid would be with the risk that would carry along with offering such a bid.* *14. However, in order to avoid further complication, we direct all the parties, including the State of Uttarakhand shall maintain status quo of the properties, as of today…."*
16.07.2024 *SC Order*	HMJ K. V. Viswanathan recused himself from the hearing of the present matter. Shri Sunil Fernandes, Ld. Sr. Adv., was

	appointed as *Amicus Curiae* in the instant batch of matters. Mr Sanchit Garga, AoR was asked to assist Ld. *Amicus*.
28.08.2024 *SC Order*	**This Hon'ble Court *inter alia* observed the following:** *"…4. It is needless to observe that since this Court, in its previous orders, has observed that the best possible prices for the properties are required to be fetched and that <u>no stone should be left unturned in that behalf, we also wish Mr. Fernandes to indicate in his report as to whether a PAN India auction would be in the best interest of all concerned or that some other avenue could also be explored</u>."* This Hon'ble Court recorded that the Income Tax Department required 4 to 6 weeks to complete the valuation of all properties and permitted it to continue the process, directing that a comprehensive report be prepared within six weeks. Ld. Amicus Curiae's report was to be circulated to all counsel 48 hours before the next hearing, and all parties are expected to fully cooperate with him.
11.09.2024 **<u>1st *Amicus* Report</u>**	Ld. *Amicus* submitted his 1st Report and submitted following recommendations as quoted hereunder: *"12. Therefore, to summarize, the recommendations of the Ld. Amicus Curiae in his 1st Report dated 11.09.2024 are as follows:* *12.1 <u>Ensure that the Income Tax Department completes the valuation of all the GFIL Properties</u> at the earliest.* *12.2 Direct <u>the Income tax Authority to furnish a convenient Synopsis/Chart containing</u>* *(i) Total Number of GFIL Properties,* *(ii) Identification/Location of such Properties, and* *(iii) <u>Its present Valuation/Price</u>.*

	12.3 <u>Copy of the above be furnished to the GFIL Committee and the Syal Family, to obtain their response/views, so that all the stakeholders are on the same page qua the Number, Identification, and Valuation of the GFIL properties, before steps are taken to commence its Auction.</u> *12.4 This Hon'ble Court, after obtaining views of all the concerned parties, may consider a PAN-INDIA Single Sale Auction for all GFIL Properties that are the subject-matter of the Final Income Tax Report.* *12.5 <u>The Auction should be on "As is Where is Whatever is" basis.</u> All prospective Auction-Purchasers must be advised to strictly complete their exhaustive due diligence before submitting their bids. The GFIL Committee may be directed to render all possible and prompt assistance to all such prospective purchasers with respect to conducting the legal due diligence, inspection of records, documents etc. and any other such relevant information.* *12.6 Once the Auction concludes, the Auction-Purchaser and/or any other party should not be permitted to directly approach this Hon'ble Court/Your Lordships with any grievance. All subsequent litigations must be conducted in the Courts/Tribunals of competent and original jurisdiction and not this Hon'ble Court.* *12.7 <u>Identify the Agency which can be entrusted and willing to conduct this Pan India Auction.</u>* *12.8 Identify the Agency to replace/step into the shoes of M/s Karvy Fintech and commence disbursement of existing monies to the investors/claimants expeditiously as possible.* *12.9 <u>Direct the GFIL Committee to submit the relevant details in a Single Convenient Chart in terms of Para 11.5 of this Report.</u>*

	12.10 Direct SEBI or any other such body to suggest M/s Karvy Fintech's replacement." (**Annexure A-15:** The 1st Amicus Report dated 11.09.2024 submitted by Ld. Amicus)
2024 IA 275461/ 2024	Applicant had filed IA No. 275461 of 2024 wherein it was brought to the notice of this Hon'ble Court that the Applicant herein is in negotiation with potential purchasers and that he will be able to bring the best price of the property to pay liability pending to the investors. ● Property Details which were proposed to be sold (@Pg. 16-19, IA 275461/2024) ● *"X. One of the interested buyer identified by the applicant is a registered Limited Liability Company (LLP) having been in the real estate business for long, which is registered under the LLP ACT 2008 and is a suitable party for being treated as a test case. The financial details, competence, identification etc. and are attached herewith in a sealed cover. In case the court grants permission, the sale transaction and deposit of the consideration can be deposited with the court within a period of two weeks.*" (@Pg. 14, IA 275461/2024) ● *"Y. That the applicant, after a lot of negotiation, has secured and identified the buyer for this land who is willing to purchase the land at the rate of Rs. 70,000,00 (Rupees Seventy Lakhs Only) per acre, and thus the total price for the 53 acres (approx.) being Rs 37,10,000,00 (Thirty Seven Crores and Ten Lakhs). The circle rate of the concerned area is Rs 60 – 65 Lakh per acre and the usage of the said land is residential.*" (@Pg. 14, IA 275461/2024)

	● *"II. That the applicant feels very confident that he can deposit the <u>entire outstanding liability of the company within 3-6 months</u> if this Hon'ble Court permits the sale of the abovementioned property."* (@Pg. 19-20, IA 275461/2024) ● Prayer (@Pg. 22, IA 275461/2024) ● He also submitted that he has conducted an independent valuation of a portion of property situated in Gurugram (Haryana). Applicant sought liberty of this Hon'ble Court for bringing about an overall solution to deposit the entire liability. The Applicant submitted that he has been approached time and again by several buyers who are interested in buying the properties.
29.02.2024 *SC Order*	This Hon'ble Court *inter alia* passed the following directions and noted the following observations: *"5. Be that as it may, we request the Income Tax Authority to do the exercise of valuation of the said property and submit the valuation report within a period of 12 weeks from today.* *6. Insofar as the the land in Gurugram is concerned, Smt. Suruchii Aggarwal, submitted that the valuation has already been done by the Income Tax Authority.* *...* *11. In our earlier orders, we have already observed that, prima facie, it will be in the interest of everyone that all the properties are auctioned together on a Pan India Basis so that complications are avoided.* *12. We are informed that three parties are willing to submit their bids for acquisition on a Pan India basis.*

	13. We are also informed that there are some other parties who would be interested to bid on a Pan India basis. We have also clarified that bids would be on as is where is basis. If any land is under litigation, the bid would be with the risk that would carry alongwith offering such a bid. *...”*
18.02.2025 *SC Order*	This Hon’ble Court *inter alia* passed the following directions and noted the following observations: “4. Learned amicus curiae in paragraph 6 of his report has highlighted two broad issues that would be arising for decision before this Court. He has suggested that the sale/auction could either be held on a PAN India single auction basis or if such single auction is not found to be feasible, separate auction of all the individual properties of the GFIL may be explored. 5. Without referring to the report in any great detail in this order, for the purpose of facilitating further action to be taken on the basis of such report, we make the following directions: (i) The GFIL Committee shall disclose particulars till 31st December, 2024, as required in terms of paragraph 11.5 of the report of the amicus curiae, within four weeks from date. (ii) The Income Tax authority/department shall complete valuation of all the identified GFIL properties at the earliest, if not already completed, and shall submit an updated status report by the next date of hearing on (a) the total number of GFIL properties in respect whereof valuation has been conducted or are to be conducted (b) identification/location of such properties and (c) the valuation/price.

	(iii) Copies of the report of the GFIL Committee as well as the Income Tax authority/department, referred to in (i) and (ii) supra, shall be provided to respondent-Nikhil Syal as well as the learned amicus curiae. (iv) <u>Upon looking into the reports of the GFIL Committee as well as the Income Tax authority/department, the learned amicus curiae shall file a further report on the feasibility of a PAN India single sale auction for all the GFIL properties.</u> (v) The learned amicus curiae has suggested in paragraph 10 about identification of an agency to conduct the auction(s). (vi) Having heard Mr. Arijit Prasad, learned senior counsel appearing for the Income Tax authority/department and considering the need for a fair and transparent process of auction, <u>we find the Income Tax department to be the appropriate department to whom the task of auctioning the properties may be entrusted</u>. Ordered accordingly, subject to further orders being passed. (vii) The Income Tax department shall further nominate an agency which is to step into the shoes of M/s. Karvy Fintech Pvt. Ltd. for the purpose of disbursement of the existing monies to the investors/claimants. Let process in this behalf begin and developments be reported on the returnable date. (viii) The reports may be filed in terms of this order well before the next date of hearing. (ix) <u>After the report of the Income Tax department is received, a meeting will be convened by the learned amicus curiae within a period of three weeks from that date, respondent-Nikhil Syal as well as the representative of the GFIL committee shall attend for the purpose of identifying any left out properties from the list already available.</u>

	(x) Presently, we are not inclined to allow the applications for intervention; however, such of the applicants who are genuinely interested in assisting the Court to attempt to bring succor to the investors would be heard after all the reports are received.”
08.04.2025 *SC Order*	*“1. Due to the paucity of time, arguments remained inconclusive today.* … *3. In the meanwhile, the Income Tax Authority shall comply with the directions contained in paragraph 5(ii) and 5(vii) of our order dated 18th February, 2025 and submit its report.”*
27.04.2025	Applicant has also filed a compliance affidavit pursuant to the order dated 25.04.2023 giving out details of the independent valuation report, identification of the land for which buyers are available with the Applicant and the letter of intent of such potential buyers. ● Valuation Report ● Map
28.04.2025 **2nd Amicus Report**	Ld. *Amicus* submitted his 2nd Report. ● Chart submitted by the GFIL Committee in its response dated 24.03.2025 (@Para 4.2, Pg. 2) o 9,62,233 investors have received an approximate amount of Rs.466 Crores (only 70% of their Principal Amount claimed) ● Valuation Reports already prepared by the I.T Dept. (@Para 7.1, Pg. 5) o Total numbers of Properties in the 4 Valuation Reports is 1,855 o Total Valuation of 1,855 properties is approx. Rs. 4881 Crores

	● Total claimants whose claims are yet to be verified are 31,426 (@Para 4.7, Pg. 4) The relevant portions of the Report are extracted below: "*5.1. This Hon'ble Court may kindly consider fixing a deadline after which no fresh claims can be entertained by the GFIL Committee. The said Committee is in existence since the last 21 years and it is stated by the GFIL Committee that it is still receiving claims from the investors on a daily basis. Submissions of Claims cannot be an infinite never ending process.* *5.2. If claims are filed belatedly and after almost two decades, grave doubts arise regarding their veracity and authenticity. In any case, it is in the interest of justice that a cut off date be fixed, widely publicised and after that no fresh claims must be entertained by the GFIL Committee under any circumstance.* *…* *7.5. A perusal of the Valuation Report submitted by the I.T Dept reveals that in all likelihood, the valuation is arrived without any spot/on-site inspection and that the valuation report qua individual properties may have been prepared only based on official documents or in some cases only on the basis of the address provided by the GFIL Committee to the I.T Dept.* *7.6. This Valuation Report(s) cannot be the basis of conducting due-diligence for prospective buyers/participants at the auction and the very reason of this Valuation Report is to create a floor price for auction of GFIL Properties, which is defeated.* *…* *7.12. The bigger problem, however, pertains to the exact identification/location of the said properties. A bare perusal*

	of the Compilation will reveal that the said valuation report is deficient in this aspect." **Annexure A-16:** The 2nd Amicus Report dated 28.04.2025 submitted by Ld. Amicus is annexed)
29.04.2025 *SC Order*	This Hon'ble Court noted that the GFIL claims portal has remained open since 2018 and, given that lakhs of claims have already been filed, fixed a <u>final cut-off window for any remaining affected investors to lodge claims between 15.05.2025 and 15.07.2025</u>, after which no further claims will be entertained. It directed the GFIL Committee to widely publicize this window through its website and national English and Hindi newspapers. To restart the long-pending sale process, this Hon'ble Court directed that auction of GFIL properties shall begin with those located in Telangana, and asked the Ld. *Amicus*, the counsel for the Committee, and counsel for the Income Tax Department to jointly prepare minutes detailing auction modalities, reserve prices, property particulars, and timelines for publication and bidding. *"(ii) <u>For sale of the properties of GFIL Pvt. Ltd. situated in the State of Telangana</u>, we request the learned amicus to sit with Ms. Suruchi Aggarwal, learned senior counsel appearing for the GFIL Committee and Mr. Prasad, learned senior counsel for the Income Tax Authorities. <u>They may, upon deliberations, prepare joint minutes indicating therein the modalities for the purpose of publication of notice for auction of all the properties in the State of Telangana with the requisite particulars of khasra/survey/plot numbers and boundaries, the reserve price, the probable dates for</u>*

	publication of notice and receipt of bids, etc. Looking at such joint minutes, we propose to issue further directions."
05.05.2025	In compliance with such order, learned amicus curiae-Mr. Sunil Fernandes, Ms. Suruchi Aggarwal, learned senior counsel appearing for GFIL Committee and Mr. Arijit Prasad, learned senior counsel appearing for the Income Tax department, assembled to prepare a Joint Minutes of Meeting. **(@Para 2, Order dated 15.05.2025)**
15.05.2025 *SC Order*	This Hon'ble Court passed the following directions taking Minutes of Meeting dated 05.05.2025 into consideration: *"Having majorly accepted the proposals, we issue the following directions:* *The lands and buildings which are indicated in paragraph 6.1 of the Joint Minutes of Meeting shall be put up for auction on terms and conditions as noted below:* *(i) Extent and details of lands to be auctioned shall be the lands evaluated by the Income Tax Department.* *(ii) Reserve/Upset price shall be the value as evaluated by the Income Tax Department.* *(iii) Sale Notice shall be widely publicized in English, Hindi and Telugu language newspapers and should be widely publicized. The Sale Notice should also be published on the website of the GFIL Committee.* *(iv) The public Auction should be an E-auction.* *(v) The Public Auction shall be conducted by the Income Tax Department.* *(vi) The sale shall be on "as is, where is and whatever there is" basis.* *(vii) The EMD should be at least 10% of the Reserve Price.* *(viii) Bid Amount and Incremental Bids shall be decided in advance.*

	(ix) The financial credentials of the prospective bidders shall be scrutinized by a designated officer of the Income Tax Department. *(x) The Successful Bidder shall deposit the 25% of the total Sale Amount within 7 days from the date of completion of the Bids and the declaration of successful Auction purchaser and the balance amount shall be deposited within 30 days from the date of completion of the Bids and declaration of successful Auction Purchaser.* *(xi) The Sale Certificate shall be issued by the Income Tax Department to the successful bidder only and not to any nominee of the successful bidder after the Sale is confirmed by this Hon'ble Court and on deposit of the entire Sale Consideration.* *(xii) The EMD of unsuccessful bidders shall be returned on the same day as on the day of Auction.* *(xiii) Possession of the lands so Auctioned shall be delivered through District Collector by way of warrants of possession to be issued by the GFIL Committee.* *(xiv) Encroachments, if any, shall be removed by the District Administration.* *(xv) Third party disputes shall be adjudicated by the GFIL Committee, i.e., "Disputes regarding possession, ownership, title of properties which were purchased by GFIL group of companies and which are in the custody of the Committee shall be adjudicated by the GFIL-Committee".* *(xvi) Disputes, if any, qua the auction to be adjudicated by this Court.* *(xvii) TDS shall be deducted from the sale proceeds in accordance with law.*

	(xviii) The expenses of Publication of Notice as well as the entire exercise of conducting auction, to be undertaken by the Income Tax Department, shall be reimbursed by the GFIL Committee from the funds that are available. *(xix) A Disclaimer to the effect that the successful auction purchaser shall step into the shoes of the GFIL Committee or the Golden Forest India Ltd. or Golden Projects Limited with respect to all pending litigations, disputes with third parties and thereafter, the GFIL Committee shall have no role in the said disputes.* *(xxii) The District Collector of both the districts, i.e., Yadadiri Bhuvanagiri and Pedapally should depute a Nodal Officer for the purpose of physical inspection of the lands by intending bidders and for inspection of the revenue records to check the status of encumbrance, if any.* *(xxiii) Sale proceeds be deposited with the GFIL Committee by way of Demand Draft drawn in favour of the Chairman, Committee-GFIL or through RTGS mode of the amount of the Committee."*
13.08.2025 *SC Order*	This Hon'ble Court recorded the Income Tax Department's compliance steps and the practical difficulties faced in preparing GFIL properties in Telangana for auction, and formally approved the engagement of MSTC Ltd. for e-auctions and SBI Cap for legal assistance. This Hon'ble Court further clarified that all expenses for the auction process shall be reimbursed by the GFIL Committee, and directed the District Collectors of Yadadri-Bhuvanagiri and Peddapalli to demarcate and identify the GFIL lands—approximately 1500 acres in Choutuppal/Bibinagar and 847.49 sq. yds. in Ramagundam, within 30 days, including identifying encroachments, inaccessible parcels, and portions

	acquired for public purposes, and to inform any ongoing construction about the pending litigation. Once demarcation is completed and notified, this Hon'ble Court noted that the Department must publish e-auction notices and proceed with the sale on an "as is, where is, whatever there is" basis, allowing inspection dates and completing bidding within 30 days thereafter, with auctions to be conducted village-wise. It was categorically stated Lands acquired for public purposes must be excluded, and details of compensation paid must be shared with the GFIL Committee. The Court also directed the Committee to file a report by 15.10.2025 on additional investor claims received by 15.07.2025, and asked the Income Tax Department to nominate an agency to replace Karvy Finetech for disbursement of funds. *"12. Regarding compliance of direction no. 1 contained in the order dated 29.04.2025, <u>Ms. Aggarwal submits that additional claims have been received by 15.07.2025 which are being processed. She shall file a report by 15.10.2025 with regard to eligibility of the additional claims that have been received to enable us to pass further order(s) in this regard.</u> A prayer for advancing the date of hearing, if required could be made."*
10.10.2025 <u>KFinTech's</u> <u>Email</u> **R-1,** **C's CA** **4-5**	Letter dated 10.10.2025 was addressed to the Committee by M/s Kfin Technologies Ltd., whose services were engaged to maintain records of all claims, providing the relevant figures in compliance with the Order passed by this Hon'ble Court on 13.08.2025.
10.10.2025	Pursuant to the directions contained in the Order dated 13.08.2025, the Committee filed its Compliance Affidavit

Committee's Compliance Affidavit **C's CA** **1-3**	placing on record that, as per the information received from M/s Kfin Technologies Ltd., a total of 39,597 claims had been received after the cutoff date of 10.08.2006 till 15.07.2025, amounting to a total principal sum of Rs. 30,31,17,605/-. However, these claims were stated to be under scrutiny.
11.12.2025 *SC Order*	This Hon'ble Court took note of the status report filed by the Ld. ASG and issued contempt notices to four individuals, Juvvadi Venkateshwar Rao, Maddi Srinivas, Kalakonda Shashidhar, and Enaganti Rammohan Rao, for allegedly transferring 684.94 sq. yds. of GFIL land in violation of this Court's injunction dated 17.08.2004, and listed the matter on 20.01.2026 to enable counsel for the purchasers to obtain instructions on possible terms. This Hon'ble Court permitted the Income Tax Department to engage SBICAP in place of MSTC for all auction-related functions and directed the GFIL Committee to remit Rs. 50 lakhs immediately to the Department. Accepting the Committee's stand, this Hon'ble Court recalled its earlier direction requiring replacement of Karvy Fintech and allowed KFIN Technologies to continue handling disbursements, directing it to file a status report by the next date. Notice was also issued to the State of Telangana to facilitate compliance with the earlier order of 13.08.2025, and to the SDM, Defence Colony, with an interim stay on the SDM's notice dated 20.08.2025 until the next hearing.
20.01.2026 *SC Order*	This Hon'ble Court took note of the Status Report filed by the Ld. ASG, which recorded that survey work of GFIL lands in five villages of Choutuppal Mandal had been completed and

	that physical demarcation required an expenditure of Rs. 19.25 lakh. On the State of Telangana's request, this Hon'ble Court granted four weeks' time to complete physical demarcation and directed the GFIL Committee to transfer Rs. 19.25 lakh to the State, with account details to be furnished by 28.01.2026. Ld. Counsel appearing for the four individuals who received contempt notices was granted four weeks to file replies. This Hon'ble Court noted that KFIN Technologies had not shared its status report with the Ld. *Amicus* or the Committee and directed its counsel to circulate soft copies within the week. As the SDM, Defence Colony, failed to appear despite service, the Hon'ble Court required his personal presence on 25.02.2026.
23.02.2026	The Applicant filed IA No. I.A. No. 62141/2026 in T.C. No. 2/2004 for direction and stated that he is willing to pay the total liability to the investors as decided by this Hon'ble Court, and is willing to revive the company by paying out all its liability to scrutinized claimants within one months. It is in this respect, the Application was filed by the Applicant.
25.02.2026 *SC Order*	This Hon'ble Court recorded the compliance affidavit filed by the State of Telangana confirming identification and demarcation of GFIL lands in Choutuppal Mandal and noted the five mapped parcels measuring 226.10, 42.22, 33.24, 381.28 and 491.28 acres. This Hon'ble Court directed the District Collector, Yadadri-Bhuvanagiri, with assistance from the

	Superintendent of Police, to secure possession, prevent encroachments, and hold these lands in custodia legis, with warning boards installed. The Court further directed the Collector to take possession of 226.10 acres at Raghavpuram, Bibinagar, which is reported to be free of encumbrance. The Income Tax Department was granted six weeks to obtain valuation reports for all identified lands, with liberty to seek assistance from the Collector, and ordered to place the valuation before the Court on 22.04.2026 at 3:00 p.m. M/s Divi's Laboratories was permitted to file objections to one of the location maps within three weeks. The SDM, Jungpura, appeared and tendered an unconditional apology, which was accepted, and his personal presence was dispensed with. Finally, the Department was directed by this Hon'ble Court to furnish bank details to Ms. Suruchi Aggarwal to facilitate transfer of Rs. 50 lakh in terms of the earlier order dated 11.12.2025.
22.04.2026 *SC Order*	This Hon'ble Court noted the submission of the State of Telangana regarding the faithful compliance of the previous directions by the District Collector, Yadadri Bhuvanagiri, and directed the Collector to file an affidavit within seven days confirming full compliance. The Court further required the District Collector's virtual presence at the next hearing. Regarding land valuation, this Hon'ble Court recorded the Status Report filed by the Income Tax Department, noting an increase in the valuation of lands in Yadadri Bhuvanagiri and Peddapalli districts from approximately Rs. 1884.85 crore to

	Rs. 2780.30 crore. The identified land parcels measure approximately 1175 acres and 240 acres, respectively. To facilitate the liquidation of assets, this Hon'ble Court directed the Amicus Curiae, Senior Counsel for the Income Tax Department, and Senior Counsel for the GFIL Committee to jointly finalize the modalities for the auction sale of the said lands. The proposed modalities are to be placed on record 48 hours prior to the next hearing. In administrative matters, this Hon'ble Court accepted the resignation of Mr. P. L. Ahuja from the GFIL Committee and nominated Mr. K.K. Kareer, former District Judge, as his replacement effective from 01.05.2026, with entitlement to the same benefits. Additionally, the GFIL Committee and M/s. K.FIN Technologies were directed to file updated affidavits regarding the disbursement of monies to investors in line with the order dated 13.08.2025.
09.05.2026 KFin's Email	M/s KFintech *vide* its Email dated 09.05.2026 submitted the latest status on fund disbursement.
11.05.2026 **MoM**	Joint Minutes of Meeting in compliance of order dated 22.04.2026 by this court. **Annexure: A17:** A copy of the Joint Minutes of Meeting in compliance of order dated 22.04.2026 by this court is annexed.
11.05.2026 **Compliance Affidavit of GFIL**	GFIL filed a compliance affidavit and stated the fund position as under: FUND STATUS:

<table>
<tr>
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<table>
<tr><th>S. NO.</th><th>Particulars</th><th>Amount (₹)</th></tr>
<tr><td>1.</td><td>Total amount disbursed till date</td><td>466,85,95,179</td></tr>
<tr><td>2.</td><td>Amount required for payment of the remaining 30% to investors who have already received 70%</td><td>200,99,39,944</td></tr>
<tr><td>3.</td><td>Amount required for payment to totally unpaid investors (including categories at Serial Nos. 2 to 5 of the Claim Status table)</td><td>274,36,60,849</td></tr>
<tr><td>4.</td><td>Amount available with the Committee as on 30.04.2026</td><td>404,54,71,434</td></tr>
</table>
Thus, the total amount required for disbursement is [200,99,39,944 + 274,36,60,849 - 404,54,71,434] Rs. 70,81,29,359
Annexure A-18: A copy of the Compliance Affidavit of the GFIL committee of the order dated 22.04.2026
</td>
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<tr>
<td>August, 2026</td>
<td>Present Application is filed to bring out the entire fact of the present case and with a prayer for determination of total liability of the company as well as for ascertainment of the right of the shareholders over surplus.</td>
</tr>
</table>

	Annexure A-19: A true copy of Chapter VIII of Companies Act, 2013 dealing with Investors Education and Protection Fund is annexed.

Grounds:

A. For that it is evident form the Order dated 18.06.2003 passed by Punjab & Haryana High Court in CP No. 60 of 2001 that the solvency of the company was not doubtful. The company has more assets than its liability. For this reason, the Hon'ble High Court had decided not to liquidate the company and had appointed only provisional liquidator with the objective to sell some of the properties under court's supervision so as to meet with the liability. Thus, the company has never been in formal liquidation. It is further noteworthy that the sale of the properties of the company to pay to the investors under the court's supervision was prayed by the company itself. It appears from the facts recorded in the said order that the company invested the investors' money in land and it was always in a capacity to pay them back, however, since the directors of the company were in judicial custody, and there were restraint orders passed against it, the company could not sale its land pay its liability.

B. For that as evident from the Order dated 15.11.2006 passed by this Hon'ble Court, the GFIL company had sought information regarding the total liability against the company (actual amount claimed by the investors, taxes, etc.) so that Company should deposit the amount to meet that liability. The Counsel appearing for the Committee had sought s time to give the total liability on or before 30th November, 2006 to the Court for necessary orders. However, the committee never complied with the said direction and did not inform the company of its total liability.

C. For that the purpose of transfer of the proceeding before this Hon'ble Court was to prevent conflicting orders from different courts. The purpose of the proceedings before this Hon'ble Court is to pay the liability to the investors and not to liquidate the company. No formal order of liquidation of the company has ever been passed against it. It is noteworthy that this Hon'ble Court by order dated 15.10.2008 has passed following order *"In order to facilitate the disbursement due to the investors, the money has to be collected by selling these properties".* It is therefore, clear that the only objective of this Hon'ble Court in selling the properties of the company is to facilitate the disbursement due to the investors.

D. For that this Hon'ble Court by Order dated 24.01.2024 directed the GFIL Committee to *point out as to how much balance amount is required to be paid to the investors.*

F. For that the purpose of sale of property of the company is to pay its liability. Therefore determination of total liability of the GFIL company is essential to decide the extent of sale of the company's property.

G. For that money received out of sale of the properties of GFIL do not fall under any of the categories of clause (2) of section 125 of Companies Act, 2013 to bring it under Investor Education and Protection Fund (IEPF). It is to be noted that primary contributor of the said Fund is Unpaid Dividend Account of a company created u/s 124 of the Act that comprises of dividend which remains unpaid or unclaimed. Such funds of the Unpaid Dividend account which remains unpaid or unclaimed for a period of seven years, is transferred to IEPF.

H. For that only that much of the companies property that is good for payment of the liability of the company need to be sold under the present proceedings. It is clear from the initial orders of the present proceedings that objective of this Hon'ble Court was to sale the properties of the company only to the extent it is required to pay the liability.

I. For that properties of the company is under court's supervision and in the control of the court's appointed provisional liquidator (by Punjab & Haryana High Court) or Committee (by this Hon'ble Court) and despite efforts of more than 20 years the liability of the investors could not be paid. It is respectfully submitted that what was expected of the company to do it in a short span of time, could not be done by the Committee in more than 20 years.

J. For that the applicant has negotiated and is in agreement with such parties who are willing to finance the applicant to deposit money required to meet all liabilities of the company in a shortest possible time, say – a month, provided all incumbrances over the property is removed. The petitioner is willing to deposit any amount, as determined by the court, to show his bonafide.

K. For that the present application is filed to bring all relevant facts of the matter comprising of the long judicial history of the matter. The application is made bonafide and in the interest of justice.

Prayer:

In the facts and circumstances stated hereinabove, this Hon'ble Court may graciously be pleased to:

a) Determine the total liability of GFIL Company to make it free from all encumbrances and permit the applicant to deposit the determined amount with the Court.

b) Pass any other order(s) this Hon'ble Court may deem fit in the facts and circumstances of the present case.

Filed by:

Ramesh Kumar Mishra

Counsel for the Applicant

AOR CODE: 2260

DATE:04-08-2026

PLACE: NEW DELHI

IN THE HON'BLE SUPREME COURT OF INDIA

I.A. NO. _______/2026

IN

TRANSFERRED CASE NO.2 OF 2004

IN THE MATTER OF:-

THE SECURITIES AND EXCHANGE BOARD OF INDIA

...PETITIONER

VERSUS

THE GOLDEN FOREST(I) LTD ...RESPONDENT

And in the matter of:

Nikhil Kant Syal ... Applicant/Impleader

Affidavit

I, Nikhil Kant Syal, age about 45 years, s/o- Late Shri R. K. Syal, Resident of 573, Sector 12, Panchkula, Haryana, India, presently visiting and residing in England solemnly affirm as under:

1. I am applicant of the present application for direction.
2. That the present application has been drafted by my counsel under my instruction. I have read the contents of the application. I say that the contents of the same are true to the best of my knowledge.
3. That the annexures annexed with the present application are true copies of their respective originals.

HARI SINGH Hari Singh, M.A., LL.M. Notary Public

Nikhil K. Syal

Deponent

Verification:

I the above-named deponent verify that the contents of the above affidavit are true to the best of my knowledge and nothing material has been concealed therein.

Deponent

Verified on 4th day of August, 2026

Place: Southall England.

Before me:

Hari Singh
MA (Westminster)· LLM (London)
Solicitor & Notary
90A The Broadway
Southall
Middlesex UB1 1QF
Tel +44(0)20 3264 2130
Fax 44(0)20 3264 2131

Hari Singh, M.A;LLM.
Notary Public

C.P. No. 60 of 2001

HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

National Investors Forum v. M/s Golden forests (India) Ltd.

Present: Shri R.K. Chhibbar, Senior Advocate with Shri Anand Chhibbar, Advocate for Petitioner,

Shri Anil Sharma, Advocate and Mr. Kanchan Sehgal, Advocate for respondent company.

Shri.B. Uma Kanta, Advocate and Ms. Gagan Deep Kathuria, Advocate

HEMANT GUPTA, J.

M/s Golden Forests (India) Limited is a company incorporated under the Companies Act, 1956 (for Short the Act) on 23.2.1987. The company was given certificate for commencement of business under section 149(3) of the Act.

The Company announced some beneficial deposit schemes ensuring highest returns to its investors, creditors or consumers. The company thus attracted large number of investors and creditors. By the end of close of 7th financial year i.e. 1994, the turnover was Rs. 154 crores and by the end of 1997, it achieved the business target of Rs. 1,000 crores. During the course of hearing of the present case, it is admitted by the company that it has 24, 65, 231 investors who have invested sum of Rs. 980.14 crores as principal excluding returns thereon.

Petitioner is National Investors Forum who has sought the winding up of the company on account of its inability to pay admitted debts. Members of the petitioner forum are the investors. When the petition was filed, the petitioner was not a registered society. However, on an objection being raised by the company, the petitioners have got themselves registered as a society under the provisions of societies Registration Act. It has been alleged that the respondent has collected more than 3,000 crores of rupees from investors, creditors and consumers by making false promises in the name of social justice, economic freedom for all. It has been alleged that the company got deposited the savings of millions of people which they have saved out of income of blood and sweat. The company have assured to repay the money of investors but in spite of such assurances, it has nor made the payments. It is alleged that a legal notice was issued to return the money within 3 weeks and this notice was published in the Hindi Daily Bhaskar on 14.3.2001 as service by registered post was not possible. It may be stated that the Directors of the company were arrested on 24.12.2000 in respect of allegations contained in six different FIRs lodged by the Vigilance Department, Government of Punjab. In spite of such notice, the company failed to settle the claim of the petitioners, therefore, the present petition for winding up was filed.

In response to such petition, company has filed a detailed written statement wherein it has been stated that the company has adequate assets and resources to pay back all its debts. It is further stated that the company has moved an application before Hon'ble

Mumbai High Court to remove the receiver and permit the company to hasten the process of repayment of the investors under the supervision of court. It has been stated that the company would welcome the intervention of the Chandigarh High court in whose supervision the investors may be repaid to prevent any further loss of prestige of the company which is financially viable and investor friendly. It has been mentioned that there was a restraint order from Chief Judicial Magistrate restraining the respondents from operating their lockers, bank accounts till the investigation is over by the Vigilance Department. However, the armament lok adalat at Chandigarh was pleased to order on 20th August, 2001 that there is no bar to operate on the accounts of the respondent's company. It was stated that since the matter is Subjudice before the Mumbai High Court therefore, it cannot be said that the respondent has failed or neglected to pay its creditors or is unable to pay its debts. It is further stated that the problems of the company are transitory in nature. On merits, the company showed its readiness and willingness to pay the amount and dues payable to the investors. However, it is stated that the appointment of liquidator is against the interests of investors as distress sale of the assets which constitute the security of the investors would yield much lower proceeds. The company sought a consolidated scheme to be filed on repayment to the satisfaction of the court.

This court on 17.8.2001 restrained the company not to alienate the property. On October 12, 2001, the comments of permanent lok Adalat at Chandigarh are called as in spite of restraint order, some

25

assets of the company have been alienated. On 23.11.2001, respondents sought time toplace on record a comprehensive proposal in support of the plea that the company is in a position to off-set its liabilities and is otherwise sound. On 2.5.2002, the petition for winding up was admitted and factum of admission was ordered to be published in the newspapers and official gazette of U.T. Chandigarh.

The respondent company filed C.P. No. 237 of 2001 under section 391(1) of the Act seeking permission to enter into an agreement and making arrangement with the class of investors. On 20th December, 2001, company was directed to give wide publicity to the proposed arrangement to enable any interested person to file objections. However, the counsel for the company stated on August 1, 2002 that the company is unable to comply with the directions issued to give wide publicity and therefore, the company petition No. 237 of 2001 filed by the company seeking permission to enter into agreement was dismissed as withdrawn.

In response to the publication of Admission Notice, three sets of objections have been filed – one by the Golden Group Investors Welfare Association; Delhi through its General Secretary, Shri Chet Ram Sharma Vide C. A. No. 929 of 2002, second by the Golden Forest India Limited from Orissa vide C. A. No. 935 of 2002 and third by the Investors and Marketing Members Welfare Society (Regd.), Calcutta through its General Secretary vide C.A. No. 819 of 2002. The winding up petition has not been properly advertised. There are 25 lac

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investor/creditors all over India and the publication of the factum of admission in Indian Express, Chandigarh edition, Dainik Tribune and official Gazette of U.T. Chandigarh is not sufficient, as such publication reaches hardly 1 to 2 per cent of the total number of investors. The company has been publishing advertisements in various newspapers all over India that the investors of the company will receive their payments since the receiver appointed by the Mumbai High Court is likely to commence the sale of the assets of the company to generate liquidity to pay to all the investors of the company. It was further contended that this Court should not pass any order which may go contrary to the order passed by the Mumbai High Court, in public interest litigation initiated by the securities & Exchange Board of India. It was also argued that the property of the company should be put to sale so that investors realise that the Central Bureau of Investigation should be directed to investigate into the affairs of the Company.

I have heard Shri R.K. Chhibbar, Senior Advocate for the petitioner and also Shri B. Uma Kanta, Advocate for the objectors as all well as Shri Anil Sharma, Advocate for the company at great length.

Shri chhibbar has vehemently submitted that once the petition is admitted, there is no discretion with the court but to pass the order of winding up and appoint official liquidator as liquidator of the company. It was argued that the arrangement proposed by the company has been withdrawn by the company and the petition has been ordered to be admitted. In these circumstance, the order winding up is a natural

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consequence. The reliance was placed upon the cases reported as Advent Corporation Pvt. Ltd. (1969)39 Company Cases 463, Seksaria Cotton Mills Ltd. (1969)39 Company Cases 475 and Focus Advertising Pvt. Ltd. (1974)44 Company Cases 567. However, I am unable to accept such a wide proposition. Admission of a petition for winding up of the company is prima Facie proof of the admitted liability. The object of publication of admission in the newspapers is to invite objections from the persons interested, for and against the order the order of the winding up of the company. If there is no discretion with court at that stage but to pass the order of winding up, the very purpose of publication of the admission is rendered nugatory. The company court is required to examine whether the winding up of the company is in the interest of shareholders, secured and unsecured creditors, workder as wells as in public interest. It is natural consequence of admission of petition. Thus, I am unable to accept the argument raised by Shri Chhibbar that the company court has no discretion after the admission of the petition but to pass the order of winding up. The judgements relied upon by the petitioner, no doubt, have taken a view that the Court has or discretion to refuse to make a winding up order ex debito justitiae if the company neglects to pay the sum demanded. However, the said judgements are distinguishable and not applicable to the facts of the present case. Here the company has stated on an affidavit that it has assets more than the due amount. The management of the company is not able to sell the property because of its physical disability being

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in custody, in an FIR lodged by vigilance Bureau, Punjab Keeping in view the projected solvency of the company, it will not be fair and reasonable to pass an order of winding up but the interest of the creditors is required to be watched which will be best served by appointing a provisional liquidator for effecting sale of the property of the company. A Division Bench of this Court in Ambala Bus Syndicate P. Ltd. V. Bala Financiers P. Ltd. (1986)59 Company Cases 838, has quoted with approval the view of Division Bench of Calcutta High Court reported in Bengal Luxmi Cotton Mills Ltd. v. Mahaluxmi Cotton Mills Ltd. AIR 1955 Cal 273 Wherein it has been held that the basis of making an order of winding up against a company is that it has ceased to be commercially solvent and accordingly it is fit and proper in the interest of creditor and shareholders not to allow it to function further as a company. The basis of winding up order on the ground of company's inability to pay its debts is always insolvency. In view of the above, it is not possible, at this stage, to hold that the company is insolvent so as to discharge its liability towards the creditors.

Shri. B. Uma Kanta, Advocate opposed the winding up and argued that the winding up order will not be above to protect the interest of large number of investors we have invested their hard earned money. It is pointed of that the affairs of the respondent company have be carried out in a calendestine manner so as to deprive investors of their returns. It is argued that the affairs were conducted in an orgainsed manner to siphon off the funds of the company and the matter is required to be investigated by Central Bureau of Investigation. The winding up order would be detrimental to the interests of the shareholders. The court may not pass any order which the by contradictory to the order passed by the Mumbai High Court keeping in view the possibility of transfer of all cases to Supreme court in view of the transfer application filed by SEBI.

A perusal of the written statement filed by the company shows that the liability is not disputed. Rather, it has sought intervention of this, court in whose supervision the investors may be repaid to prevent further loss of prestige to the company. It has been stated that the company has assets worth Rs. 1500 crores as against liability of only Rs. 761 crores and this company is very much in a position to pay its dues. It is stated that the company was set up in 1987 and till 1988, there has been no default in repayment of any maturity amounts and refunds of investors. The company disclosed that in 1998, SEBI filed writ petition No. 344 of 1998 before Mumbai High Court seeking, inter-alia, that the company may be prevented from conducting its business. Such writ petition was opposed on the ground that the petition was not maintainable as an instrumentality of state without any statutory power, was not entitled to seek any relief against the private party. The respondent company was called upon to satisfy the Mumbai High court in the interest of investors with regard to its workability. The company got their assets valued which were assessed at Rs. 1071.55 crores in addition to Rs.

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33880 crores on account of moveable assets and bank balance as on 31.12.1997 against the total liability of 761 crores as on 31.12.1997. It is further stated in the written statement that the company invited offers for the sale of its certain properties but non of the buyers had shown any interest in view of the restraint imposed by Mumbai High court dated 30th September, 1999. Ultimately, Mumbai High Court has appointed Mr. Justice M.L. Pendse (retd.) as private receiver for sale of 19 properties as set out in the schedule vide order dated 31.1.2000.

In view of the above, it is apparent that there is no dispute about the liability of the company towards the investors. It is the stand of the company that it has assets more than Rs. 1,000 crores which are sufficient to discharge the liability of the investors. It has come on record that the Directors of the company are in custody since December, 2000 and the company has not been able to dispose of any of the property for payment to the investors. It is also on record that the private receiver appointed by Mumbai High Court has also not been able to sell any property so far. Thus, a mechanism is required to be drawn so as to facilitate the sale of the property of the company at the earliest with a view to ensure payment to the investors without any further delay. The interest of such large number of creditors is required to be watched by the company court and the management of the company cannot be permitted to take such investors for a ride. The scheme which the company has earlier proposed, has been withdrawn from the court. A large number of cases

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have been filed before this court by the investors as well as in different courts throughout the country.

Therefore, with a view to protect the interests of the large number of creditors, shareholders and the company, it is just and appropriate to appoint provisional Liquidator for control, management and sale of the moveable and immovable property so as to fetch maximum price thereof with a view to satisfy the claim of 25 lac investors in a proper manner. However, I am of the opinion that the official Liquidator attached to this court may not be able to take over the responsibility of management and sale of the property of the company keeping in view the meager resources at his command and inadequate infrastructure available. The official liquidator attached to this court is managing the affairs of over 177 companies. The additional responsibility of this company will require whole time attention to facilitate sale of property and to deal with the investors spread over the entire country. Therefore, instead of appointing official liquidator, it is necessary to entrust the responsibility of the provisional Liquidator to such a person who commands respect and is able to discharge the onerous responsibility in a fair manner. Such provisional liquidator may have to look after the affairs of the company including its property and take steps for sale thereof. All such affairs should be supervised by a person who can discharge the duties of the provisional liquidator fairly and inspire confidence amongst the creditors as well as with the shareholders of the company.

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Apart from vesting of the property with the provisional liquidator so as to facilitate the sale thereof to liquidator the claim of the investors, the affairs of the company are also required to be investigated by an independent agency. The company has avoided investigation by an agency appointed by Mumbai High Court on one pretext or the other. A committee appointed by Mumbai High Court consisting of representative of Research Back of India and that of SEBI has found that the substantial amounts of money have been mobilised by alluring investors of promise of unrealistic returns through agents who have been paid hefty commission and other incentives. It has been found that the entries in the accounts books do not reveal their correct state of affairs, misleading nomenclatures which would generally promote probe hide more than they reveal, substantial expenses have been incurred other than those which are warranted, such expenses lead one to believe that the company is not pursuing objectives sought in its schemes and at the same time frittering away the investments mobilised from gullible investors. The committee conclude that the report has been prepared in the absence of audit and accounts of the company on account of its noncooperation. The report reads as under: -

"On the basis of the documents and information available with, the undersigned the detailed analysis of which is contained in the earlier part of this report, it is evident that the schemes

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floated by M/s Golden Forest (I) Ltd. Both in regard to performance and account keeping leave much to be desired.

