IN THE SUPREME COURT OF INDIA

CIVIL ORIGINAL JURISDICTION

I.A. No. 117348 of 2026

IN

Writ Petition (Civil) No. 188 of 2004

In the Matter of :

M/S RAIGANJ CONSUMER FORUM .... Petitioner

Versus

UNION OF INDIA & ORS. .... Respondents

INDEX

Sr.	Particulars	Page
1	Additional Affidavit by Committee	1 – 3
2	Annexure A - 1:Copy of relevant pages of dispatch register of Provision Liquidator	4 – 6
3	Annexure A - 2: Copy of forwarded letters received from Registrar of Company.	7 - 12
4.	Annexure A - 3:Copy of Status report submitted by Provision Liquidator before this Hon'ble Court	13 - 27
5.	Annexure A - 4:Copy of application for directions by the Provision Liquidator in IA 1 of 2004 before this Hon'ble Court	28 - 45
6.	Proof of Delivery	46

New Delhi

Date:

Soumya Datta,
Advocate on record
Counsel for Committee – GFIL
(Appointed by Hon'ble Supreme Court)

(1)

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ADDITIONAL AFFIDAVIT BY THE COMMITTEE – GFIL (APPOINTED BY THE HON'BLE SUPREME COURT)

I, Brij Mohan Bedi, S/o Shri Sadhu Ram Bedi, aged about 75 years, O/o 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 on 19.8.2004 and reconstituted by the Hon'ble High Court of Delhi on 20.12.2016 under directions of Hon'ble Supreme Court. I am duly authorised and being fully competent and fully conversant with the facts and circumstances of the case, I am competent to swear this affidavit.

2. That the applicant Shri H. K. Sinha filed an I.A. No. 117348 of 2026 to which the Committee filed reply along with some of the record of the company Golden Forest India Limited obtained from Registrar of Companies was placed on record by the Committee. Thereafter the applicant filed rejoinder and raised suspicion on the record filed by the Committee on the basis of the information received from Registrar of Company under RTI.

In order to remove any doubt and to make the fact straight the Committee would like to file some additional documents to prove the authenticity of the document filed along with the reply of the Committee. Copies of the documents are annexed as **ANNEXURE A-1** – Copy of the relevant pages of despatch register of Provisional Liquidator.



ANNEXURE A-2 – Copy of forwarded letters received from Registrar of companies.

ANNEXURE A-3 – Copy of status report submitted by Provisional Liquidator before the Hon'ble Court in T.C. (c) 63 of 2003.

ANNEXURE A-4 – Copy of application for directions by the Provisional Liquidator Appointed by Punjab & Haryana High Court before this Hon'ble Court in IA No. 1 of 2004 in T.C. (c) 63 of 2003.

DEPONENT

VERIFICATION:-

I, the deponent above named, do hereby verify and state that the contents of paragraph 1 to 2 of this affidavit are true to my knowledge derived from the records of the case and no part of it is false and nothing material has been concealed there from.

Verified by me at on this the 23rd day of October, 2026.

DEPONENT

NOTARY
MEENA KUMARI
Regd. No. 6154
Chandigarh (