The analysis of schemes reveals that all schemes floated by the company are open ended and are inducting investors on on-going basis. Substantial amounts of money have been mobilised by luring investors on promises of unrealistic returns through agents who have been paid hefty commission and other incentives. Mobilising big amounts and even promises of heavy returns per se are not wrong provided it can be backed up be bonafide healthy practices and skillful management of affairs to generate returns to fulfil the promises made. This is where unfortunately the company has been found to be seriously wanting.

In view of the varying figures of land owned by the company and its subsidiaries and in view of the fact that the area of land owned by the company and its subsidiaries had been shown to be substantially higher -15,000 acres of land as deposed before the MRTPC and approximately 29,000 acres as stated to SEBI – than that shown to the undersigned (approx. 9000 acres), belies that the company has been trying to mislead the undersigned regarding the quantum of land owned by them. The reason for their refusal to co-operate with the independent appraising agency appointed by the undersigned may have been motivated

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by their desire to hide the exact figure of land owned by them and their subsidiaries.

The security provided by creating lien on land is illusory since the issue of post dated cheques does not guarantee payment but only action in case of non payment and finally the assets created in the form of land does not indicate realisable value enough to meet the liability which the company has already undertaken. The analysis further reveals that the schemes have survived so far only o account of the induction of new subscribers, amounts received from whom have gone for the payment of the previous subscribers. The entire scheme which has very insignificant component of plantation activity is likely to run into serious problems if this chain of inducting new members comes to a halt. Also, it needs to be borne in mind that the amount of farm income generated by the company since its inception has been negligible (Rs. 58 lakhs) as compared to the total amount paid to the investors (Rs. 412 crores). In any case, such schemes by its very nature – new investors in the chain servicing old investors – are bound to break and cannot be sustained for indefinite period.

Similarly for the accounts, the entries analysed do not reveal the correct state of affairs. Misleading nomenclatures which would generally pre-empt probe hide more than they reveal. Substantial expenses have been incurred on items other than

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those which warranted such expenses leading one to believe that the company is not pursuing the objectives stated in its schemes and at the same time frittering away the investments mobilized from gullible investors.

In fact, the development receipts and expenditure account for the year ended 31.3.1997 shows a deficit of approximately Rs. 62 crores. Evidently, if the development expenditure – a major portion of which constitutes payment to be made to the investors – is higher than the development receipt and the return on the assets created by the company is negligible, then it may be surmised that the company may by on the brink of liability mis-match problem, which with the passing of time would only get aggravated.

The inspection of the Department of Company Affairs and also the report of the Income Tax Department consequent upon the search and seizure operation conducted in the case of the company have brought out some serious unethical lapses which further reinforce the apprehensions.

It would, therefore, not be unreasonable to conclude that the schemes of M/s Golden forests (I) Ltd. are not being run in the best interests of investors and there is a possibility of the investors getting hurt in case even a minor aberration develops I the schemes because prima facie there is no indication of any mechanism in place which could affirm the company's credibility in terms of meeting its commitments."

Shri Anil Sharma, Advocate for the company, objected to the investigation into the affairs of the company by Central Bureau of Investigation but submitted that this court can appoint any person to investigate the affairs of the company in terms of Section 237 of the Act. It is apparent from the proceeding paragraph that the company has not cooperated with the committee appointed by Mumbai High Court to investigate the affairs of the company. However, I am of the opinion that the affairs of the company ought to be thoroughly investigated in view of the allegations that the business of the company is being conducted with intent to deceive its creditors and members with a fraudulent and unlawful purpose. Such systematic investigation into the affairs of the company will bring out the extent of land owned by the company, its legal and valid title, its marketability, valuation as well as to find out whether the company has siphoned off money to its Directors, associates, subsidiary companies, etc. Such investigations are required to be conducted by an auditor who shall exercise such powers and duties inclusive of those contained in Section 227 of the Companies Act.

Thus, I am of the opinion that keeping in view the serious allegations against the management of the company and deficiencies prima facie found by the committee consisting of representatives of the Reserve Bank of India and SEBI, the affairs of the company are required to be investigated thoroughly. However, the sale of the

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property by the provisional liquidator is not dependent upon completion of the investigations. Investigation will proceed independent of the sale of the properties.

In view of the above, I am of the opinion that instead of winding up of the company, the interest of creditors shareholders and the company, would be served if the following directions are issued:-

1. The provisional liquidator shall be appointed. Such liquidator will take into his custody or under his control, all property, effects or actionable claims to which the claim is or appears to be entitled. All the property and effects of the company shall be deemed to be in the custody of the court from the date of this order.

2. Provisional liquidator shall have power to sell the moveable and immovable property, actionable claims by public auction or otherwise subject to the approval of this court and shall have all powers of liquidator contemplated under the Act.

3. All properties of the company shall be managed, controlled, regulated by the provisional liquidator to be appointed by the court henceforth. The liquidator shall be at liberty to appoint personnel with the approval of the Company Court including chartered accountants and other administrative staff and to

do all acts and things necessary to carry out the directions to the provisional liquidator.

4. The provisional liquidator shall prepare an inventory of all the properties of the company, its subsidiaries and associates created with the funds of the company including the property alienated either by way of sale or by delivery of possession in pursuance of the orders passed by the Lok Adalat.

5. The company shall not sell, lease, mortgage, alienate or incur any encumbrance against any property, moveable or immovable, in the name of the company or its subsidiaries without the permission of this court, except the funds required for normal functioning of the company as may be permitted by provisional liquidator with the approval of the Court. It is also directed that respondent company shall not withdraw any amount for the purpose of paying it to its Sister concerns, associates and Directors or any other company or persons.

6. The Directors and all administrative staff, officers of the company are directed to provide all assistance to provisional liquidator to discharge his responsibility without any demur or delay.

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7. The provisional liquidator will prepare a scheme for settlement of the claims of the investors especially keeping in view the interest of small investors in the first instance.

8. The provisional liquidator shall submit preliminary report to this court and the parties are at liberty to move this court in case any further directions or clarifications are required.

9. The affairs of the respondent company shall be investigated by auditors to be nominated separately to investigate comprehensively into the affairs of the company including valuation of land purchased, marketability of the title and such other issues which may arise.

June 18, 2003
Kadyan

Sd/-
HEMANT GUPTA
Judge.

True Copy

ANNEXURE A-2

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T.C.(C)No. 2 OF 2004
ITEM No.2 Court No. 3 SECTION XVIA

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

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

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

VERSUS

THE GOLDEN FORESTS (I) LTD. Respondent (s)
(With Office Report)

With

T.C. (Civil) No. 68 of 2003
(With appln. for directions)

W.P. (C) 188 of 2004

Date : 19/08/2004 These Petitions were called on for hearing today.

CORAM :
HON'BLE MR. JUSTICE S.N. VARIAVA
HON'BLE MR. JUSTICE G.P. MATHUR

For Petitioner(s)Mr. Bhargava V.Desai, Adv.
Mr. Sanjeev Kumar Singh, Adv.
Mr. Pradeep Kumar Malik, Adv.

Ms. Naresh Bakshi,Adv.

Mr. Ranjan Mukherjee, Adv.

For Respondent(s)
Ms. Naresh Bakshi, Adv.

Mr. K.C.Dua, Adv.

Mr. Parthapratim Chaudhuri, Adv.
Mr. K.S.Rana, Adv.

Ms. Kiran Suri ,Adv
Mr. Himanshu Bhuttan, Adv.
Ms. Amrita Swarup, Adv.

Mr. Vikas Jain, Adv.
Mr. Neeraj Sharma, Adv.
Mr. Raja Bahadur Singh, Adv.
Mr. Gaurav Dhingra, Adv.
Mr. M.C. Dhingra ,Adv

Mr. Ranjan Mukherjee, Adv.

Mr. Aditya Kumar Chaudhary, Adv.
Mr. Neeraj Kumar Jain, Adv.
Mr. Bharat Singh, Adv.
Mr. Sanjay Singh, Adv.
Mr. Ugra Shankar Prasad ,Adv

Mr. N.R.Choudhury, Adv.
Mr. Somnath Mukherjee ,Adv

Ms. Minakshi Vij ,Adv

Mr. Rabi N.Raut, Adv.

Ms. V.D.Khanna, Adv.
Ms. Nirmala Gupta, Adv. for
M/S I.M. Nanavati Associates

Mr. Kh. Nobin Singh ,Adv
Mr. Gireesh Kumar, Adv.

Ms. Suruchii Aggarwal ,Adv.
Mr. Ashim Aggarwal, Adv.

Mr. Subramonium Prasad ,Adv

Mr. Abhijit Sengupta ,Adv.

Mr. Pijush K.Roy, Adv.
Mr. G. Ramakrishna Prasad ,Adv

Mr. Alok Gupta,Adv.

Mr. Tara Chandra Sharma, Adv.
Ms. Neelam Sharma, Adv.

Mr. S.Wasim A.Qadri, Adv.
Mr. Mohd. Saud, Adv.
Mr. L.R.Singh, Adv.

UPON hearing counsel the Court made the following

O R D E R

The Court appointed a Committee consisting of Justice K.T.Thomas, Retired Judge of the Supreme Court of India; an officer nominated by the Reserve Bank of India (RBI) and an officer nominated by the Securities & Exchange Board of India (SEBI) and passed certain directions in terms of the signed order.
Office to forward a copy of this Order to the Chairman of the Committee.
All the Transfer Petitions to be listed after one month.

Anita

(Radha R.Bhatia)
Court Master

(Signed Order is placed on the file.)

IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION

TRANSFERRED CASE (CIVIL) NO. 2 OF 2004

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

Versus

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

WITH

TRANSFERRED CASE (CIVIL) NO. 68 OF 2003

AND

WRIT PETITION (CIVIL) NO. 188 OF 2004

O R D E R

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

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

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

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

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

The Provisional Liquidator appointed by the Punjab & Haryana High Court and the Receiver appointed by the Bombay High Court or any other person appointed by any other Court shall stand discharged at the end of this month. They are requested to hand over to the Committee all books, papers and assets of the Company in their possession as expeditiously as possible and in any event before the end of this month.

The Committee may have to visit and function in many different places. Where the Company has a office, the Committee will be entitled to use those offices for the purposes of its work.

We are told that a large number of Fixed Deposits are standing in the name of the Provisional Liquidator appointed by the Punjab and Haryana High Court. We are informed that they are maturing in future. The Deposit Receipts to be handed over to this Committee however they may continue to remain in the name of the Provisional Liquidator till the date of their maturity. As and when the deposits mature the Provisional Liquidator to cooperate in getting them transferred into the joint names of the Committee members. In the meantime, Provisional Liquidator not to alienate or encumber the receipts in any manner.

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

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

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

Liberty to the Committee to approach this Court.

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

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

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

All the Transfer Petitions to be listed after one month.

..................J.

(S.N.Variava)

...................J.
(G.P.Mathur)

New Delhi,
August 19, 2004.

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

RECORD OF PROCEEDINGS

I.A. NOS.28, 36, 41, 42, 43, 44, 45, 46 & 47-49 and IA No. 50 in IA No. 33 IN TRANSFER CASE

(CIVIL.) NO. 2 OF 2004

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

VERSUS

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

(For directions, intervention, stay, clarification and/or modification of the order dated 19.8.2004,

impleadment, modification of Court’s order dated 17.8.2004, filing of summar y 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, exe mption

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

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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, Advs.

UPON hearing counsel the Court made the following

O R D E R

1. On our direction the counsel appearing for the Securities & Exchange

Board of India [SEBI] has filed the Note dated 4th of September, 2006 containing the factual history of the case along with the directions sought for by the Committee. There is no dispute on the facts stated to us by the SEBI in the aforesaid Note submitted by the SEBI, which are as follows:

2. M/s. Golden Forest (India) Limited, Chandigarh [for short "GFIL"], the respondent herein, was incorporated on 23rd February, 1987 and was granted certificate of commencement of business on 6th March, 1987. The main objects of the GFIL were, inter alia, development of agricultural land, social forestry farms, etc. From the commencement of the business, the GFIL had come out with several schemes for raising funds from the investors. The GFIL had mobilized approximately Rs. 16 lakhs in 1987, Rs. 3 crores by 1990 and by the year 1997 it had mobilized about Rs.311 crores. It had also acquired about 7750 acres of land. It had mobilised an amount of Rs.1037 crores as on 31st December, 1997 on a capital base of Rs.10 lakhs only.

3. On the basis of investors’ complaint, the Department of Company Affairs had found the GFIL violating various provisions of The Companies Act as well as accounting and auditing procedures.

4. On 26th November, 1997 by a press release as also public notice dated 18th December, 1997, SEBI had called upon the existing "Collective Investment Schemes" to submit information to SEBI and further informed that the Regulations are under preparation and till that time no further schemes are to be sponsored.

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

of the SEBI to issue such directions.

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

7. Due to non compliance of the aforesaid order dated 9th January, 1998 and to protect the interest of investors, SEBI filed a Writ Petition in public interest (PIL) being Writ Petition No. 344 of 1998 before the High Court of Judicature at Bombay, seeking certain restraint orders against the GFIL and its promoters/directors. SEBI, being the statutory administrative body to monitor the stock market, filed the aforesaid Writ Petition - WP No. 344/98 to protect the interest of various investors in GFIL since the GFIL failed and neglected to get itself registered under the SEBI (Collective Investment Scheme) Regulations, 1999 and to subject itself to regulating mechanism of SEBI under the powers conferred upon it under the SEBI Act.

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

"a) that this Hon'ble Court issue a writ of Mandamus or a writ in the nature of mandamus or any other writ, direction or order under Article 226 of the Constitution of India, directing Respondent No.2 to issue orders against all the Commercial Banks and/or Cooperative banks where Respondent No.1 has an account directing the Commercial Banks and/or the Cooperative Banks to restrain Respondent No.1 from withdrawing any funds from any of its accounts with the said commercial banks and/or Cooperative banks and /or any of their respective branches whether in India or abroad.

b) that pending the hearing and final disposal of this Petition this Hon’ble Court may be pleased to appoint any fit or proper person as a Special Officer or may appoint any agency as this Hon’ble Court may deem fit to operate the Bank accounts of Respondent No.1 to pay off those investors whose investments have matured or are likely to mature shortly;

c) that pending the hearing and final disposal of this Petition the Special Officer or agency as the case may be directed by an order of this Hon’ble Court to act in accordance with the directions given from time to time by this Hon’ble Court if this Hon’ble Court deems

fit and proper;

d) that pending the hearing and final disposal of this Petition, Respondent No.2 be ordered and directed to issue orders against all the Commercial Banks and or Cooperative Banks where Respondent No.1 has an account directing the Commercial Banks and/or the Cooperative Banks to restrain Respondent No.1 from withdrawing any funds from any of its accounts with the said Commercial Banks and/or Cooperative banks and/or any of their respective branches whether in India or abroad;

e) that pending the hearing and final disposal of this Petition, Respondent No.1 by itself or by its servants and agents be restrained by an order of this Hon’ble Court from receiving any monies from any investor under a new scheme or existing schemes, from operating any of its Bank accounts by withdrawing any monies from any of its bank accounts or from transferring, selling, assigning or alienating in any way the assets created out of the corpus of the Schemes of Respondent No.1 or from in any manner dealing with or disposing off any of its assets whether moveable or immovable tangible or intangible without the prior written permission of the Petitioner.

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

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

h) for costs of this Petition; and

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

9. The High Court of Bombay passed various orders from time to time protecting the investors' interest by way of injunction, restraint orders and also directed the SEBI and Reserve Bank of India [RBI] to constitute a Committee for

taking stock of the situation. The Committee was constituted and report was submitted which affirmed various violations and manipulations and non-genuineness of the schemes of the GFIL. On an order passed by the Bombay High Court, Credit Rating Information Services of India Ltd. [CRISIL] gave a high risk rating to the GFIL as Grade-V.

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

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

> " Heard the learned counsel for the parties.
>
> 2. It has been pointed out by the learned Counsel for the company that the company is at present holding land worth about Rs.1,350 crores and is in a position to repay the amount of all the investors.
>
> 3. He, therefore, states that the company and its Directors shall give an undertaking to this Court on or before 30th November 1998 to the effect that the company is prepared to refund the amounts of the shareholders as well as

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

4. In view of the aforesaid statements, the company and its Directors are directed to file necessary undertaking on or

7

before 30th November 1998. It would be open to the respondent-company to apply to concerned authorities as also to this Court, after 31st March 1999, for sale of some part of the land for realizing the amount and paying it over to the investors who have demanded refund of amount/and or deposits.

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

6. Stand over to 1st April 1999.

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

[Emphasis supplied]

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

the 19 properties as given in Annexure to the affidavit filed by GFIL.

13. After the appointment of Justice Pendse as private receiver for disposing of 19 properties of the GFIL to repay to the investors, a number of writ petitions came to be filed in various High Courts along with applications for restraint against the sale of properties and other similar relief so as to frustrate the working of the private receiver appointed by the High Court of Bombay.

14. The SEBI, apprehending that the various writ petitions filed in the various High Courts may result in passing of conflicting orders, thus frustrating the payment to the investors, filed a petition in this Court, seeking transfer of

Writ Petition No. 344/98 from the High Court of Bombay to its own board and stay of the proceedings in other High Courts in relation to the writ petitions. This Court vide its order dated 12th September, 2003, while allowing the transfer petition, transferred to this Court:

(i) W.P. No. 344/1998;

(ii) all proceedings referred to in Annexure P-3 to the Transfer Petition;

(iii) all winding up Petitions (other than listed in Annexure P-3), if pending in any High Court; and directed

(iv) that no other Court except this Court to entertain any winding up proceedings relating to the GFIL; and

(v) the order to be communicated to all Courts.

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

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

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

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

> The Private Receiver appointed by Bombay High Court Justice (Retd) M.L. Pendse to submit status report to apprise the Hon'ble Court on the stage of proceedings.
>
> RBI, SEBI and other investors were granted two weeks time to make

> suggestions on the appointment of Central Committee to be nominated by this Court which should be entrusted with the responsibility of realising the assets, distributing the receipts amongst the claimants after identifying their claims and investigating into siphoning off the funds by GFIL.
>
> All pending applications directed to be listed for hearing on the next date.
>
> IA No.1/2004 in TC No. 68/2003: The sale of 15 properties for which tenders were issued by Provisional Liquidator not to be finalized but continue to receive the tenders.
>
> IA No.9 in TC No. 2/2004: All accounts of GFIL, its subsidiaries and associate companies as per list in IA No.1 were directed not to be operated either by themselves, their officers/agents unless permitted by this Court. RBI to issue circulars to all banks in the country.
>
> IA No.28/2004 in TC No. 2/2004 by Drive-in-Tourist Resorts Pvt. Ltd.: The Resort-Applicant undertakes to make payment of rent @ Rs. 1 lakh per month for the period 1st August, 2003 till date to Provisional Liquidator within two weeks. Thereupon the PSEB to be informed for restoring Electricity to the Resort. And further payment by the applicant to Provisional Liquidator to continue on month to month basis by 15th of each month. This is in interim arrangement. IA not disposed off.

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

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

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

any of the accounts.

Proposal for appointment of committee recorded.

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

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

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

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

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

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

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

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

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

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

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

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

(iii) Committee to issue advertisements calling upon all

creditors to submit their claims before the Committee.

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

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

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

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

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

(ix) Committee granted liberty to approach this Court.

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

21. Thereafter the matter has been coming up before this Court from time to

time and the Court has been passing certain directions.

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

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

A. Reconstitution of the Committee:

B. Immovable properties - identification, taking possession and removal

of encroachments:

C. Directions regarding sale of properties:

D. Setting aside sale of immovable properties:

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

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

G. Properties of Golden Group:

H. Action against Manzoor Ahmad Shah:

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

A. Reconstitution of the Committee:

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

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

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

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

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

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

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

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

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

33. Accordingly, the Deputy Commissioner and other revenue authorities in

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

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

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

C. Directions regarding sale of properties:

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

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

D. Setting aside sale of immovable properties:

38. The Committee has sought the following directions :

(a) to issue directions for setting aside the illegal sales of properties of

GFIL and its subsidiary and associate companies for the following periods contrary to the orders passed by this Court from time to time and to bring back the status quo ante as of the date of appointment of the Provisional Liquidator:

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

39. Insofar as the period prior to the appointment of provisional liquidator in the winding up petition in the Punjab and Haryana High Court and Delhi High Court is concerned, the Bombay High Court in its order dated 23rd November, 1998 had restrained the company, its subsidiary as well as directors not to dispose of the properties of the respondent company or its subsidiaries or its directors till

further orders. It would be to the Committee to make appropriate recommendations to this Court regarding the status of sales made after the restraint order passed by the Bombay High Court on 23rd November, 1998. Any application putting a claim for settlement of properties after the restraint order passed by the Bombay High Court should be made to the Committee which shall be at liberty to make appropriate recommendations to this Court for its consideration.

40. Insofar as the settlement/sales of immovable properties for the period between the appointment of provisional liquidator passed by the High Court of Punjab and Haryana and the restraint order dated 17th August, 2004 passed by this Court are concerned, any sales/settlement made contrary to the orders passed after the appointment of Provisional Liquidator by the High Court of Punjab and Haryana on 20th January, 2003 and the restraint order passed on 17th August, 2004 by this Court shall be ignored and the Committee would be at liberty to get hold of those properties by taking vacant possession thereof with the help of civil and police authorities and deal with them in accordance with the directions

already given.

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

41. The following directions are sought by the Committee:

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

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

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

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

in clause (i) of Point E.

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

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

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

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

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

45. The following directions are sought

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

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

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

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

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

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

47. Counsel appearing for the Committee has stated before us that the claims have been received even after 20th May, 2005 and the Committee has included all the claims filed before it up to 10th of August 2006. Cut off date is fixed as 10th August, 2006. Hence, all claims filed before the Committee by the cut off date fixed, i.e., 10th August, 2006 be taken into consideration for disbursement of the assets of the GFIL after verification of the claims. The

Committee should accept the claims of only those claimants, who have original authenticated receipts issued by the GFIL. The Committee shall categorise the range of investment by depositors and treat the small, medium and big investors in separate categories. Appropriate orders regarding disbursement of the amount among the small, medium and big investors shall be passed at a later date, after the total amount of sale of the properties is received. The Committee shall not entertain claims passed on alleged deposits accepted by any agents in the year 2001 till date after the closure of the business of the GFIL. No claim without clear proof of deposit of money with the company shall be considered.

G. Properties of Golden Group:

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

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

H. Action against Manzoor Ahmad Shah:

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

> "As set out in the petition, this Court has appointed an Administrator of the golden Forests (I) Limited. The purpose is to see there is an equitable distribution amongst all the depositors and creditors. Preferential treatment to any particular depositors and creditors cannot be permitted. It is not open for the company to allot any premises to any particular party, prayer asked for therefore stands rejected. The petitioner will hand over the

> property to the Administrator if the Administrator has not already taken charge thereof. The writ petition stands dismissed."

51. It is apparent from the reading of the afore-quoted order of this Court that M.A. Shah could not be treated as a preferential depositor or creditor. The company was not at liberty to allot premises to any particular party. M.A. Shah was directed to handover the property to the Administrator if the Administrator

has not already taken charge of the same. In spite of the said direction, M.A. Shah has not handed over the property to the Administrator. Mr. Shah is directed to handover the vacant possession of the property to the Committee forthwith and, in case he fails to handover the same within a period of fifteen days from today, the Committee shall be at liberty to approach the Deputy Commissioner, Mohali, to get the vacant possession delivered with the help of police force, if need be.

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

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

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

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

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

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

57. IA 50 is dismissed.

58. IA 4 in WP 188/2004

No orders. To be taken up with main case.

59. IA 44 is dismissed.

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

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

(Kanwal Singh)
Court Master

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

RECORD OF PROCEEDINGS

I.A. NO.52-54 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 and permission to file additional documents and office report)

Date: 15/11/2006 This Matter was called on for hearing today.

CORAM :

HON’BLE MR. JUSTICE ASHOK BHAN

HON’BLE MR. JUSTICE DALVEER BHANDARI

For Petitioner(s)	Mr. Bhargava V. Desai,Adv. Mr. Rahul Gupta, Adv.
For the Committee	Ms. Suruchii Aggarwal ,Adv Mr. Prashat Chouhan, Adv.
For Respondent(s)	Ms. Naresh Bakshi,Adv.
For Drive-in Tourist Resorts Pvt. Ltd.	Mr. Alok Gupta ,Adv

Mr. Ranjan Mukherjee ,Adv

Mr. Somnath Mukherjee, Adv.

Ms. Kiran Suri ,Adv

Ms. Minakshi Vij ,Adv

Mr. Ugra Shankar Prasad ,Adv

Mr. Abhijit Sengupta ,Adv

Mr. K.C. Dua ,Adv

Mr. Subramonium Prasad ,Adv

Mr. Pijush K. Roy, Adv.
Mr. G. Ramakrishna Prasad ,Adv

Mr.Khwairakpam Nobin Singh ,Adv

For intervenor(s)

Mr. M.C. Dhingra ,Adv

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Mrs. V.D. Khanna, Adv. for
M/S I.M. Nanavati Associates ,Adv

Mr. K.S. Rana ,Adv

Ms. Chitra Markandaya ,Adv

Ms. Varuna Bhandari Gugnani, Adv.
Mr. Rameshwar Prasad Goyal ,Adv

Mr. B. Sridhar, Adv.

M/S. K.Ramkumar & Associates ,Adv

Mr. Vishwajit Singh ,Adv

Mr. B.K. Pal, 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. Naresh Kumar Gaur,Adv.

Mr. Arjun Suresh, Adv.

For State of W.B. Mr. T.C. Sharma, Adv.

Mr. A.P.Mohanty, Adv.

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

Mr. Rohit Singh, Adv.

Mr. Surya Kant, Adv.

Mr. Mohan Jain, Adv.

Mrs. Yogmaya Agnihotri, Adv.

Mr. D.K. Sinha, Adv.

UPON hearing counsel the Court made the following

O R D E R

Mr. Mohan Jain, Advocate, appearing in I.A. No.53 states that first of all Committee should inform the Court about the total liability against the Company (actual amount claimed by the investors, taxes, etc.) so that Company should deposit the amount to meet that liability.

Counsel appearing for the Committee seeks time to give the total liability to the Court for passing necessary orders. Permitted to do so on or before 30th November, 2006.

To come up on 30th November, 2006.

In the meantime, auction may continue but the sale be not confirmed

and the same shall be subject to the orders passed by this Court.

(Parveen Kr. Chawla)
Court Master

(Kanwal Singh)
Court Master

Certified copy of order dt 4-1-09

ANNEXURE A-5

Sh. Ak Aggarwal Comp(?)

In the Court of ~~Sh.Kuljit Pal~~ Singh,PCS
Judicial Magistrate Ist Class,Rajpura.

P.Ch.No.265 of 16.5.01

f/ Ap 22-1-08

State Vs. Pamila Syal d/o Amrit Lal Syal,Aged 50 years.
Resident of H.No.573 ,Sector-12,Panchkula.

.Accused.

FIR NO.65 of 23.12.2K
U/s 420/467/468/471/477 IPC
P.S.Vigilance Bureau,Patiala.

Certified to be True Copy
17/1/08
Reader
Civil Judge Junior Division Cum
Judl Magistrate I Class.
RAJPURA. 17/1/08

(25)

State vs Amrit Lal Sayal etc.

PRESENT: APP for State.
All the accused incustody with counsel.

ORDER

1. This order will dispose of an application filed by the accused-applicants for discharge of the accused-applica-nts in this case dated25.7.01. It is submitted that the present case is against the company Golden Project (P)Ltd. That as per t the provision contained inthe Companies Law, no court can take the cognizance of the caseuntil andunless, the procedure laid down u/s 237 of the Companies Act complied with. The case u/s 7/2 of Punjab Lands Reforms Act alsocannot be registered without the complaint of competent authority as laid down in that Act. In thepresent case the Intelligence Bureau has taken the cognizance and have exceeded their jurisdiction. This court is also barred u/s 10 of the Companies Act until the procedure laid down in the Companies Act complied with. In view of theabove, it is requested that accused-applicants may be dischargedin this case in the interest ofjustice.

2. Another accused A.K. Sayal has also moved applicat-ion for discharge in this case and submitted that the applicant being thelaw graduate was only the Legal Advisor of the company. Applicant-accused hasbeen remanded to the judicialcustody

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from a long time andhe had been remanded in custodial interrogation and nothing has been found against him. Company is having R.K.Sayal as Managing Director and Officer in default u/s 5 of the Companies Actand heis liable for all the misappropriation and other things,if any. No offence ismadeout against the applicant.

3. Notices of both these applications have been given to the ld.APP. Ld. APP has filed replies to the applications moved by the accused for discharge and submitted that A.K. Sayal was main Advisor of the accused to do all these wrongful acts.He is also closely related to the co-accused. As per statements of the various persons thisaccused was very active in doing all these wrongful acts. As per evidence all the accused are liable for theoffences.Hence prayer for dismissal of the applications.

4. I have heard the ld. counsel for the parties and have gone throughthe record carefully.

5. The case of theprosecution is that the Vigilance Bureau Patiala came toknow from reliable sources that Golden Preoject (P) Ltd. Company has beenregistered as a public limited company. Later on this company was allotted non-financial, non-banking, gazetted industrial classification code no.5 by

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the Department of Companies. Company has the following Directors: (i) R.K. Sayal, (ii) Bimla Sayal (iii) Paemila Sayal and Neena Sayal from time to time. The object of the company is related to agriculture. The company purchased land for development of the agricultural land, and to plant forest in the area of Punjab. The company purchased theland by collecting money from the public and assured that the investors will be given the property right overtheland. Company issued advance cheques to the investors. The company has purchased the land inDera Bassi and Hoshiarpur. The company has obtained the money from thepublic in the shape of fixed deposit. The company haspurchased land in Dera Bassi, Distt Patiala and Distt Hoshiapur. Company has purchased 210 acres of land near Dera Bassi through power of attorney. Later on less amount has been givento the vendees, sale deed hasbeenexecuted on higher amount. The company has not made any development in the purchased land. The landis still vacant nor possession has been delivered to any person. No investor hasbeen given possession of theland nor has been given the ownership rights. The money was obtained by the company by giving the allurement to the investors that they will be givenpossession of the land with theownership rights. The post dated cheques given to the investors have not been

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encashed by the banks. The company has not given intimation to the Collector u/s6 of the Land Reforms Act and has violated the S.7 (2) of the Land Reforms Act,1972. The company in connivance with the directors has collected the money by defrauding lack or people and has embezzled croresof rupees. The accused as such committed offences punishable u/ss 420,406,467,468,471/120-B IPC and Section 7(2) of the Land Reforms Act,1972.

6. Theld. counsel for theaccused has argued that the company has passed special resolution in the meeting on 28.1.97 in the presence of the Directors of the company that Promila Sayal has been appointed as whole time director-cum-Managing Director of the Golden Preoject (Pvt) Ltd.Promila Sayal has also been appointed as officer who was officer in default within the meaning of S.5 of the Companies Act,1956. Resolution dt. 28.1.97 produced by the accused on the file. It hasbeen mentioned in the resolution that officer who is in default shall be liable to puenishment and penalty for the acts of the company. Promila Sayal was declared as principal officer of the company and the Boardof Directors will act according to her directions. She was having over all control on the day today affairs and shall also be responsible for the business and conduct of the company. The company shall be sued ~~and~~ or be sued by the Managing Director only. Said resol-

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ution goes a long way to prove that if the company committed any default it is only Pamila Sayal Managing Director, whois to be held responsible and not the ordinary directors. Counsel for the accused produced ~~xxx~~ case law G.Vijayalakshmi vs Securities & Exchange Board of India,2000 SEBI & Corporate Laws Reports183 AP.The ratioof the judgment is applicable to the facts of this case. Inthe present case the company has also passed special resolutionu/s 5 of the Companies Actappointing as officer who is in default.

7. I haveheard theld. APP and theld. counsel for the accused and also gone through the record produced by the prosecution andthe accused on the file.

8. As per resolution dt.28.1.97 Pamila Sayal was appointed as a whole time managing director of the company.She was having over all control on the day today affairs~~xxx~~ and will also be responsible for the business and conduct of the company. She shall also be responsible for any punishment and penalty as per the Act.This resolution has beenpassed u/s 5 of the Companies Law whichis as under:-

> "For thepurposeofany provision in this Act which enacts that an officer of the company who is indefault shall be liable to any punishment or penalty, whether by way of imprisonment, fine or otherwise, the expression "officer who is in default means all the following officers of the company, namely:-

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(a) the managing director of managing directors;

(b) the whole-time director or whole-time directors;

(c) the manager;

(d) the secretary;

(e) any person in accordance with whose directions or instructions the Board of directors of the company is accustomed to act;

(f) any person charged by the Board with the responsibi ty or complying with that provision;

Provided that the person so charged has given his consent in this behalf to the Board;

(g) where any company does not have any of the officers specified in clauses (a) to(c), any director or directors who may be specified by the Board in this behalf or where no director is sospecified, all the directors;

Provided that where the Board excercisesany power und clause (f)or clause (g) it shall, within thirty days of the exeercise of such powers, file with the Registrar a return in the prescribed form".

I also place relance onthe case relied upon by the counsel for the accused G.Vijayalakshmi Vs Securities & Exchange Board of India it washeld by the Hon'ble Andhra Pradesh High Court:-

"" reading of section 73(2A) and 113(2), including the definition of the Officer who is in default as given in section 5, would make it amply clear that the criminal liability of ordinary directors would arise only in respect of a company which has no managing director or a wholetime director or a manager, and where particular directors are not specified to be liable by the company. In the instant case, a reading of the complaint whould disclose that A-2 had been described as the managin director of the company.Thus, it could not be said that the company had no managing director, Thus inasmuch as

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the company had an officer described as managing director within the meaning of section 5 question of any other director being liable for the criminal acts of the company would not arise. Admittedly, the petitioners were meere directors of the company and as such criminal liability could not be fastened on them. In this view of the matter, it would be abuse of the process of law if these petitioners were compelled to undergo the ordeal of trial.

Inthis case that the criminal liability of ordinary director would arise only in respect of the company which has nomanaging director or a whole time director.

9. As in this case Pamila Sayal vide resolution dt. 28.1.97 has been appointed as a whole time driector and anofficer in default of the company, therefore, She is onlyresponsible for any criminal liability arising against the company. The other accused R.K.Sayal Neena Sayal and A.K.Sayal who was its ordinary director from time totime are not responsible from any criminal liability of the company, therefore, accused R.K.Sayal, Neena Sayal and A.K.Sayal are hereby ordered to be discharged.

Pronounced 4.10.04.

-Sd-
Kuljit Pal Singh
Judl.Magistrate Ist Class Rajpura.

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S UP R E M E C OUR T O F I N D I A
R ECO R D OF P R OC E E D I N G S

I.A. Nos.6 0- 83, 8 5- 9 0 & I.A.No.9 1- 9 2 & 93 in T.C.(C) No.2/ 2 0 0 4

TH E S ECU R I T I E S & EXC H A N G E BD. OF INDI A Petitioner(s)

VER SUS

TH E GOLD E N FO R E S T S (I) LT D. Respondent(s)

(For quashing order dated 2.5. 2 0 0 7 passed by the Chairm a n, Committee- Golden Forest (India) Ltd. and ad- interim ex-parte stay and for seeking urgent directions and implead ment and directions and permission to file additional documents and impleadment/ direction/ objection and intervention and implead ment/ direction/ stay, and application to file rejoinder affidavit and directions and office report)
with
I.A. Nos.2 7 , 29- 3 8 in T.C.(C) No.6 8 / 2 0 0 3
(For confirmation of sale and for quashing/ setting aside of order passed by the Chair m a n Committee and stay and intervention and directions and impleadment and merger of 11 0 companies with GI F L and for permission to file additional documents and office report)
with
Contempt Petition (Civil) No.7 4 / 2 0 0 7 in T.C.(C) No.2/ 2 0 0 4
With
T.C.(C) No.1/ 2 0 0 4
(With appln. for early hearing and directions and office report)
With
W. P .(C) No.1 8 8 / 2 0 0 4
(With appln. for directions and office report)

Date: 15 / 1 0 / 2 0 0 8 These Petitions were called on for hearing today.

CORAM :
HON'B L E TH E CHI E F JUS T I C E
HON'B L E MR. JUS T I C E P. SAT H A S I V A M
HON'B L E MR. JUS T I C E J.M. PA NC H A L

For Petitioner(s) Mr. Bhargava V. Desai, Adv.
Mr. Rahul Gupta, Adv.
Ms. Reema Shar m a, Adv.

Mr. Ajay Majithia, Adv.
Mr. Rajesh Ku m a r , Adv.
Dr. Kail a s h Chand, Adv.

2

For the Committee Ms. Suruchii Aggarwal ,Adv
Mr. P r a s h a n t Chauhan, Adv.
Mr. Arvind Gopal, Adv.

W P(C) 1 8 8 / 0 4 Mr. Ranja n Mukherjee, Adv.

For Applicant(s) Mr. K.N. Krishn a m a n i , Sr. Adv.
Mr. Shagir Kha n, Adv.

TC(C) 1/ 0 4 Mr. Somn ath Mukherjee, Adv.

Mr. S. Ravish a n k a r , Adv.
Mr. Vivek Shukl a, Adv.

For Respondent(s) Mr. Anil Ku m a r Shar m a , Adv.
Mr. Shailendr a Bha rdwaj,Adv.

Mr. S.B. Sanyal, Sr. Adv.
Mr. Anand Pr a k a s h , Adv.
Mr. T.D. Ka s h a r, Adv.
For Ms. S. Usha Reddy, Adv.

Mr. S.K. Nandy, Adv.

Mr. Y. P. Dhingra, Adv.

Ms. Kusu m Chaudha ry, Adv.

Mr. Subodh Mark a ndeya, Sr. Adv.
Mr. Alok Gupta, Adv.

Ms. Shalu Shar m a , Adv.

Mr. Manoj Swarup, Adv.

Mr. P.S. P atwali a, Sr. Adv.
Mr. Anandeshwa r Gauta m, Adv.
Mr. Joseph Pook k a tt, Adv.
Mr. P r a s h a n t Ku m a r , Adv.
For M/s AP & J Chambers

Mr. D.N. Goburdhan, Adv.

Mr. Arun Ku m a r Sinha, Adv.

Mr. Ranja n Mukherjee, Adv.

Mr. Ajay Majithia, Adv.

Mr. Rajesh Ku m a r , Adv.
Dr. Kail a s h Chand, Adv.

Mr. S. Ravi Shank a r , Adv.

Mr. G.L. Rawal, Sr. Adv.
Mr. Ashwani Ku m a r , Adv.
Mr. Kuljeet Rawal, Adv.

Mr. Subra mo niu m Pr a s a d, Adv.

Ms. Sunita Shar m a , Adv.

Mr. Ran a Ranjit Singh, Adv.

Mr. Somvir Singh Daswal, Adv.
Mr. Shreepal Singh, Adv.

Mr. S.K. Sabha rw al, Adv.

Mr. J atinder Ku m a r Bhatia, Adv.

Ms. S. Usha Reddy, Adv.

Ms. Naresh Ba k s hi, Adv.

Mrs. Varun a Bha nda r i Gugnani, Adv.
Mr. Ra mes h wa r Pr a s a d Goyal, Adv.

Mr. S.N. P a ndey, Adv.
Mr. C.S. Ashri, Adv.

Ms. Shalu Shar m a , Adv.

Mr. N.R. Choudhury, Adv.

Mr. Tar a Chandra Shar m a , Adv.
Ms. Neela m Shar m a , Adv.

UPON hearing counsel the Court made the following

OR D E R

Dr. Nam avati has filed the list of immovable properties owned and possessed by the Golden Forests (I) Ltd and its group of companies. These properties were allegedly purchased by Golden Forest (I) Ltd. and other group of companies. It is said

that the title deeds vest with these respondents.

It is stated that huge amounts were invested in these companies. A Committee had been appointed by this Court on 1 9. 8 . 2 0 0 4 , consisting of a retired Chief Justice of the Delhi High Court and two District Judges. The said Committee had taken possession of substantial properties owned by the respondents. In order to facilitate the disbursement due to the investors, the money has to be collected by selling these properties. The Committee is authorized to take possession of all the properties owned by the respondents. If there are any valid claims in respect of any of these properties by third parties, the Committee may consider the same and pass appropriate orders, subject to confirmation by this Court.

As regards the sale of properties is concerned, the Committee may make appropriate publication regarding the sale and sufficient notices be issued to the prospective purchasers by publishing the same in the local newspapers having wide circulation in the area where the property is situated. Any sale conducted by the Committee shall be based on valuation made by either by the Committee or by other approved valuer and upset price is fixed before sale is finalized. The sale is, however, subject to the confirmation by this Court. As soon as the sale is over, the details including the purchase price and all the details shall be made over to this Court for the purpose of confirmation. As soon as the bid is over the applicant/the prospective purchaser shall deposit 20% of the amount in a nationalized

bank in the account maintained by the Committee. If there is any difficulty in getting the possession of any property owned by the respondents, the matter shall be reported to this Court and/or the Committee can also itself request for police aid or any other assistance from the governmental authorities. On all the pending applications, the Committee shall pass appropriate orders subject to confirmation by this Court.

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

List in the month of March, 20 0 9 .

(R.K. Dhawa n) Court Master	(Veera Verm a) Court Master

ANNEXURE A-7

1

In the Court of Mrs. Paramjit Kaur, Judicial Magistrate
Ist. Class Chandigarh

Police Challan No.48 of 2.6.2001
Computer I.D. No. 36014R0020282001
Date of Decision :- 5.8.2010

STATE VERSUS 1. R.K.Syal S/o Amrit Lal Syal;

2. Neena Syal w/o R.K.Syal.

(both r/o H.No.570, Sector 12, Panchkula).

3. Promila Syal d/o Amrit Lal, R/o House No.573, Sector 12, Panchkula.

FIR NO: 62 of 23.3.2001
U/S: 406/420/120-B of IPC
P/S: Mani Majra, Chandigarh

Present: None for the State.
Accused R.K.Syal and Promila Syal in custody, with their counsel.
Personal appearance of accused Neena Syal is exempted till further orders.

JUDGMENT

The above-named accused have been challaned by the SHO of Police Station Mani Majra, Chandigarh for facing trial under Sections 406/420/120-B of the Indian Penal Code.

2. Briefly stated the present case was registered on the basis of complaint dated 23.1.2001 made by Raghu Nath Gautam who reported that he had deposited Rs.10000/- on 2.8.1994 for a period of six years to be matured on 3.8.2000 regarding which a cheque of maturity amount of Rs.40000/- bearing No.0038123 55/002 dated 3.8.2000 drawn

Clerk of Court
Civil Judge (Sr. Division)
Chandigarh

at Union Bank of India, SCO No.802, Manimajra was issued in his favour, but he was not paid the amount despite visiting the company of the accused namely Golden Forests, Golden Complex, SCO No.832, Manimajra. However, he was issued the receipt for collecting that cheque by the company with promise to issue him fresh cheque, but all in vain.

3. Accordingly, on the basis of complaint of complainant Raghu Nath Sharma and various other investors investors/victims, the present FIR was registered against the above named accused, the accused facing trial were arrested. After recording statement of witnesses, collecting the record from that company and thereafter, on completion of entire investigations against the accused, the challan against the accused was prepared for the offences under Sections 406,420,120-B IPC and presented in the Court.

4. On presentation of challan in the Court, copies thereof were supplied to the accused facing the trial, free of costs as provided under Section 207 of Code of Criminal Procedure.

5. On finding a *prima-facie* case the charge against the above named accused was framed under Sections 406/420/120-B of the Indian Penal Code and under Section 5A of the Companies Act, to which they pleaded not guilty and claimed trial.

No witness was examined by the prosecution despite availing several opportunities, therefore, prosecution evidence was closed by order.

7. Since there was no incriminating evidence against the accused, so recording of their statements under Section 313 of Code of Criminal Procedure was dispensed with.

8. No witness was examined by the prosecution despite availing several opportunities. Therefore, prosecution evidence was closed by order. As no evidence is led against the present accused, therefore, they cannot be connected with the alleged offence by any stretch of imagination and no case is made out against them.

9. Hence, in view of my discussion above, I am of the considered opinion that prosecution has miserably failed to prove the charges against the accused under Sections 406/420/120-B of IPC. Hence, the accused are acquitted of the charges levelled against them by giving the benefit of doubt. They be released, if not required in any other case. File be consigned to the record room.

Announced.
5.8.2010

(Paramjit Kaur)
Judicial Magistrate 1st Class,
Chandigarh.

Clerk of Court
Civil Judge (Sr. Division)
Chandigarh

ANNEXURE A-8

Copy of Judgment

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IN THE COURT OF SHRI. AJAIB SINGH,
ADDL.SESSIONS JUDGE,(FTC)RUP NAGAR.

Criminal appeal no.57 of 19.10.2011
AND RBT no.50 of 10.11.2012
Date of Decision : 1.7.2013.

Pomila Syal d/o Amrit Lal Syal, son of Ghumani Lal Sayal aged about 56 years, resident of H.no.573, sector 12, Panchkula, Haryana

........appellant/accused no.2.

Versus

1. State of Punjab

respondent

Appeal against the judgment and order dated 19.9.2011 passed by the court of Mrs. Mandeep Kaur, PCS, Chief Judicial Magistrate, Ropar in police challan noRT260/ 28.2.2001/ 7.6.2007, FIR no.63 of 23.12.2000 under section 406/ 420/467 /468 /471 /120-B0/7(2) Punjab land reforms act and 13 (1) (a) (b) (c) (d) of Prevention of corruption Act, 1988, Police station, Vigilance Bureau, Patiala vide which she has passed sentence order u/s 420/120 B of IPC wrongly and illegally against the appellant /accused to undergo rigorous imprisonment for a period of two years each under both sections which shall run concurrently and also imposed fine of Rs.5000/- in each both and in default of payment of fine he will further undergo rigorous imprisonment for a period of 20 days.

Addl. District & Sessions Judge,
RUPNAGAR

Present Appellant in custody with Sh.RK Sharma Advocate.
Sh: Bhupinder Singh, Addl. PP for the state/respondent.

JUDGMENT.

The appellant Pomila Syal d/o Amrit Lal Syal, son of Ghumani Lal Sayal aged about 56 years, resident of H.no.573, sector 12, Panchkula, Haryana has filed this criminal appeal for challenging the judgment dated 19.9.2011 passed by the learned Court of Mrs. Mandeep Kaur, PCS, Chief Judicial Magistrate, Ropar whereby the appellant has been convicted under section 420/120-B of IPC and order dated 19.9.2011 whereby the appellant has been sentenced to undergo rigorous imprisonment as stated therein.

2. The notice of the main appeal was issued towards the state. The learned Addl.PP on receipt of the notice of the same, has appeared to contest the same. The record of the learned trial Court requisitioned from the record of the same, has also been received for the said purpose.

3. The appellant alongwith Amrit Lal Sayal, Rakesh Kumar, Neena

Attested to be ture copy
Superintendent
District & Sessions Judge, Rupnagar
Authorised u/s 76 of the Indian Evidence Act, 1872
17/9/14

Sayal, Rajesh Sayal, Hartesh Kumar Sayal, Lehmber Singh, Vinod Mahajan and Tilak Raj Mehta was sent up by SHO of police station Vigilance Bureau Patiala for facing trial for commission of offences punishable under section 406/420/ 467 /468 /471 /120-B of IPC 7 (2) Punjab Land reforms act and 13 (1) (a) (b) (c) (d) of Prevention of corruption Act, 1988 before the sessions court Ropar by referring that the proceedings under section 82 of Cr.PC were pending against the accused Vinod Mahajan, Naresh Kumar, KS Rawat and Tilak Raj Mehta. The backdrops of the story of the prosecution are that M/s Golden project limited company, as came to know through reliable sources to the then DSP Saroop Singh, Vigilance Bureau, was got registered on 1.1.1996 vide registration no.16-17.5.2012 by giving address of Chandigarh Delhi Marg Rajpura. Thereafter the non-financial, non-banking, gazetted industrial classification code no.5 was alloted by the said department to the company. Then RK Sihal son of AK Sihal, resident of H.no.537, sector 12, Panchkula, Bimla wife of AK Sihal, resident of H.no.537, sector 12, Panchkula, Promila resident of H.no.537, sector 12, Panchkula, Romila Sinha wife of HK Sinha son of NK Sinha, resident of H.no.568, sector 12 Panchkula were appointed as directors of the said concern from time to time. The purpose of the said company was connected with the agriculture. The company purchased land in the area of Punjab for development of agriculture for the purpose of planting forest trees etc over the same and also collected money from general public for the said purpose and assured the depositors by issuing post cheques to make the payment after expiry of tenure of the same. The said company also purchased the land in the area of sub Tehsil Nurpurbedi, District Ropar and also collected money from the general public through fixed deposits for purchasing the land measuring 460 acre. The said concern mostly purchased the land through power of attorney holders by making minimum payments of the same to the land holders and got the sale deeds of the property executed by showing more value of the said land. The said concern did not carry out any work of development over the said land mostly lying undeveloped. The said concern also did not deliver the possession of said land to any investor. The cheques issued by the company in favour of investors were dishonored. The directors of the said company in furtherance of their common intention cheated the general public by dishonestly abusing them to invest in said very

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Sessions Judge.

manner and by purchasing the said land, violated the provisions of section 3 and 6 of Punjab land Reforms act and were liable to face the consequences under section 7(2) of the said act. Thereafter Sh. Saroop Singh the then DSP Vigilance Bureau Ludhiana drafted ruqa to the said effect and sent the same to the police station through C. Gurdeep Singh for registration of FIR under section 406/420/467/468/471/120 B of IPC and under section 7 (2) of Punjab land reforms act 1972. Thereafter formal FIR of the present case under the said offences was registered and the investigation was initiated, during the course of which rough, the statements of the witnesses were recorded and relevant record of the company was taken into police possession. The challan, after completing all the formalities of the investigation,was prepared and was presented before the court against the appellant and others.

4. The copies of report submitted under section 173 of Cr.PC on its presentation before the court against the appellant and others were supplied to the said appellant and others as required under section 207 of Cr.P.C as a free of costs vide their separate statement recorded to the said effect.

5. The appellant and others, after hearing arguments of the learned APP for the respondent/state and of the learned counsel for the appellant and others on finding a good prima facie substance of material, then presumed to had been made out for framing charge under section 406/ 420/467 /468 /471 / 120-B of IPC and under section 7 (2) of Punjab Land Reforms Act and under section 13(1) (a) (b) (c) (d) of Prevention of Corruption Act, 1988 from the crux of of the report submitted under section 173 of Cr.PC against the said appellant and others, were charge sheeted under 406/ 420/467 /468 /471 / 120-B of IPC and under section 7 (2) of Punjab Land Reforms Act and under section 13(1) (a) (b) (c) (d) of Prevention of Corruption Act, 1988, to the contents of which the appellant and others did not plead guilty but claimed trial by taking separate plea to the said effect.

6. The respondent/prosecution in order to prove the charge sheet of 9.8.2001 examined PW1 Sakta Singh, PW2 Lakhwinder Singh, PW3 Lakhan Beri, PW4 Karam Singh, PW5 Jaspal Singh, PW6 Sadhu Singh, PW7 Niranjan Singh, PW8 Maninderjit Kaur, PW9 Raman Aggarwal, PW10 C Malkiat Singh, PW11 Lady constable Kulwinder Kaur, PW12 Bali Ram PW13 Amrik Singh, PW14 Richan Sindwani, PW15 Ravinder Saini, PW16

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17/9/14

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Surinder Singh, PW17 Jayant trehan, PW18 Phuman Singh, PW19 Madhu Bala, PW20 HN Mehra, PW21 Raj Kumar Kautas, PW22 Hari Parkash, PW23 HC Jagannath, PW24 Maninder Dass, PW25 Ramji Dass, PW26 Amarjit Singh, PW27 Kamal Chand, PW28 Jaswant Singh, PW29 Ashok Kumar Gupta, PW30 Kishan Lal, PW31 Kewal Krishan Jolly, PW32 Krishan Lal, PW33 Joga Singh, PW34 Harcharan Singh, PW35 Manjit Singh, PW36 Kewal Krishan son of Munshi Ram, PW37 AS Bhatia, PW38 Vinod Jetley, PW39 Dharamvir Kohli and PW40 Parveen Kumar. The case thereafter in compliance of order dated 7.5.2007 passed by the hon'ble Punjab & Haryana High Court for quashing the charges framed against the appellant and others under section 13 (I (a) (b) (c) (d) of the prevention of corruption Act, in terms of Criminal .revision no.1621 of 2001, preferred by the appellant and co accused, was referred under section 228 of Cr.PC to the then learned court of Chief Judicial Magistrate, Ropar vide order dated 6.6.2007. The respondent/ prosecution thereafter also examined PW41 Daljit Kaur, PW42 Ashwani Kumar Duggal, PW43 SK Arora, PW44 Rajni Sablok, PW45 Harbans Singh, PW46 Sabiha Sultana, PW47 Daljit Singh, PW48 Balpreet Singh and PW49 Raj Rani before the learned court of Chief Judicial Magistrate but could not conclude its evidence because the evidence of respondent/prosecution was closed by order dated 2.8.2011 as per history of the case. The proceedings against the accused Amrit Pal Sayal since deceased, accused Neena Sayal since deceased and Rajesh Sayal since deceased died during the pendency of the case were abated vide separates orders thereof.

7. The statements under section 313 of Cr.PC of the said appellant and co accused were recorded separately by putting incriminating evidence whatever could be led on the record by the respondent/prosecution but the appellant and co accused denied the same and closed their defence evidence by bringing some documents accordingly in the same.

8. The arguments of the learned APP for the respondent/State and learned counsel for the appellant and co accused were heard by the learned trial court with regard to the following points for determination of offence alleged to had been committed by the appellants thereof;-

1. Whether the appellant Vice Chair Person of the company and co accused in their own capacity of the company, during the

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period from 1987 to 2000 hatched a criminal conspiracy to cheat the public at large and in pursuance of the same, were entrusted Rs.34764920/-by depositors/persons in the area of District Ropar and Ludhiana and promised to return the amount in double to the depositors/persons after a period of 3-1/2 years but converted the same for own use & misappropriate the same?

2. Whether the appellant and co accused in such capacity of the said company during the said period, in pursuance of criminal conspiracy hatched by them, purchased hilly/barren land in the area of village Sakhpura, Sub Tehsil Nurpur Bedi, District Ropar and showed an amount of Rs.2772806/- for development of the land in the record of the company but did not spend the same rather forged 47 vouchers to the said effect?

3. Whether the appellant and co accused in such capacity of the said company during the said period, in pursuance of criminal conspiracy hatched by them, forged 47 vouchers in the area of district Ropar with the intention that the same should be used for the purpose of cheating the depositors?

4. Whether the appellant and co accused in such capacity of the said company during the said period, in pursuance of criminal conspiracy hatched by them, used the said forged 47 vouchers as genuine for cheating the depositors?

5. Whether the appellant and co accused in such capacity of the said company during the said period, in pursuance of criminal conspiracy hatched by them, cheated the various depositors/ investors by inducing them to deliver the total amount of Rs.34764920/- in the shape of fixed deposits?

without referring the same in the Judgment under appeal in any form.

9. The respondent/prosecution in order to substantiate the points for determination of the offence allegedly committed by the appellant and co accused examined PW1 Sakta Singh who while in the witness box deposed with regard to memo Ex.PA bearing his signature vide which the record of the company was taken in possession on 27.12.2000. Then PW2 Lakhwinder Singh, while in the witness box only deposed about depositing an amount of

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Rs.10000/- by him, an amount of Rs.10000/- by his father Karam Singh and an amount of Rs.10000/- by his brother Parveen Kumar against assurance given by agent of the company that the same would be double after a period of three years apart from deposing about issuing then post dated cheques of Rs.20000/- each to him, his father and brother, dishonoured ultimately on presentation. This witness brought copy Mark A of receipt, copy Mark B of receipt and copy mark C of cheque and copy mark D of receipt on record. Then PW3 Lakhan Beri examined by the respondent/prosecution stepped in the witness box and despite being declared as hostile deposed about depositing an amount of Rs.500/- per month up to year 1994 apart from deposing that he after completing installments was given post dated cheque sorresponding to Copy Ex. PB apart from further deposing that an amount of Rs.15000/- was deposited by his sister Rajni Bala with the company against post dated cheque corresponding to copy Ex.PC. This witness also brought copy Ex.PB/1 of memo vide which the cheque given to him by the company was dishonored and copy Ex.PC/1 of memo vide which the cheque given to his sister was dishonoured. Thereafter PW4 Karam Singh examined by the respondent/prosecution also stepped in the witness box and deposed about depositing an amount of Rs.5000/- with the company apart from deposing that a post dated cheque for a sum of Rs.2000/- corresponding to copy Ex.PE was given to him. This witness also deposed that the cheque having maturity on 12.8.2000 was dishonoured apart from bringing copy Ex.PF of memo of the same. This witness brought copy Ex.PG of guarantee cum performance issued by the company to the said effect. Then PW5 Jaspal Singh examined by the respondent/prosecution also stepped in the witness box deposed about depositing an amount of Rs.5000/- in favour of his wife Amarjit Kaur for six years with the company apart from deposing that the receipt corresponding to copy mark PH and post dated cheque corresponding to mark D were given to him. This witness also deposed that the said cheque thereafter was deposited with the company but the company did not clear the same in his favour apart from deposing that an amount of Rs.5000/- was deposited in the name of his mother Ajit Kaur against receipt corresponding to copy Ex.PJ apart from deposing that the cheque corresponding to copy mark E thereafter was issued but on presentation with the company was retained by the company. This

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witness also deposed about depositing an amount of Rs.5000/- in the name of his daughter Gagandeep Kaur against receipt corresponding to copy Ex.PK and post dated cheque corresponding to copy Ex.PF apart from deposing that the cheque on presentation with the company was retained by the company. This witness also deposed about depositing Rs.200/- per month from the year 1994 and deposited an amount of Rs.14400/- also having maturity value of Rs.30000/- on 28.11.2000 as per copy Ex.PL of original receipt but the said amount was not released till then. Then PW6 Sadhu Singh examined by the respondent/prosecution also stepped in the witness box and deposed about investing an amount of Rs.10000/- on 10.10.1994 and another amount of Rs.10000/- on 28.12.1994 against receipt corresponding to copy Ex.PW6/A and copy Ex.PW6/B of the same and post dated cheques of Rs.40000/- each corresponding to copies Ex.PW6/C and Ex.PW6/D apart from deposing that the said cheques on presentation were dishonoured as per copy Ex.PW6/E of memo and copy Ex.PW6/F of another memo respectively of the same. This witness brought copy Ex.PW6/J and copy Ex.PW6/H of receipts showing maturity of said deposits apart from deposing that nothing was returned to him. Then PW7 Niranjan Singh examined by the respondent/prosecution also stepped in the witness box and also deposed about investing an amount of Rs.30000/- in the year 1994 and Rs.10000/- in the year 1997 against post dated cheques corresponding to copy Ex.PW7/1 to Ex.PW7/4 apart from also deposing that the said cheques were dishonoured and he was not paid anything by the company. Then PW8 Maninderjit Kaur examined by the respondent/prosecution also stepped in the witness box and deposed about depositing an amount of Rs.10000/- against post dated cheque of copy E.xP8/1 apart from deposing that she was not paid the said amount by the company.

10. Then PW9 Raman Aggarwal charted accountant/tax consultant brought Ex.PW9/A of income tax return for the year 1996, copy Ex.PW9/B of income tax return for the year 1997-98, copy Ex.PW9/C of income tax return for the year 1998-99 and copy Ex.PW9/D of income tax return for the year 1999-2000 of accused RK Sayal, copy Ex.PW9/E of income tax return for the year 1996-97, copy Ex.PW9/F of income tax return for the year 1997-98, copy Ex.PW9/g of income tax return for the year 1998-99 and copy Ex.PW9/H of income tax return for the year 1999-2000 of the appellant

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Pomila Sayal, copy Ex.PW9/I of income tax return for the year 1996-97, copy Ex.PW9/J of income tax return for the year 1997-98, copy Ex.PW9/K of income tax return for the year 1998-99 and copy Ex.PW9/L of income tax return for the year 1999-2000 of accused Meena Sayal, copy Ex.PW9/M of income tax return for the year 1996-97 and copy Ex.PW9/N of income tax return for the year 1997-98, copy Ex.PW9/O of income tax return for the year 1998-99 of accused Vimla Sayal, copy Ex.PW9/P of income tax return for the year 1997-98, copy Ex.PW9/Q of income tax return for the year 1998-99 and copy Ex.PW9/R of income tax return for the year Madhulika Sayal and copy Ex.PW9/S of income tax return for the year 1996-97, copy Ex.PW9/T of income tax return for the year 1997-98, copy Ex.PW9/U of income tax return for the year 1998-99 and copy Ex.PW9/V of income tax return for the year 1999-2000 of Amrit Lal Sayal apart from deposing with regard to memo Ex.PW9/W vide which the same was taken in to police possession. Then PW10 Malkiat Singh examined by the respondent/prosecution also stepped in the witness box and deposed with regard to memo Ex.PW10/A vide which the accused AK Sayal was arrested in this case on 24.12.2000. Then PW11 Lady Kulwinder Kaur deposed about memo Ex.PW11/A vide which the appellant Promila Sayal was arrested on 24.12.2000. Thereafter Bali Ram examined by the respondent/prosecution also stepped in the witness box and deposed that he was working as agent with Golden Forest India limited from the year 1987 onward apart from deposing that his work was to collect the money and deposit the same with company against commission apart from deposing that an amount of Rs.171000/- was collected by him from his friends and relatives against post dated cheques and deposited the same with company. This witness also deposed that the cheques were not cleared and the amount was not paid by the company. Then PW13 Amrik Singh examined by the respondent/prosecution also stepped in the witness box brought copies Ex.P13/A to P13/N of sale deeds executed in favour of Golden Forest India limited Mani Majra apart from deposing that the same were taken in police possession vide memo Ex.PW13/O bearing his signatures. Thereafter PW14 Richan Sindwani examined by the respondent/prosecution also stepped in the witness box and brought copy mark A of receipt issued by the Golden Forest India Limited against Rs.5000/- deposited by her with the same. Then PW15

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Ravinder Saini examined by the respondent/prosecution also stepped in the witness box and brought copy Ex.P15/A of memorandum and articles of association and copy ExPW15/B of certificate of the corporation on record. Thereafter PW16 Surinder Singh examined by the respondent/prosecution also stepped in the witness box and deposed about selling the land measuring 300 acre inherited by him from his father to the Golden Forest India Limited, SCO no.834, Mani manjra company through their advisor in the year 1992 at the rate of Rs.3200/- per killa against amount of Rs.240000/- vide sale deeds dated 29.12.1992 apart from deposing that the said land was not developed by the company. Then PW17 Jayant Trehan examined by the respondent/ prosecution also stepped in the witness box and deposed that the Golden Forest India limited was joined by him in the year 1996 as a marketing executive and worked up to the month of December 2000 as such and thereafter this witness was declared as hostile with regard to the case of the prosecution. Thereafter PW18 Phuman Singh examined by the respondent/ prosecution also stepped in the witness box and deposed about depositing an amount of Rs.10000/- against receipt with the company and thereafter was also declared as hostile with regard to the remaining part of the case of the prosecution. Thereafter PW19 Madhu Bala examined by the respondent/ prosecution also stepped in the witness box and deposed about investing an amount of Rs.50000/- at one time apart from deposing that she was defrauded by the company. Then PW20 HN Mehra being senior manger of Allahabad Bank examined by the respondent/prosecution stepped in the witness box and brought copies Ex.PW20/1 to Ex.PW20/10 of opening account no.4721 in the name of Sh. AL Sayal, account no.3525 in the name of appellant, account no.5216 in the name of Neena Sayal, account no.5218 in the name of Madhu Rima Sayal through guardian Reema Sayal and account no.5383 in the name of Nikhal Kant opened in the bank. Then PW21 Raj Kumar Kautas examined by the respondent/prosecution also stepped in the witness box and deposed about depositing an amount of Rs.3000/- for himself in his own name and Rs.3000/- in the name of his wife Suneh Lata against receipts corresponding to Ex.P21/A and Ex.PW21/B apart from deposing that a letter was received by him to deposit Rs.2200/- and plot measuring 15 marla would be given to him. This witness deposed that the officials of the company on approaching

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by him agreed with him to return the full payment in the year 1994 on failing to accept the offer of the plot by him apart from deposing that an amount of Rs.1218/- was returned to him vide receipt Ex.PW21/C and an amount of Rs.1218/- was returned to his wife vide receipt Ex.Pw21/D. This witness also brought letters Ex.PW21/E and Ex.PW21/F of the company written to him and his wife apart from deposing that the remaining amount was not given by the company to him and his wife. The PW22 Hari Parkash examined by the respondent/prosecution stepped in the witness box and deposed an amount of Rs.155000/- was deposited by him with the company apart from deposing that an amount of Rs.2300000/- was deposited by his friends with company against the receipts Ex.PW22/A1 to mark PW23/A13 but the same was not returned by the company to him and his friends thereof.

11. Thereafter PW23 HC Jaganath examined by the respondent/ prosecution also stepped in the witness box and deposed with regard to memo Ex.PW23/A vide which seven sale deeds were taken in to police possession. Then PW24 Mahinder Dass examined by the respondent/prosecution also stepped in the witness box and being posted as Naib Tehsildar in the area of Nurpur Bedi in the month of August 1992 authenticated all the sale deeds Ex.PW13/A and Ex.PW13/B both dated 13.8.1992 and mutations no.986 and 987 both dated 28.8.1992 sanctioned on the basis of said sale deeds apart from bringing copy Ex.PW24/A and copy Ex.PW24/B of mutation register on record. Thereafter PW25 Ramji Dass Patwari examined by the respondent/ prosecution stepped in the witness box and deposed with regard to mutations no.998 to 1005 and 1009 to 1012 apart from bringing copies Ex.PW25/1 to Ex.PW25/12 of Padat Patwar on record. Then PW26 Amarjit Singh examined by the respondent/prosecution also stepped in the witness box and deposed that his father died in the year 1996 sold landed property to Vinod Kumar on 13.8.1992 apart form deposing that the land measuring 70 acre at the rate of Rs.3200/- per acre was sold by his father against total amount of Rs.224000/- vide two sale deeds and the forest department had carried plantation over the same. Then PW27 Kamal Chand examined by the respondent/prosecution also stepped in the witness box and deposed that Swaran Singh was his father and had sold land measuring 37-1/2 acre at the rate of Rs.3200/- per acre to Golden Forest India limited against total amount of Rs.120000/- vide sale

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deeds apart from authenticating copy Ex.PW13/F of the same on record. This witness also deposed that the land measuring 37-1/2 was sold at the rate of Rs.3200/- per acre by Nasib Devi, sister of his father against an amount of Rs.120000/- while the land measuring 320 kanal was sold for a sum of Rs.128000/- apart from authenticating copy Ex.PW13/G of sale deed and copy Ex.PW27/A of power of attorney executed by Nasib Devi in favour of his favour and copy Ex.PW13/C of another power of attorney. This witness deposed that no development was carried by the company over the same. Thereafter PW28 Jaswant Singh examined by the respondent/prosecution also stepped in the witness box and deposed with regard to sale deed Ex.PW13/A vide which the land measuring 37-1/2 was sold to vinod Kumar at the rate of Rs.3200/- per acre. Then PW29 Ashok Kumar examined by the respondent/ prosecution also stepped in the witness box and deposed that he was dealing with accounts of Golden Forest India limited apart from deposing that the copies Ex.PW29/1 to Ex.PW29/16 of the record of said company was given to the police and thereafter this witness was declared as hostile. Then PW30 Kishan Lal examined by the respondent/prosecution stepped in the witness box ~~and~~ when did not support the case of the prosecution was also declared as hostile but while facing cross examination also brought copy Ex.PW30/A to Ex.PW30/19 of vouchers, copies Ex.PW 30/20 to Ex.PW30/40 of vouchers, copies Ex.PW30/41 to Ex.PW30/52 of vouchers, copies Ex.PW30/53 to Ex.PW30/290 of the vouchers, copies Ex.PW30/291 to Ex.PW30/307 of the vouchers, copies Ex.PW30/308 to Ex.PW30/310 of the vouchers, copiers Ex.PW311 to Ex.PW544 of vouchers, copies Ex.PW30/545 to Ex.PW30/547 of vouchers, copies Ex.PW 30/548 to Ex.PW30/556 of vouchers, copy Ex.PW30/557 of voucher, copy Ex.PW30/560 of voucher, copies Ex.PW 30/561 to Ex.PW 30/564 of vouchers, copies Ex.Pw30/565 to Ex.PW 30/592 of vouchers, copies Ex.PW30/593 to Ex.PW30/606 of vouchers. Thereafter PW 31 Kewal Krishan Jolly examined by the respondent/prosecution stepped in the witness box and firstly deposed that he was employed as correspondent on monthly salary of Rs.3000/- later on increased to Rs.6000/- and thereafter increased to Rs.12000/- apart from deposing that the amount of Rs.77250/- and Rs.45990/- were not received by him vide voucher no.375 corresponding to copy mark G in book Ex.P30 and vide voucher no.376 corresponding to

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copy mark H in book Ex.P30 respectively apart from deposing that the amount of Rs.77460/- was also not received by him for development of land. Then PW32 Krishan Lal working as property dealer with Mahinder Kumar examined by the respondent/prosecution also stepped in the witness box and deposed that the amount of Rs.86850/- as commission at the rate of 1 per cent was not received by him vide voucher no.373 dated 31.3.1993 corresponding to copy mark J in copy Ex.P30 and the amount of Rs.98150/- as commission at the rate of 1 per cent was not received by him vide voucher no.374 dated 31.3.1993 corresponding to copy mark K in copy Ex.P30. Then PW33 Joga Singh examined by the respondent/prosecution also stepped in the witness box and deposed that an amount of Rs.5000/- was invested by him in the month of December 1994, an amount of Rs.5000/- was invested by him in the month of February 1995 with Golden Forest India limited against post dated cheques of Rs.20000/- apart from deposing that the amount of said cheques was not made by the company. Then PW34 Harcharan Singh examined by the respondent/prosecution also stepped in the witness box and deposed that an amount of Rs.5000/- was deposited by him on 29.12.1994 against cheque of Rs.20000/- with Golden Forest India limited apart from deposing that the said amount of the cheque was not returned to him. Then PW35 Manjit Singh running Ghulati Hospital from the year 1993 examined by the respondent/ prosecution also stepped in the witness box and deposed that he was given agent code no.500616 as sales executive on 10 per cent commission apart from deposing that the business of Rs.80000/- was given by him to the company and the amount was to be matured by 2022 as per investment shown in statement Ex.PW35/A. Then PW36 Kewal Krishan examined by the respondent/prosecution also stepped in the witness box and deposed that an amount of Rs.5000/- was deposited by him through Manjit Singh against receipt Ex.PW36/A and cheque Ex.PW36/B of Rs.10000/- apart from also deposing that the cheque was dishonoured vide memo Ex.PW36/C. Then PW37 AS Bhatia, Chief manager of State bank of Patiala examined by the respondent/prosecution also stepped in the witness box and brought copy Ex.PW37/A of account no.17264 of AL Sayal on record. Then PW38 Vinod Jetley Chief Manager of State Bank of India, Pahwa examined by respondent/ prosecution also stepped in the witness box and brought copy Ex.PW38/A of

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statement of account and copy Ex.Pw38/B of account opening form of Promila Sinha, copy Ex.PW38/C of statement of the account and copy Ex.PW38/D of account opening form of AK Sayal. Then PW39 Dharmvir Kohli examined by the respondent/prosecution stepped in the witness box and brought copy Ex.PW39/A of proceeding dated 9.11.1990 to 4.10.1993 and deposed with regard to memo Ex.PW39/B vide which the proceeding books were taken into police possession and thereafter was declared as hostile. Thereafter PW40 Parveen Kumar being posted as Office Assistant in the Golden Forest India limited examined by the respondent/prosecution also stepped in the witness box and deposed with regard to memo Ex.PW40/A vide which the record of the said company was taken in police possession apart from referring copies mark O1 to O8 of guarantee deeds. Then PW41 Daljit Kaur examined by the respondent/prosecution stepped in the witness box and deposed that an amount of Rs.75000/- vide cheque was invested by her in the month of may 1996 through Sarif Masih against post dated cheques of Rs.150000/- apart from deposing that the said cheque of Rs.150000/- as per his advise was deposited with Golden Forest India limited but the amount of the same was not given to her. This witness also brought copy Ex.PW41/A of cheque and copy Ex.PW41/B of disbursement of maturity and copy Ex.PW41/C of receipt on the record. Then PW42 Ashwani Kumar Duggal, Assistant General Manager union Bank of India, examined by the respondent/prosecution also stepped in the witness box and deposed that the amount of Rs.296903/- was balance in account no.610 of Promila Sayal also showing nomination of her daughter Madhu Lika Sayal, an amount of Rs.38131/- was balance in account no.28012 opened with Rs.500/- on 12.5.1994 in the name of RK Sayal showing Neena Sayal as of his nominee, no amount of balance was in account no.1704/- of M/s Golden forest India Limited operated by RK Sayal, Naresh Puri, Promila Sayal, Vimla Sayal, Neena Sayal and AK Sayal apart from bringing account opening form Ex.PW42/A, account opening form Ex.PW42/B, account opening form Ex.PW42/C and copy Ex.Pw42/D to Ex.PW42/F of statements of said accounts on record.

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12. Then PW43 SK Arora, clerk cum typist, Punjab national Bank, examined by the respondent/prosecution also stepped in the witness box and brought copy Ex.PW43/A of statement of account no.6761/- of Neena Sayal

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and copy Ex.Pw43/B of account no.3622 of Promila Sayal on the record. Then PW 44 Rajni Sablok, Manager, Union Bank of India, examined by the respondent/prosecution stepped in the witness box and deposed with regard to the accounts no.610, no.28012 and no.17004/- already referred by PW42 Ashwani Kumar Duggal. Then PW45 Harbans Singh, Senior Manager, OBC Bank, examined by the respondent/prosecution also stepped in the witness box and brought copies Ex.PW45/A to Ex.PW45/C of the record of account no.6563 opened on 18.5.1991 in favour of Rajesh Sayal, account no.101260 opened in favour of golden forest company and operated by RK Sayal, Promila Sayal and Naresh Puri and account no.101577 opened in favour of Golden Forest India limited operated by Promila Sayal. Then PW46 Sabiha Sultana examined by the respondent/prosecution also stepped in the witness box and deposed that an amount of Rs.100000/- through bank draft was invested by her with Golden Forest India limited apart from deposing that the principle amount of Rs.100000/- was received through court at Chandigarh by her. Then PW47 Daljit Singh, retired DSP, examined by the respondent/ prosecution also stepped in the witness box and deposed with regard to memo Ex.PW47/A vide which the disclosure statement of Promila Sayal was recorded by him. Then PW48 Sarabjit Kaur examined by the respondent/ prosecution also stepped in the witness box and deposed that her husband suffering from paralysis could not come to depose in the court. Thereafter PW48 Balpreet Singh Branch Manager, HDFC, examined by the respondent/ prosecution also stepped in the witness box and deposed that the account no.0011000059678/- was jointly opened by AK Sayal and Madhu lika on 18.12.1999 and the account no.00612320000537 was opened by AK Sayal on 16.12.2000, the account no.00112000003624 was opened by AK Sayal on 5.11.1999 apart from bringing copies Ex.P48/A to Ex.PW48/C of statement of accounts of the same. Thereafter PW49 Raj Rani also examined by the respondent/prosecution also stepped in the witness box and deposed that an amount of Rs.25000/- in the shape of FD in her favour and an amount of Rs.25000/- in the shape of FD in favour of her husband Raj Pal were deposited with Golden Forest India limited but the same were not returned. The respondent/prosecution could not conclude remaining evidence because the remaining evidence was closed by order thereof.

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13. The appellant and co accused on the other brought copy Ex. DX of judgment dated 30.3.2007 of Criminal case no.65/1 of 2001 pertaining to FIR no.16 of 2.10.1999, under section 406/420/467/468/471/120 B of IPC registered against Rakesh Kant, Pamila Sayal, Amrit Lal, Rajesh Sayal, Neena Sayal and Lehamber Singh, copy Ex.DY of order dated 4.10.2004, copy Ex.DZ of judgment dated 5.8.2010 of police challan no.48 of 2.6.2001 pertaining to FIR no.62 of 23.3.2001 registered against RK Sayal, Neena Sayal and Promila Sayal, copy Ex.D1 of certificate dated 16.12.2004 of Rohit Khullar, ACS, CP no.3738 issued by him after searching the record of M/s Golden forest India Limited on 16.2.2004, copy Ex.D2 of special resolution dated 27.3.1989, copy Ex.DW1 of order dated 4.3.2012, copy Ex.DW2 of form no.29 of the companies act 1999, copy Ex.DW3 of no due certificate dated 10.4.1991 issued by chairman cum managing director on behalf of board of directors of the Golden Forest India limited . The appellant and the co accused thereafter closed their defence evidence.

14. The appellant and co accused after hearing arguments of learned APP for the respondent/state and learned counsel for the appellant and co accused with regard to the briefly referred rival oral as well as documentary evidence led on the record by the respondent/prosecution and the appellant and co accused were convicted only under section 420/120-B of IPC vide judgment dated 19.9.2011 and were sentenced there under the said offences vide order dated 19.9.2011 to undergo rigorous imprisonment under section 420 of IPC for two years and to pay fine of Rs.5000/- and on failing to deposit the fine to further undergo rigorous imprisonment for twenty days as well as to undergo rigorous imprisonment under section 120 B of IPC for two years and to pay fine of Rs.5000/- and on failing to pay the fine further undergo rigorous imprisonment for twenty days each and concurrently as stated there in the same ultimately under present appeal.

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15. The arguments with regard to the grounds of appeal have been heard and the record has been perused as per law also discussed in ***State of Maharashtra Versus. Sayad Mohammed Masood & Anr, 2010(I) RCR (Criminal)*** vide which it was observed as under;-

> Indian Penal code, sections 420 and 406, simple breach of contract or a case involving pure civil dispute would not attract the penal provisions

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contained in the IPC either under sections 406 or section 420, every breach of contract would not give rise to an offence of cheating and only in those case breach of contract would amount to cheating where there was any deception played at the very inception, if the intention to cheat has developed later on the same cannot amount to cheating.

relied upon by the learned counsel for the appellant during the course of all the arguments and it is found that the case of the respondent/prosecution is mainly based upon the testimonial version of PW2 Lakhwinder Singh, PW3 Lakhan Beri, PW4 Karam Singh, PW5 Jaspal Singh, PW6 Sadhu Singh, PW7 Niranjan Singh, PW8 Maninderjit Kaur, PW12 Bali Ram PW13 Amrik Singh, PW14 Richan Sindwani, PW15 Ravinder Saini, PW18 Phuman Singh, PW19 Madhu Bala, PW21 Raj Kumar Kautas, PW22 Hari Parkash, PW33 Joga Singh, PW34 Harcharan Singh, PW35 Manjit Singh, PW36 Kewal Krishan son of Munshi Ram, PW41 Daljit Kaur, PW46 Sabiha Sultana, PW47 Daljit Singh because PW1 Sakta Singh, PW9 Raman Aggarwal, PW10 C Malkiat Singh, PW11 Lady constable Kulwinder Kaur, PW16 Surinder Singh, PW17 Jayant trehan, PW20 HN Mehra, PW23 HC Jagannath, PW24 Maninder Dass, PW25 Ramji Dass, PW26 Amarjit Singh, PW27 Kamal Chand, PW28 Jaswant Singh, PW29 Ashok Kumar Gupta, PW30 Kishan Lal, PW31 Kewal Krishan Jolly, PW32 Krishan Lal, PW37 AS Bhatia, PW38 Vinod Jetley, PW39 Dharamvir Kohli and PW40 Parveen Kumar, PW42 Ashwani Kumar Duggal, PW43 SK Arora, PW44 Rajni Sablok, PW45 Harbans Singh, PW48 Balpreet Singh and PW49 Raj Rani are formal in nature. The defence version of the appellant is that the appellant was innocent and was not director of the company but was only employee and was not liable for any conduct of the company. The further stand of the appellant is that the managing director was only liable for conduct of the company and the company alloted the land units to all the investors and issued cheques to the investors only as collateral security and the claim of the investors was of civil transaction. The further stand of appellant is that a liquidator was appointed by the Hon'ble Punjab and Haryana High Court and the appellant was falsely implicated in this case. Now, the question arises as to whether the appellant committed the offence punishable under section 120-B of IPC read as (1) whoever is a party to a criminal conspiracy to commit an offence punishable with death, imprison

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ment for life or rigorous imprisonment for a term of two years or upwards, shall where no express provision is made in this code for the punishment of such a conspiracy be punished in the same manner as if he had abetted such offence. (2). Whoever is a party to a criminal conspiracy other than a criminal conspiracy to commit an offence punishable as aforesaid shall be punished with imprisonment of either description for a terms not exceeding six months, or with fine or with both and defênce punishable under section 420 of IPC reads as whoever cheats and thereby dishonestly, induces the person deceived to deliver any property to any person or to make alter or destroy the whole or any part of a valuable security or anything which is signed or sealed and which is capable of being converted into a valuable security shall be punished with imprisonment of either description for a term which may extend to seven years, and shall also be liable to fine, under which the appellant and the co accused only were convicted and were sentenced, as referred herein above by the learned trial court by acquitting the appellant and co accused from the other offences under which the appellant and co accused were charge sheeted or as to whether the appellant established the said defence of false implication in this case for the purpose of which it has become imperative to go through the testimonial version of the material witnesses examined by the respondent/ prosecution against the appellant and co accused and documentary evidence led on record by the appellant and co accused against the evidence of the respondent/prosecution. The brief history of the company is that the Golden Forests India Limited (G.F.I.L) was founded by R.K.Syal since deceased also accused in this case in the year 1987 with simple concept of "Economic Freedom For All". The company started its journey from Chandigarh with an aim to make all Indians a partner in the financial growth of India and was registered with the registrar of companies on the 6th of March 1987 and was given industrial code no.05 by the government of India. The company was permitted under the relevant laws of the day to take public investment and to offer a return on those investments. Moreover every investment in the said company was secured in the shape of land units which were allocated to each and every investor right from day one. In case of any lapse of maturity the investor had the right to get that land unit transferred in his/her name. This system of land units was so revolutionary that not only everybody understood

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it but everybody trusted it. The people from all walks of life, classes, cities and villages in India invested their hard earned money in M/s Golden Forests India Limited. M/s Golden Forests India Limited used money to buy prime properties all over the country. Most of the properties are situated close to big cities of India on National Highways. The location of these properties and the vision of the said accused R.K.Syal since deceased ensured that the money of the public invested in these projects was safe. Many projects such as mineral water plant, tourist resorts, hotels, schools, colleges and satellite townships were also started. The company was market leader of the agro forestry and N.B.F.C sector of India. In 1998 Securities and Exchange Board of India (S.E.B.I) filed a writ petition in the Hon'ble Bombay High Court asking for a ban on the working of Golden Forests India Limited because the investments in G.F.I.L were not safe and the public investment was unsecured. Thereafter during the course of this case, the Hon'ble Bombay High Court looked at all the aspects of the working of G.F.I.L and after looking at the evaluation of Dr. Roshan.H.Namavati made as per order of the Hon'ble Bombay High Court refused to ban the working of Golden Forests India Limited rather permitted the company to take fresh investments under all the previous investment schemes and continue to work and pay maturity to its investors. The Hon'ble Bombay High Court also directed the company to get any new investment scheme/s approved from S.E.B.I before launching them. The Punjab Vigilance Bureau registered six identical cases in different parts of the state of Punjab under Prevention of Corruption Act, 1988 and wrote to major banks of India to seal all the accounts of Golden Forests India Limited. Thereafter all banks across India sealed the bank accounts of G.F.I.L. The cheques given by the company to the investors started to bounce. The Hon'ble Punjab and Haryana High Court also appointed a provisional liquidator for the purpose of sorting out the claims and liabilities of G.F.I.L on 18/06/03 in case filed by National Investors Forum vs Golden Forests (India) Ltd. In the mean the Hon'ble Bombay High Court also appointed a receiver for the same purpose. Golden Forests India Limited then approached the Hon'ble Supreme Court of India in 2004 for clarity of the matter that two Hon'ble high courts had appointed two different persons for the same matter and purpose. The Hon'ble Supreme Court of India in 2004 stayed all the appointments done by the Hon'ble high

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courts and appointed a new committee for the quick disposal of this matter. The matter even after more than seven years of the committee's appointment is still pending and is now being heard by the Hon'ble Delhi High Court.

16. Moreover, new sections 58AA and 58AAA have been added by the Companies (Second Amendment) Act, 1999 relating to small depositors and to make the offence for default in refund or acceptance of deposits to be cognizable under the Code of Criminal Procedure 1973. These sections have been inserted to bring out certain measures for good corporate governance and for protection of investors. Under section 58AA Companies are required to inform the Company Law Board within 60 days if they fail to make repay ment of deposits on maturity to small deposit holders who have invested in a financial year a sum not exceeding Rs. 20,000/- in a company. The Company Law Board on receipt of the information is required to consider these defaults reported by companies and make an order within thirty days which the concerned company is bound to comply with, a company which fails to report or comply with the order of the Company Law Board will be punishable with imprisonment of 3 years and will also be liable to fine of Rs. 500/- per day during which such default continues. Moreover section 621 of the Companies Act, 1956 reads as offences against Act to be cognizable only on complaint by Registrar, shareholder or Government. (1) No court shall take congnizance of any offence against this Act (other than an offence with respect to which proceedings are instituted under section 545), which is alleged to have been committed by any company or any officer thereof, except on the complaint in writing of the Registrar, or of a shareholder of the company, or of a person authorized by the Central Government in that behalf: Provided that nothing in this sub- section shall apply to a prosecution by a company of any of its officers. (1A) 3[Notwithstanding anything contained in the Code of Criminal Procedure, (5 of 1898) 4 where the complainant under sub- section (1) is the Registrar or a person authorized by the Central Government, the personal attendance of the complainant before the Court trying the offence shall not be necessary unless the Court for reasons to be recorded in writing requires his personal attendance at the trial.] '(2) Sub- section (1) shall not apply to any action taken by the liquidator of a company in respect of any offence alleged to have been committed in respect of any of the matters included in Part VII

Addl. District & Sessions Judge,

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(sections, whereas the section 624 of the Companies Act,1956 reads as offences to be non-cognizable.Notwithstanding anything in the Code of Criminal Procedure, (5 of 1898) 2, every offence against this Act shall be deemed to be non-cognizable within the meaning of the said Code. The respondent/prosecution has not challenged the said order dated 7.5.2007 vide which the charge framed under section 13(1) (a) (b) (c) (d) of Prevention of Corruption Act, 1988 was quashed by the Hon'ble Punjab and Haryana High court at Chandigarh, referred above and has also not filed any appeal against the acquittal of the appellant and co-accused under other all offences under which the appellant and co-accused were also charged by the learned trial court, The crux of law referred above coupled with evidence of investors also referred above, go to reveal that the dishonest intention and meeting of minds of the appellant and co-accused, required to hatch the criminal conspiracy to fulfill all the ingredients of the offence punishable under section 420/120-B of IPC under which the appellant and co-accused were convicted, by the learned trial court, are not in evidence of the respondent/prosecution against the appellant and co-accused. The conviction of the guilt no doubt of the appellant and co-accused can be slapped on the basis of sole testimonial version of the witness inspiring confidence as per law discussed in **Amarjit Singh Vs. State of Punjab 1947**, ***RCR 567*** and the crux of the testimonial version of a.hostile witness as per law discussed in ***Rameshbhai Mohanbhai Koli & Ors Vs. State of Gujarat 2010(6) Law Hearald (SC) 4263*** can not be totally rejected although is in favour of the respondent/prosecution or in favour of the appellant and co-accused but is required to be subjected to close scrutiny. The appellant and co accused were involved in a case pertaining FIR no.16 of 2.10.1999, under section 406/420/467/468/471/120-B of IPC but were acquitted vide judgment dated 30.3.2007 corresponding to copy Ex.DA of Criminal case no.65/1 of 2001 and were also involved in a case pertaining to FIR no.62 of 23.3.2001 but were acquitted vide judgment dated 5.8.2010 of police challan no.48 of 2.6.2001 corresponding to copy Ex.DZ. The material witnesses are investors of M/s Golden forest (India) Limited and invested some amount with the said concern and as per their own testimonial version also received the receipts and post dated cheques as referred herein above as collateral securities and some of the investors also were alloted plots

Ad. ... & Sessions Judge. RUPNAGAR

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by the company. The evidence of the said material witnesses is deficient to fulfill the ingredients of the offences punishable under section 120-B/420 of IPC under which the appellant and co accused were convicted and ultimately sentenced by the learned trial court. Sh. Sarup Singh the then DSP Vigilance Bureau Unit Ludhiana in fact drafted a ruqa ultimately incorporated in FIR of the present case on receipt of secret information but did not receive any complaint of any investor or any other person allegedly facing fraud allegedly committed by the appellant and co accused and also concluded investigating by recording statements under section 161 of Cr.PC of some investors and employees of golden forest (India) limited. The prosecution also conducted the case in the same manner. Therefore, the contention of learned counsel for the appellant raised with regard to the grounds of appeal to said extent only is found to be sustainable as discussed herein above.

17. The criminal appeal filed by the appellant against the judgment dated 19.9.2011 as per aforementioned brief discussion of evidence coupled with law, is found to be sustainable and consequently is allowed and the judgment dated 19.9.2011 under appeal and order dated 19.9.2011, are set aside and the appellant is acquitted from the charges under section 420/120B of IPC by directing the appellant to furnish bail bond under section 437-A of Cr.PC for a sum of Rs.50000/- with one surety of alike amount forthwith. The record of the learned lower trial Court along with copy of this judgment be transmitted forth with to the record room (J) Ropar. The record of the file the criminal appeal be consigned to the record room (J) Rup Nagar.

Pronounced
08.7.2013

(Ajaib Singh)
Addl. Sessions Judge (FTC),
Rup Nagar.

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Superintendent
District & Sessions Judge, Rupnagar
Authorised u/s 76 of the Indian Evidence Act, 1872
17/9/14

Compared By Prepared By
Ashdeep Kadambini

No. & Date of Application 4861/15.9.14
Name of the Applicant Manish Kumar
Name of the ... Kadambini
Name of ... Cr. Appeal
Total ... 21
... 42
Total ... 42
Date of Preparation of copy 17/9/14
Date of Delivery 25-9-2014.

Name of the Head Copyist 25-9-2014.

ANNEXURE A-9

OUT TODAY

ITEM NO.1 COURT NO.5 SECTION X

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

Writ Petition(s)(Civil) No(s). 188/2004

M/S. RAIGANJ CONSUMER FORUM Petitioner(s)

VERSUS

UNION OF INDIA . & ORS. Respondent(s)

WITH

T.C.(C) No. 19/2005 (XVI-A)
T.C.(C) No. 24/2005 (XVI-A)
T.C.(C) No. 2/2004 (XVI-A)
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MA 151/2018 in T.P.(C) No. 1-2/2004 (XVI-A)
(IA No.8286/2018-CLARIFICATION/DIRECTION)

Date : 11-04-2018 These matters were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE KURIAN JOSEPH
HON'BLE MR. JUSTICE MOHAN M. SHANTANAGOUDAR
HON'BLE MR. JUSTICE NAVIN SINHA

Counsel for the parties

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Mr. Akshat Malpani, Adv.

Mr. Mukul Rohatgi, Sr. Adv.
Mr. Abhishek Aggarwal, Adv.
Mr. Nitesh Jain, Adv.
Mr. Arveena Sharma, Adv.

Mr. Nidhesh Gupta, Sr. Adv.
Mr. Amarjit Singh Bedi, Adv.
Mr. Varun Chandiok, Adv.
Mr. Gaganpreet Sandhu, Adv.
Ms. Vriti Gujral, Adv.

Mr. Sanjiv Sen, Sr. Adv.
Mr. Harpal Singh Saini, Adv.
Mr. Rahul Arya, Adv.

Mr. Vikas Singh, Sr. Adv.
Mr. Anil K. Sharma, Adv.
Mr. Rajesh Sharma, Adv.
Mr. Rajeev Kumar Gupta, Adv.
Mr. Rajiv Goel, Adv.
Ms. Shalu Sharma, Adv.

Mr. Rakesh Khanna, Sr. Adv.
Mr. B. H. Marlapalle, Sr. Adv.
Mr. Shantanu Bhawmik, Adv.
Mr. A. K. Chawdhary, Adv.
Mr. Mike Desai, Adv.
Mr. Vinay Rajput, Adv.
Mr. Ajay Chawdhary, Adv.
Mr. Ajit Wagh, Adv.
Mr. Ranjan Mukherjee, Adv.
Ms. Drishti Rathore, Adv.

Dr. Abhishek Manu Singhvi, Sr. Adv.
Mr. Ranjit Kumar, Sr. Adv.
Mr. Aman Vacher, Adv.
Mr. Ashutosh Dubey, Adv.
Mr. Dhiraj, Adv.

Ms. Anshu Vachher, Adv.
Mr. Avishkar Singhvi, Adv.
Mr. Arun Nagar, Adv.

Mr. M. C. Dhingra, Adv.
Mr. Harpal Singh Saini, Adv.
Mr. Piyush Kant Ray, Adv.
Mr. Gaurav Dhingra, Adv.

Ms. Suruchi Aggarwal, Adv.
Mr. Prashant Chauhan, Adv.

Mr. Jatinder Kumar Bhatia, Adv.
Mr. Ashutosh K. Sharma, Adv.

Ms. Ranjeeta Rohatgi, Adv.

Ms. Anubha Agrawal, Adv.

Ms. Varsha Singh Choudhary, Adv.
Mr. Hitesh Kumar Sharma, Adv.
Mr. S. K. Rajora, Adv.
Mr. Kusum Choudhary, Adv.

Mr. Somnath Mukherjee, AOR

Dr. Kailash Chand, AOR

Mr. Naresh Bakshi, AOR

Ms. Minakshi Vij, AOR

Mr. R. C. Kaushik, AOR

Mr. P. N. Puri, AOR

Mr. Siddhartha Chowdhury, AOR

Mr. Naresh Bakshi, AOR

Mr. A. P. Mohanty, AOR

Mr. Arun K. Sinha, AOR

Mr. B. K. Pal, AOR

Ms. Chitra Markandaya, AOR

Mr. D. N. Goburdhan, AOR

Mr. Kusum Chaudhary, AOR

Mr. M. C. Dhingra, AOR

Mr. Surya Kant, AOR

Mr. Tara Chandra Sharma, AOR

Mr. Ugra Shankar Prasad, AOR

Mr. Yash Pal Dhingra, AOR

Ms. Minakshi Vij, AOR

Mr. Ashok Kumar Singh, AOR

Mr. K. S. Rana, AOR

Mr. Vishwajit Singh, AOR

Mr. Abhijit Sengupta, AOR

M/S. K J John And Co, AOR

Mr. G. Ramakrishna Prasad, AOR

Mr. Ashwani Kumar, AOR

Mr. Rameshwar Prasad Goyal, AOR

Mr. Ajay Sharma, AOR

Mr. Alok Gupta, AOR

Mr. S. Ravi Shankar, AOR

Ms. Shalu Sharma, AOR

M/S. K. Ramkumar & Associates, AOR

M/S. Ap & J Chambers, AOR

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Ms. Ranjeeta Rohatgi, AOR

Mr. Shree Pal Singh, AOR

Ms. Sunita Sharma, AOR

Mr. Chander Shekhar Ashri, AOR

Mrs. S. Usha Reddy, AOR

Mr. Jatinder Kumar Bhatia, AOR

Mr. Rana Ranjit Singh, AOR

Mr. Arun Kumar Beriwal, AOR

Mr. Sudhir Kumar Gupta, AOR

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

Of the several offers today among those present, the best offer, which is made in Court, has reached upto Rs. 721 Crores, from M/s. Hawk Capital Pvt. Ltd. We direct the abovementioned company to deposit the said amount of Rs.721,00,000,00/- (Rupees Seven Hundred and Twenty One Crores) before this Court or furnish Bank Guarantee to the said amount within a period of three weeks from today.

We make it clear that if anybody else is still interested in participating in the bid, they are free to deposit the said amount of Rs. 721 Crores or furnish bank guarantee before 02.05.2018, without prejudice to their contentions before this Court and the final bid will take place on 02.05.2018 in the Court.

Needless to say that none other than those who have deposited/furnished bank guarantee for the said amount of Rs. 721 Crores in the name of Registrar, Supreme Court of India before 02.05.2018 shall be permitted to participate in the bid.

We direct the Committee to make this order known to the public through all the leading newspapers.

I.A.No. 36379 of 2018 in T. C. (C) No. 2 of 2004

The States of Punjab and Uttarakhand are directed to file affidavits furnishing the particulars of the lands which have been declared surplus. It shall also be clarified in the affidavits as to why the lands have been declared surplus.

The affidavits shall be filed by the officers not below the rank of Secretary to the Government within a period of three weeks from today.

The Commissioner of Income Tax, Chandigarh, is directed to file an affidavit as to what is the basis of assessment of capital gains.

Post all the matters on 02.05.2018.

(JAYANT KUMAR ARORA)	(RENU DIWAN)
COURT MASTER	ASSISTANT REGISTRAR

PS : A copy of this order may be given Dasti to the respective counsel.

ITEM NO.59 COURT NO.5 SECTION X

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

Writ Petition(s)(Civil) No(s). 188/2004

M/S. RAIGANJ CONSUMER FORUM **Petitioner(s)**

VERSUS

UNION OF INDIA . & ORS. **Respondent(s)**

WITH
T.C.(C) Nos.19/2005, 24/2005, 2/2004, 1/2004, 3/2004, 10/2004, 59/2003, 60/2003, 68/2003, 69/2003, 70/2003, 71/2003, 72/2003, 73/2003, 74/2003, 76/2003, 77/2003, 78/2003, 79/2003, 80/2003, 81/2003, 58/2005, 83/2003, 84/2003, 85/2003, 86/2003, 88/2003, 89/2003, 90/2003, 91/2003, 92/2003, 93/2003, 94/2003, 49/2005, 97/2003, 50/2005, 98/2003, 51/2005, 53/2005, 101/2003, 54/2005, 102/2003, 55/2005, 103/2003, 56/2005, 104/2003, 57/2005, 105/2003, 107/2003, 109/2003, 110/2003, 111/2003, 112/2003, 115/2003, 116/2003, 117/2003, 118/2003, 119/2003, 120/2003, 121/2003, 122/2003, 123/2003, 125/2003, 126/2003, 128/2003, 129/2003, 130/2003, 131/2003, 132/2003, 133/2003, 134/2003, 135/2003, 136/2003, 137/2003, 138/2003, 139/2003, 140/2003, 141/2003, 142/2003, 143/2003, 144/2003, 147/2003, 148/2003, 149/2003, 151/2003, 152/2003, 153/2003, 155/2003, 156/2003, 157/2003, 158/2003, 159/2003, 160/2003, 161/2003, 162/2003, 163/2003, 164/2003, 165/2003, 166/2003, 167/2003, 169/2003, 170/2003, 171/2003, 172/2003. 173/2003, 174/2003, 175/2003, 176/2003, 177/2003, 178/2003, 179/2003, 180/2003, 181/2003, 182/2003, 183/2003, 184/2003, 185/2003, 186/2003, 187/2003, 188/2003, 189/2003, 190/2003, 191/2003, 192/2003, 193/2003, 194/2003, 195/2003, 197/2003, 198/2003, 199/2003, 200/2003, 202/2003, 203/2003, 204/2003, 205/2003, 206/2003, 207/2003, 208/2003, 209/2003, 210/2003, 211/2003, 212/2003, 213/2003, 214/2003, 216/2003, 217/2003, 218/2003, 219/2003, 220/2003, 221/2003, 222/2003, 223/2003, 224/2003, 225/2003, 228/2003, 229/2003, 230/2003, 231/2003, 232/2003, 233/2003, 234/2003, 235/2003, 236/2003, 237/2003, 238/2003, 239/2003, 240/2003, 241/2003, 242/2003, 243/2003, 244/2003, 245/2003, 247/2003, 248/2003, 249/2003, 251/2003, 252/2003, 254/2003, 255/2003, 256/2003, 257/2003, 258/2003, 259/2003, 260/2003, 261/2003, 262/2003, 95/2003, 124/2003, 146/2003, 201/2003, 215/2003, 226/2003, 227/2003, 82/2003 and 154/2003

MA 151/2018 in T.C.(C) No. 2/2004
(IA No.8286/2018-CLARIFICATION/DIRECTION)

Date : 09-05-2018 These petitions were called on for hearing today.

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CORAM :

HON'BLE MR. JUSTICE KURIAN JOSEPH
HON'BLE MR. JUSTICE MOHAN M. SHANTANAGOUDAR

For the appearing parties:

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Mr. Ranjan Mukherjee, AOR
Mr. Daniel Stone Lyngdoh,Adv.
Mr. K.V.Khar Lyngdoh,Adv.

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Mr. Gaurav Dhingra,Adv.

Mr. Mohan Jain,Sr.Adv.
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Ms. Gargi Khanna,Adv.
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Mr. Somnath Mukherjee, AOR

Mr. P. D. Sharma, AOR

Ms. Anubha Agrawal,Adv.

Dr. Kailash Chand, AOR

Mr. Naresh Bakshi, AOR

Ms. Minakshi Vij, AOR

Mr. R. C. Kaushik, AOR

Mr. Siddhartha Chowdhury, AOR

Mr. Ramesh Babu M. R., AOR

Mr. A. P. Mohanty, AOR

Mr. Arun K. Sinha, AOR

Mr. B. K. Pal, AOR

Ms. Chitra Markandaya, AOR

Mr. D. N. Goburdhan, AOR

Ms. Varsha Singh Choudhry,Adv.
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Mr. S.K.Rajora,Adv.

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Mr. M. C. Dhingra, AOR

Mr. Surya Kant, AOR

Mr. Tara Chandra Sharma, AOR

Mr. Ugra Shankar Prasad, AOR

Mr. Somnath Mukherjee, AOR

Mr. Ranjan Mukherjee, AOR

Mr. Yash Pal Dhingra, AOR

Ms. Minakshi Vij, AOR

Mr. Ashok Kumar Singh, AOR

Mr. K. S. Rana, AOR

Mr. Vishwajit Singh, AOR

Mr. Abhijit Sengupta, AOR

M/S. K J John And Co, AOR

Mr. G. Ramakrishna Prasad, AOR

Dr. Kailash Chand, AOR

Mr. Ashwani Kumar, AOR

Mr. Rameshwar Prasad Goyal, AOR

Mr. Ajay Sharma, AOR

Mr. Alok Gupta, AOR

Mr. S. Ravi Shankar, AOR

M/S. K. Ramkumar & Associates, AOR

M/S. Ap & J Chambers, AOR

Mr. R. Gopalakrishnan, AOR

Mr. Shailendra Bhardwaj, AOR

Ms. Ranjeeta Rohatgi, AOR

Mr. Shree Pal Singh, AOR

Ms. Sunita Sharma, AOR

Mr. Chander Shekhar Ashri, AOR

Mrs. S. Usha Reddy, AOR

Mr. Jatinder Kumar Sethi,Adv.
Mr. Ashutosh Kumar Sharma,Adv.
Mr. Jatinder Kumar Bhatia, AOR

Mr. Rana Ranjit Singh, AOR

Mr. Arun Kumar Beriwal, AOR

Mr. Sudhir Kumar Gupta, AOR

UPON hearing the counsel the Court made the following

O R D E R

A copy of the affidavit given in Court by the Principal Commissioner, Income Tax, Chandigarh is taken on record.

Mr. Dipinder Singh, Secretary, Revenue Department, Government of Punjab is present. A copy of the affidavit given in Court on behalf of the Government of Punjab furnishing the particulars of the surplus land is taken on record. The appearance of the officer is dispensed with.

Mr. Vinod Prasad Raturi, Secretary, Revenue Department, Government of Uttarakhand is present. A copy of the affidavit given in Court by the Government of Uttarakhand furnishing the particulars of the surplus land is taken on record. The presence of the officer is dispensed with until further orders.

Any of the parties to these writ petitions are free to respond to the reports filed by the States of Punjab and Uttarakhand as also to the affidavit filed by the Principal Commissioner of Income Tax, Chandigarh.

The Registry is directed to verify the Bank Guarantee.

By our order dated 11th April, 2018, we recorded that the best offer for purchase of the properties reached upto Rs.721,00,00,000/- (Rupees seven hundred and twenty one crores). It was also made clear that a further opportunity will be available to those who are otherwise interested to participate in the auction on 2nd May, 2018. The Committee was also directed to give wide publicity for the proposed auction to be held on 2nd May, 2018 so that others, if interested, could participate subject to the deposit/bank guarantee for an amount of Rs.721,00,00,000/- (Rupees seven hundred and twenty one crores). The matter was taken up on 2nd May, 2018. It was noted that nobody was clear as to the extent and the items of properties. Therefore, this Court directed the Committee to furnish a list of properties showing the available particulars.

Accordingly, the Committee has filed a compliance report furnishing the details of properties available for

sale. The available details include nature of the land/building, location, approximate area, Collector's rate and the valuation. We direct the Committee to upload the particulars of the properties furnished to this Court by their compliance report dated 3rd May, 2018 on their website forthwith.

Post these matters on 17th May, 2018.

We make it clear that anybody who is interested in participating in the auction in respect of the properties, particulars of which are available on the website of the Committee, shall be present in Court on that day and deposit or furnish bank guarantee for Rs.722,00,00,000/- (Rupees seven hundred and twenty two crores) with the Registry on or before 4 p.m. on 16th May, 2018.

We further make it clear that in case anybody is interested in gathering any more information, they are free to approach the Committee regarding the same. The auction will be conducted on 'as is where is basis' condition. It is also made clear that auction will be on the principle of caveat emptor, meaning thereby that whatever be the deficiencies in the title and whatever be the litigation in respect of the properties, all that the buyers will have to take care of. It is also made clear that this will include the disputes on surplus land as well.

We direct the Committee to give wide publicity to this order with the relevant part of this order. We also direct the Committee to publish the details of the properties as furnished to this Court in their affidavit dated 3rd May, 2018 as part of the advertisement.

(ANITA MALHOTRA) **COURT MASTER**	**(RENU DIWAN)** **ASSTT.REGISTRAR**

*** (The original bank guarantee is handed over to the concerned dealing assistant in Court.)**

ANNEXURE A-11

IN THE SUPREME COURT OF INDIA

CIVIL ORIGINAL JURISDICTION

WRIT PETITION(S)(CIVIL) NO(S).188 OF 2004

M/S. RAIGANJ CONSUMER FORUM PETITIONER(S)

VERSUS

UNION OF INDIA & ORS. RESPONDENT(S)

WITH

T.C.(C) No. 19/2005, T.C.(C) No. 24/2005, T.C.(C) No. 2/2004, T.C.(C) No. 1/2004, T.C.(C) No. 3/2004, T.C.(C) No. 10/2004, T.C.(C) No. 59/2003, T.C.(C) No. 60/2003, T.C.(C) No. 68/2003, T.C.(C) No. 69/2003, T.C.(C) No. 70/2003, T.C.(C) No. 71/2003, T.C.(C) No. 72/2003, T.C.(C) No. 73/2003, T.C.(C) No. 74/2003, T.C.(C) No. 76/2003, T.C.(C) No. 77/2003, T.C.(C) No. 78/2003, T.C.(C) No. 79/2003, T.C.(C) No. 80/2003, T.C.(C) No. 81/2003, T.C.(C) No. 58/2005, T.C.(C) No. 83/2003, T.C.(C) No. 84/2003, T.C.(C) No. 85/2003, T.C.(C) No. 86/2003, T.C.(C) No. 88/2003, T.C.(C) No. 89/2003, T.C.(C) No. 90/2003, T.C.(C) No. 91/2003, T.C.(C) No. 92/2003, T.C.(C) No. 93/2003, T.C.(C) No. 94/2003, T.C.(C) No. 49/2005, T.C.(C) No. 97/2003, T.C.(C) No. 50/2005, T.C.(C) No. 98/2003, T.C.(C) No. 51/2005, T.C.(C) No. 53/2005, T.C.(C) No. 101/2003, T.C.(C) No. 54/2005, T.C.(C) No. 102/2003, T.C.(C) No. 55/2005, T.C.(C) No. 103/2003, T.C.(C) No. 56/2005, T.C.(C) No. 104/2003, T.C.(C) No. 57/2005, T.C.(C) No. 105/2003, T.C.(C) No. 107/2003, T.C.(C) No. 109/2003, T.C.(C) No. 110/2003, T.C.(C) No. 111/2003,T.C.(C) No. 112/2003, T.C.(C) No. 115/2003, T.C.(C) No. 116/2003, T.C.(C) No. 117/2003, T.C.(C) No. 118/2003, T.C.(C) No. 119/2003, T.C.(C) No. 120/2003,T.C.(C) No. 121/2003, T.C.(C) No. 122/2003,T.C.(C) No. 123/2003, T.C.(C) No. 125/2003, T.C.(C) No. 126/2003, T.C.(C) No. 128/2003, T.C.(C) No. 129/2003, T.C.(C) No. 130/2003, T.C.(C) No. 131/2003,T.C.(C) No. 132/2003, T.C.(C) No. 133/2003,T.C.(C) No. 134/2003, T.C.(C) No. 135/2003, T.C.(C) No. 136/2003, T.C.(C) No. 137/2003, T.C.(C) No. 138/2003, T.C.(C) No. 139/2003, T.C.(C) No. 140/2003,T.C.(C) No.

141/2003, T.C.(C) No. 142/2003,T.C.(C) No. 143/2003, T.C.(C) No. 144/2003, T.C.(C) No. 147/2003, T.C.(C) No. 148/2003, T.C.(C) No. 149/2003, T.C.(C) No. 151/2003, T.C.(C) No. 152/2003,T.C.(C) No. 153/2003, T.C.(C) No. 155/2003, T.C.(C) No. 156/2003, T.C.(C) No. 157/2003, T.C.(C) No. 158/2003, T.C.(C) No. 159/2003, T.C.(C) No. 160/2003,T.C.(C) No. 161/2003, T.C.(C) No. 162/2003, T.C. (C) No. 163/2003, T.C.(C) No. 164/2003, T.C.(C) No. 165/2003, T.C.(C) No. 166/2003, T.C.(C) No. 167/2003,T.C.(C) No. 169/2003, T.C.(C) No. 170/2003, T.C.(C) No. 171/2003, T.C.(C) No. 172/2003, T.C.(C) No. 173/2003, T.C.(C) No. 174/2003, T.C.(C) No. 175/2003,T.C.(C) No. 176/2003, T.C.(C) No. 177/2003,T.C. (C) No. 178/2003, T.C.(C) No. 179/2003, T.C.(C) No. 180/2003, T.C.(C) No. 181/2003, T.C.(C) No. 182/2003, T.C.(C) No. 183/2003, T.C.(C) No. 184/2003,T.C.(C) No. 185/2003, T.C.(C) No. 186/2003, T.C.(C) No. 187/2003, T.C.(C) No. 188/2003, T.C.(C) No. 189/2003, T.C.(C) No. 190/2003, T.C.(C) No. 191/2003,T.C.(C) No. 192/2003, T.C. (C) No. 193/2003,T.C.(C) No. 194/2003, T.C.(C) No. 195/2003, T.C.(C) No. 197/2003, T.C.(C) No. 198/2003, T.C.(C) No. 199/2003, T.C.(C) No. 200/2003, T.C.(C) No. 202/2003, T.C.(C) No. 203/2003, T.C.(C) No. 204/2003,T.C.(C) No. 205/2003, T.C.(C) No. 206/2003, T.C. (C) No. 207/2003, T.C.(C) No. 208/2003, T.C.(C) No. 209/2003, T.C.(C) No. 210/2003, T.C.(C) No. 211/2003,T.C. (C) No. 212/2003, T.C.(C) No. 213/2003, T.C.(C) No. 214/2003, T.C.(C) No. 216/2003, T.C.(C) No. 217/2003, T.C.(C) No. 218/2003, T.C.(C) No. 219/2003,T.C.(C) No. 220/2003, T.C.(C) No. 221/2003, T.C.(C) No. 222/2003, T.C.(C) No. 223/2003, T.C.(C) No. 224/2003, T.C.(C) No. 225/2003, T.C.(C) No. 228/2003,T.C.(C) No. 229/2003, T.C.(C) No. 230/2003,T.C.(C) No. 231/2003, T.C.(C) No. 232/2003, T.C.(C) No. 233/2003, T.C.(C) No. 234/2003, T.C.(C) No. 235/2003, T.C.(C) No. 236/2003, T.C.(C) No. 237/2003,T.C.(C) No. 238/2003, T.C.(C) No. 239/2003,T.C. (C) No. 240/2003, T.C.(C) No. 241/2003,T.C.(C) No. 242/2003, T.C.(C) No. 243/2003, T.C.(C) No. 244/2003, T.C.(C) No. 245/2003, T.C.(C) No. 247/2003, T.C.(C) No. 248/2003, T.C.(C) No. 249/2003,T.C.(C) No. 251/2003, T.C.(C) No. 252/2003,T.C.(C) No. 254/2003, T.C.(C) No. 255/2003,T.C.(C) No. 256/2003, T.C.(C) No. 257/2003,T.C. (C) No. 258/2003, T.C.(C) No. 259/2003, T.C.(C) No. 260/2003, T.C.(C) No. 261/2003, T.C.(C) No. 262/2003, T.C.(C) No. 95/2003, T.C.(C) No. 124/2003,T.C.(C) No.

146/2003, T.C.(C) No. 201/2003,T.C.(C) No. 215/2003, T.C.(C) No. 226/2003, T.C.(C) No. 227/2003, T.C.(C) No. 82/2003, T.C.(C) No. 154/2003, and MA 151/2018 in T.P. (C) Nos. 1-2/2004

O R D E R

Heard learned counsel for the parties at great length.

This court has passed an order on 9.5.2018 inviting further fresh bids. Pursuant thereto, advertisement was published in the newspapers namely the ‘Indian Express’, ‘Hindustan Times’ and ‘Dainik Jagran’. Properties available for Sale - has been specified in Part-A; in Part -B ‘Properties/lands under litigation before Court/Committee’ has been detailed, in Part-C ‘Surplus Land declared by the State of Punjab and Uttrakhand’ was mentioned and in Part-D - Properties/Lands yet to be identified (as per Dr. Nanavati’s Report) was mentioned. All the properties were for sale.

It was submitted by the learned counsel appearing for the investors and the learned counsel appearing for the Committee appointed by this Court and others that valuation of the properties mentioned in the auction notice has not been done. It was pointed out that some valuation was carried out in the year 1998 by one of the Chartered Accountants. The valuation made in the year 1998 or by Hawk Group cannot be relied upon for making auction of the property as the value of the property has gone very high since then.

After hearing learned counsel for parties at length, we are of the considered opinion that it is absolutely necessary to obtain the current valuation of the property which may be sold and only thereafter to proceed further with the sale of property.

It was pointed out by Sh. P.S. Narsimha, learned Additional Solicitor General appearing for the State of Punjab and Sh. K. Radhakrishnan, learned senior counsel appearing for the Income Tax Department, that the Income Tax Department has the proper valuers as well as the Indian Institute of Cost Accountant, as such for the purpose of valuation.

In the circumstances, we constitute a team of three members, namely, Sh. S.S. Rathore, Principal Chief Commissioner of Income Tax, Delhi, Sh. Sanjay Kumar Mishra, Principal Chief Commissioner of Income Tax-4, Delhi and Sh. Anup Kumar Dubey, Commissioner of Income Tax (OSD), Delhi, to submit a correct valuation of the property.

For identifying the particular property, the Collector shall nominate the Revenue Officer of the rank of Sub-Divisional Officer or Tehsildar, of the concerned district and the valuation report shall be submitted to this Court. Let this exercise be completed and the plot numbers etc. shall also be furnished to this Court. Existing Committee may also submit the details of the property to this Court on affidavit as well as give a copy of the same to the team of Valuers appointed today so as to make the proper valuation of the property and also for its proper identification.

Concerned District Magistrate shall also assist the team of the Valuers to make the identification of the property for the purpose of its valuation and also as per Dr. Nanavati's reports if possible. The Committee appointed by this Court may also furnish the relevant data to this Court as well as to the team of the Valuers, so appointed.

It was also pointed out by the learned counsel appearing for the State of Punjab and Deputy Advocate General for the State of Uttrakhand that the surplus land declared by the State of Punjab and State of Uttrakhand has also been included in the auction notice; the property declared surplus could not have been included in the auction notice for the purpose of sale as property of State Government which has already vested cannot be sold for the purpose of satisfaction of the debt if any incurred by the Golden Forest Group (GFG) and by others. We are of the prima facie opinion that the land that has been declared surplus and has vested in the State cannot be sold and consequently put to auction. There is some litigation about surplus land pending before the Court(s) including the one preferred by the Committee so as to seek declaration that property is not surplus property. Be that as it may, as the property has been declared surplus, prima facie without adjudicating conclusively upon said issue, it cannot be sold outrightly at this stage. We will take a final call upon this aspect at a later stage.

At present, we are not directing the valuation of the land that has been declared surplus by the State of Punjab and State of Uttrakhand. At the first instance, we want to obtain valuation report with respect to the properties mentioned in Part-A available for Sale and with respect to the property mentioned in Part B

'Properties/lands under litigation before Court/Committee' and also the property which can be identified out of Part-D. Let identification of Part-D property, if possible, as well as its valuation and also the fact that whether any part of it has been declared surplus be also reported to this Court.

In view of the aforesaid, we feel that it would not be appropriate to proceed any further with the auction notice that was so published. No bid has been offered pursuant to the advertisement. Hawk Capital (P) Ltd. has also not deposited the amount and has also withdrawn the bank guarantee. Be that as it may, what is the effect of the same and its consequence will be considered later. We have refrained to pass any order at this stage as the money is not in deposit and valuation has been ordered. The property can be auctioned only after fixing minimum price.

It was pointed out by Sh. Narender Hooda, learned counsel appearing on behalf of the investors that large amount of money is lying in deposit with the Committee which required to be distributed.

Learned counsel appearing on behalf of the Committee pointed out and submitted the following summary

of data of claims made by investors of Golden Forest India Ltd. (GFIL) as on 01.02.2017 and Golden Projects Ltd.(GPL) as on 01.02.2017, which are as under:-

**SUMMARY OF DATA OF GOLDEN FORESTS (INDIA) LTD.
AS ON 01-02-2017**

Bifurcation of Claims according to Deposit Amount

Sr.No.	Deposit Amount in Rs.	No. of Claims	Principal Amount	Amount Payable on Maturity
			(Rs. In Crores)	(Rs. In Crores)
1	1 - 1000	650888	52.59	6128.01
2	1001 - 2000	138852	25.69	1133.69
3	2001 - 3000	65073	17.95	229.80
4	3001 - 4000	35426	13.45	72.13
5	4001 - 5000	138937	68.98	770.31
6	5001 - 7000	35676	22.03	64.14
7	7001 - 10,000	115502	111.14	476.91
8	10,001 - 20,000	77523	125.35	287.04
9	20,001 - 30,000	37075	96.67	210.80
10	30,001 - 40,000	10395	38.64	71.39
11	40,001 - 50,000	17321	85.45	189.56
12	Above 50,000	11723	110.99	194.02
	Total	**1,334,391**	**768.93**	**9827.81**

SUMMARY OF DATA OF GOLDEN FORESTS (INDIA) LTD.
AS ON 01-02-2017

BIFURCATION OF CLAIMS ACCORDING TO DEPOSIT AMOUNT

Sr.No.	Deposit Amount in Rs.	No. of Claims	Principal Amount	Amount Payable on Maturity
			(Rs. In Crores)	(Rs. In Crores)
1	1 - 1000	650888	52.59	6128.01
2	1001 - 2000	138852	25.69	1133.69
3	2001 - 3000	65073	17.95	229.80
4	3001 - 4000	35426	13.45	72.13
5	4001 - 5000	138937	68.98	770.31
6	5001 - 7000	35676	22.03	64.14
7	7001 - 10,000	115502	111.14	476.91

8	10,001 - 20,000	77523	125.35	287.04
9	20,001 - 30,000	37075	96.67	210.80
10	30,001 - 40,000	10395	38.64	71.39
11	40,001 - 50,000	17321	85.45	189.56
12	Above 50,000	11723	110.99	194.02
	Total	**1,334,391**	**768.93**	**9827.81**

It was also stated by learned counsel appearing on behalf of the Committee that an amount of Rupees hundred crores has been attached by the Income Tax Department and apart from that approximately Rupees seven hundred crores is available for distribution to the investors.

As per number of claims received by the Committee, approximately nine hundred crores is the principal amount; first, we take care of the principal amount to be distributed amongst the investors. Amount of payment of interest/maturity value as assured shall be considered later after property is sold. In the circumstances, we direct that 70% of the principal amount be distributed out of the amount of Rupees seven hundred crores to each of the investors; whose claims have been received by the Committee. The number of claims have been mentioned in the aforesaid chart.

Since RBI has requested the Committee to engage

M/s. Karvey Investors Services Limited and as suggested by learned counsel appearing for the Committee as well as others also, we appoint M/s. Karvey Investors Services Limited; whose services may be adopted by the Committee for disbursement of the 70% of the principal amount which was invested by each of the investors. Let the process of distribution be completed within a period of three months from today.

Let the report of the Valuer be submitted. The rate prescribed by the Collector for the property be also furnished along with report within a period of two months from today.

There are certain other applications stated to be pending; they are also required to be looked into and decided. Let cases be listed for consideration of the pending applications on 16th August, 2018.

……………………………………………J.
[ARUN MISHRA]

……………………………………………J.
[S.ABDUL NAZEER]

NEW DELHI;
30TH JULY 2018.

ITEM NO.1 COURT NO.8 SECTION X

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

Writ Petition(s)(Civil) No(s). 188/2004

M/S. RAIGANJ CONSUMER FORUM Petitioner(s)

VERSUS

UNION OF INDIA & ORS. Respondent(s)

WITH
T.C.(C) No. 19/2005 (XVI-A)

T.C.(C) No. 24/2005 (XVI-A)

T.C.(C) No. 2/2004 (XVI-A)

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T.C.(C) No. 82/2003 (XVI-A)

T.C.(C) No. 154/2003 (XVI-A)

MA 151/2018 in T.P.(C) No. 1-2/2004 (XVI-A)
(IA No.8286/2018-CLARIFICATION/DIRECTION)

Date : 30-07-2018 These petitions were called on for hearing today.

CORAM :
HON'BLE MR. JUSTICE ARUN MISHRA
HON'BLE MR. JUSTICE S. ABDUL NAZEER

For Petitioner(s)
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Mr. Vinay Rajput, Adv.
Mr. Ajay Choudhary, Adv.
Mr. Ranjan Mukherjee, AOR
Ms. Drishti Rathore, Adv.

Mr. Tushar Mehta, ASG
Mr. Bhargava V. Desai, AOR
Mr. Akshat Malpani, Adv.

Mr. Somnath Mukherjee, AOR

Dr. Kailash Chand, AOR

Mr. Naresh Bakshi, AOR

Ms. Minakshi Vij, AOR

Mr. R. C. Kaushik, AOR

Mr. Ranjit Kumar,Sr. Adv.
Mr. P.S. Patwalia, Sr. Adv.
Mr. Neeraj K. Kaul, Adv.
Mr. Aman Vachher, Adv.
Mr. Ashutosh Dubey, Adv.
Mr. Dhiraj, Adv.
Mr. Abhishek Chauhan, Adv.
Mr. Avishkar singhvi, Adv.
Mrs. Anshu Vachher, Adv.
Mr. Arun Nagar, Adv.
Mr. P. N. Puri, AOR

Mr. R.S. Hegde, Adv.
Mrs. Farhat Jahan Rehmani, Adv.
Mr. Chandra Prakash, Adv.

Mr. Alok Sangwan AAG
Mr. Utkarsh Srivastava, Adv.
Mr. Sunny Kadiyan, Adv.
Dr. Monika Gussain, Adv.

Mr. Mishra Sourabh, Adv.
Ms. Vanshaja Shukla, Adv.

For applicant Mr. Narender Hooda, Sr. Adv.
Mr. Simranjeet Singh, Adv.
Mr. Vikas Saharan, Adv.
Dr. Surender Singh Hooda, Adv.

Mr. Shyam Diwan, Sr. Adv.
Ms. Anubha Agrawal, Adv.

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Ms. Gargi Khanna, Adv.

Mr. Bhuvan Misra, Adv.
Mrs. Anil Katiyar, AOR

Mr. Naresh Bakshi, AOR

Mr. A. P. Mohanty, AOR

Mr. Arun K. Sinha, AOR

Mr. B. K. Pal, AOR

Ms. Chitra Markandaya, AOR

Mr. D. N. Goburdhan, AOR

Ms. Varsha Singh Choudhry, Adv.
Mr. Hitesh Kumar Sharma, Adv.
Mr. S.K. Rajora, Adv.
Mr. Kusum Chaudhary, AOR

Mr. Sanjeev Sen, Sr. Adv.
Mr. Gaurav Dhingra, Adv.
Mr. Piyush K. Roy, Adv.
Mr. Harpal Singh Saini, Adv.
Mr. Vikrant Yadav, Adv.
Mr. Sayan Ray, Adv.
Mr. M. C. Dhingra, AOR

Mr. Mohan Jain, Sr. Adv.
Mr. Vikram Jain, Adv.
Mr. S. Mishra, Adv.
Ms. Archana M., Adv.
Ms. Tanuj Bagga, Adv.

Mr. Surya Kant, AOR

Mr. Tara Chandra Sharma, AOR

Mr. Ugra Shankar Prasad, AOR

Mr. Somnath Mukherjee, AOR

Mr. Ranjan Mukherjee, AOR

Mr. Yash Pal Dhingra, AOR

Ms. Minakshi Vij, AOR

Mr. Ashok Kumar Singh, AOR
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Mr. Murari B. Sharma, Adv.

Mr. Sarvagaya Walia, Adv.
Mr. Sanket Sharma, Adv.

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Ms. Suruchii Aggarwal, AOR

Mr. Vishwajit Singh, AOR

Mr. Abhijit Sengupta, AOR

M/S. K J John And Co, AOR

Mr. G. Ramakrishna Prasad, AOR

Dr. Kailash Chand, AOR

Mr. Ashwani Kumar, AOR

Mr. Rameshwar Prasad Goyal, AOR

Mr. Ajay Sharma, AOR

Mr. Alok Gupta, AOR

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Mr. Vikas Singh, Sr. Adv.
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Mr. Rajiv Goel, Adv.
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Ms. Shalu Sharma, AOR

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M/S. Ap & J Chambers, AOR

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Ms. Ranjeeta Rohatgi, AOR

Mr. Bhargava V. Desai, AOR

Mr. Shree Pal Singh, AOR

Ms. Sunita Sharma, AOR

Mr. Chander Shekhar Ashri, AOR

Mrs. S. Usha Reddy, AOR

Mr. Jitender Kumar Sethi, DAG
Mr. Jatinder Kumar Bhatia, AOR
Mr. Ashutosh Kumar Sharma, Adv.

Mr. Rana Ranjit Singh, AOR

Mr. Arun Kumar Beriwal, AOR

Mr. Sudhir Kumar Gupta, AOR

UPON hearing the counsel the Court made the following

O R D E R

The process of distribution be completed within a period of three months from today.

The rate prescribed by the Collector for the property be also furnished along with report within a period of two months from today.

There are certain other applications stated to be pending; they are also required to be looked into and decided. Let cases be listed for consideration of the pending applications on 16th August, 2018.

(NEELAM GULATI) (JAGDISH CHANDER)
COURT MASTER (SH) BRANCH OFFICER

(SIGNED ORDER IS PLACED ON THE FILE)

ITEM NO.3 COURT NO.7 SECTION X

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

Writ Petition(s)(Civil) No(s). 188/2004

M/S. RAIGANJ CONSUMER FORUM Petitioner(s)

VERSUS

UNION OF INDIA . & ORS. Respondent(s)

WITH
T.C.(C) No. 19/2005 (XVI-A)

T.C.(C) No. 24/2005 (XVI-A)

T.C.(C) No. 23/2005 (XVI-A)

T.C.(C) No. 2/2004 (XVI-A)

T.C.(C) No. 1/2004 (XVI-A)

T.C.(C) No. 3/2004 (XVI-A)

T.C.(C) No. 8/2004 (XVI-A)

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T.C.(C) No. 262/2003 (XVI-A)

T.C.(C) No. 95/2003 (XVI-A)

T.C.(C) No. 124/2003 (XVI-A)

T.C.(C) No. 146/2003 (XVI-A)

T.C.(C) No. 201/2003 (XVI-A)

T.C.(C) No. 215/2003 (XVI-A)

T.C.(C) No. 226/2003 (XVI-A)

T.C.(C) No. 227/2003 (XVI-A)

T.C.(C) No. 82/2003 (XVI-A)

T.C.(C) No. 154/2003 (XVI-A)

MA 151/2018 in T.P.(C) No. 2/2004 (XVI-A)

FOR CLARIFICATION/DIRECTION ON IA 8286/2018
FOR CLARIFICATION/DIRECTION ON IA 64633/2018
FOR CLARIFICATION/DIRECTION ON IA 64649/2018)

Date : 27.11.2018 These matters were called on for hearing today.

CORAM :
HON'BLE MR. JUSTICE ARUN MISHRA
HON'BLE MR. JUSTICE VINEET SARAN

For Petitioner(s)
Mr. Rakesh Khanna, Sr. Adv.
Mr. Shantanu Bhawmik, Adv.
Mr. A.K. Chowdhary, Adv.
Mr. Mike Desai, Adv.
Mr. Vinay Rajput, Adv.
Mr. Ajay Choudhary, Adv.
Mr. Ranjan Mukherjee, AOR
Ms. Drishti Rathore, Adv.
Mr. Kara mveer Singh, Adv.

Mr. Tushar Mehta, ASG
Mr. Bhargava V. Desai, AOR
Mr. Akshat Malpani, Adv.

Mr. Somnath Mukherjee, AOR

Mr. S.K. Rajora, Adv.
Ms. Radhika Chaturvedi, Adv.
Dr. Kailash Chand, AOR

Mr. Naresh Bakshi, AOR

Ms. Minakshi Vij, AOR

Mr. R. C. Kaushik, AOR

Mr. P.S. Patwalia, Sr. Adv.
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Mr. Aman Vachher, Adv.
Mr. Ashutosh Dubey, Adv.
Mr. Dhiraj, Adv.
Mr. Abhishek Chauhan, Adv.
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Mr. Arun Nagar, Adv.
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Mr. R.S. Hegde, Adv.
Mrs. Farhat Jahan Rehmani, Adv.
Mr. Chandra Prakash, Adv.

Mr. Alok Sangwan AAG
Mr. Utkarsh Srivastava, Adv.
Mr. Sunny Kadiyan, Adv.
Dr. Monika Gussain, Adv.

Mr. Mishra Sourabh, Adv.
Ms. Vanshaja Shukla, Adv.

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Mr. Paban K. Sharan, Adv.
Mr. Anchit Sripat, Adv.

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Mr. Simranjeet Singh, Adv.
Dr. Surender Singh Hooda, Adv.

Mr. Benant Noor Singh Marok, Adv.
Ms. Anubha Agrawal, Adv.

Mr. Keshav Mohan, Adv.
Mr. Smarhar Singh, Adv.
Mr. Piyush Choudhary, Adv.

Mr. Subhasish Bhowmick, Adv.
Ms. G. Goyal, Adv.
Ms. Divya, Adv.

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Ms. Gargi Khanna, Adv.
Mr. Bhuvan Misra, Adv.
Mr. V. Kumar Yadav, Adv.

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Mr. A. P. Mohanty, AOR

Mr. Arun K. Sinha, AOR

Mr. B. K. Pal, AOR
Mr. Srimanta Ray, Adv.
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Mr. D. N. Goburdhan, AOR

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Mr. Hitesh Kumar Sharma, Adv.
Mr. Kusum Chaudhary, AOR

Mr. Sanjeev Sen, Sr. Adv.
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Mr. Gaurav Dhingra, Adv.
Mr. Harpal Singh Saini, Adv.
Mr. Soummo Patil, Adv.
Mr. S. Ray, Adv.
Mr. Piyush Kant Ray, Adv.

Ms. Tanuj Bagga, Adv.
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Mr. Ugra Shankar Prasad, AOR

Mr. Somnath Mukherjee, AOR

Mr. Ranjan Mukherjee, AOR
Mr. S. Bhowmick, Adv.

Mr. Yash Pal Dhingra, AOR

Ms. Baby Devi Bonia, Adv.
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Ms. Minakshi Vij, AOR

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Mr. Shantanu Singh, Adv.

Mr. Sanket Sharma, Adv.

Mr. K. S. Rana, AOR

Ms. Suruchii Aggarwal, AOR

Mr. Prashant Chauhan, Adv.
Ms. Ankita Prakash, Adv.

Mr. Vishwajit Singh, AOR

Mr. Abhijit Sengupta, AOR

M/S. K J John And Co, AOR

Mr. G. Ramakrishna Prasad, AOR

Dr. Kailash Chand, AOR

Mr. Ashwani Kumar, AOR

Mr. Rameshwar Prasad Goyal, AOR

Mr. Ajay Sharma, AOR

Mr. Alok Gupta, AOR

Mr. S. Ravi Shankar, AOR

Mr. Arvind Verma, Sr. Adv.
Mr. Anil K. Sharma, Adv.
Mr. Rajesh Sharma, Adv.
Mr. Rajiv Goel, Adv.
Mr. Rajeev Kumar Gupta, Adv.
Ms. Nidhi Singh Dubey, Adv.
Mr. Shafiq Khan, Adv.
Ms. Shalu Sharma, AOR

M/S. K. Ramkumar & Associates, AOR

M/S. Ap & J Chambers, AOR

Mr. R. Gopalakrishnan, AOR

Mr. Shailendra Bhardwaj, AOR

Mr. Atul nanda, A.G.
Ms. Ranjeeta Rohatgi, AOR

Mr. Tushar Mehta, S.G.
Mr. Bhargava V. Desai, AOR
Mr. Akshat Malpani, Adv.

Mr. Shree Pal Singh, AOR

Ms. Sunita Sharma, AOR

Ms. Nidhi Kakkar, Adv.
Mr. Chander Shekhar Ashri, AOR

Mrs. S. Usha Reddy, AOR

Mr. Jitender Kumar Sethi, DAG
Mr. Jatinder Kumar Bhatia, AOR
Mr. Ashutosh Kumar Sharma, Adv.

Mr. Rana Ranjit Singh, AOR

Mr. Arun Kumar Beriwal, AOR

Mr. Sudhir Kumar Gupta, AOR

UPON hearing the counsel the Court made the following

O R D E R

1. Heard learned counsel for the parties.

2. The valuation team has filed the affidavit in the form of First Interim Progress Report of valuation of the properties pursuant to the order dated 30th July, 2018 passed by this Court. It appears from the perusal of the Report that substantial progress has not been done so far with respect to the properties that stand already identified. We request the Valuation Team to make the valuation of the property which has already been identified in Part A as early as possible. It was stated by learned counsel appearing on behalf of the Committee appointed by this Court that there are 23 identified properties which can be valued.

3. The learned counsel appearing on behalf of the State of Uttarakhand has pointed out that the basis taken for valuation of certain property was not correct, consequently value determined by

the Valuation Team is not correct and is on lower side. Shri Radhakrishnan, learned senior counsel appearing for the Valuation Team agreed that the suggestions and material may be filed before the Valuation Team and they will be considered and looked into by the Valuation Team for making the proper valuation and correcting the one already made. It is also submitted that as and when Valuation Team is valuing any property, they may associate Collector of the concerned District also, as offered by the learned counsel appearing for the State of Uttarakhand and to this there is no objection raised by Shri Radhakrishnan. Let Collector be associated to help Valuation Team for arriving at a proper valuation.

4. It was also submitted by Shri Radhakrishnan, senior counsel on behalf of the Valuation Team that certain information is required with respect to the unidentified property due to which the hindrance is being caused in the valuation. The learned counsel appearing on behalf of Committee has assured us full cooperation and whatever information may be required by Valuation Team it may be directly solicited from the Committee appointed by this Court. Learned counsel appearing on behalf of the Committee assured this Court that Committee shall supply the requisite information to the valuation team within fifteen days from today. In future also they are free to

exchange the information inter se and no court order is required in this regard. Let valuation be made of identified properties and report be submitted within a period of three months.

5. Let copy of IA No.141055 of 2018 be furnished to the State of Uttarakhand. Reply to the IA, if any, be filed within three weeks.

IA Nos. 154673 of 2018 & 148036/2018 :

6. Prayer has been made by the Committee to keep open portals for inviting the application from the investors, they are free to do so. However non-filing of fresh application or particulars shall not come in the way of the Committee to distribute the amount to investors. In the cases of investors where bank particulars had already been furnished, payment be made on available data. In case information has not been furnished nor application filed by the investors, we direct that let amount be paid by account payee cheque to investors on the available address. Let the amount be remitted to the investors if bank transfer is not possible. Even if any person applies after the cut-off date, the Committee and agency appointed shall honour their claim and make the requisite payment. Let the order of distribution be complied with. We request the Chairman of the Committee to ensure that the order of distribution of money is complied with in pith and substance and there is no violation in any manner whatsoever by any agency/person.

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List in the last week of February 2019.

(NEELAM GULATI)
COURT MASTER (SH)

(JAGDISH CHANDER)
BRANCH OFFICER

IN SUPREME COURT OF INDIA

I.A. no.   of 2022

in

Transferred Case (Civil) no. 2 of 2004

In the matter of:

THE SECURITIES AND EXCHANGE BOARD OF INDIA   PETITIONER

VERSUS

THE GOLDEN FORESTS (I) LIMITED   RESPONDENTS

And in the matter of:

NIKHIL KANT SYAL   APPLICANT

FILING INDEX

Sr. No.	Particulars	Copies	Court Fees
1.	Application for impleadment with supporting affidavit.	E-filed	
2.	*Vakalatnama*	Total	130

Filed on:
17.10.2022

Filed by:

(SIDDHARTH)
Advocate for the applicant

Computer Code: 2484
Address: B-88/1, ground floor, East of Kailash, district South, Delhi-110065
Contact: +91 7838537008; +91 11 4938 4620.
Email: siddharthjaiprakash@gmail.com

IN SUPREME COURT OF INDIA

I.A. No. ____ of 2022

in

Transferred Case (Civil) no. 2 of 2004

In the matter of:

SECURITIES AND EXCHANGE BOARD OF INDIA PETITIONER

VERSUS

THE GOLDEN FORESTS (INDIA) LIMITED RESPONDENT

and in the matter of:

NIKHIL KANT SYAL APPLICANT

APPLICATION FOR IMPLEADMENT

PAPER BOOK

(For Index Kindly See Inside)

ADVOCATE FOR THE APPLICANT: SIDDHARTH

INDEX

IN SUPREME COURT OF INDIA

I.A. No. ____ of 2022

in

Transferred Case (Civil) no. 2 of 2004

In the matter of:

SECURITIES AND EXCHANGE BOARD OF INDIA PETITIONER

VERSUS

THE GOLDEN FORESTS (INDIA) LIMITED RESPONDENT

and in the matter of:

NIKHIL KANT SYAL APPLICANT

APPLICATION FOR IMPLEADMENT

To,

Hon'ble the Chief Justice of India

and his companion justices of Supreme Court of India

The humble application of the applicant named above

It is respectfully submitted as under:

1. The applicant is the majority shareholder of Golden Forests (India) Limited ("GFIL"). He had moved I.A. no. 42747 of 2021 in this Transferred Case (Civil) no. 2 of 2004 *Securities and Exchange Board of India* v. *Golden Forests (India) Limited*. That application prayed for an expeditious settlement of all the outstanding claims made by the investors of GFIL.

2. Inadvertently the application for directions was not accompanied with an application for applicant's impleadment as a respondent. Hence this application is submitted now. It is pertinent to submit here that the committee appointed by this Hon'ble Court to oversee the settlement of claims has responded to the application

for directions, and the applicant has also submitted a rejoinder to the reply submitted by the committee.

3. This application is made *bona fidé* and in the interest of justice.

4. For the submissions made above, it is prayed that:

   a. The applicant be impleaded as a respondent in T.C. (C.) no. 2/2004.

   b. Pass such other orders as may deemed appropriate.

Filed on 17.10.2022 Filed by:

(SIDDHARTH)

Advocate for the applicant

Computer Code:2484

IN SUPREME COURT OF INDIA

Civil Appellate Jurisdiction

IA No. __________ of 2022

in

Transferred Cases (Civil) No. 2 of 2004

IN THE MATTER OF:

THE SECURITIES AND EXCHANGE BOARD OF INDIA — PETITIONER

VERSUS

THE GOLDEN FORESTS (I) LTD. — RESPONDENT

AND IN THE MATTER OF:

NIKHIL KANT SYAL — APPLICANT

GOVT. OF INDIA ★ NOTARY PUBLIC ★ HEMANT GOYAL Panchkula Regd. No. 15102 Exp. 30-01-2025

15 OCT 2022

AFFIDAVIT

I, Nikhil Kant Syal, age about 41 years, S/o late Sh. R.K. Syal, resident of 579, Sector 12, Panchkula, Haryana, solemnly affirm as under.

1. I am an applicant in the above -mentioned transferred case. Hence, I am competent to affirm this affidavit.
2. I have read and understood contents of the accompanying application and state that facts averred therein are true and correct to my knowledge and information derived from the record of the case.
3. I say that facts stated above are true to my knowledge and no part of it is false and nothing has been concealed therefrom.

Nikhil. K. Syal

(NIKHIL KANT SYAL)

DEPONENT

VERIFICATION

Verified at Panchkula on this 15 OCT 2022 that the contents of my above affidavit are true and correct to my knowledge derived from the records and no part of it is false and nothing material is concealed therein.

Nikhil. K. Syal

(NIKHIL KANT SYAL)

DEPONENT

ATTESTED
HEMANT GOYAL
NOTARY PUBLIC
Panchkula (Hry)
15 OCT 2022

This Affidavit/SPA/GPA/Deed has been executed by the deponents/executants contents of which have been read over & explained to him/her/them which he/she/they understand & admit to be correct

VAKALATNAMA

IN SUPREME COURT OF INDIA

Civil Appellant Jurisdiction

IA No. ___________ of 2022

in

Transferred Cases (Civil) No. 2 of 2004

In the matter of:

The Securities and Exchange Board of India   Petitioner

Versus

The Golden Forests (I) Limited   Respondent

And in the matter of:

Nikhil Kant Syal   Applicant

I, Nikhil Kant Syal, applicant in the above-mentioned petition do hereby appoint and retain

SIDDHARTH

to act and appear for me in the above mentioned petition and on my behalf to conduct and prosecute or defend the same and to appear in all proceedings that may be taken in respect of any application connected with the same or any decree or order passed therein, including proceedings in taxation and application for review, to file and obtain return of documents, and deposit and receive money on my behalf, and application for Review and to represent me and to take all necessary steps on my behalf, in the above matter. I agree to ratify all acts done by Advocate pursuant to this authority.

Accepted, identified, certified and signed in my presence

It is confirmed that I am satisfied about the due execution of vakalatnama.

(SIDDHARTH)   (NIKHIL KANT SYAL)

Advocate-on-Record   Applicant

MEMO OF APPEARANCE

The Registrar,

Supreme Court of India

Delhi (New Delhi)

Sir,

Please enter my appearance for the applicant in the above-mentioned matter.

GOVT. OF INDIA ★ NOTARY PUBLIC ★ HEMANT GOYAL Advocate Panchkula (Hr.) Regd. No. 16/02 Exp. 30-01-2025

15 OCT 2022

NOTARIAL

This Affidavit/SPA/GPA/Deed has been executed by the deponents/executants contents of which have been read over & explained to him/her/them which he/she/they understand & admit to be correct

ATTESTED

HEMANT GOYAL
NOTARY PUBLIC
Panchkula (Hry.)

Dated: 15 .10.2022

The address for service on the Advocate is

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(SIDDHARTH)

Advocate-on-Record

Supreme Court of India

Computer code no. 2484

ANNEXURE A-14

REVISED

ITEM NO.6 COURT NO.8 SECTION X

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

Writ Petition(s)(Civil) No(s). 188/2004

M/S. RAIGANJ CONSUMER FORUM Petitioner(s)

VERSUS

UNION OF INDIA . & ORS. Respondent(s)

([ONLY I.A. NOS.141055, 141059, 167937, 87335, 167941 OF 2018 AND 80958,143211 OF 2021 IN T.C.(C) NO.2 OF 2004, I.A. NOS.75467, 112751 OF2020 AND 33106 OF 2019 IN W.P.(C) NO.188 OF 2004 AND C.A. NOS.3134-43137 OF 2017 ON 14.02.2023.I.A. Nos.145178/2019 and 131614/2020 and I.A. No.42747 of 2021in T.C. (C) No.2/2004 and Contempt Petition No.942 of 2021 inT.C.(C) No.2/2004
IA No. 112751/2020 - APPLICATION FOR PERMISSION
IA No. 33106/2019 - APPLICATION FOR PERMISSION
IA No. 75467/2020 - APPROPRIATE ORDERS/DIRECTIONS)

WITH
T.C.(C) No. 2/2004 (XVI-A)
(IA No. 80258/2020 - APPLICATION FOR PERMISSION
IA No. 42747/2021 - APPROPRIATE ORDERS/DIRECTIONS
IA No. 80260/2020 - APPROPRIATE ORDERS/DIRECTIONS
IA No. 62749/2022 - APPROPRIATE ORDERS/DIRECTIONS
IA No. 79102/2020 - APPROPRIATE ORDERS/DIRECTIONS
IA No. 147187/2021 - APPROPRIATE ORDERS/DIRECTIONS
IA No. 80264/2020 - EXEMPTION FROM FILING AFFIDAVIT
IA No. 147185/2021 - EXEMPTION FROM FILING O.T.
IA No. 147188/2021 - EXEMPTION FROM FILING O.T.
IA No. 147184/2021 - INTERVENTION APPLICATION
IA No. 158706/2021 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES)

C.A. No. 3134-3137/2016 (IV)

CONMT.PET.(C) No. 942/2021 in T.C.(C) No. 2/2004 (XVI-A)
(FOR ADMISSION)

Date : 25-04-2023 These matters were called on for hearing today.

CORAM :
HON'BLE MR. JUSTICE B.R. GAVAI
HON'BLE MR. JUSTICE VIKRAM NATH
HON'BLE MR. JUSTICE SANJAY KAROL

For Petitioner(s)

Mr. Bhargava V. Desai, AOR
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Mr. Anurag Nagar, Adv.

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Mr. Yash Pal Dhingra, AOR
Mr. Ranjan Mukherjee, AOR
Mr. Somnath Mukherjee, AOR
Mr. Pankaj Kumar Mishra, AOR

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Mr. Raghav Sharma, Adv.

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Mr. Kartik Jasra, Adv.
Mr. Siddharth, AOR

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Mr. Lakshay Saini, Adv.

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Mr. Aman Pal, AAG
Mr. Gaurav Dhama, Adv.
Mr. Mayank Dahiya, Adv.
Ms. Sugandh Rathor, Adv.

Mr. Jitender Kumar Sethi, D.A.G.
Mr. Jatinder Kumar Bhatia, AOR
Mr. Ashutosh Kumar Sharma, Adv.

Mr. Subhasish Bhowmick, AOR

Mrs. Tanuj Bagga Sharma, AOR
Dr. M.k Ravi, Adv.
Mr. Sanjay Bhasin, Adv.

UPON hearing the counsel the Court made the following

O R D E R

I.A. No. 204428 of 2022 in I.A. No. 56711 of 2022 in T.C.(C) No.2 of 2004

1. By way of this application, the applicant seeks the following

prayer:

> "a. The order dated 15.09.2022 and 15.11.2022 passed by this Committee (Annexure A-6 and A-7) may please be confirmed."

2. This application is allowed in terms of the prayer clause (a).

I.A. Nos. 177449 of 2022 and 42747 of 2021 in T.C.(C) No.2 of 2004

These applications are disposed of as not pressed.

I.A. No. 47993 of 2023 in W.P.(C) No. 188 of 2004

1. This court, vide order dated 24.01.2023 had directed the Income Tax Authorities to make a valuation of all the properties which could be auctioned. We had granted four weeks' time to do so.

2. By way of present application, the Income Tax Authorities have placed on record the difficulties in completing the exercise within such a short period of time and they have prayed for extension of time by seven months.

3. Mr. Sanjay Jain, learned Additional Solicitor General, fairly, states that the period till 31.08.2023 would be sufficient to complete the exercise.

4. We, therefore, extend the period for completing the valuation till 31.08.2023.

5. This application is disposed of accordingly.

I.A. No. 44362 of 2023 in T.C.(C) No.2 of 2004

1. These are the applications filed by one Mr. Nikhil Syal who claims to be the largest shareholder in the respondent No.1-

company.

2. The applicant claims to be the legal heir of his grand father, father and mother who were promoters of the Company.

3. Ms. Meenakshi Arora, learned Senior Counsel appearing on behalf of the applicant, submits that it will be in the interest of all the stake holders that the best price is achieved for the properties.

4. It is, therefore, submitted that the applicant should be permitted to do an independent valuation of the properties and also be permitted to bring in a good buyer, who is willing to purchase the properties at such a valuation.

5. We see no impediment in allowing the same, if the applicant, at his own expenses, desires to do the valuation of the properties and get a buyer who is willing to pay for the properties at such a valuation as it will be in the interest of all the stake holders.

6. In any case, as observed earlier, in our view, the best mode of sale would be by public auction.

7. However, getting an independent valuation would not come in the way of such a procedure.

8. We, therefore, partly allow the application.

9. The applicant is permitted to do an independent valuation of the properties and also furnish the details about the buyer who would be willing to purchase the said properties.

10. Learned counsel for the Committee is requested to furnish the list of all the properties which has also been furnished to the Income Tax Department for valuation purposes, to the applicant.

I.A. Nos. 87335 and 167941 in TC(C) No. 2 of 2004, I.A. Nos. 62731 and 62733 of 2019, 27236 and 77270 of 2021 and 75467 of 2020 in W.P.(C) No. 188 of 2004 and IA No. 33106 of 2019 and IA No. 112751 of 2020 in W.P.(C) No. 188 of 2004 and C.A. No. 3134-3137 of 2016

As prayed, list these applications/matters on 12.07.2023.

Rest of the applications/matters

List all these application/ matters on 26.09.2023.

(DEEPAK SINGH)
COURT MASTER (SH)

(ANJU KAPOOR)
COURT MASTER (NSH)

ANNEXURE A-15

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

WRIT PETITION (CIVIL) NO. 188 OF 2004

<u>IN THE MATTER OF:</u>

M/S. RAIGANJ CONSUMER FORUM …..PETITIONER

VERSUS

UNION OF INDIA & ORS. …..RESPONDENTS

<u>REPORT No. 1 DATED 11.09.2024 SUBMITTED BY SHRI SUNIL FERNANDES, SENIOR ADVOCATE (AMICUS CURIAE) IN COMPLIANCE OF THE ORDER DATED 28.08.2024 PASSED BY THIS HON'BLE COURT.</u>

<u>ADVOCATE-ON-RECORD FOR THE AMICUS CURIAE: SANCHIT GARGA.</u>

INDEX

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1. This Hon'ble Court was pleased to appoint the undersigned- Shri Sunil Fernandes, Senior Advocate as the Amicus Curiae in the instant matter vide Order dated 16.07.2024.

2. Vide Order dated **28.08.2024**, this Hon'ble Court was pleased to pass the following directions to the undersigned: -

(i) File a Report with regard to the issues relating to auction of unsold GFIL Properties, valuation of such properties as well as other incidental issues. **[Para 3]**

(ii) Other aspects which have been noted in the previous orders and whether compliance has taken place thereof. **[Para 3]**

(iii) Indicate whether a Pan-India Auction would be in the best interest of all concerned parties or some other avenue. **[Para 4]**

(iv) The relevant part of the Order dated 28.08.2024 is annexed hereto as **Annexure – A @Pg. 23 to 25 .**

3. The instant Report is therefore filed in respectful compliance of the aforesaid Order dated 28.08.2024 passed by this Hon'ble Court.

4. The instant matter has a long and a chequered history. A Brief List of Relevant Dates and Events which would give a conspectus of the relevant factual matrix of the instant matters to Your Lordships, is annexed hereto as **Annexure - B @Pg. 26-35 ,** for the kind perusal of this Hon'ble Court. The said List of Dates and Events are not reproduced herein in the body of this Report for the sake of brevity.

5. The kind attention of this Hon'ble Court is invited to some of the relevant orders passed by this Hon'ble Court in the recent past, which has guided the present trajectory of the instant matters: -

5.1 Vide Order dated **24.01.2023**, this Hon'ble Court [Coram: HMJ. B.R. Gavai, HMJ. Vikram Nath] held that: -

(i) Monitoring Individual Auctions would be very difficult for the GFIL Committee as well as this Hon'ble Court. **[Para 10]**

(ii) It is in interest of all the parties that best price is received for the entire properties owned by the GFIL Group and in the least complicated manner. **[Para 11 and Para 14]**

(iii) This Hon'ble Court directed the GFIL Committee to give a consolidated list of all properties which are yet to be auctioned. **[Para 12]**

(iv) If a composite auction of all the properties with the liabilities and encumbrances thereon is conducted, then the rigour of holding independent auctions will be avoided and, at the same time, it will fetch the best price. **[Para 15]**

(v) GFIL Committee should not be entrusted with the task of supervising the auctions and should devote its time towards distribution of the existing proceeds to the investors. **[Para 16]**

(vi) GFIL Committee was directed to identify some other agency in replacement of M/s Karvy Fintech Private Limited (**"Karvy Fintech"**) for disbursement of the monies to Claimants/Investors as various Enforcement Directorate (**"ED"**) Proceedings are pending against M/s Karvy Fintech. **[Para 21 and Para 22]**

(vii) The relevant part of the Order dated 24.01.2023 is annexed hereto as **Annexure – C @Pg. 36 to 39.**

5.2 Vide Order dated **25.04.2023**, this Hon'ble Court [Coram: HMJ. B.R. Gavai, HMJ. Vikram Nath, HMJ. Sanjay Karol] ordered as follows: -

(i) Income Tax Authority was granted further extension till 31.08.2023 for completing the valuation of all the GFIL Properties. **[Para 4]**

(ii) IA No. 44362 of 2023 in TP(C) No. 2 of 2004 filed by Shri Nikhil Kant Syal (Legal Heir of the Promoters and an Investor) was partly allowed to the extent that the said applicant was permitted to do an independent valuation of the GFIL Properties and furnish details of the proposed buyer who is willing to pay for the GFIL Properties at such a valuation as it will be in the interest of all the stakeholders. **[Para 5 and Para 9]**

(iii) Public Auction is the best mode of sale with regards to the GFIL Properties. **[Para 6]**

(iv) The relevant part of the Order dated 25.04.2023 is annexed hereto as **Annexure – D @Pg. 40 to 42.**

5.3 Vide Order dated **<u>24.01.2024</u>**, this Hon'ble Court [Coram: HMJ. B.R. Gavai, HMJ. Sanjay Karol, HMJ. Sandeep Mehta], held as follows: -

(i) All individual parties were directed to file Affidavits within two weeks, giving details therein about the properties which according to them, are not included in the valuation report submitted by the Income Tax Department. **[Para 5]**

(ii) GFIL Committee was directed to submit as to how much balance amount is required to be paid to the investors as on date. **[Para 7]**

(iii) This Hon'ble Court recorded that prima facie, there appears 3 interested Auction-Purchasers i.e., (i) The Hawk Capital Pvt. Ltd, (ii) M/s Riz United Infratec Pvt. Ltd, and (iii) M/s Raamsai Infra, who are willing to purchase all GFIL Properties through a Pan-India Auction.

(iv) The relevant part of the Order dated 24.01.2024 is annexed hereto as **Annexure – E @Pg. <u>43</u> to <u>47</u>.**

5.4 Vide Order dated **<u>29.02.2024</u>**, this Hon'ble Court [Coram: HMJ. B.R. Gavai, HMJ. Sandeep Mehta], held as follows: -

(i) All parties were directed to file respective Affidavits with regards to details of the GFIL Properties which were left out from the Income Tax Department's Valuation Report. **[Para 2]**

(ii) Income Tax Department was directed to conduct valuation of GFIL Properties situated in Telangana within 12 weeks from this order. **[Para 5]**

(iii) This Hon'ble Court again reiterated that it will be in the interest of all the stakeholders if all the GFIL Properties are auctioned together on an '*As is Where is'* - Pan-India basis. **[Para 11 and Para 13]**

(iv) Status-Quo to be maintained by all the parties on all GFIL Properties. **[Para 14]**

(v) The relevant part of the Order dated 29.02.2024 is annexed hereto as **Annexure – F @Pg. 48 to 50 .**

5.5 Vide Order dated **16.08.2024**, this Hon'ble Court [Coram: HMJ B.R. Gavai, HMJ Sanjay Karol] held as follows: -

(i) The undersigned- Shri Sunil Fernandes, Senior Advocate was appointed as the Amicus Curiae in the instant matter. **[Para 2 and Para 3]**

(ii) Income Tax Authority was directed to complete the valuation of all the GFIL Properties within four weeks from this order. **[Para 6]**

(iii) The relevant part of the Order dated 16.08.2024 is annexed hereto as **Annexure – G @Pg. 51 to 53 .**

6. Thus, based on the study of the recent orders passed by this Hon'ble Court, more specifically the last Order dated 28.08.2024 passed by Your Lordships, Two Broad Issues arise for kind adjudication by this Hon'ble Court, namely: -

I. Sale/Auction of the existing unsold properties belonging to the Golden Forest India Ltd. ("hereinafter referred as **"GFIL"**) and the Mode of such Sale i.e., should the Sale/Auction be based on Pan-India Single Auction or Individual Auction basis.

II. The Mode of Disbursement of the monies received from the sale of GFIL Properties till date, to the individual Claimants/Investors.

7. **RE: (I) SALE/AUCTION OF THE EXISTING UNSOLD PROPERTIES BELONGING TO GFIL AND ITS MODE THERETO:-**

7.1 Since 2004 till date, several IAs have been filed in the main matter i.e., M/s Raiganj Consumer Forum v. Union of India, [WP(C) No. 188 of 2004] (hereinafter referred as **"Raiganj Writ"**) as well as in approximately 184 Transferred Cases which are listed alongwith the Raiganj Writ.

7.2 The record reveals that there are **3 IAs** which seek liberty of this Hon'ble Court to purchase the GFIL Properties on a Pan-India basis i.e. Single Sale/Auction. The details are as follows:-

S.NO.	DETAILS OF THE IA	PRICE OFFERED
1.	**The Hawk Capital Pvt. Ltd.** [MA No. 79102 of 2022 and IA No. 156177 of 2022 in TC No. 2 of 2004]	Rs. 400 Cr for GFIL Lands admeasuring 5047 acres.
2.	**M/s Riz United Infratec Pvt. Ltd.** [IA No. 267222 of 2023 and IA No. 7058 of 2023 in WP(C) No. 188 of 2004]	Rs. 800 Cr for total 462 GFIL Properties.
3.	**M/s Raamsai Infra.** [IA No. 152877 of 2023 in WP(C) No. 188 of 2004]	Entire GFIL Land as per the rate arrived in Valuation Report. No specific amount is mentioned.

7.3 In addition to the aforementioned three IAs, there are around **37 IAs** seeking liberty to purchase the said properties on an **Individual Basis** i.e., these applicants have not sought to place their bid for the entire list of GFIL Properties, but have sought to place a single bid for a specific property/(s). The details of the remaining 37 IAs are as follows:-

S.NO.	DETAILS OF THE IA	PRICE OFFERED FOR RESPECTIVE PROPERTY/(S)
	PROPERTIES SITUATED IN HYDERABAD.	
1.	**M/s Divi's Laboratories Ltd.** [IA No. 110701 of 2021 and IA No. 110706 of 2021 in WP (C) No. 188 of 2004]	No price is specified. However, the Applicant is interested in purchasing Land admeasuring 346.21 acres situated at Yadari Bhuvanagiri District, Telangana.
2.	**M/s Megha Engineering and Infrastructure Ltd.** [IA No. 84594 of 2022 in WP (C) No. 188 of 2004]	Rs. 46 Cr for Land admeasuring 213.30 acres situated at Mandal Bibinagar, Nalgonda District and is willing to convert the same into Art Project comprising of various farm houses.
3.	**M/s SVAS Infra Projects Pvt. Ltd.** [IA No. 32653 of 2021 in WP (C) No. 188 of 2004]	Rs. 46 Cr for Land admeasuring 231.30 acres situated at Yadari District, Telangana.
4.	**M/s Ramky Truspace** [IA No. 171258-59 of 2023 in WP (C) No. 188 of 2004]	No price is specified. However, the Applicant is interested in purchasing Land admeasuring 1091.331 acres situated at Mandal Choutuppal, District Nalgonda, Telangana.
5.	**M/s Prasidh Motors Pvt. Ltd.** [IA No. 241765 of 2023 in WP (C) No. 188 of 2004]	No price is specified. However, the Applicant is interested in purchasing Land admeasuring 1091.331 acres situated at Village Mandal Choutuppal, Telangana.
6.	**M/s Sure Agro Products.** [IA No. 5215 of 2024 in WP (C) No. 188 of 2004]	No price is specified. However, the Applicant is interested in purchasing Land admeasuring 1189.0625 acres situated at Village Mandal Choutuppal, Telangana.

7.	**<u>M/s Sudhakar Infratech Pvt. Ltd.</u>** [IA No. 175920 of 2022 in WP (C) No. 188 of 2004]	Rs. 20 lakhs per acre for entire Land admeasuring 1091.331 acres of agricultural land situated at Andra Pradesh, Mandal Choutuppal, District Nalgonda.
PROPERTIES SITUATED IN ORISSA.		
8.	**Mr. Sudhakar Pradhan** [IA No. 58091 of 2021 in WP (C) No. 188 of 2004]	No price is specified. Applicant is a prospective purchaser of Land admeasuring 90.24 acres in District Khurda, Orissa. In this regard, applicant claims to have identified 111 Properties in Orissa belonging to GFIL and wishes to buy through auction process.
PROPERTIES SITUATED IN HIMACHAL PRADESH.		
9.	**<u>Sh. Rupender Thakur alias Rupinder Thaku & Ors.</u>** [IA No. 62749 of 2022 in TC (C) No. 2 of 2004]	No price is specified. Applicants herein seeks to separately bid for only one property i.e. Himachal Country Resort Land admeasuring 30.47 sq. mtr. alongwith 2 floor building bearing 161/2, Main Road, Nahan, District Sirmour, Himachal Pradesh. Applicants claims to have been running the office in this property for more than 20 years and deserves first right over purchase of the property as there was an Agreement to Sell between the Resort and Applicants.

PROPERTIES SITUATED IN PUNJAB & HARYANA.		
10.	**M/s United Meadows LLP.** [IA No. 158056 of 2023 and IA No. 58 of 2023 in WP (C) No. 188 of 2004]	No price is specified. Applicant is interested in purchasing Property No. 237, Tehsil Panchukula, Haryana.
11.	**M/s Orbmoon Buildcon Pvt. Ltd.** [IA No. 211030 of 2023 in WP (C) No. 188 of 2004]	No price is specified. Applicant is interested in purchasing the following Lands: (i) Land admeasuring 7.25 acres (59 kanal) situated at Village Sidhrawali, Gurgaon, (ii) Plot No.1 admeasuring 351.65 sq mtr., and (iii) Plot No.2 admeasuring 351.65 sq mtr situated at Mor Ring Road, Lajpat Nagar, New Delhi.
12.	**M/s Roselyn Landcorp Pvt. Ltd.** [IA No. 16546 of 2024 and IA No. 16535 of 2024 in WP (C) No. 188 of 2004]	No price is specified. Applicant is interested in purchasing Agricultural Land admeasuring 37.11 Kila situated at Peer Muchalla, Mohali, Punjab.
13.	**Mr. Vishal Garg.** [IA No. 124289 of 2024 and IA No. 124277-124288 of 2024 in WP (C) No. 188 of 2004]	Rs. 94 lakhs for Plot No. 214, admeasuring 209 sq. mtr., Sector-8, Puda, Karnal, Haryana. The Plot was earlier valued at Rs. 92.50 lakhs.
14.	**Mr. Meer Singh.** [IA No. 109023 of 2024 and IA No. 109027 of 2024 in WP (C) No. 188 of 2004]	No price is specified. Applicant is interested in purchasing Khewat No. 560-520, Khatouni No. 581, situated at Village Sidhrawali, Gurugram, Haryana.
15.	**M/s Garg Sons Estate Promoters Pvt. Ltd.** [IA No. 105873 of 2024 and IA No. 105879 of 2024 in	Applicant is interested in purchasing the following properties: (i) Plot No.1 & 2, Lajpat Nagar, Phase-4, New Delhi-110024 for Rs. 24 Cr.

	WP (C) No. 188 of 2004]	(ii) Agriculture Land admeasuring 37 Acres 11 Canal, situated at VIIlage Pirrnachhala, adjoining Sector-20, Panchkula, Zirakpur, Mohali for Rs. 22 Cr. (iii) Agriculture Land admeasuring 5.84 acres situated at Village Bhorkrakha, Manesar, District Gurugram, Haryana for Rs. 10 Cr. (iv) Agriculture Land 4 acres situated at Village Ummri, Tehsil Kurukshetra, NH-1, adjourning Dera Sachha Sauda, Kurukshetra, Haryana for Rs. 5 Cr.
16.	**Sandeep Bhalla, Partner of M/s G.S. Buildtech.** [IA No. 117612 of 2024 and IA No. 117611 of 2024 in WP (C) No. 188 of 2004]	Applicant is willing to purchase the following Properties at their respective Circle Rate: (i) Hotel & Tourist Resort, Village Billa Panchula, Haryana, Area 432 Kanal (54 Acre), (ii) Agricultural Land Village Bunga, Haryana, (iii) Agricultural Land Village Kot, Haryana, (iv) Agricultural Land, Village Peer Muchala, Distt. SAS Nagar, area 4 Acre, (v) Agricultural Land (Part of built-up area), Village Peer Muchala, area 37.11 Killa, Distt. SAS Nagar.
17.	**Mr. Sanjeev Gupta.** [IA No. 132881 of 2024 and IA No. 132882 of 2024 in WP (C) No. 188 of 2004]	Applicant is interested in purchasing Plot No. 214, admeasuring area 209 sq. mtr. Sector-8, HUDA, Karnal, Haryana for Rs. 92.50 lakhs in his capacity as a businessman.

18.	**<u>M/s RLTS Infra Pvt. Ltd.</u>** [IA No. 124298 of 2024 and IA No. 124299 of 2024 in WP (C) No. 188 of 2004]	Applicant is interested in purchasing Agricultural Land admeasuring 1398 kanal, in Village Billa, Panchkula, Haryana for Rs. 50 Cr. Applicant is willing to pay at a best price of Rs. 55 Cr.
19.	**<u>Mr. Umesh Sharma.</u>** [IA No. not available with the undersigned]	Applicant is interested in purchasing property- H. No. C-6/359/1, Garhi Mundo Jain Nagar, Yamuna Nagar, Haryana adm 218 sq yards a@5% higher of circle rate.
20.	**<u>Mr. Arvind Kumar.</u>** [IA No. not available with the undersigned]	Applicant is interested in purchasing Land bearing Khatoni No. 319/388, Khasra No. 53/8/1, admeasuring 5 acres situated at Village Billa, Panchkula, Haryana as per the Circle Rate.
21.	**<u>Mr. Din Dayal Verma.</u>** [IA No. not available with the undersigned]	Applicant is interested in purchasing Agricultural Land of 79 Kanal, 2 Marla, Village Jagadhari, Dist Yamuna Nagar, Haryana for Rs. 90 Cr.
22.	**<u>M/s Premsons Infratech.</u>** [IA No. not available with the undersigned]	Applicant is interested in purchasing Farm Land in Peer Machala Tehsil Deera Bassi, Mohali, Punjab admeasuring 34.33 acres for Rs. 73 Cr.
23.	**<u>Mr. Virender Singh & Mr. Jagdish Kumar.</u>** [IA No. 152367 of 2024 in WP (C) No. 188 of 2004]	No price is specified. Applicant is interested in purchasing the following properties: (i) Agricultural Land of 73K-15.66M in Village Parasoli, Gurgaon. (ii) Agricultural Land of 46K-15M in Village Bhokrakha, Gurgaon. (iii) Agricultural Land of 1221K-2.5M in Village Bhorakhurd, Gurgaon. (iv) Agricultural Land of 57K-6M in Village Sidhrawali, Gurgaon.

24.	**<u>Mr. Honey Garg.</u>** [IA No. not available with the undersigned]	Applicant is interested in purchasing Agricultural Land, 256 Kanal 11.54 Marla village Maull No. 16, Tehsil Barwala Distt. Panchkula, Haryana. The value of the said land is Rs. 17 Cr as per the valuation report conducted on 24.01.2023 and applicant is willing to pay the report rate.
25.	**<u>M/s Sanat Realtors Pvt. Ltd.</u>** [IA No. not available with the undersigned]	Applicant is interested in purchasing Agricultural Land 833 Kanai 6 Marla in Village Billa, Panchukla, Haryana for Rs. 40 Cr.
26.	**<u>Mr. Rajnish Singla, Director of Premsons Infra Tech.</u>** [IA No. not available with the undersigned]	Applicant is interested in purchasing land admeasuring 42 acres situated in village Sanoli, Tehsil Zirakpur, Mohali for Rs. 45 Cr.
27.	**<u>Mr. Gurpreet Singh.</u>** [IA No. not available with the undersigned]	Applicant is interested in purchasing Land admeasuring 7.50 acres at Village Jharmarhi, Tehsil Derabassim Distt, SAS Nagar, Punjab vide Khasra No. 970, 971, 972, 973, 974, 975, 977, and 968 for Rs. 3.70 Cr. The market value of the said Land is Rs. 40 lakhs per acre.
28.	**<u>Mr. Parukh Gupta.</u>** [IA No. not available with the undersigned]	Applicant is interested in purchasing Property No. 14, 79 Kanal, 2 Marla, Village Jagadhri, District, Yamuna Nagar, Haryana for Rs. 12 Cr. The value of the said Land is Rs. 9.24 Cr. as per the valuation conduced in the year 2023.

PROPERTIES SITUATED IN MADHYA PRADESH.		
29.	**M/s Tirupati Mining.** [IA No. 51709 of 2024 in WP (C) No. 188 of 2004]	No price specified. Applicant has shown interest in purchasing properties in Nawda and Pigdambar District, Madhya Pradesh. Nature/Details of properties are also not mentioned.
30.	**M/s Sarveshwar Developers Pvt. Ltd.** [IA No. 226475 of 2023, IA No. 226475 of 2023, and another New IA filed in 2024 (copy not available) in WP (C) No. 188 of 2004]	In 2023, the Applicant herein vide IA 226475 of 2023, IA 226475 of 2023, prayed for purchasing- (i) Land admeasuring 57,430 hectare, Village Panda, Indore, Madhya Pradesh, and (ii) Agricultural Land admeasuring 27,219 hectare, Village Nawda, Indore, Madhya Pradesh. However, no specific price was specified. Vide the New IA filed in 2024, the Applicant herein is interested in purchasing all the properties situated in Madhya Pradesh as per the valuation report dated 24.01.2023 worth Rs. 185 Cr. and the Applicant is willing to purchase at a price of Rs. 190 Cr.
PROPERTIES SITUATED IN UTTARAKHAND.		
31.	**Mr. Rupinder Batth.** [IA No. 140218 of 2024 in WP (C) No. 188 of 2004]	Applicant is interested in purchasing Shop Nos. 1-10 situated at The Mall, Kulri, Mussorie for Rs. 5.19 Cr as per the valuation report dated 24.01.2023.
32.	**Mr. Anil Kumar Rana.** [IA No. not available with the undersigned]	Applicant is interested in purchasing the following Lands as per the Valuation Rate: (i) Land Khasra No. 1295, admeasuring area 0.19 Acre i.e. 1 Bigha situated at Moja Central Hope Town, Pachwadoon, Dehradun.

		(ii) Land Khasra No. 1295, admeasuring area 0.19 Acre i.e. 1 Bigha situated at Moja Central Hope Town, Pachwadoon, Dehradun. (iii) Land Khasra No. 1295, admeasuring area 0.30 Acre i.e. 1.578 Bigha situated at Moja Central Hope Town, Pachwadoon, Dehradun. (iv) Land Khasra No. 1295, admeasuring area 0.30 Acre I.e. 1.578 Bigha situated at Moja Central Hope Town, Pachwadoon, Dehradun (v) Land Khasra No. 1295, admeasuring area 0.30 Acre I.e. 1.578 Bigha situated at Moja Central Hope Town, Pachwadoon, Dehradun (vi) Land Khasra No. 184, admeasuring area. 0.2500 Hectare situated at Moja Suddhowala, Pachwadoon Dehradun. (vii) Land Khasra No. 185, admeasuring area 0.2380 Hectare-situated at Moja Suddhowala, Pachwadoon Dehradun. (viii) Land Khasra No. 591, admeasuring area 0.2380 Hectare situated at Moja Jhhajra Pachwadoon Dehradun.
33.	**Mr. Manoj Pokhriyal** [IA No. not available with the undersigned]	Applicant is interested in purchasing total Lands admeasuring 16.577 Hectares in Uttarakhand as per the circle rate or the valuation rate. Details of the properties are not mentioned.

PROPERTIES SITUATED IN NEW DELHI.		
34.	**Mr. Om Parkash.** [IA No. not available with the undersigned]	Applicant is interested in purchasing Flat No. 6484, Sector C, Pocket 6&7, Vasant Kunj, New Delhi as per the circle rate of the property of Revenue Dept. Applicant is in the possession of the said property as on date.

7.4 It is also relevant to state that the Syal Family, through Shri Nikhil Kant Syal (the original owners/promoters of GFIL), have filed **IA No. 44362 of 2023** in which they have sought:-

(i) Permission of this Hon'ble Court to allow Shri Nikhil Kant Syal to find buyers/purchasers for easily saleable properties,

(ii) Direction to the GFIL Committee to provide current list of unencumbered properties to Shri Nikhil Kant Syal.

7.5 Vide Order dated 25.04.2023, this Hon'ble Court had partly allowed the aforesaid IA filed by Shri Nikhil Syal and allowed him to furnish an independent valuation and details of the buyers. **[Supra @Para 6 of this Report]** To the best information of the undersigned, the said Valuation Report by Shri Nikhil Kant Syal has not been submitted as on date.

8. **RE: INCOME TAX VALUATION**

8.1 A Single Final List/Synopsis of all the remaining GFIL Properties, which are yet to be auctioned and their respective valuation is awaited from the Income Tax Authorities. Vide Order dated 28.08.2024, a further period of six weeks was granted to conclude the said exercise. So, once the same is complete, the Income Tax Department should give a Final Synopsis giving the List of Properties and their corresponding valuation.

8.2 Thus, the aggregate list of properties and the corresponding valuation will be a price discovery mechanism, which will give us a broad idea as to what would be the Actual Price/Reserve Price/Upset Price or the Floor Price. However, that may not be considered as something which is cast-in-stone because the Income Tax Department are merely valuing the said GFIL Properties on the basis of a Circle Rate and the said Properties may or may not fetch even the Circle Rate prices due to the fact that most of the GFIL Properties are reportedly under some or the other litigation or encumbrance.

RE: PAN-INDIA AUCTION:-

9. It is the respectfully submitted by the undersigned that a Pan-India Auction would be the best course of action, which is, of course subject to final orders passed by this Hon'ble Court after hearing all the parties and stakeholders.

9.1 A *raison d'etre* for the aforesaid submission is that the individual properties have individual and multiple complications. GFIL Properties located in various States of the Country and have some or the other complications or encumbrances with regard to their title and/or possession. If this Hon'ble Court starts adjudicating litigation and encumbrances pertaining to all the individual properties as the Court of First Instance of Trial Court, then it would undeservedly consume a humongous amount of time of this Hon'ble Court.

9.2 So, therefore, the ideal way is to find out the best price possible and then, sell it by way of a Pan-India Auction to an entity which is willing to buy the properties in its entirety, on a "*As is Where is Whatever is*" Basis. The said Bidder/Buyer should step into the shoes after conducting the appropriate due diligence.

9.3 During the course of the hearing dated 28.08.2024, a submission was made by certain Applicant/(s), that if certain individual properties are only sold and the larger, gargantuan exercise of selling all the GFIL Properties is avoided, then the entire remaining claim of the investors can be satisfied by the sale consideration so received from the sale of that single property.

9.4 It is most respectfully submitted that the past orders of this Hon'ble Court have consistently sought/endeavoured to ensure sales of all GFIL Properties at the best possible price. In consonance of the letter and spirit of the said previous Orders, the undersigned is of the view that a holistic, concerted, and focussed attempt must be made to sell **ALL** remaining properties of GFIL to an auction–purchaser on a Pan-India Single Sale Basis. In the event, that such a Pan-India Auction fails to yield the desired results, then at a later stage, this Hon'ble Court can consider the sale of individual properties.

10. RE: AGENCY TO CONDUCT AUCTION:-

10.1 With regards to the Agency stated to conduct the auction, kind attention of this Hon'ble Court is invited to the relevant part of the Order dated 24.01.2023 passed by this Hon'ble Court **[@Para 16]**, wherein it was observed that the GFIL Committee should not be concerned with the auction of the GFIL Properties and its efforts should be directed towards the disbursal of the monies so received from time to time.

10.2 Therefore, it is respectfully suggested that this Hon'ble Court may entrust the task of conducting the auction of the unsold properties to a specialised body, which has the requisite Domain Expertise to conduct such mega-auctions.

10.3 This Hon'ble Court may consider: -

(i) Issuing Notice to the Insolvency and Bankruptcy Board of India (**"IBBI"**), a statutory body incorporated under Section 188 of the Insolvency and Bankruptcy Code, 2016 (**"IBC"**), to recommend a List of Insolvency Professional Entities (**"IPEs"**) consisting of Insolvency Professionals ("**IPs"**) to conduct the auction of GFIL Properties. Since, the enactment of IBC 2016, the Corporate Insolvency Resolution Process (**"CIRP"**) and

Liquidation Process of the Corporate Debtor (**"CD"**) Companies invariably involves auctioning or selling of its assets to realise/recover the debt due and the IPEs have achieved significant Domain Expertise over the process of auction of properties and its related issues, especially properties of the Scale, Magnitude, and Complexity of GFIL Properties.

(ii) Alternatively, this Hon'ble Court may consider Issuing Notice to the Reserve Bank of India (**"RBI"**) which in turn can make inquiries from major Public Sector Banks (**"PSB"**) who would be ready and willing to undertake the task of auctioning all GFIL Properties. Since the enactment of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (**"SARFAESI"**), Banks have acquired significant Domain Expertise for conducting Public Auction properties.

(iii) Alternatively, this Hon'ble Court could inquire from the Income Tax Department (**"I-T"**) if they are willing to conduct the auction of GFIL Properties, as the I-T Department has significant Domain Expertise to conduct Public Auction of properties. In this very case itself, the Income Tax Department has had the past experience of conducting sale of various GFIL Properties and this Hon'ble Court can again entrust the Income Tax Department to conduct a Pan-India Auction for disbursement of the GFIL Properties.

11. <u>RE: (II) WHAT SHOULD BE DONE WITH REGARDS TO THE MONIES RECEIVED FROM PREVIOUS AUCTIONS:-</u>

11.1 The second Broad Issue that requires consideration of this Hon'ble Court is that what should be done with regards to the monies already received from previous auctions which are presently lying with GFIL Committee and the hurdles before this Hon'ble Court to disburse those monies thereof. The main hurdle is that M/s Karvy Fintech, the agency which was tasked with disbursement is non-functional due to the pending ED Proceedings against M/s Karvy Fintech which has no connection with GFIL. Therefore. an alternative replacement for M/s Karvy Fintech is the need of the hour. Vide order dated 24.01.2023, this Hon'ble Court has already directed replacement of M/s Karvy Fintech, but the same has not yet been done.

11.2 Though the undersigned does not have copies of all the Transferred Cases pending before Your Lordships, but a perusal of some of the Transferred Cases reveal that they pertain to various Investors/Claimants of GFIL seeking disbursement of their invested monies. It is vital to note that from time to time various such IAs/Claims have been settled as well, however, approximately **32 IAs** of the Investors/Claimants seeking refund of their monies are left to be adjudicated by this Hon'ble Court.

11.3 Vide order dated 01.12.2021, this Hon'ble Court recorded that monies amounting to Rs. 460.56 Cr. (Rupees Four Hundred Sixty Crores & Fifty Six Lacs) has been disbursed to the Investors, till date by the GFIL.

11.4 Based on a bare perusal of the GFIL Website i.e., www.goldenforestcommittee.com and various records uploaded thereof, it has come to the knowledge of the undersigned that by 01.03.2022, out of total 14,73,828 claims, 9,55,943 have been paid 70% of their investments. Cheques sent to 2,38,087 investors have been received back undelivered. Cheques sent to about 2,33,098 investors have neither presented to bank nor received back. The Committee has sent reminder to such claimants/investors, however, no reply has been received as on date. Approximately 46,700 claims are still under scrutiny. Pl. See a Table herein below for a ready-reckoner:-

Total Claims received	**(A)**	14,73,828
No. of Claimants who were paid 70% of their investments	**(B)**	9,55,943
Remaining Claimants	**(A) - (B) = (C)**	5,17,885

11.5 The aforesaid data in the Chart excerpted above is based on the records of the year 2018. The GFIL Committee may kindly be directed to submit a Chart/One-Pager Synopsis consisting of :-

S. No.	Particulars	Details
1.	**Total amounts disbursed till date [i.e. 18.09.2024]**	
2.	**Total number of investors to whom the amounts have been disbursed [i.e. till 18.09.2024]**	
3.	**Balance Amount lying with GFIL Committee**	
4.	**Total Claimants whose claims are verified but yet to be paid.**	
5.	**Total Claimants whose claims are yet to be verified and not paid.**	
6.	**If there are Claimants whose claims are yet to be verified, then by when will the verification be completed.**	
7.	**Total Claimants still let to be paid** **A. Paid 70% and seeking balance 30%.** **B. Those who have not been paid any amount till date.**	

12. Therefore, to summarize, the recommendations of the Ld. Amicus Curiae in his 1st Report dated 11.09.2024 are as follows:

12.1 Ensure that the Income Tax Department completes the valuation of all the GFIL Properties at the earliest.

12.2 Direct the Income tax Authority to furnish a convenient Synopsis/Chart containing (i) Total Number of GFIL Properties, (ii) Identification/Location of such Properties, and (iii) Its present Valuation/Price.

12.3 Copy of the above be furnished to the GFIL Committee and the Syal Family, to obtain their response/views, so that all the stakeholders are on the same page qua the Number, Identification, and Valuation of the GFIL properties, before steps are taken to commence its Auction.

12.4 This Hon'ble Court, after obtaining views of all the concerned parties, may consider a PAN-INDIA Single Sale Auction for all GFIL Properties that are the subject-matter of the Final Income Tax Report.

12.5 The Auction should be on *"As is Where is Whatever is"* basis. All prospective Auction-Purchasers must be advised to strictly complete their exhaustive due diligence before submitting their bids. The GFIL Committee may be directed to render all possible and prompt assistance to all such prospective purchasers with respect to conducting the legal due diligence, inspection of records, documents etc. and any other such relevant information.

12.6 Once the Auction concludes, the Auction-Purchaser and/or any other party should not be permitted to directly approach this Hon'ble Court/Your Lordships with any grievance. All subsequent litigations must be conducted in the Courts/Tribunals of competent and original jurisdiction and not this Hon'ble Court.

12.7 Identify the Agency which can be entrusted and willing to conduct this Pan-India Auction.

12.8 Identify the Agency to replace/step into the shoes of M/s Karvy Fintech and commence disbursement of existing monies to the investors/claimants expeditiously as possible.

12.9 Direct the GFIL Committee to submit the relevant details in a Single Convenient Chart in terms of Para 11.5 of this Report.

12.10 Direct SEBI or any other such body to suggest M/s Karvy Fintech's replacement.

13. It is most respectfully submitted that this Hon'ble Court may be pleased to take this Report on record. The undersigned most respectfully submits that he shall carry out any further direction/instruction in the instant matter.

DRAWN BY:

Shri Sunil Fernandes,
Senior Advocate
(Amicus Curiae)

FILED BY:

Sanchit Garga
Advocate-on-Record
AOR Code: 2748

DATE: New Delhi

PLACE: 11.09.2024

ITEM NO.13 COURT NO.17 SECTION X

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

RECORD OF PROCEEDINGS

Writ Petition(s)(Civil) No(s). 188/2004

M/S. RAIGANJ CONSUMER FORUM Petitioner(s)

VERSUS

UNION OF INDIA & ORS. Respondent(s)

X X X

Date : 28-08-2024 These matters were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE DIPANKAR DATTA
HON'BLE MR. JUSTICE UJJAL BHUYAN

X X X

UPON hearing the counsel the Court made the following

O R D E R

1. The writ petition and the connected cases have been listed today 'for directions' in pursuance of the last order dated 16th July, 2024. Mr. Sunil Fernandes, learned senior counsel has been appointed as Amicus Curiae to assist the Court by the said order.

2. We have heard Mr. Sunil Fernandes as well as other learned senior counsel/counsel appearing for the respective parties.

3. For the purpose of further consideration of the issues relating to auction of the unsold properties and valuation of the properties to be put up for auction in future as well as other incidental issues, we invite Mr. Fernandes to submit a 'Report' incorporating his suggestions within three weeks from today. The report of Mr. Fernandes shall also touch upon other aspects which have been noted in the previous orders and whether compliance/substantial compliance thereof have been effected by the parties.

4. It is needless to observe that since this Court, in its previous orders, has observed that the best possible prices for the properties are required to be fetched and that no stone should be left unturned in that behalf, we also wish Mr. Fernandes to indicate in his report as to whether a PAN India auction would be in the best interest of all concerned or that some other avenue could also be explored.

5. We have been informed by Mr. Arijit Prasad, learned senior counsel appearing for the I.T. Department as well as Ms. Aishwarya Bhati, learned Additional Solicitor General appearing for the Union of India that the process of valuation of the properties is in progress and that it would take at least 4 to 6 weeks' time to submit a comprehensive report before this Court covering all the properties.

6. Since the writ petition and the connected cases are proposed to be made returnable on 18.09.2024, it may not be possible for the I.T. Department to conclude the process of valuation of all the properties and submit a report by that date; however, the department may continue with its efforts and ensure that by six weeks from today the comprehensive report is made ready.

7. The report of the Amicus must reach the counsel appearing for the parties 48 hours in advance of the next date of hearing.

8. We hope and trust that all the parties shall extend full cooperation to Mr. Fernandes if he seeks to obtain any information from them.

9. We find that by the last order 16th July, 2024, the District Magistrate, Panchkula was required to conduct an inquiry and submit a report. It is informed to us that such report has not yet been filed by the District Magistrate. This order shall be communicated by the Registry to the District Magistrate, Panchkula without fail so that by the next date, the requisite report is placed on record.

10. Re-list on 18th September, 2024 at 2.00 p.m.

11. If any interim application is filed by any party henceforth, a copy thereof must be served on Mr. Sanchit Garg, learned advocate who is assisting Mr. Sunil Fernandes.

(JATINDER KAUR)
P.S. to REGISTRAR

(SUDHIR KUMAR SHARMA)
COURT MASTER (NSH)

ANNEXURE - B

LIST OF RLEVANT DATES AND EVENTS.

<table>
<tr><th>S.No</th><th>Dates</th><th>Particulars</th></tr>
<tr><td>1.</td><td>23.02.1987</td><td>Golden Forests (India) Ltd (“GFIL”) is incorporated. All GFIL Companies were promoted and controlled by Syal Family Group-comprising of AL Syal, RK Syal, Neena Syal, Pamila Syal, Bimla Syal, and HK Sinha (brother in-law of R.K Syal).

GFIL was engaged in the business of development of agricultural lands, social forestry, farms etc. GFIL came out with several schemes for raising funds from investors.

<u>Shareholding Pattern: -</u>
<table>
<tr><th>Name of Family Member</th><th>Shares (in equity)</th></tr>
<tr><td>Sh. AL Syal</td><td>32,500</td></tr>
<tr><td>Sh. RK Syal</td><td>4,300</td></tr>
<tr><td>Smt. Neena Syal</td><td>18,300</td></tr>
<tr><td>Nikhil Syal</td><td>12,400</td></tr>
<tr><td>Ms. Madhurima Syal</td><td>11,200</td></tr>
<tr><td>Smt. Pamila Syal</td><td>4,400</td></tr>
<tr><td>Ms. Madhullika Syal</td><td>11,900</td></tr>
<tr><td>Smt. Bimla Syal</td><td>5000</td></tr>
</table>
<u>Family Tree description-</u>
Mr. AL Syal is the Karta of the Family (Grandfather). Mr. RK Syal is the son of AL Syal. Mrs. Neena Syal is the wife of RK Syal. Nikhil Syal and Madhurima Syal are children of RK Syal.</td></tr>
</table>

2.	**1991-1997**	The Promoters of GFIL floated around 110 companies as their subsidiaries, associate companies, and sister companies. Amongst these 110 companies, the important ones were- (i) M/s Golden Tourist Resorts and Developers Ltd. (incorporated in 1991 and further expanded in 1996), (ii) M/s Golden Projects Ltd. (incorporated in 1996), (iii) M/s Golden Lease Finance Ltd. (incorporated in 1994), (iv) M/s Himachal Country Resorts Ltd. (incorporated in 1993).
PROCEEDINGS BEFORE SECURITIES EXCHANGE BOARD OF INDIA ("SEBI")		
3.	**1997**	SEBI initiated inquiry against GFIL.
4.	**18.12.1997**	SEBI called upon the 'Collective Investment Schemes' to submit information to SEBI on various schemes.
5.	**09.01.1998**	SEBI passed Final Order against GFIL for violation of S.11B r/w S.11 of SEBI Act and (i) prohibited GFIL from alienating its properties, (ii) constituted a 2-member Committee to inquire into the affairs of GFIL.
6.	**21.04.1998**	The said Committee submitted its Report and highlighted financial and other irregularities committed by GFIL.
PROCEEDINGS BEFORE THE HON'BLE BOMBAY HIGH COURT		
7.	**May 1998**	SEBI files Writ Petition (C) No. 344 of 1998 titled as "Securities & Exchange Board of India Vs. Golden Forests (India) Ltd & Ors." before the Hon'ble Bombay High Court.
8.	**23.11.1998**	The Hon'ble Bombay High Court restrains GFIL and its subsidiaries from disposing off any property until further orders.
9.	**16.02.2000**	The Hon'ble Bombay High Court appointed Mr. Justice (Retd) M. L. Pendse as Receiver. **[<u>NOTE:</u> The Hon'ble Bombay High Court earmarked certain properties for sale but the Receiver was unable to sell the properties. In the meanwhile, the promoters and the management of GFIL kept on accepting deposits, doing business, and alienating properties in defiance of the injunction order passed by Bombay**

		High Court on 23.11.1998.]
10.	**Dec 2000**	Directors of GFIL were arrested.
		PROCEEDINGS BEFORE THE HON'BLE PUNJAB AND HARYANA HIGH COURT, AT CHANDIGARH
11.	**2001**	A Winding-Up Petition is filed, bearing Company Petition No. 60 of 2001 titled "National Investor Forum vs. Golden Forests (India) Ltd." before the Hon'ble Punjab & Haryana High Court at Chandigarh, for the winding up of GFIL.
12.	**18.06.2003**	The Hon'ble Company Judge vide order dated 18.6.2003 directed that all properties of GFIL to be managed, controlled, regulated by a Provisional Liquidator and appointed Justice R. N. Aggarwal (former Chief Justice of Delhi High Court), who shall have power to sell the moveable and immovable property.
		PROCEEDINGS BEFORE THE HON'BLE SUPREME COURT IN TP(C) NO. 696 OF 2002
13.	**20.08.2002**	SEBI filed a TP(C) No. 696 of 2002 titled as "Securities and Exchange Board of India v. Golden Forests (India) Ltd. & Anr." before the Hon'ble SC for transfer of all proceedings in every forum against GFIL to Hon'ble Supreme Court.
14.	**12.09.2003**	Vide order dated 12.09.2003, the Hon'ble Supreme Court transferred all Company Petitions which were pending in various High Courts to the Hon'ble Supreme Court.
15.	**15.03.2004**	M/s Raiganj Consumers Forum (a society regd. under West Bengal Societies Registration Act, 1961) represents various investors of GFIL and files a Writ Petition (C) No. 188 of 2004 before the Hon'ble Supreme Court seeking directions against GFIL to restrain from disposing/alienating properties and assets.
16.	**27.04.2004**	The Hon'ble Supreme Court (J. RC Lahoti, J. Ashok Bhan) issues Notice in the instant Writ Petition and tags with TP(C) No. 696/2002.
17.	**19.08.2004**	The Hon'ble Supreme Court vide order dated 19.08.2004, constituted a 3-member Committee consisting of Justice KT Thomas (Retired Judge

		of Hon'ble Supreme Court) and an Officer to be nominated each by RBI and SEBI. The GFIL Committee was required to take into its custody all assets of the company, wherever they may be and to issue advertisements in newspapers calling upon all creditors of the Company to submit the claims before the GFIL Committee.
18.	**2004**	Justice KT Thomas (retd.) requested the Hon'ble Supreme Court for being relieved which request was accepted. The Hon'ble Supreme Court appointed Justice RN Aggarwal, (who was earlier the Provisional Liquidator), as the Chairman of the Committee. The RBI appointed Mr. PK Arora, DGM, as the Whole-Time Nominee of the GFIL Committee and SEBI appointed Mr. S.K. Sharma as the Whole-Time Nominee of the Committee.
19.	**25.10.2004**	Vide Advertisement dated 25.10.2004, claims were invited from the Depositors/Investors of GFIL upto 24.01.2005.
20.	**20.01.2005**	The Hon'ble Supreme Court extends time by 3 months from 20.01.2005 for invitation of claims from the investors of GFIL upto 20.04.2005. **[<u>NOTE:</u> The GFIL Committee continued to receive claims even after expiry of the first period and the extended period. In all 1633949 claims were received. The claims were scrutinized, and prima facie 1473828 claims were found to be valid.]**

21.	**05.09.2006**	The Hon'ble Supreme Court relieved Mr. PK Arora, DGM, RBI and Mr. SK Sharma, DGM, SEBI and in their place appointed Mr. HL Randev and Mr. BS Bedi, (both former District and Sessions Judges, Punjab) as Members on the Committee. Justice R.N. Aggarwal continued as Chairman of the Committee. **[Annex A6 @Pg. 35-56]** Further, vide the same order, the Hon'ble SC fixed 10.08.2006 as the cut- off date for receipt of claims from investors. **Relevant Para-** *"The committee should accept the claims of only those claimants, who have original authenticated receipts issued by the GFIL. The committees shall categories 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."*
22.	**19.01.2010**	Mr. AL Syal died in Judicial Custody.
23.	**03.02.2010**	The Hon'ble Supreme Court transferred all pending transfer cases, interim applications, contempt petitions, Writ Petitions to Hon'ble Delhi High Court.The Hon'ble Delhi HC was assigned the task to (i) monitor the progress of identification/disposal properties of the GFIL group of companies, (ii) oversee the orders made by the Committee for GFIL from time to time in respect of specific properties, such as confirmation of sales, confirmation of orders, cancelling or disregarding transfers of GFIL properties made by contravening the orders of the Court etc.
		PROCEEDINGS BEFORE THE HON'BLE DELHI HC
24.	**05.04.2010**	All transferred matters and other petitions were listed for the first time before the Hon'ble Delhi High Court as WP(C) 1399/2010 alongwith other connected matters.
25.	**31.10.2010**	Neena Syal died in Judicial Custody as she was suffering from stage 4 cancer.

26.	**06.04.2011**	RK Syal died in Judicial Custody.
27.	**24.04.2014**	The GFIL Committee disclosed before the Hon'ble Delhi HC that as on 31.03.2013, it had fixed deposits of Rs 433.5 Cr for disbursement. After deliberating upon the various options, the Hon'ble Delhi High Court proposed to consider the question of disbursement at a later stage after obtaining the report of an expert. Governor of RBI was requested to indicate the name of a suitable professional or individual who can assist in the matter.
28.	**18.11.2015**	The Hon'ble Delhi High Court reserved the matter for orders.
29.	**25.04.2016**	The Hon'ble Delhi High Court directs the Committee to file latest financial statements
30.	**26.09.2016**	Subsequently, Mr. HL Randev and Mr. BS Bedi resigned due to old age and expressed their inability to cope with the work. Later the Chairman, Justice RN Aggarwal also expressed his inability to continue with the Committee's work as he had crossed the age of 90. An application was preferred before the Hon'ble Supreme Court requesting that Justice RN Aggarwal be relieved of his responsibility. Vide order dated 26.09.2016, the Hon'ble Supreme Court directed the Hon'ble Delhi High Court to make appropriate orders/arrangements in this regard.
31.	**20.12.2016**	The Hon'ble Delhi High Corut (on the basis of recommendation of Hon'ble Chief Justice of Punjab & Haryana High Court) nominated the following to assume charge and act as the Chairman and the Members of the Committee: - (i) Justice K.S. Garewal (Retd), Former Judge of Punjab & Haryana High Court, as Chairman, (ii) Mr. PL Ahuja, Former District & Sessions Judge at Haryana, as Member. (iii) Mr. BM Bedi, Former District & Sessions Judge at Haryana, as Member. **[<u>NOTE:</u> This Committee took charge on 06.03.2017 and the Hon'ble SC also approved the same.**

		<u>The Committee-GFIL was entrusted to foresee the mandates: -</u> **a) To invite claims from the investors and creditors of the Golden Forests Group of Companies and tabulate the same.** **b) To identity the properties of Golden Forests Group of Companies and take their possession through the concerned District Administration, and if need be with the police help as well.** **c) To put on sale the properties of the Golden Forests Group of Companies under the supervision of/and subject to the confirmation by the Hon'ble SC.** **d) On 30.7.2018, the Hon'ble SC directed that 70% of the principal amount be disbursed from the available money to each of the investors; whose names have been received and verified by the Committee.]**
32.	**15.02.2018**	The Hon'ble Delhi High Court rejected the claims of around 125 claimants on the ground that original receipts were submitted after the cut-off date of 10.08.2006 and any deficiencies cured after the cut-off date would not be taken into account.
PROCEEDINGS BEFORE THE HON'BLE SUPREME COURT		
33.	**11.04.2018**	The Hon'ble Supreme Court (HMJ. Kurian Joseph, HMJ. Mohan K. Shantanagoudar, HMJ. Navin Sinha) vide order dated 11.04.2018, recorded that one- M/s Hawk Capital Pvt. Ltd. has made the best offer of Rs. 721 Cr amongst all other bidders. Bench further directed M/s Hawk Capital to deposit Rs. 721 Cr alongwith Bank Guarantee to that effect.
34.	**09.05.2018**	The Hon'ble Supreme Court invited further fresh bids.
35.	**04.07.2018**	HMJ. Sanjay Kishan Kaul recused.
36.	**21.07.2018**	Various claimants filed SLP No. 25407 of 2018 before the Hon'ble Supreme Court. **Relevant Dates for this SLP** **14.09.2018** — SC issues Notice. [HMJ. Arun Mishra, HMJ. Vineet Saran] **04.03.2024** — SC [HMJ. JK Maheshwari, HMJ. Sandeep Mehta] observes that out of 125 claimants, the payment was successful for only 91 claimants. Bench directs the parties to take steps to successfully pay the other

		claimants also. **NDOH: 17.09.2024**
37.	**30.07.2018**	The Hon'ble Supreme Court in Misc. Petition (C) No. 151/2018 in TP (C) No. 2/2004 (HMJ. Arun Mishra, HMJ. S. Abdul Nazeer), directed that 70% of the Principal Amount be disbursed from the remaining Rs.700 Cr to each of the investors, whose claims were received and verified by the Committee. M/s. Karvy Investors Services Ltd., Hyderabad was appointed for the disbursement process. Further, the bench also held that M/s Hawk Capital withdrew their bid and hence, is no longer bidding to buy the company.
38.	**05.09.2018**	The Hon'ble Supreme Court (hmJ. Arun Mishra, hmJ. Vineet Saran) modified the order dated 30.07.2018 and replaced Karvy Investors Services Limited with Karvy Computer Share Pvt. Ltd.
39.	**October 2018**	The Committee had meetings with the Officers of Karvy Computershare Limited (hereinafter Karvy) and suggestions for creating a web portal for the investors for uploading their bank details and issuance of public notices to the investors were discussed. A web portal was designed and managed by Karvy. Consequently, Karvy started the website of the Committee. Notices to investors were published in leading national and regional newspapers. For the benefit of the investors a telephone helpline and an e-mail account were opened, and investors were provided a toll-free helpline number. As per the information furnished by Karvy, total 219871 calls were received during the period July 2019 to December 2021. Further 90153 queries were received, 45354 were replied by e-mail and 44799 were replied by physical letters. Committee opened a separate bank account with State Bank of India to facilitate funds disbursement through electronic mode. Between 6.12.2018 to 26.8.2021, Rs 2,768,485,727/- (say Rs 276.84 crore) were transferred to 423914 investors through electronic mode.
40.	**01.12.2018**	The Hon'ble Supreme Court directed that in the cases of investors where bank particulars had already been furnished, payment be made on available data. In case information has not been furnished and no

		application has been filed by the investors, the 70% amount shall be disbursed through account payee cheques to investors on the available address.
41.	**01.12.2021**	Rs. 460.56 Cr have been disbursed to the investors. The cut-off date of 10.08.2006 was ordered to be disregarded by the Hon'ble Supreme Court on 27.11.2018. The Committee is still receiving claims which are being scrutinized in collaboration with Karvy.
42.	**02.12.2021**	Pamila Syal died.
43.	**01.03.2022**	Out of total 1473828 claims, 955943 have been paid 70% of their investments. Cheques sent to 238087 investors have been received back undelivered. Cheques sent to about 233098 investors have neither presented to bank nor received back. The Committee has sent reminder to them but no reply received. Rest of approx. 46700 claims are under scrutiny.
44.	**24.01.2023**	The Hon'ble Supreme Court (HMJ. BRG, HMJ. Vikram Nath) directed the Committee to identify a new agency through whom the disbursement of monies can be done. Earlier agency- M/s Karvy Fintech is facing multiple ED proceedings and hence cannot move forward.
45.	**25.04.2023**	The Hon'ble Supreme Court (HMJ. BRG, HMJ. Vikram Nath, HMJ. Sanjay Karol) partly allows an IA filed by Shri Nikhil Syal who claims to be the largest shareholder of GFIL as on today, with shareholding of 78,700. In the IA filed by Shri Nikhil Syal, he prayed for conducting an independent valuation and to find a buyer for certain properties. Bench has time and again held that Public Auction is the best way forward, however, the committee is not able to come to a solution since past 17 years, as per Shri Nikhil Syal and many other investors. Vide this order dated 25.04.2023, the Hon'ble Supreme Court has partly allowed the IA filed by Shri Nikhil Syal and allowed him to furnish independent valuation and details of buyers.
46.	**24.01.2024**	The Hon'ble Supreme Court (HMJ. BRG, HMJ. Sanjay Karol, HMJ. Sandeep Mehta) observes that there are 3 Proposed Bidders-

		1) M/s Hawk Capital, 2) M/s Riz United Infratec Pvt. Ltd., 3) M/s Raamsai Infra, who are willing to participate in the auction for purchase of properties throughout India.
47.	**29.02.2024**	The Hon'ble Supreme Court (HMJ. BRG, H M J. Sandeep Mehta) directed all the parties to maintain Status Quo. **[Annex A21 @Pg. 201-216]**
48.	**16.07.2024**	The Hon'ble Supreme Court (HMJ. BRG, HMJ. Sanjay Karol, HMJ. KVV) presided in the morning at 10:30AM. J. KVV recused from hearing the matter and the matter was again listed at 2PM on the same day before J. BRG & J. Sanjay Karol. At 2PM, the Hon'ble Supreme Court appointed Shri Sunil Fernandes, Senior Advocate as Amicus Curiae in the instant matter.
49.	**28.08.2024**	Vide Order dated 28.08.2024, this Hon'ble Court was pleased to pass the following directions to the undersigned: - (i) File a Report with regards to issues relating to auction of unsold properties, valuation of the properties as well as other incidental issues. (ii) Other aspects which have been noted in the previous orders and whether compliance has taken place thereof. (iii) Indicate whether a Pan-India Auction would be in the best interest of all concerned parties or some other avenue.

ITEM NO.11 COURT NO.8 SECTION X

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

RECORD OF PROCEEDINGS

Writ Petition(s)(Civil) No(s). 188/2004

M/S. RAIGANJ CONSUMER FORUM Petitioner(s)

VERSUS

UNION OF INDIA . & ORS. Respondent(s)

X X X

Date : 24-01-2023 These matters were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE B.R. GAVAI
HON'BLE MR. JUSTICE VIKRAM NATH

X X X

UPON hearing the counsel the Court made the following

O R D E R

1. There are various concerns shown by the various parties.

2. Shri Jatinder Kumar Sethi, learned Deputy A.G. appearing on behalf of the State of Uttarakhand submits that large pieces of land are surplus under the relevant agricultural land ceiling legislation of the State of Uttarkhand and thus, all these surplus lands are entitled to be vested in the State of Uttarakhand. However, on account of the statement made before this Court, which is recorded in the order dated 14.01.2020, the State of Uttarkhand is not in a position to pass orders in this respect though the proceedings are complete.

3. Mr. Harpal Singh Saini, learned counsel appearing on behalf of some of the allottees in I.A. Nos. 145179 of 2019 and 145178 of 2018 submits that such orders related to the land being surplus, could not be passed.

4. Mr. Maninder Singh, learned senior counsel appearing on behalf of the applicant in I.A. Nos. 56711 and 177449 of 2022 submits that insofar as his clients are concerned, their claims were already found to be justified by the Committee by an order dated 07.03.2022 and the Committee has already filed an application for ratification of the said decision of the Committee. We will consider these applications on the next date.

5. Mr. Jagjit Singh Chhabra, learned counsel appearing on behalf of the applicant in I.A Nos. 147184 and 147187 of 2022 submits that the applicants are *bona fide* purchasers of land from the Company and, therefore, they cannot be evicted.

6. Ms. Surichi Aggarwal, learned senior counsel appearing on behalf of the Committee submitted that insofar as the category of persons represented by Mr. Jagjit Singh Chhabra are concerned, the warrant of possession was issued but in furtherance of the observations made by this Court, no further steps have been taken.

7. She, however, submits that the claims of such persons have been already rejected by the Committee. Insofar as the clients of Mr. Maninder Singh are concerned, she submits that the claim of such persons has been accepted by the Committee.

8. We find that it is not in dispute that the company owns huge pieces of land throughout the Country.

9. Indisputably, with regard to the certain pieces of land, there are competing claims and litigation pending.

10. We find that monitoring the auction of each and every property separately would be a herculean task. It will be difficult for the Committee to monitor such independent auctions. Equally, it will be difficult for us to review such decisions.

11. Prima facie, we are of the view that it will be in the interest of everyone that best price is received for the entire properties owned by the Company and in the least complicated manner.

12. We, therefore, find that it will be appropriate that the Committee gives a list of all such properties which could be auctioned to the Income Tax Department within a period of four weeks from today.

13. The Income Tax Authorities would make a valuation of such properties and submit the same to the Committee within a period of eight weeks which would thereafter be submitted to this Court.

14. We, *prima facie*, find that what is of paramount importance is getting the best price in the least complicated manner, so that interest of the investors is safeguarded.

15. We further find it appropriate that if a composite auction of all the properties with the liabilities and encumbrances thereon is conducted, then the rigour of holding independent auctions will be avoided and, at the same time, it will fetch the best price.

16. We further find that the Committee, rather than being entrusted with the functions of supervising the auctions, should devote itself for distribution of the proceeds thereof to the investors.

17. Though, Shri V.Giri, learned senior counsel appearing for the applicant in I.A. No. 110706 and 110701 of 2021 has serious objection to this and urges for independent auction of each of the properties, we will consider the said objection while passing the final orders.

18. Insofar as the properties of which the auction is already completed by the Income Tax Authorities, the Income Tax Authorities are directed to take them to their logical end.

19. Needless to state that no further auction would be conducted, until further orders.

20. We request Mr. Sanjay Jain, learned Additional Solicitor General, who appears on behalf of the Union of India, to inform about the direction in para 13 to the concerned income tax authorities.

21. Ms. Surichi Aggarwal also submitted that the disbursement of the amount to the investor has been done through an agency, namely, M/s. Karvy Fintech Private Limited. It is, however, reported at the bar that the said company is now in trouble and proceedings by the Enforcement Directorate have been initiated against its Directors.

22. We, therefore, find that it will be appropriate for the Committee to identify some other agency through whom the disbursement of further amount can be done.

23. Shri Narender Hooda, learned senior counsel appearing on behalf of the investors in I.A. Nos. 176824 and 188455 of 2022 submits that after the attachment by Income Tax Department, the Committee has received an amount of Rs. 700 Crores. However, vide order date 05.09.2018, the Income Tax Department has been stayed from making any further attachments.

24. Shri Hooda submits that, in compliance of the order dated 30.07.2018 directing distribution of 70% of the principal amount invested by the investor, out of the said Rs. 700 Crores, Rs. 463 Crores has been paid to 9,59,388 claimants. He further submits that there is an amount of Rs. 253 Crores still available with the Committee to be paid to the claimants. He submits that said amount of Rs. 253 Crores can be disbursed to the 9,59,388 claimants in settlement of the remaining 30% of their invested principal amount and the same arrangement would be require an amount of Rs. 220 Crores approximately.

25. Since we have observed that a new agency for disbursement of amount is to be identified, we will consider passing of an order in this regard on the next date.

26. Shri Narender Hooda, learned senior counsel also submits that while conducting the auction, the Earnest Money Deposit (EMD) that is required to be paid is a meagre amount of Rs.2,00,000/- which gives scope for cartel bargaining. We, *prima facie,* find that the submission is well merited.

27. We are, prima facie, of the view that, at least, 10 per cent of the upset price should be directed to be deposited as the EMD for participating in the auction.

28. List I.A. Nos. 141055, 141059, 167937, 87335, 167941 of 2018 and 80958, 143211 of 2021 in T.C.(C.) No. 2 of 2004, I.A. Nos.75467 of 2020 in W.P.(C) No.188 of 2004 and C.A. No. 3134-37 of 2017 on 07.02.2023.

29. List the main matter on 25.04.2023.

(DEEPAK SINGH) **(ANJU KAPOOR)**
COURT MASTER **COURT MASTER (NSH)**

ANNEXURE - D

ITEM NO.6 COURT NO.8 SECTION X

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

RECORD OF PROCEEDINGS

Writ Petition(s)(Civil) No(s). 188/2004

M/S. RAIGANJ CONSUMER FORUM Petitioner(s)

VERSUS

UNION OF INDIA . & ORS. Respondent(s)

X X X

Date : 25-04-2023 These matters were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE B.R. GAVAI
HON'BLE MR. JUSTICE VIKRAM NATH
HON'BLE MR. JUSTICE SANJAY KAROL

X X X

UPON hearing the counsel the Court made the following

O R D E R

I.A. No. 204428 of 2022 in I.A. No. 56711 of 2022 in T.C.(C) No.2 of 2004

1. By way of this application, the applicant seeks the following prayer:

"a. The order dated 15.09.2022 and 15.11.2022 passed by this Committee (Annexure A-6 and A-7) may please be confirmed."

2. This application is allowed in terms of the prayer clause (a).

I.A. Nos. 177449 of 2022 and 42747 of 2021 in T.C.(C) No.2 of 2004

These applications are disposed of as not pressed.

I.A. No. 47993 of 2023 in W.P.(C) No. 188 of 2004

1. This court, vide order dated 24.01.2023 had directed the Income Tax Authorities to make a valuation of all the properties which could be auctioned. We had granted four weeks' time to do so.

2. By way of present application, the Income Tax Authorities have placed on record the difficulties in completing the exercise within such a short period of time and they have prayed for extension of time by seven months.

3. Mr. Sanjay Jain, learned Additional Solicitor General, fairly, states that the period till 31.08.2023 would be sufficient to complete the exercise.

4. We, therefore, extend the period for completing the valuation till 31.08.2023.

5. This application is disposed of accordingly.

<u>I.A. No. 44362 of 2023 in T.C.(C) No.2 of 2004</u>

1. These are the applications filed by one Mr. Nikhil Syal who claims to be the largest shareholder in the respondent No.1-company.

2. The applicant claims to be the legal heir of his grand father, father and mother who were promoters of the Company.

3. Ms. Meenakshi Arora, learned Senior Counsel appearing on behalf of the applicant, submits that it will be in the interest of all the stake holders that the best price is achieved for the properties.

4. It is, therefore, submitted that the applicant should be permitted to do an independent valuation of the properties and also be permitted to bring in a good buyer, who is willing to purchase the properties at such a valuation.

5. We see no impediment in allowing the same, if the applicant, at his own expenses, desires to do the valuation of the properties and get a buyer who is willing to pay for the properties at such a valuation as it will be in the interest of all the stake holders.

6. In any case, as observed earlier, in our view, the best mode of sale would be by public auction.

7. However, getting an independent valuation would not come in the way of such a procedure.

8. We, therefore, partly allow the application.

9. The applicant is permitted to do an independent valuation of the properties and also furnish the details about the buyer who would be willing to purchase the said properties.

10. Learned counsel for the Committee is requested to furnish the list of all the properties which has also been furnished to the Income Tax Department for valuation purposes, to the applicant.

I.A. Nos. 87335 and 167941 in TC(C) No. 2 of 2004, I.A. Nos. 62731 and 62733 of 2019, 27236 and 77270 of 2021 and 75467 of 2020 in W.P.(C) No. 188 of 2004 and IA No. 33106 of 2019 and IA No. 112751 of 2020 in W.P.(C) No. 188 of 2004 and C.A. No. 3134-3137 of 2016

As prayed, list these applications/matters on 12.07.2023.

Rest of the applications/matters

List all these application/ matters on 26.09.2023.

(DEEPAK SINGH) **(ANJU KAPOOR)**
COURT MASTER (SH) **COURT MASTER (NSH)**

ITEM NO.15 COURT NO.3 SECTION X

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

RECORD OF PROCEEDINGS

Writ Petition(s)(Civil) No(s). 188/2004

M/S. RAIGANJ CONSUMER FORUM Petitioner(s)

VERSUS

UNION OF INDIA & ORS. Respondent(s)

X X X

Date : 24-01-2024 These petitions were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE B.R. GAVAI
HON'BLE MR. JUSTICE SANJAY KAROL
HON'BLE MR. JUSTICE SANDEEP MEHTA

X X X

UPON hearing the counsel the Court made the following

O R D E R

I.A. NO.127435/2023

1. Learned counsel appearing for the applicant in the present I.A. submits that though vide order dated 25.04.2023, this Court had allowed both I.A. No.204428/2022 and I.A. No.56711/2022 but in 9 the said order only the relief sought in the prayer in I.A. No. 204428/2022 was recorded. He submits that inadvertently the prayer in I.A. No.56711/2022 was not mentioned in the said order.

2. The position is not disputed by Ms. Suruchi Aggarwal, learned senior counsel for the Committee. She submits that taking into consideration the fact that hundreds of flat owners were residing in the property, the Committee recommended to approve the confirmation of sale in favour of the applicant-Advantage Equifund Pvt. Ltd.

3. It is not in dispute that the case of the present applicant(s) is identical with the case of the party in whose favour the Committee had passed an order,

approval for which was sought in I.A. No. 204428 of 2022. It further appears that the word "in" after "I.A. No. 204428 of 2022" was erroneously recorded and it should instead have been recorded as "and".

4. It is to be noted that both the aforesaid applications were filed by the Committee, however inadvertently reference of I.A. No. 56711/2022 was not recorded in the said order dated 25.04.2023, under the caption "I.A. No.204428 of 2022 in I.A. No.56711 of 2022 in T.C.(C) No.2 of 2024".

5. Therefore, the word "in" appearing in the caption "I.A. No.204428 of 2022 in I.A. No.56711 of 2022 in T.C.(C) No.2 of 2024" be read as "and" and the said caption and the order passed in the captioned applications be read as under:-

> "I.A. No.204428 of 2022 and I.A. No.56711 of 2022 in T.C.(C) No.2 of 2024
>
> 1. By way of these applications, the applicants seek the following prayer:-
>
> > In I.A. No.204428/2022
> >
> > "a. The order dated 15.09.2022 and 15.11.2022 passed by this Committee (Annexure A-6 and A7) may please be confirmed."
> >
> > In I.A. No.56711 of 2022
> >
> > "a. The order dated 07.03.2022 passed by this Committee (Annexure A-8) may please be confirmed."
>
> 2. These applications are allowed in terms of prayer clauses (a) in the respective applications, which are quoted above."

6. The application is, accordingly, disposed of.

I.A. NOS.202667/2023 AND 202743/2023

1. Shri Amit Anand Tiwari, learned senior counsel appearing on behalf of the applicant(s) submits that the applicant(s) in the above applications are similarly circumstanced with the applicant(s), in whose favour the Committee had passed an order and confirmation of which by way of I.A. No. 204428/2022 was filed. He submits that at the request of the Committee, the said I.A. has been allowed.

2. He further submits that the conduct of the Committee is discriminatory, inasmuch as the land which is the subject matter of I.A. No. 204428/2022 is similarly circumstanced with the land which has been purchased by the applicant(s). He further submits that the said land is a part and parcel of the same piece of land, out of which a part was sold to the party in I.A. No. 204428/2022.

3. Ms. Suruchi Aggarwal, learned senior counsel appearing for the Committee, submits that the Committee had decided to confirm the sale on the payment of circle rate in case of applicant(s) in I.A. No.204428/2022, since it was found that a school was constructed on the land in question and that education was being imparted to the students residing in the nearby areas. However, insofar as the present applicant(s) is/are concerned, it was found that the land was a barren land and not developed and therefore, the Committee did not recommend confirmation of the same.

4. Prima facie, we do not find that the decision of the Committee is either discriminatory or erroneous. The distinction drawn 11 between the two cases is reasonable.

5. However, Shri Tiwari seeks two weeks' time to take instructions as to whether the applicant(s) in the said I.As are willing to pay the market rate for confirmation of sale in their favour.

6. List on 28.02.2024 at 2.00 p.m.

REST OF THE MATTERS

1. Shri Venugopal, learned senior counsel and Shri V. Giri, learned senior counsel appearing on behalf of certain private parties submit that the valuation submitted by the Income Tax Department does not show the correct valuation of the properties owned by the Golden Forests (India) Ltd. It is submitted that in the State of Telangana approximately 788 acres is not included in the assessment report.

2. Shri Aman Vachher, learned counsel appearing on behalf of one of the parties, stated that about 100 acres of land in the city of Gurugram is also not found in the assessment made by the Income Tax Department.

3. Shri Jayant K. Sud, learned senior counsel appearing for the legal heirs of the original promoter(s), also submits that, according to his knowledge vast stretches of land at Mohali in the State of Punjab is also not included in the assessment report.

4. Shri Jayant K. Sud, further submits that vast stretches of land at Kot Dilla district Panchkula, Punjab are being used for illegal mining by the encroachers and the Committee is not taking any steps for protection of the said land and is as a result permitting illegal mining.

5. We direct all the concerned parties to file their respective affidavit giving details therein about the properties which, according to them, have not been included in the valuation report of the Income Tax Department, within two weeks.

6. The parties shall also file their respective affidavits giving details about their submission within two weeks.

7. The Committee shall submit its response upon the same within two weeks thereafter. The Committee shall also point out as to how much balance amount is required to be paid to the investors.

8. Issue notice in I.A. No.152877/2023 - application for Intervention.

9. Insofar as the auction is concerned, since there is a dispute with regard to the valuation of the property in question, we will consider passing an order after all the details are available before this Court.

10. However, prima facie, it appears that there are three contenders i.e. the Hawk Capital Pvt. Ltd., M/s. Ramky Truspace Homes Pvt. Ltd., and M/s. Raamsai Infra, who are willing to participate in the auction for purchase of the properties throughout India, as recorded in the order dated 24.01.2023

11. List all the matters on 28.02.2024 at 2.00 p.m.

(NARENDRA PRASAD)	**(POONAM VAID)**
ASTT. REGISTRAR-cum-PS	**COURT MASTER (NSH)**

ANNEXURE - F

ITEM NO.5 COURT NO.3 SECTION X

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

RECORD OF PROCEEDINGS

Writ Petition(s)(Civil) No(s). 188/2004

M/S. RAIGANJ CONSUMER FORUM Petitioner(s)

VERSUS

UNION OF INDIA & ORS. Respondent(s)

X X X

Date : 29-02-2024 These matters were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE B.R. GAVAI

HON'BLE MR. JUSTICE SANDEEP MEHTA

X X X

UPON hearing the counsel the Court made the following

O R D E R

1. On the last date, i.e. 24th January 2024, when the matter was taken up, Shri Krishnan Venugopal and Mr. V. Giri, learned senior counsel appeared for private parties and stated that vast chunk of land approximately 788 acres in the State of Telangana was not included in the assessment report of the Income Tax Department. Mr. Aman Vachher, learned counsel appeared on behalf of one of the parties and submitted that about 100 acres of land in the City of Gurugram is also not found in the assessment made by the Income Tax Department. Shri Jayant K. Sud, learned senior counsel appeared for the legal heirs of the original promoter(s) and submitted that vast stretches of land at Mohali in the State of Punjab were also not included in the assessment report. Mr. Sud, further submitted that the vast stretches of land at Kot Dilla District Panchkula, Punjab are being used for illegal mining by the encroachers and the Committee is not taking any steps for protection of the said land and as a result is permitting, illegal mining.

2. We had asked the concerned parties to file their respective affidavits giving details about their submission.

3. Yesterday, when the matter was listed, we are informed that except Mr. V. Giri, learned senior counsel client, the other parties have not filed their affidavit(s).

4. Smt. Suruchii Aggarwal, learned senior counsel appearing for the Committee submitted that the details of the land in the State of Telangana had already been submitted to the Income Tax Department. However the said lands have escaped attention of the Department while undertaking valuation of the property in the State of Telangana.

5. Be that as it may, we request the Income Tax Authority to do the exercise of valuation of the said property and submit the valuation report within a period of 12 weeks from today.

6. Insofar as the the land in Gurugram is concerned, Smt. Suruchii Aggarwal, submitted that the valuation has already been done by the Income Tax Authority.

7. Insofar as the land at Mohali and Panchkula, where illegal mining is happening, are concerned, no specific details on an affidavit have been provided so that order(s) could be issued in that regard.

8. Mr. Jayant K. Sud, learned senior counsel further seeks' time to file an affidavit regarding the property at Panchkula and Mohali. We clarify that whatever details the legal heirs of the original promoter(s) want to give, the same shall be given on an affidavit within two weeks from today.

9. We clarify that no further time would be granted in that regard. The affidavit be filed on or before 15th March, 2024.

10. List the application(s)/matter(s) on 20.03.2024 at 02:00 p.m. only with regard to this aspect of the matter.

11. In our earlier orders, we have already observed that, *prima facie*, it will be in the interest of everyone that all the properties are auctioned together on a Pan India Basis so that complications are avoided.

12. We are informed that three parties are willing to submit their bids for acquisition on a Pan India basis.

13. We are also informed that there are some other parties who would be interested to bid on a Pan India basis. We have also clarified that bids would be on as is where is basis. If any land is under litigation, the bid would be with the risk that would carry alongwith offering such a bid.

14. However, in order to avoid further complication, we direct all the parties, including the State of Uttarakhand shall maintain status quo of the properties, as of today.

15. Learned counsel for the Committee has placed on record the status report, the same shall be taken on record.

16. In that view of the matter, list these matter(s)/application(s) on 31st July, 2024.

(DEEPAK SINGH)	**(ANJU KAPOOR)**
COURT MASTER (SH)	**COURT MASTER (NSH)**

ITEM NO.1 COURT NO.3 SECTION X

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

RECORD OF PROCEEDINGS

Writ Petition(s)(Civil) No(s). 188/2004

M/S. RAIGANJ CONSUMER FORUM Petitioner(s)

VERSUS

UNION OF INDIA & ORS. Respondent(s)

X X X

Date : 16-07-2024 These matters were called on for hearing today.

CORAM :
HON'BLE MR. JUSTICE B.R. GAVAI
HON'BLE MR. JUSTICE SANJAY KAROL
HON'BLE MR. JUSTICE K.V. VISWANATHAN- Not participated

X X X

UPON hearing the counsel the Court made the following

O R D E R

1. As Hon'ble. Mr. Justice K. V. Viswanathan has recused himself from the hearing of the present matter, therefore the matter is being heard by two of us, namely, B.R. Gavai and Sanjay Karol, JJ.

2. We have requested Shri Sunil Fernandes, learned Senior Counsel, to assist us as an Amicus Curiae. Shri Fernandes has graciously accepted our request.

3. Shri Sunil Fernandes, learned senior counsel, is appointed as an Amicus Curiae in this batch of matters. Mr. Sanchit Garga, Advocate-on-Record, would assist Shri Fernandes.

4. Mrs. Suruchi Agarwal, learned senior counsel, is requested to furnish copies of all the documents to Shri Fernandes.

5. With regard to valuation of certain properties, as directed by us in the earlier orders, learned senior counsel appearing on behalf of the Union of India

states that the same is under process and he will be in a position to inform about the present status of the same on the next date of hearing.

6. We request the Income Tax authorities to complete the valuation within a period of four weeks from today.

7. Shri Jayant K. Sud, learned senior counsel appearing on behalf of the heirs of the original owners submits that on the following plots illegal mining activities are being carried out

a. Khasra No.3/15, 3/16, 3/6, 3/5 (Marked as area A1 in the attached map of the Kot village)

b. Khasra No.26/2, 26/3 (Marked as area B1 in the attached map of the Kot village)

c. Khasra No.34/16, 34/14, 34/15, 33/11, 33/20 (Marked as area C1 in the attached map of the Kot village)

d. Khasra No.35/7, 35/14, 35/19, 35/18, 35/22, 35/23 (Marked as area C2 in the attached map of the Kot village)

e. Khasra No.42/2 (Marked as area D1 in the attached map of the Kot Village)

f. Khasra No.31/12, 31/3, 31/8, 31/9, 31/12, 31/19 (Marked as area Drone in the attached map of the Kot village)

g. Khasra No.24/12/2, 24/19, 24/21, 24/22 (Marked as area E1 in the attached map of the Kot Village)

8. It is submitted that the Committee has taken no steps to stop the illegal mining on these plots of lands.

9. We find that it would be appropriate that the District Magistrate, Panchkula conducts an inquiry and submits a report with regard to the allegations.

10. The report shall be submitted within a period of four weeks from today.

11. The concerned Registrar (Judicial) shall communicate this order to the District Magistrate, Panchkula who shall do the needful.

12. List on 28.08.2024 at 2.00 P.M.

(RASHMI DHYANI PANT)	**(ANJU KAPOOR)**
COURT MASTER (SH)	**COURT MASTER (NSH)**

ANNEXURE A-16

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

WRIT PETITION (CIVIL) NO. 188 OF 2004

IN THE MATTER OF:

M/S. RAIGANJ CONSUMER FORUM …..PETITIONER

VERSUS

UNION OF INDIA & ORS. …..RESPONDENTS

REPORT NO. 2 DATED 28.04.2025 SUBMITTED BY SHRI SUNIL FERNANDES, SENIOR ADVOCATE (AMICUS CURIAE) FOR THE HEARING DATED 29.04.2025.

ADVOCATE-ON-RECORD FOR THE AMICUS CURIAE: SANCHIT GARGA

INDEX

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
WRIT PETITION (CIVIL) NO. 188 OF 2004

IN THE MATTER OF:

M/S. RAIGANJ CONSUMER FORUM …..PETITIONER

VERSUS

UNION OF INDIA & ORS. …..RESPONDENTS

2ND STATUS REPORT OF SHRI SUNIL FERNANDES, SENIOR ADVOCATE (AMICUS CURIAE) FOR THE HEARING DATED 29.04.2025.

1. The undersigned was appointed by this Hon'ble Court as the Amicus Curiae in the instant matters vide Order dated 16.07.2024.

2. The undersigned has already submitted the 1st Report of the Amicus Curiae dated 11.09.2024, and the instant Report may be read in continuation thereof.

3. The two relevant/important developments took place on the last date of hearing in the instant matter i.e., on 08.04.2025, which are stated hereinbelow:

I. Response by the GFIL Committee dated 24.03.2025 in compliance of the order of this Court dated 16.02.2025 wherein this Hon'ble Court had directed the GFIL Committee to respond to the to the queries raised by the undersigned in Para 11.5 of his 1st Report dated 11.09.2024.

II. Compilation of Four Reports of Income Tax Department (**"I.T Dept"**) dated 07.04.2025 containing the valuation of GFIL Properties already conducted by the I.T Dept and submitted before this Hon'ble Court.

4. **<u>RE: (I) RESPONSE OF GFIL COMMITTEE DATED 24.03.2025 IN TERMS OF PARA 11.5 OF THE 1ST REPORT OF THE AMICUS CURIAE.</u>**

4.1 The Chart submitted by the GFIL Committee in its response dated 24.03.2025, at Para 7 is excerpted hereinbelow for the convenience of this Court.

Sr. No.	Particulars	Details
1.	Total amount disbursed till 31.12.2024.	Rs.466,83,39,623/-
2.	Total number of investors to whom the amounts have been disbursed) till 31.12.2024.	9,62,223
3.	Balance amount lying with GFIL Committee.	Rs. 383,27,52,757/-
4.	Total claimants whose claims are verified but yet to be paid.	5,12,209
5.	Total claimants whose claims are yet to be verified and paid.	31,426 (fresh claims)
6.	If there are claimants whose claims are yet to be verified, then by when will the verification be completed.	One month.
7.	Total claimants still left to be paid. A. Paid 70% and seeking balance 30%. B. Those who have not been paid any amount till date.	9,62,223 5,12,209 (Excluding fresh claims not yet verified)

4.2 The aforementioned Chart reveals **[@Sr. No. 2]** that 9,62,233 investors have received an approximate amount of Rs.466 Crores **[@Sr. No. 1]**. These 9,62,233 investors have received only 70% of their Principal Amount claimed, pursuant to Order dated **30.07.2018** passed by this Hon'ble Court and 30% of the Principal Amount is still left to be paid. No amounts have been paid till date qua interest to the verified investors.

4.3 It is humbly submitted that perusal of this Hon'ble Court's Order dated 30.07.2018 does not lay down any embargo on the payment of balance 30% Principal Amount. At that relevant time, this Hon'ble Court felt that 70% of the Principal Amount could be paid. Now with efflux of time and more importantly, with sufficient funds lying with the GFIL Committee, this Hon'ble Court may be pleased to direct remittance of the balance 30% of the balance Principal Amount to the said 9,62,233 investors.

4.4 It is inscrutable as to why, despite passage of so many years, the GFIL Committee hasn't sought leave of this Hon'ble Court to pay the balance 30% and chose to retain the same despite having a balance of more than Rs. 383 Crores which is lying unutilised with the GFIL Committee for past many years. Even if this Hon'ble Court is pleased to direct remittance of the balance 30% of the balance Principal Amount to the said 9,62,233 investors, the financial outlay would be in the region of 200 crores, which is a lot less than the amount still lying with the GFIL Committee. This will ensure that 9.62 lacs plus investors will atleast receive 100% of their Principal Amount and will provide some relief to their long-standing suffering. A copy of the Order dated 30.07.2018 (minus appearance of advocates) is annexed hereto as **Annexure-A**.

4.5 At **Sr. No. 4**, the GFIL Committee states that 5,12,209 claimants are verified but yet to be paid. The GFIL Committee may also be asked to disclose as to what is the amount that has to be paid to these 5,12,209 verified claimants.

4.6 The GFIL Committee contended that paying interest @17% p.a., as promised by GFIL, would lead to an interest outgo of Rs. 3,825 Crores. It is humbly suggested that no interest be paid as of now (and certainly not at the unusually high rates promised by GFIL) and for the present, this Hon'ble Court may restrict the exercise to remittance of the Principal Amounts to the verified claimants.

4.7 At **Sr. No. 5**, the total claimants whose claims are yet to be verified are 31,426. The GFIL Committee may be directed to disclose as to when (by which date) they received their claims and the reasons for its non-verification till date. The GFIL Committee has been in existence since 19.08.2004 and is in exclusive charge/control of the documents and finances since the last 21 years. Therefore, it is disconcerting to note that in this time, more than 31,000 claims are not even verified by the GFIL Committee. This exercise should be completed simultaneously and expeditiously.

4.8 At **Sr. No.6**, the GFIL Committee states that they will complete the verification in one month from 10.03.2025, the date of swearing the instant affidavit. The period of one month is already over as on date.

5. <u>RE: DEADLINE FOR SUBMISSIONS OF CLAIM.</u>

5.1 This Hon'ble Court may kindly consider fixing a deadline after which no fresh claims can be entertained by the GFIL Committee. The said Committee is in existence since the last 21 years and it is stated by the GFIL Committee that it is still receiving claims from the investors on a daily basis. Submissions of Claims cannot be an infinite never ending process.

5.2 If claims are filed belatedly and after almost two decades, grave doubts arise regarding their veracity and authenticity. In any case, it is in the interest of justice that a cut off date be fixed, widely publicised and after that no fresh claims must be entertained by the GFIL Committee under any circumstance.

6. **RE: KARVY'S REPLACEMENT.**

The task of disbursing the funds was earlier undertaken by M/s. Karvy Fintech. But since the said company is now unable to perform this task, therefore, vide Order dated 18.02.2025, this Court had directed the I.T Dept to suggest an alternate agency. Till date, the name of the alternate agency is not yet given by the I.T Dept.

7. **RE: (II) VALUATION REPORT OF THE I.T DEPT DATED 07.04.2025.**

7.1 The aforesaid valuation report dated 07.04.2025 aggregate/collation of 4 earlier Valuation Reports already prepared by the I.T Dept.

The Chart is excerpted hereinbelow:

S. No.	Date of forwarding Report to GFIL Committee	Mode of sending	Total No. of Properties	Total Value	Remarks
1.	16.08.2023	Mail	1779 and 9 Bunches	Rs. 31,13,38,51,227/-	Table-containing summary alongwith five Annexures are attached.
2.	19.10.2023	Mail	2	Rs. 2,45,50,36,948/-	Table 2 containing details are attached.
3.	07.05.2024	Mail	69	Rs. 1,98,12,23,000/-	Table 3 containing details are attached.
4.	11.10.2024	Mail	5	Rs. 13,25,20,77,300/-	Table 4 containing details are attached.

7.2 The Total numbers of Properties in the 4 Valuation Reports is **1,855**.

7.3 The Total Valuation of 1,855 properties is approx. **Rs. 4881 Crores** (Rupees Four Thousand Eight Hundred and Eighty-One Crores).

7.4 The aforesaid Valuation Report(s) have been presumably been prepared by the I.T Dept based on the information provided by the GFIL Committee. However, the Income Tax Report dated 07.04.2025 is riddled with inaccuracies and incompleteness and cannot form the basis of a nation-wide auction in its current form.

7.5 A perusal of the Valuation Report submitted by the I.T Dept reveals that in all likelihood, the valuation is arrived **without any spot/on-site inspection** and that the valuation report qua individual properties may have been prepared only based on official documents or in some cases only on the basis of the address provided by the GFIL Committee to the I.T Dept.

7.6 This Valuation Report(s) cannot be the basis of conducting due-diligence for prospective buyers/participants at the auction and the very reason of this Valuation Report is to create a floor price for auction of GFIL Properties, which is defeated.

7.7 The First Valuation Report dated 16.06.2023 contains a list of 1,779 properties, spread out over 12 states amounting to Rs. 31,13,38,51,227/- (Rupees Three Thousand One Hundred Thirteen Crores Thirty-Eight Lacs Fifty-One Thousand Two Hundred and Twenty-Seven only).

7.8 The Second Valuation Report dated 19.10.2023 contains a list of 2 properties in States of Telangana/Andhra Pradesh amounting to Rs. 2,45,50,36,948/- (Rupees Two Hundred and Forty Five Crores Fifty Lacs Thirty Six Thousand Nine Hundred and Forty Eight only).

7.9 The Third Valuation Report dated 07.05.2024 contains list of 69 properties in the State of Uttarakhand amounting to Rs. 1,98,12,23,000/- (Rupees One Hundred and Ninety-Eight Crores Twelve Lacs Twenty-Three Thousand only).

7.10 The Fourth Valuation Report dated 11.10.2024 contains list of 5 properties in Telangana/Andhra Pradesh amounting to Rs. 13,25,20,77,300/- (Rupees One Thousand Three Hundred Twenty-Five Crores Twenty Lacs Seventy-Seven Thousand and Three Hundred only).

7.11 It is unclear as to why there is duplication of various states in the said list for Valuation Report No. 2 dated 19.10.2023 and Valuation Report No. 4 dated 11.10.2024. Both the Reports pertain to Telangana/Hyderabad. It is unclear why there are two separate reports for the same state(s) and identical properties. Similarly, the Valuation Report No. 1 and 3 both have Uttarakhand in common.

7.12 The bigger problem, however, pertains to the exact identification/location of the said properties. A bare perusal of the Compilation will reveal that the said valuation report is deficient in this aspect.

7.13 For instance, the Report dated 07.04.2025 **[@Pg.8]** shows that the first property is located at Village Raghavpuram in the State of Telangana. But in the absence of the exact Khasra number and address, it would not be feasible to auction the said property/ies as the basic details of such properties are missing.

7.14 Please See **@Pg.15** of the Report dated 07.04.2025 at **Sr. No. 1**, the details of a property situated at Village Harsola at Bhopal, Madhya Pradesh is given. However, similarly no exact Khasra Number or exact address is provided.

7.15 Please See **Sr. No. 2 @Pg.15** which states that there is another property situated at Village Harsola where the relevant remarks of the I.T Dept is excerpted for perusal hereinbelow:

> *"Khasra No.22351/1 Rakbra 60.703 Hect Land comes under Forest Department MP Govt and not included in reference.*
>
> *As per records of MP- Bhulekh, Khasra No. 2233/9 has total area of 1.945 Heqt. Khasra No. 2235/1 has not found."*

7.16 Please See **Sr. No. 20 @Pg. 19**. The remarks furnished by the I.T Dept are incomprehensible and incomplete.

7.17 Please See **@Pg. 21 to 37** of the said Report dated 07.04.2025. A List of various properties are mentioned in several states without any clear identification, Khasra or property numbers.

7.18 Please See **Pg.40 at Sr. No.9**, which is excerpted hereinbelow:

> *"As per list total area of the land is 22 Bigha 10 Biswa, however Khewat wise total area land comes to 18 Bigha. It seems that there is calculation misstate. It is further submitted that the property no. 9 & 21 are in village Dhatogara and the Khewat numbers are also common. The total area of the property no. 9 & 21 comes to 23 Bigha 2 Biswa 18 Biswasi. (18 Bigha 18 Biswasi of property no. 9 & 5 Bigha 2 Biswa of property no. 21) as per the record supplied by the Revenue Department Kalka. Accordingly, the valuation report is prepared for total land area of 18 Bigha 18 Biswasi. Valued by DVO, Chandigarh."*

7.19 Similarly, the remark at **Pg.42 at Sr. No. 22** is cryptic and is identical to Pg.40 at Sr. No.9.

7.20 Please See **Pg.44 to 91 at Sr. No. 28-65**. A perusal of the above shows that the GFIL Committee does not have the exact information about the lands owned by the company and therefore, it is imperative that a thorough examination of the land of the company is undertaken by some responsible Agency, in the absence of which a prospective purchaser might be apprehensive of the exact details of the properties, thereby, creating a cloud on the title it seeks to acquire.

7.21 It is stated in the Compilation of Reports itself that some of the properties have already been auctioned by GFIL Committee and it is uncertain whether these properties form part of the total valuation stated in the said Compilation or not.

7.22 Please See **Pg.100 at Sr. No. 65** which shows that as per the remarks of the I.T Dept, the said property in addition to being declared as a surplus land is also not even owned by company as per the revenue records maintained by the State Government.

7.23 Please See **Pg. 115-118 at Sr. No. 66-73**, which shows that the said properties are owned by third parties.

7.24 The above-said instances are not comprehensive in nature but have only been highlighted to flag the discrepancies in the Valuation Reports prepared by I.T Dept with the help of GFIL Committee. It is humbly requested that a categorical valuation indicating the litigation, identification, and encumbrance on the assets of the company should be clearly spelt out for the benefit of this Hon'ble Court as well as the Prospective Auction Purchaser.

8. <u>RE: SURPLUS LAND DECLARED BY STATE GOVERNMENT.</u>

8.1 This Hon'ble Court vide Order dated 30.07.2018 had passed an interim order regarding the surplus land of the GFIL and it was stated in the said order that this Hon'ble Court will decide the aspect of surplus land. Thereafter, no orders have been passed qua this aspect.

8.2 It is therefore, most respectfully submitted that this Hon'ble Court decides the aspect of surplus land before putting the assets of GFIL on auction in order to avoid multiplicity of auctions.

9. It is most respectfully submitted that this Hon'ble Court may be pleased to take this Report on record. The undersigned most respectfully submits that he shall carry out any further direction/instruction in the instant matter.

FILED BY:

DATE: New Delhi

PLACE: 28.04.2025

SANCHIT GARGA

ADVOCATE-ON-RECORD

AOR CODE: 2748

ANNEXURE-A

IN THE SUPREME COURT OF INDIA

CIVIL ORIGINAL JURISDICTION

WRIT PETITION(S)(CIVIL) NO(S).188 OF 2004

M/S. RAIGANJ CONSUMER FORUM PETITIONER(S)

VERSUS

UNION OF INDIA & ORS. RESPONDENT(S)

WITH

T.C.(C) No. 19/2005, T.C.(C) No. 24/2005, T.C.(C) No.2/2004, T.C.(C) No. 1/2004, T.C.(C) No. 3/2004, T.C.(C)No. 10/2004, T.C.(C) No. 59/2003, T.C.(C) No. 60/2003,T.C.(C) No. 68/2003, T.C.(C) No. 69/2003, T.C.(C) No.70/2003, T.C.(C) No. 71/2003, T.C.(C) No. 72/2003, T.C.(C) No. 73/2003, T.C.(C) No. 74/2003, T.C.(C) No.76/2003, T.C.(C) No. 77/2003, T.C.(C) No. 78/2003, T.C.(C) No. 79/2003, T.C.(C) No. 80/2003, T.C.(C) No.81/2003, T.C.(C) No. 58/2005, T.C.(C) No. 83/2003, T.C.(C) No. 84/2003, T.C.(C) No. 85/2003, T.C.(C) No.86/2003, T.C.(C) No. 88/2003, T.C.(C) No. 89/2003, T.C.(C) No. 90/2003, T.C.(C) No. 91/2003, T.C.(C) No.92/2003, T.C.(C) No. 93/2003, T.C.(C) No. 94/2003, T.C.(C) No. 49/2005, T.C.(C) No. 97/2003, T.C.(C) No.50/2005, T.C.(C) No. 98/2003, T.C.(C) No. 51/2005, T.C.(C) No. 53/2005, T.C.(C) No. 101/2003, T.C.(C) No.54/2005, T.C.(C) No. 102/2003, T.C.(C) No. 55/2005, T.C.(C) No. 103/2003, T.C.(C) No. 56/2005, T.C.(C) No.104/2003, T.C.(C) No. 57/2005, T.C.(C) No. 105/2003, T.C.(C) No. 107/2003, T.C.(C) No. 109/2003, T.C.(C) No.110/2003, T.C.(C) No. 111/2003,T.C.(C) No. 112/2003, T.C.(C) No. 115/2003, T.C.(C) No.

116/2003, T.C.(C) No.117/2003, T.C.(C) No. 118/2003, T.C.(C) No. 119/2003,T.C.(C) No. 120/2003,T.C.(C) No. 121/2003, T.C.(C) No.122/2003,T.C.(C) No. 123/2003, T.C.(C) No. 125/2003,T.C.(C) No. 126/2003, T.C.(C) No. 128/2003, T.C.(C) No.129/2003, T.C.(C) No. 130/2003, T.C.(C) No.131/2003,T.C.(C) No. 132/2003, T.C.(C) No. 133/2003,T.C.(C) No. 134/2003, T.C.(C) No. 135/2003, T.C.(C) No.136/2003, T.C.(C) No. 137/2003, T.C.(C) No. 138/2003,T.C.(C) No. 139/2003, T.C.(C) No. 140/2003,T.C.(C) No.141/2003, T.C.(C) No. 142/2003,T.C.(C) No. 143/2003,T.C.(C) No. 144/2003, T.C.(C) No. 147/2003, T.C.(C) No.148/2003, T.C.(C) No. 149/2003, T.C.(C) No. 151/2003,T.C.(C) No. 152/2003,T.C.(C) No. 153/2003, T.C.(C) No.155/2003, T.C.(C) No. 156/2003, T.C.(C) No. 157/2003,T.C.(C) No. 158/2003, T.C.(C) No. 159/2003, T.C.(C) No.160/2003,T.C.(C) No. 161/2003, T.C.(C) No. 162/2003, T.C.(C) No. 163/2003, T.C.(C) No. 164/2003, T.C.(C) No.165/2003, T.C.(C) No. 166/2003, T.C.(C) No.167/2003,T.C.(C) No. 169/2003, T.C.(C) No. 170/2003,T.C.(C) No. 171/2003, T.C.(C) No. 172/2003, T.C.(C) No.173/2003, T.C.(C) No. 174/2003, T.C.(C) No.175/2003,T.C.(C) No. 176/2003, T.C.(C) No. 177/2003,T.C.(C) No. 178/2003, T.C.(C) No. 179/2003, T.C.(C) No.180/2003, T.C.(C) No. 181/2003, T.C.(C) No. 182/2003,T.C.(C) No. 183/2003, T.C.(C) No. 184/2003,T.C.(C) No.185/2003, T.C.(C) No. 186/2003, T.C.(C) No. 187/2003,T.C.(C) No. 188/2003, T.C.(C) No. 189/2003, T.C.(C) No.190/2003, T.C.(C) No. 191/2003,T.C.(C) No. 192/2003, T.C.(C) No. 193/2003,T.C.(C) No. 194/2003, T.C.(C) No.195/2003, T.C.(C) No. 197/2003, T.C.(C) No. 198/2003,T.C.(C) No. 199/2003, T.C.(C) No. 200/2003, T.C.(C) No.202/2003, T.C.(C) No. 203/2003, T.C.(C) No.204/2003,T.C.(C) No. 205/2003, T.C.(C) No. 206/2003, T.C.(C) No. 207/2003, T.C.(C) No. 208/2003, T.C.(C) No.209/2003, T.C.(C) No. 210/2003, T.C.(C) No. 211/2003,T.C.(C) No. 212/2003, T.C.(C) No. 213/2003, T.C.(C) No.214/2003, T.C.(C) No. 216/2003, T.C.(C) No.

217/2003,T.C.(C) No. 218/2003, T.C.(C) No. 219/2003,T.C.(C) No.220/2003, T.C.(C) No. 221/2003, T.C.(C) No. 222/2003,T.C.(C) No. 223/2003, T.C.(C) No. 224/2003, T.C.(C) No.225/2003, T.C.(C) No. 228/2003,T.C.(C) No. 229/2003,T.C.(C) No. 230/2003,T.C.(C) No. 231/2003, T.C.(C) No.232/2003, T.C.(C) No. 233/2003, T.C.(C) No. 234/2003,T.C.(C) No. 235/2003, T.C.(C) No. 236/2003, T.C.(C) No.237/2003,T.C.(C) No. 238/2003, T.C.(C) No. 239/2003,T.C.(C) No. 240/2003, T.C.(C) No. 241/2003,T.C.(C) No.242/2003, T.C.(C) No. 243/2003, T.C.(C) No. 244/2003,T.C.(C) No. 245/2003, T.C.(C) No. 247/2003, T.C.(C) No.248/2003, T.C.(C) No. 249/2003,T.C.(C) No. 251/2003,T.C.(C) No. 252/2003,T.C.(C) No. 254/2003, T.C.(C) No.255/2003,T.C.(C) No. 256/2003, T.C.(C) No. 257/2003,T.C.(C) No. 258/2003, T.C.(C) No. 259/2003, T.C.(C) No.260/2003, T.C.(C) No. 261/2003, T.C.(C) No. 262/2003,T.C.(C) No. 95/2003, T.C.(C) No. 124/2003,T.C.(C) No.146/2003, T.C.(C) No. 201/2003,T.C.(C) No. 215/2003,T.C.(C) No. 226/2003, T.C.(C) No. 227/2003, T.C.(C) No.82/2003, T.C.(C) No. 154/2003, and MA 151/2018 in T.P.(C) Nos. 1-2/2004

O R D E R

Heard learned counsel for the parties at great length.

This court has passed an order on 9.5.2018 inviting further fresh bids. Pursuant thereto, advertisement was published in the newspapers namely the ‘Indian Express’, ‘Hindustan Times’ and ‘Dainik Jagran’. Properties available for Sale - has been specified in Part-A; in Part -B ‘Properties/lands under litigation before Court/Committee’ has been detailed, in Part-C ‘Surplus Land declared by the State of Punjab and Uttrakhand’ was mentioned and in Part-D -Properties/Lands yet to be identified (as per Dr. Nanavati's Report) was mentioned. All the properties were for sale.

It was submitted by the learned counsel appearing for the investors and the learned counsel appearing for the Committee appointed by this Court and others that valuation of the properties mentioned in the auction notice has not been done. It was pointed out that some valuation was carried out in the year 1998 by one of the Chartered Accountants. The valuation made in the year 1998 or by Hawk Group cannot be relied upon for making auction of the property as the value of the property has gone very high since then.

After hearing learned counsel for parties at length, we are of the considered opinion that it is absolutely necessary to obtain the current valuation ofthe property which may be sold and only thereafter to proceed further with the sale of property.

It was pointed out by Sh. P.S. Narsimha, learned Additional Solicitor General appearing for the State of Punjab and Sh. K. Radhakrishnan, learned senior counsel appearing for the Income Tax Department, that the Income Tax Department has the proper valuers as well as the Indian Institute of Cost Accountant, as such for the purpose of valuation.

In the circumstances, we constitute a team of three members, namely, Sh. S.S. Rathore, Principal Chief Commissioner of Income Tax, Delhi, Sh. Sanjay Kumar Mishra, Principal Chief Commissioner of Income Tax-4, Delhi and Sh. Anup Kumar Dubey, Commissioner of Income Tax (OSD), Delhi, to submit a correct valuation of the property.

For identifying the particular property, the Collector shall nominate the Revenue Officer of the rank of Sub-Divisional Officer or Tehsildar, of the concerned district and the valuation report shall be submitted to this Court. Let this exercise be completed and the plot numbers etc. shall also be furnished to this Court. Existing Committee may also submit the details of the property to this Court on affidavit as well as give a copy of the same to the team of Valuers appointed today so as to make the proper valuation of the property and also for its proper identification.

Concerned District Magistrate shall also assist the team of the Valuers to make the identification of the property for the purpose of its valuation and also as per Dr. Nanavati's reports if possible. The Committee appointed by this Court may also furnish the relevant data to this Court as well as to the team of the Valuers, so appointed.

It was also pointed out by the learned counsel appearing for the State of Punjab and Deputy Advocate General for the State of Uttrakhand that the surplus land declared by the State of Punjab and State of Uttrakhand has also been included in the auction notice; the property declared surplus could not have been included in the auction notice for the purpose of sale as property of State Government which has already vested cannot be sold for the purpose of satisfaction of the debt if any incurred by the Golden Forest Group (GFG) and by others. We are of the prima facie opinion that the land that has been declared surplus and has vested in the State cannot be sold and consequently put to auction. There is some litigation about surplus land pending before the Court(s) including the one preferred by the Committee so as to seek declaration that property is not surplus property. Be that as it may, as the property has been declared surplus, prima facie without adjudicating conclusively upon said issue, it cannot be sold outrightly at this stage. We will take a final call upon this aspect at a later stage.

At present, we are not directing the valuation of the land that has been declared surplus by the State of Punjab and State of Uttrakhand. At the first instance, we want to obtain valuation report with respect to the properties mentioned in Part-A available for Sale and with respect to the property mentioned in Part B 'Properties/lands under litigation before Court/Committee' and also the property which can be identified out of Part-D. Let identification of Part-D property, if possible, as well as its valuation and also the fact that whether any part of it has been declared surplus be also reported to this Court.

In view of the aforesaid, we feel that it would not be appropriate to proceed any further with the auction notice that was so published. No bid has been offered pursuant to the advertisement. Hawk Capital (P) Ltd. has also not deposited the amount and has also withdrawn the bank guarantee. Be that as it may, what is the effect of the same and its consequence will be considered later. We have refrained to pass any order at this stage as the money is not in deposit and valuation has been ordered. The property can be auctioned only after fixing minimum price.

It was pointed out by Sh. Narender Hooda, learned counsel appearing on behalf of the investors that large amount of money is lying in deposit with the Committee which required to be distributed.

Learned counsel appearing on behalf of the Committee pointed out and submitted the following summary of data of claims made by investors of Golden Forest India Ltd. (GFIL) as on 01.02.2017 and Golden Projects Ltd.(GPL) as on 01.02.2017, which are as under:-

SUMMARY OF DATA OF GOLDEN FORESTS (INDIA) LTD.

AS ON 01-02-2017

Bifurcation of Claims according to Deposit Amount

Sr.No.	Deposit Amount in Rs.	No. of Claims	Principal Amount	Amount Payable on Maturity
			(Rs. In Crores)	(Rs. In Crores)
1	1 - 1000	650888	52.59	6128.01
2	1001 - 2000	138852	25.69	1133.69
3	2001 - 3000	65073	17.95	229.80
4	3001 - 4000	35426	13.45	72.13
5	4001 - 5000	138937	68.98	770.31
6	5001 - 7000	35676	22.03	64.14
7	7001 - 10,000	115502	111.14	476.91
8	10,001 - 20,000	77523	125.35	287.04
9	20,001 - 30,000	37075	96.67	210.80
10	30,001 - 40,000	10395	38.64	71.39
11	40,001 - 50,000	17321	85.45	189.56
12	Above 50,000	11723	110.99	194.02
	Total	**1,334,391**	**768.93**	**9827.81**

SUMMARY OF DATA OF GOLDEN FORESTS (INDIA) LTD.

AS ON 01-02-2017

BIFURCATION OF CLAIMS ACCORDING TO DEPOSIT AMOUNT

Sr.No.	Deposit Amount in Rs.	No. of Claims	Principal Amount	Amount Payable on Maturity
			(Rs. In Crores)	(Rs. In Crores)
1	1 - 1000	650888	52.59	6128.01
2	1001 - 2000	138852	25.69	1133.69
3	2001 - 3000	65073	17.95	229.80
4	3001 - 4000	35426	13.45	72.13
5	4001 - 5000	138937	68.98	770.31
6	5001 - 7000	35676	22.03	64.14
7	7001 - 10,000	115502	111.14	476.91

8	10,001 - 20,000	77523	125.35	287.04
9	20,001 - 30,000	37075	96.67	210.80
10	30,001 - 40,000	10395	38.64	71.39
11	40,001 - 50,000	17321	85.45	189.56
12	Above 50,000	11723	110.99	194.02
	Total	**1,334,391**	**768.93**	**9827.81**

It was also stated by learned counsel appearing on behalf of the Committee that an amount of Rupees hundred crores has been attached by the Income Tax Department and apart from that approximately Rupees seven hundred crores is available for distribution to the investors.

As per number of claims received by the Committee, approximately nine hundred crores is the principal amount; first, we take care of the principal amount to be distributed amongst the investors. Amount of payment of interest/maturity value as assured shall be considered later after property is sold. In the circumstances, we direct that 70% of the principal amount be distributed out of the amount of Rupees seven hundred crores to each of the investors; whose claims have been received by the Committee. The number of claims have been mentioned in the aforesaid chart.

Since RBI has requested the Committee to engage M/s. Karvey Investors Services Limited and as suggestedby learned counsel appearing for the Committee as well as others also, we appoint M/s. Karvey Investors Services Limited; whose services may be adopted by the Committee for disbursement of the 70% of the principal amount which was invested by each of the investors. Let the process of distribution be completed within a period of three months from today.

Let the report of the Valuer be submitted. The rate prescribed by the Collector for the property be also furnished along with report within a period of two months from today.

There are certain other applications stated to be pending; they are also required to be looked into and decided. Let cases be listed for consideration of the pending applications on 16th August, 2018.

……………………………………………….J.

[ARUN MISHRA]

……………………………………………….J.

[S.ABDUL NAZEER]

NEW DELHI;

30TH JULY 2018.

ITEM NO.1 **COURT NO.8** **SECTION X**

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

RECORD OF PROCEEDINGS

Writ Petition(s)(Civil) No(s). 188/2004

M/S. RAIGANJ CONSUMER FORUM Petitioner(s)

VERSUS

UNION OF INDIA & ORS. Respondent(s)

WITH

T.C.(C) No. 19/2005 (XVI-A)

T.C.(C) No. 24/2005 (XVI-A)

T.C.(C) No. 2/2004 (XVI-A)

T.C.(C) No. 1/2004 (XVI-A)

T.C.(C) No. 3/2004 (XVI-A)

T.C.(C) No. 10/2004 (XVI-A)

T.C.(C) No. 59/2003 (XVI-A)

T.C.(C) No. 60/2003 (XVI-A)

T.C.(C) No. 68/2003 (XVI-A)

T.C.(C) No. 69/2003 (XVI-A)

T.C.(C) No. 70/2003 (XVI-A)

T.C.(C) No. 71/2003 (XVI-A)

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T.C.(C) No. 58/2005 (XVI-A)

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T.C.(C) No. 88/2003 (XVI-A)

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T.C.(C) No. 227/2003 (XVI-A)

T.C.(C) No. 82/2003 (XVI-A)

T.C.(C) No. 154/2003 (XVI-A)

MA 151/2018 in T.P.(C) No. 1-2/2004 (XVI-A)

(IA No.8286/2018-CLARIFICATION/DIRECTION)

Date : 30-07-2018 These petitions were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE ARUN MISHRA

HON'BLE MR. JUSTICE S. ABDUL NAZEER

xxxxx xxxxx xxxxx

UPON hearing the counsel the Court made the following

O R D E R

The process of distribution be completed within a period of three months from today.

The rate prescribed by the Collector for the property be also furnished along with report within a period of two months from today.

There are certain other applications stated to be pending; they are also required to be looked into and decided. Let cases be listed for consideration of the pending applications on 16th August, 2018.

(NEELAM GULATI) **(JAGDISH CHANDER)**
COURT MASTER (SH) **BRANCH OFFICER**

(SIGNED ORDER IS PLACED ON THE FILE)

///TRUE COPY///

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

WRIT PETITION (CIVIL) NO. 188 OF 2004

IN THE MATTER OF:

M/S. RAIGANJ CONSUMER FORUM .....PETITIONER

VERSUS

UNION OF INDIA & ORS. .....RESPONDENTS

JOINT MINUTES OF MEETING DATED 11.05.2026 IN COMPLIANCE OF THE ORDER DATED 22.04.2026 PASSED BY THIS HON'BLE COURT

ADVOCATE-ON-RECORD FOR THE AMICUS CURIAE:

SANCHIT GARGA

INDEX

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

WRIT PETITION (CIVIL) NO. 188 OF 2004

IN THE MATTER OF:

M/S. RAIGANJ CONSUMER FORUM .....PETITIONER

VERSUS

UNION OF INDIA & ORS. .....RESPONDENTS

JOINT MINUTES OF MEETING DATED 11.05.2025 IN COMPLIANCE OF THE ORDER DATED 29.04.2025 PASSED BY THIS HON'BLE COURT

1. Vide order dated 22.04.2026, this Hon'ble Court was pleased to inter alia direct as under:-

> "4. *In terms of the aforesaid order dated 25th February, 2026, the Income Tax Department has filed a status report. It is stated in paragraph no.6 that, although, initially Rs.18,84,85,52,548/- was the original valuation in respect of the lands comprised in Yadadri Bhuvanagiri district and Peddapalli district, the revised valuation report shows value thereof to the tune of Rs.27,80,30,03,812/-. That is, indeed, encouraging!*
>
> 5. *The particulars of the parcels of lands, shown in pages 45 and 49 of the status report, measures about 1175 acres and 240 acres 11 gunthas + 847 square yards, respectively.*
>
> 6. *We request the amicus curiae Mr. Fernandes, learned senior counsel, Mr. Arijit Prasad, learned senior counsel for the Income Tax Department and Ms. Suruchi Aggarwal, learned senior counsel for the GFIL Committee to sit together* ***and decide the modalities to be observed for the purpose of disposal of the said lands*** *(at pages 45 and 49 of the status report)* ***by auction sale, in accordance with law as well as in terms of the rules of the Income Tax Department.*** *Minutes of meeting, jointly signed, with the proposed*

modalities may be placed on record 48 hours in advance of the next date of hearing."

(Emphasis Supplied)

2. The instant Minutes of Meeting are being filed in respectful compliance of the above excerpted order dated 22.04.2026 passed by this Hon'ble Court.

3. That pursuant to the last order, representatives of the Income Tax Department alongwith Ms Aishwarya Bhati, Ld. Additional Solicitor General for India, Shri Arijit Prasad, Ld. Senior Advocate, Ms Suruchii Aggarwal, Ld. Senior Advocate alongwith representative of GFIL Committee and Shri Sunil Fernandes, Ld Senior Advocate & Amicus Curiae alongwith Shri Sanchit Garga, Advocate-On-record for the Amicus Curiae and representatives of SBI CAPS held a meeting on 11.05.2026 in order to finalise the modalities for the purpose of disposal of the lands situated in the State of Telangana by way of Auction Sales.

4. The Auction is proposed to be conducted for the two districts in the State of Telangana namely District Yadadiri Bhuvnagari and District Pedapally. The details of the Villages are as under ;-

RE- DISTRICT YADADIRI BHUVANAGARI-

(i) In this district the agricultural lands/GFIL Properties are situated in 2 Mandals namely :-

(a) Chotuppal consisting of the following Villages :-

S. No.	Villages
1.	Village Chotuppal
2.	Village Thallasingram
3.	Village Panthangi
4.	Village Lingojigudam
5.	Village Thangadpalli

b. In Mandal Bibinagar there is only one Village namely Raghavpuram.

c. **RE: PEDAPALLY DISTRICT**

There is land admeasuring about 847 sq. yards and building constructed, thereon.

5. That the Auction conducting Agency shall be SBI CAPS as agreed in today's meeting.

6. The Proposed Phases for conducting the Auction Sales are as follows :-

i) Pre-Auction Phase

ii) Auction

iii) Post Auction modalities

7. The Proposed three phases (supra) are to be conducted in the tentative timelines as indicated in the chart, prepared as hereunder :-

Phase	Step #	Milestone / Deliverable Description	Anticipated Timeframe	Organisation	Total Days
Phase 1: Pre-Auction	1	Receipt of all necessary information from Client	T0	SBICAPS	
	2	Submission of Model Tender Documents / RFP Documents	T0+60 days	SBICAPS	
	3	Approval of RFPs and Reserve Prices	T1	ITDEPT which is then vetted by GFIL Committee	60
Tender approval from Department			T1 + 10 days (T2)	IT DEPT which is then vetted by GFIL Committee	10
Phase 2: Auction	4	Publication of RFP	T2 + 5 days	SBICAPS	
	5	Conducting Pre-Bid Conference	T2 + 20 days	SBICAPS	
	6	Publishing the responses to bidders' queries	T2 + 40 days	SBICAPS	
	7	Bid due date and Opening of Technical Bids	T2 + 65 days	SBICAPS	
	7a	Financial verification of bidders by Income Tax Department	T2 + 90 days	IT DEPT which is then vetted by	

				GFIL Committee	
	8	Submission of Technical Bid Evaluation Report	T2 + 110 days	SBICAPS	
	9	Conducting the live e-auction	T2 + 120 days	SBICAPS	120
Verification of successful bidders by Dept.			T2 + 130 days	IT DEPT which is then vetted by GFIL Committee	10
	10	Declaration of H1 bidder / successful bidder	T3	SBICAPS & IT DEPT	
Phase 3: Post-Auction	11	Assist in reconciliation of sale consideration and Sale Certificate preparation	T3 + 60 days	SBICAPS	
	12	Assist in issuance of Sale Certificate by The Income Tax Department	T4	SBICAPS	60
closing documentation of bidding process				IT DEPT	10
Total					**270**

#Notes

A. The EMD shall be 10% of the Reserve Price.
B. The Bidders will have to submit a Net Worth Certificate duly authenticated by a Practicing Chartered Accountant along-with immediately preceding three-year Income Tax Returns.
C. The Sale Certificate shall be issued by the Income Tax Department to the successful Bidder.
D. The Advertisement of the Auction shall be published by the Income Tax Department and facilitated by SBI CAPS.

8. That in view of the revised valuation of the properties submitted by the District Valuation Officer at

approximately Rs. 2,779 crores, the proposed contract value with SBICAPS will be for a fixed Expense and a success fee of 1.15% of the successful Bid Amount plus 18% GST applicable, as thereon.

9. That prior to the finalization of the Auction process, a Tri-Partite Agreement is proposed to be executed in between GFIL Committee, SBI CAPS & Income Tax Department, wherein the three parties have agreed that the costs and expenses of conducting the Auction shall be borne by the GFIL Committee and shall be paid directly to SBI CAPS. Any expense (e.g Advertisement costs etc.) to be borne by the Income Tax Department in relation to auctioning the properties shall, before incurring, be first intimated by the Department to the GFIL Committee which shall then pay in advance the intimated amount to the Department. The Income Tax Department through Principal Commissioner of Income Tax-1, Hyderabad is proposed to supervise and facilitate the entire process. The said arrangement is being done in order to eliminate bottlenecks and make the entire process, swifter.

10. That if approved, a meeting will be held with GFIL committee, Income Tax Department and the SBICAPS and a draft

tripartite agreement will be prepared in consultation with all the parties.

11. Based on the detailed discussions with all stakeholders i.e GFIL Committee, Income Tax Department & Amicus Curiae, the bifurcation for triggering the Phase-1 are as follows :-

i) Valuation report of the lands in each Village to be provided by the Income Tax Department to SBI CAPS within 15 days from the date of execution of the tripartite agreement;

ii) Site Plans and Demarcation reports of the lands to be provided by the District Collector to SBI CAPS within 15 days from the date of execution of the tripartite agreement.

12. That since this Hon'ble Court vide order dated 13.08.2025 had directed to conduct the Auction, Village-wise, the details of the extant and particulars of the lands in each village, Reserve Price of lands situated in each village and other details shall be widely publicized in One English, Hindi Newspaper having wide circulation especially in that

particular District and one regional newspaper(Telugu) having wide circulation especially in that particular District.

13. The meeting thus concluded and these minutes are placed for the kind consideration of this Hon'ble Court.

Mr. Sunil Fernandes **Sr Adv** **(Amicus Curiae)**	**Ms. Suruchii Aggarwal** **Sr Adv**	**Arijit Prasad** **Sr Adv**

Filed by :-

Date : 12/05/2026
Place : New Delhi

Sanchit Garga
Advocate

IN THE SUPREME COURT OF INDIA

CIVIL ORIGINAL JURISDICTION

Writ Petition (s) (civil) No(s). 188 of 2004

In the Matter of :

M/S RAIGANJ CONSUMER FORUM .... Petitioner

Versus

UNION OF INDIA & ORS. .... Respondents

INDEX

New Delhi

Date:

Soumya Datta,
Advocate on record
Counsel for Committee – GFIL
(Appointed by Hon'ble Supreme Court)

IN THE SUPREME COURT OF INDIA

CIVIL ORIGINAL JURISDICTION

Writ Petition (s) (civil) No(s). 188 of 2004

In the Matter of :

M/S RAIGANJ CONSUMER FORUM .... Petitioner

Versus

UNION OF INDIA & ORS. . Respondents

COMPLIANCE OF ORDER DATED 22.4.2026 BY THE COMMITTEE-GFIL (APPOINTED BY HON'BLE SUPREME COURT)

I, Brij Mohan Bedi, S/o Shri Sadhu Ram Bedi, aged about 75 years, O/o The Chairman, Committee-GFIL, Flat No. 1065/1, Sector-39 B, Chandigarh, do hereby solemnly affirm and state as under:-

1. That I am one of the members of the Committee appointed by the Hon'ble Supreme Court. I am duly authorised and being fully competent and conversant with the facts and circumstances of the case, I am competent to swear this affidavit.

NOTARY BABITA Regd. No 17317 Chandigarh (U.T.) Exp. 13-11-2029 GOVT. OF INDIA

That on 22.4.2026, this Hon'ble Court directed the Committee to file updated affidavit regarding disbursement of monies to the investors, in terms of the order dated 13th August, 2025.

3. That the Committee submits that though the Committee has previously filed status reports from time to time with regard to disbursement of funds to investors of the company M/s Golden

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Forest India Limited and M/s Golden Projects Limited. It would be appropriate to submit a comprehensive report right from the first order dated 19.8.2004 directing Committee to invite the claims from investors passed by this Hon'ble Court in T.C. (c) 2 of 2004.

4. That this Hon'ble Court vide order dated 19.8.2004 constituted the Committee and directed it to invite claims from the investors of Golden Forests India Ltd. Accordingly in compliance thereof, the Committee published a public notice inviting claims from the investors of the company in the national news papers having vide coverage all over India on 25.10.2004 and again on 20.2.2005. The Committee received about 16.50 lacs claims from the investors of both the companies i.e. Golden Forest India Ltd and Golden Projects Ltd.

When the Committee proceeded with the auction of properties of the companies other than Golden Forest India Limited which included properties of Golden Projects Limited also, the ex-management filed IA 57 of 2006 seeking direction against Committee to recall the sale notice for auction of properties of associate/subsidiary companies i.e. of GFIL. This Hon'ble court vide order dated 8.2.2007 rejected the claim of a company. Thereafter the Committee specifically invited claims from the investors of Golden Projects Limited on 1.7.2007.

NOTARY
BABITA
Regd. No. 17317
Chandigarh (U.T.)
Exp. 13-11-2029
GOVT. OF INDIA

5. That it is worth mentioning that the Hon'ble Supreme Court fixed the cut-off date of 10.8.2006 for receiving claims from Investors

of Golden Forest India Limited and the Committee fixed cut-off date of 21.1.2013 for receiving claims from the investors of Golden Projects Limited.

The Hon'ble Supreme Court vide order dated 27.11.2018 passed in WP (C) No. 188 of 2004 removed the cut-off dates for receiving claims from the investors. Therefore the Committee informed investors through public notices dated 9.1.2019 about the removal of cut-off dates and started entertaining fresh claims. The Committee also entertained the claims already received after the cut-off dates till publication of cut-off dates removal notice dated 9.1.2019.

However vide order dated 29.4.2025 Hon'ble Supreme Court again fixed the cut-off date of 15.7.2025 for receiving fresh claims from investors. It may also be mentioned here that the Committee also entertained those claims which were held invalid during scrutiny but later on valid documents were provided by investors to support their claims.

The claims which were not supported by Original/Photocopy of receipts or any other clear proof of deposit as per Supreme Court Orders, the Committee, after scrutiny, passed order dated 15.9.2006 and held certain categories of claims to be excluded from consideration. The Committee also published its decision in the newspaper for the information of the investors. A copy of the order dated 15.9.2006 passed by this Committee is annexed as ANNEXURE R-1 (pg 9 to pg 12)

NOTARY
BABITA
Regd No 17317
Chandigarh (U.T.)
Exp. 13-11-2029
GOVT. OF INDIA

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7. The claim received were got computerised through Data entry agencies namely M/s Data Matrix and M/s Paradigm based in Chandigarh. The claims were scrutinised as per the direction passed by the Hon'ble Supreme Court from time to time.

A chart of valid claims as prepared by the Data Management Company M/s Paradigm was submitted to the Hon'ble Supreme Court. Thereafter the Hon'ble Supreme Court vide orders dated 30.7.2018 & 5.9.2018 passed in W.P. (C). No. 188 of 2004 directed the Committee to pay 70% of the investment amount to the investors. The Hon'ble Supreme Court also appointed M/s Karvy (now M/s Kfin Technologies) for the purpose of disbursement of funds.

8. The Committee held meetings with Vice President, and General Manager of Corporate Registry of M/s Karvy and it was agreed that the Committee shall provide all the data of claims to M/s Karvy (now Kfintech) to facilitate disbursement process and a web portal shall also be created by M/s Karvy so that the investors can complete KYC on the web portal being a mandatory requirement. The Committee published notices in English/Hindi dailies to make investors aware about the web portal.

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9. M/s Karvy was convinced about the accuracy and integrity of the data given to it. Therefore the data was straightaway uploaded on the Web Portal by M/s Karvy for disbursement to the claimants through electronic mode.

10. That at first the Committee was of the view that disbursement could be channeled through its savings account with State Bank of India (High Court Branch), Chandigarh. However, the number of disbursement transactions electronically was expected to be very large. The Committee in consultation with Karvy decided to engage the cash management services of Local Head Office, Digital and Transaction Banking Department, State Bank of India, Chandigarh through its Corporate Centre/Head Office in Mumbai and its Cash Management Product Operation Centre in Hyderabad.

For disbursement purposes a fresh current account was opened with State Bank of India (High Court Branch), Chandigarh on November 16, 2018.

11. That the disbursement started with electronic mode through SBI to those investors who completed KYC on web portal (Phase-I) thereafter cheques of HDFC bank were sent to those investors who did not complete KYC on web portal (Phase-II) and later on to those investors who filed claims after cut-off date of 10.8.2006 and were allowed to be considered vide order dated 27.11.2018 (Phase-III). A report on the disbursement of funds to investors till 31.12.2024 (based on the information received from M/s Kfintech) was filed in compliance with the order dated 18.2.2025.

12. That during the course of hearing on dated 24.1.2023 it was reported at bar that

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"It is, however, reported at the bar that the said company is now in trouble and proceedings by the Enforcement Directorate have been initiated against its Directors."

The Hon'ble court directed Income Tax department to nominate a new agency. Therefore the Committee could not proceed with funds disbursement process as the Committee was waiting for new agency to be appointed by the Hon'ble court. Thereafter when the Hon'ble Supreme Court decided to continue with M/s Kfintech vide order dated 11.12.2025, the Committee restarted disbursement of funds through Kfintech.

13. That as the data is managed by M/s Kfintech, the Committee has been reporting status on the basis of the information received from it from time to time. The latest status on funds disbursement based on information received from M/s Kfintech vide e-mail dated 9.5.2026 is as under:

Claim Status:

Sr. No.	Claims Particulars	Details
1.	Paid 70% of Investment	962242
2.	Online payment attempted but failed.	5126
3.	Cheques sent but neither returned undelivered nor presented in the bank	233098
4.	Cheques sent but returned undelivered	234980
5.	Under process including fresh claims	23025
6.	Claims not entertained due to lack of supporting documents during scrutiny	240148

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Funds Status:

Sr. No.	Funds Particulars	Amount
1.	Total amount disbursed till date	Rs.466,85,95,179
3.	Amount required for payment of 30% to those who have been paid 70%	Rs.200,99,39,944
4.	Amount required for payment to totally unpaid investors mentioned at sr. no. 2 to 5 of the previous table.	Rs.274,36,60,849
5.	Amount with Committee as on 30.4.2026	Rs.404,54,71,434

Copy of e-mail dated 9.5.2026 received from Kfintech is annexed as Annexure R-2 (pg 13 to pg 15)

Note-1: The Committee would like to clarify that in the process of scrutiny of claims by the Committee, 2,40,148 claims were found invalid as per the guidelines given by the Hon'ble Supreme Court. However they are still open for consideration in case investors provide any proof of deposit of amount with the company as per the guidelines given by the Hon'ble Supreme Court in para 47 of order date 5.9.2006. The total amount required to pay off these investors is Rs.85,71,43,646/-.These claims have been reflected under the head "Failed Attempts - Unpaid due to want of documents" in the affidavit dated 14.1.2026 filed by M/s Kfin Technologies Ltd.

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Note-2: It may also be submitted that though the Committee has complied with the order dated 29.4.2025 regarding fixing of cut-off date 15.7.2025, the Committee is still receiving fresh claims. It appears that some of the investors are still unaware of the status of the company and court proceedings.

14. In view of the above, the directions passed under order dated 22.4.2026 have been complied with.

DEPONENT

VERIFICATION:-

I, the deponent above named, do hereby verify and state that the contents of paragraph 1 to 14 of the affidavit are true to my knowledge based on records of the case, no part of it is false and nothing material has been concealed there from.

Verified by me at on this the 11th day of May, 2026.

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DEPONENT

The contents of this Affidavit / Document has been explained to the deponent executants. He / She has admitted the same to the correct. The deponent / executant has signed Register at Sl. No. 1506 P. No. 120 dated 11/5/26

Attested
BABITA
Notary, Chandigarh (U.T.)

11 MAY 2026

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

Signature

ANNEXURE R.1 9

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

COM/CHD/2006/ 15/09/2006

ORDER

As per the orders of the Hon'ble Supreme Court, claims were invited from the Investors/creditors of GFIL. The Claims, which approximately number about 15 Lakh, were classified into various Categories. Claims, other than the claims which are supported by original receipts issued by the company/photocopies of the receipts accompanied by other documents evidencing the deposit with the company, were classified in the category of "Others", which were further sub divided in the following categories:

1. Affidavits
2. Agent Receipt (No receipt issued by the company)
3. Bank Proof
4. Branch Documents
5. Court Case
6. Guarantee Cum Performance Deed
7. Investment made after 31 Aug. 2001
8. Only "Claim Form"
9. Post Dated Cheque
10. Provisional Receipts; privately printed and issued by the "Agents".
11. Settlement Cases
12. Torn Receipt with claim form

The Hon'ble Supreme Court in its order dated 05/09/2006 considered the validity and legality of various categories of claims and relevant paragraphs are as follow:

" 45. The following directions are sought
(a) to decide upon the cut off date for entertaining claims

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Committee – Golden Forests (India) Ltd.
(Appointed By The Hon'ble Supreme Court Of India)
Bungalow No. 60, Sector – 4,
Chandigarh, Tel: 0172- 2740134

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

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

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

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

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

47. Counsel appearing for the Committee has stated before us that the claims have been received even after 20th May, 2005 and the Committee has included all the claims filed before it up to 10th of

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

August 2006. Cut off date is fixed as 10th August, 2006. Hence, all claims filed before the Committee by the cut off date fixed, i.e., 10th August, 2006 be taken into consideration for disbursement of the assets of the GFIL after verification of the claims.

The Committee should accept the claims of only those claimants, who have original authenticated receipts issued by the GFIL. The Committee shall 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."

It be noted that earlier to the above order, directions were given in the order dated 07/01/2005 that the notarized photocopies may be received and further vide order dated 25/02/2005, The Committee was directed to accept the court decrees and orders passed by competent courts.

Another important fact which needs to be noticed is that the company had closed its business in Dec'2000 and since 23/12/2000 the directors namely A. L. Syal, R. K. Syal, Bimla Syal (wife of A. L. Syal) since dead, Neena Syal (wife of R. K. Syal) and

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OFFICE OF THE CHAIRMAN
Committee – Golden Forests (India) Ltd.
(Appointed By The Hon'ble Supreme Court Of India)
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Chandigarh, Tel: 0172- 2740134

Pamila Syal were arrested and are still in the Jail. The agents kept on receiving deposits even after the company had closed business. In regard to these deposits the Hon'ble Supreme Court has ordered not to entertain claims based on deposit accepted by the company agents in the year 2001 till date even after the closure of the business of the company. Further, the Hon'ble Supreme Court has observed that "No claim without clear proof of deposit of money with the company to be considered".

Following the directions of the Hon'ble Supreme Court noted above, the following category of claims shall have to be excluded from consideration:

1. Affidavits
2. Agent Receipt (No receipt issued by the company)
3. Branch Documents
4. "Only Claim Form" without any proof from the company in support of the Investment.
5. Claims based on Post Dated Cheques allegedly issued by the company, without the original receipt of investment and without any further clear proof of deposit of money with the company.
6. Provisional Receipts; privately printed and issued by an agent (Not issued by the company). Majority of which pertain to the period after 31/12/2000.
7. Alleged deposit made after 31/12/2000.

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

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ANNEXURE-R-2

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rediff MAIL Mailbox of committee_gfil@rediffmail.com

Subject: Supreme Court compliance

From: Y Sri Kanthi <srikanthi.y@kfintech.com> on Sat, 09 May 2026 16:08:56

To: "committee_gfil@rediffmail.com" <committee_gfil@rediffmail.com>

Cc: M Murali Krishna <murali.m@kfintech.com>, R Williams <williams.r@kfintech.com>

1 attachment(s) - GFIL Summary.xlsx (15.00KB)

Dear Sir

As required please find the attached data for your reference

Thanks & regards,
Y Srikanthi
Corporate Registry -Manager
KFINTECH
t: +91 40 67162126
m: +91 9290903290
https://www.kfintech.com/ **e: srikanthi.y@kfintech.com**
"Nobody can be successful unless he loves his work."

From: committee_gfil@rediffmail.com <committee_gfil@rediffmail.com>
Sent: 07/05/2026 3:01 PM
To: M Murali Krishna <murali.m@kfintech.com>
Cc: Y Sri Kanthi <srikanthi.y@kfintech.com>
Subject: Fw: Supreme Court compliance

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Sir,

Kindly provide the updated details of funds disbursement in the same format as provided in the Affidavit filed by Kfintech in terms of order dated 11.12.2025.

By the order of Committee - GFIL
(Appointed by the Hon'ble Supreme Court of India)
Flat No 1065/1, Sector 39 B Chandigarh - 160036
Tel : 0172-2695065 website: www.goldenforestcommittee.com

Disclaimer:This mail is intended for the addressee only. If this email is not addressed to you, you have no right to read or copy it, as it may contain confidential matter. You are advised to delete it immediately under information to the sender at committee_gfil@rediffmail.com

From: committee_gfil@rediffmail.com
Sent: Mon, 04 May 2026 13:30:44
To: "M Murali " <murali.m@kfintech.com>
Cc: "Y Sri " <srikanthi.y@kfintech.com>
Subject: Supreme Court compliance

Sir

Vide order dated 22.4.2026 Hon'ble Supreme Court directed as under:

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"12. GFIL Committee and M/s. K.FIN Technologies shall file separate updated affidavits delineating the steps taken till the date of filing of such affidavits regarding disbursement of monies to the investors, in terms of the order dated 13th August, 2025."

In order to comply with the said order of Hon'ble Supreme Court, updated details of funds disbursement through Kfintech is required.

Therefore you are requested to provide details in the same format as provided in the Affidavit filed by Kfintech in terms of order dated 11.12.2025.

By the order of Committee - GFIL
(Appointed by the Hon'ble Supreme Court of India)
Flat No 1065/1, Sector 39 B Chandigarh - 160036
Tel : 0172-2695065 website: www.goldenforestcommittee.com

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PHASE	COMPANY	PAID_BANK	Time Period	SUCCESS				FAIL			
				CASES	DEPOSIT_AMOUNT	PAID_AMOUNT	BALANCE_AMOUNT	CASES	DEPOSIT_AMOUNT	TO BE PAID_AMOUNT	BALANCE_AMOUNT
PHASE-1	GOLDEN FORESTS	HDFC	2018-2019	491863	2321056926.00	1610723110.30	696317077.8	351	5002274.00	3389213.00	1500682.2
		SBI		369781	3386544584	2368846105	1015963369.20	4191	24022072.00	16583143.00	7206621.6
	GOLDEN PROJECTS	HDFC		44794	385576594.91	269841313.00	115672978.5	45	724000.00	506800.00	217200
		SBI		55209	591639035	414147348	177491710.50	530	4834430	3384101	1450329.00
PHASE-2	GOLDEN FORESTS	SBI	2019	17	240700	168480	72210.00				
	GOLDEN PROJECTS	SBI		18	195600	136920	58680.00				
PHASE-3	GOLDEN FORESTS	SBI		205	3833540	2683478	1150062.00				
	GOLDEN PROJECTS	SBI		45	870000	609000	261000.00	1	10000	7000	3000.00
PHASE-456789	GOLDEN FORESTS	SBI	2020-2025	285	8761182	980874.6	2828345.60	8	188637	0	56591.10
	GOLDEN PROJECTS	SBI		44	1081700	496540	324510.00	2	10000	0	3000.00
TOTAL				962242	6699799812	4668595179	2009939944	5126	34793413	23870257	10437424

PHASE	COMPANY	PAID_BANK	Time Period	POSTAL RETURN				UNPAID			
				CASES	DEPOSIT_AMOUNT	TO BE PAID_AMOU	BALANCE_AMOU	CASES	DEPOSIT_AMOU	TO BE PAID_AMO	BALANCE_AMOUNT
PHASE-1	GOLDEN FORESTS	HDFC	2018	211538	991513258	687399027	297453977.40	229496	772671221	531627415	231801366.30
		SBI									
	GOLDEN PROJECTS	HDFC		23442	194784613	136334733	58435383.90	10652	84472425	59130699	25341727.50
		SBI									
TOTAL				234980	1186297871.00	823733760.00	355889361.30	240148	857143646.00	590758114.00	257143093.80

PHASE	COMPANY	PAID_BANK	Time Period	INPROCESS			
				CASES	DEPOSIT_AMOUNT	TO BE PAID_AMOU	BALANCE_AMOUNT
PHASE-1	GOLDEN FORESTS	HDFC	2018-2019	203792	1129848224	774112408.3	338956467.11
		SBI					
	GOLDEN PROJECTS	HDFC		19592	138048013	96622213	41414403.90
		SBI					
PHASE-2	GOLDEN FORESTS	Fresh Claims	2019	1467	25961313	18780064.1	7788393.90
	GOLDEN PROJECTS			309	2692700	2099440	807810.00
PHASE-3	GOLDEN FORESTS			7969.00	52387249.00	41858970.30	15716174.7
	GOLDEN PROJECTS			2221.00	19596830.00	15263472.00	5879049
PHASE-456789	GOLDEN FORESTS		2020-2025	16899	119753544	19996423.4	35926063.20
	GOLDEN PROJECTS			3874	34283693	6052648	10285107.90
TOTAL				256123	1522571565.70	974385639.10	456771469.71

(*a*) required to be kept by a company; or

(*b*) allowed to be inspected or copies to be given to any person by a company under this Act, may be kept or inspected or copies given, as the case may be, in electronic form in such form and manner as may be prescribed.

121. Report on annual general meeting.—(*1*) Every listed public company shall prepare in the prescribed manner a report on each annual general meeting including the confirmation to the effect that the meeting was convened, held and conducted as per the provisions of this Act and the rules made thereunder.

(*2*) The company shall file with the Registrar a copy of the report referred to in sub-section (*1*) within thirty days of the conclusion of the annual general meeting with such fees as may be prescribed, or with such additional fees as may be prescribed, [1]***.

[2]**[**(*3*) If the company fails to file the report under sub-section (*2*) before the expiry of the period specified therein, such company shall be liable to a penalty of one lakh rupees and in case of continuing failure, with a further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees and every officer of the company who is in default shall be liable to a penalty which shall not be less than twenty-five thousand rupees and in case of continuing failure, with a further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of one lakh rupees.**]**

122. Applicability of this Chapter to One Person Company.—(*1*) The provisions of section 98 and sections 100 to 111 (both inclusive) shall not apply to a One Person Company.

(*2*) The ordinary businesses as mentioned under clause (*a*) of sub-section (*2*) of section 102 which a company, other than a One Person Company, is required to transact at its annual general meeting, shall be transacted, in case of One Person Company, as provided in sub-section (*3*).

(*3*) For the purposes of section 114, any business which is required to be transacted at an annual general meeting or other general meeting of a company by means of an ordinary or special resolution, it shall be sufficient if, in case of One Person Company, the resolution is communicated by the member to the company and entered in the minutes-book required to be maintained under section 118 and signed and dated by the member and such date shall be deemed to be the date of the meeting for all the purposes under this Act.

(*4*) Notwithstanding anything in this Act, where there is only one director on the Board of Director of a One Person Company, any business which is required to be transacted at the meeting of the Board of Directors of a company, it shall be sufficient if, in case of such One Person Company, the resolution by such director is entered in the minutes-book required to be maintained under section 118 and signed and dated by such director and such date shall be deemed to be the date of the meeting of the Board of Directors for all the purposes under this Act.

CHAPTER VIII

DECLARATION AND PAYMENT OF DIVIDEND

123. Declaration of dividend.—(*1*) No dividend shall be declared or paid by a company for any financial year except—

(*a*) out of the profits of the company for that year arrived at after providing for depreciation in accordance with the provisions of sub-section (*2*), or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of [3][both:]

1. The words and figures "within the time as specified, under section 403" omitted by Act 1 of 2018, s. 31 (w.e.f. 7-5-2018).
2. Subs. by Act 22 of 2019, s. 19, for sub-section (3) (w.e.f. 2-11-2018).
3. Subs. by Act 1 of 2018, s. 32, for "both; or" (w.e.f. 9-2-2018).

[1][Provided that in computing profits any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded; or]

(*b*) out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government:

Provided that a company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company:

Provided further that where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits earned by it in previous years and [2][transferred by the company to the free reserves], such declaration of dividend shall not be made except in accordance with such rules as may be prescribed in this behalf:

Provided also that no dividend shall be declared or paid by a company from its reserves other than free reserves:

[3][Provided also that no company shall declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the company for the current year.]

(*2*) For the purposes of clause (*a*) of sub-section (*1*), depreciation shall be provided in accordance with the provisions of Schedule II.

[4][(*3*) The Board of Directors of a company may declare interim dividend during any financial year or at any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account or out of profits of the financial year for which such interim dividend is sought to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend:

Provided that in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during immediately preceding three financial years.]

(*4*) The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.

(*5*) No dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash:

Provided that nothing in this sub-section shall be deemed to prohibit the capitalisation of profits or reserves of a company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company:

Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

(*6*) A company which fails to comply with the provisions of sections 73 and 74 shall not, so long as such failure continues, declare any dividend on its equity shares.

124. Unpaid Dividend Account.—(*1*) Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account

1. The proviso ins. by Act 1 of 2018, s. 32 (w.e.f. 9-2-2018).
2. Subs. by s. 32, *ibid*., for "transferred by the company to the reserves" (w.e.f. 9-2-2018).
3. The Proviso ins. by Act 21 of 2015, s. 10 (w.e.f. 29-5-2015).
4. Subs. by Act 1 of 2018, s. 32, for sub-section (*3*) (w.e.f. 9-2-2018).

to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.

(*2*) The company shall, within a period of ninety days of making any transfer of an amount under sub-section (*1*) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.

(*3*) If any default is made in transferring the total amount referred to in sub-section (*1*) or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent. per annum and the interest accruing on such amount shall ensure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.

(*4*) Any person claiming to be entitled to any money transferred under sub-section (*1*) to the Unpaid Dividend Account of the company may apply to the company for payment of the money claimed.

(*5*) Any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under sub-section (*1*) of section 125 and the company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the company as evidence of such transfer.

(*6*) All shares in respect of which [1][dividend has not been paid or claimed for seven consecutive years or more shall be] transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed:

Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

[2][*Explanation.*— For the removal of doubts, it is hereby clarified that in case any dividend is paid or claimed for any year during the said period of seven consecutive years, the share shall not be transferred to Investor Education and Protection Fund.]

[3][(*7*) If a company fails to comply with any of the requirements of this section, such company shall be liable to a penalty of one lakh rupees and in case of continuing failure, with a further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of ten lakh rupees and every officer of the company who is in default shall be liable to a penalty of twenty-five thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of two lakh rupees.]

125. Investor Education and Protection Fund.—(*1*) The Central Government shall establish a Fund to be called the Investor Education and Protection Fund (herein referred to as the Fund).

(*2*) There shall be credited to the Fund—

(*a*) the amount given by the Central Government by way of grants after due appropriation made by Parliament by law in this behalf for being utilised for the purposes of the Fund;

(*b*) donations given to the Fund by the Central Government, State Governments, companies or any other institution for the purposes of the Fund;

(*c*) the amount in the Unpaid Dividend Account of companies transferred to the Fund under sub-section (*5*) of section 124;

(*d*) the amount in the general revenue account of the Central Government which had been transferred to that account under sub-section (*5*) of section 205A of the Companies Act, 1956 (1 of 1956), as it stood immediately before the commencement of the Companies (Amendment) Act, 1999 (21 of 1999), and remaining unpaid or unclaimed on the commencement of this Act;

1. Subs. by Act 21 of 2015, s. 11, for "unpaid or unclaimed dividend has been transferred under sub-section (5) shall also be" (w.e.f. 29-5-2015).
2. 2. The *Explanation* ins. by s. 11, *ibid.* (w.e.f. 29-5-2015).
3. Subs. by *vide* Notification No. S.O. 1303(E), for sub-section (7) (w.e.f. 24-3-2021).

(*e*) the amount lying in the Investor Education and Protection Fund under section 205C of the Companies Act, 1956 (1 of 1956);

(*f*) the interest or other income received out of investments made from the Fund;

(*g*) the amount received under sub-section (*4*) of section 38;

(*h*) the application money received by companies for allotment of any securities and due for refund;

(*i*) matured deposits with companies other than banking companies;

(*j*) matured debentures with companies;

(*k*) interest accrued on the amounts referred to in clauses (*h*) to (*j*);

(*l*) sale proceeds of fractional shares arising out of issuance of bonus shares, merger and amalgamation for seven or more years;

(*m*) redemption amount of preference shares remaining unpaid or unclaimed for seven or more years; and

(*n*) such other amount as may be prescribed:

Provided that no such amount referred to in clauses (*h*) to (*j*) shall form part of the Fund unless such amount has remained unclaimed and unpaid for a period of seven years from the date it became due for payment.

(*3*) The Fund shall be utilised for—

(*a*) the refund in respect of unclaimed dividends, matured deposits, matured debentures, the application money due for refund and interest thereon;

(*b*) promotion of investors' education, awareness and protection;

(*c*) distribution of any disgorged amount among eligible and identifiable applicants for shares or debentures, shareholders, debenture-holders or depositors who have suffered losses due to wrong actions by any person, in accordance with the orders made by the Court which had ordered disgorgement;

(*d*) reimbursement of legal expenses incurred in pursuing class action suits under sections 37 and 245 by members, debenture-holders or depositors as may be sanctioned by the Tribunal; and

(*e*) any other purpose incidental thereto,

in accordance with such rules as may be prescribed:

Provided that the person whose amounts referred to in clauses (*a*) to (*d*) of sub-section (*2*) of section 205C transferred to Investor Education and Protection Fund, after the expiry of the period of seven years as per provisions of the Companies Act, 1956 (1 of 1956), shall be entitled to get refund out of the Fund in respect of such claims in accordance with rules made under this section.

Explanation.—The disgorged amount refers to the amount received through disgorgement or disposal of securities.

(*4*) Any person claiming to be entitled to the amount referred in sub-section (*2*) may apply to the authority constituted under sub-section (*5*) for the payment of the money claimed.

(*5*) The Central Government shall constitute, by notification, an authority for administration of the Fund consisting of a chairperson and such other members, not exceeding seven and a chief executive officer, as the Central Government may appoint.

(*6*) The manner of administration of the Fund, appointment of chairperson, members and chief executive officer, holding of meetings of the authority shall be in accordance with such rules as may be prescribed.

(*7*) The Central Government may provide to the authority such offices, officers, employees and other resources in accordance with such rules as may be prescribed.

(*8*) The authority shall administer the Fund and maintain separate accounts and other relevant records in relation to the Fund in such form as may be prescribed after consultation with the Comptroller and Auditor-General of India.

(*9*) It shall be competent for the authority constituted under sub-section (*5*) to spend money out of the Fund for carrying out the objects specified in sub-section (*3*).

(*10*) The accounts of the Fund shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and such audited accounts together with the audit report thereon shall be forwarded annually by the authority to the Central Government.

(*11*) The authority shall prepare in such form and at such time for each financial year as may be prescribed its annual report giving a full account of its activities during the financial year and forward a copy thereof to the Central Government and the Central Government shall cause the annual report and the audit report given by the Comptroller and Auditor-General of India to be laid before each House of Parliament.

126. Right to dividend, rights shares and bonus shares to be held in abeyance pending registration of transfer of shares.—Where any instrument of transfer of shares has been delivered to any company for registration and the transfer of such shares has not been registered by the company, it shall, notwithstanding anything contained in any other provision of this Act,—

(*a*) transfer the dividend in relation to such shares to the Unpaid Dividend Account referred to in section 124 unless the company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and

(*b*) keep in abeyance in relation to such shares, any offer of rights shares under clause (*a*) of sub-section (*1*) of section 62 and any issue of fully paid-up bonus shares in pursuance of first proviso to sub-section (*5*) of section 123.

127. Punishment for failure to distribute dividends.—Where a dividend has been declared by a company but has not been paid or the warrant in respect thereof has not been posted within thirty days from the date of declaration to any shareholder entitled to the payment of the dividend, every director of the company shall, if he is knowingly a party to the default, be punishable with imprisonment which may extend to two years and with fine which shall not be less than one thousand rupees for every day during which such default continues and the company shall be liable to pay simple interest at the rate of eighteen per cent. per annum during the period for which such default continues:

Provided that no offence under this section shall be deemed to have been committed:—

(*a*) where the dividend could not be paid by reason of the operation of any law;

(*b*) where a shareholder has given directions to the company regarding the payment of the dividend and those directions cannot be complied with and the same has been communicated to him;

(*c*) where there is a dispute regarding the right to receive the dividend;

(*d*) where the dividend has been lawfully adjusted by the company against any sum due to it from the shareholder; or

(*e*) where, for any other reason, the failure to pay the dividend or to post the warrant within the period under this section was not due to any default on the part of the company.

CHAPTER IX

ACCOUNTS OF COMPANIES

128. Books of account, etc., to be kept by company.—(*1*) Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting: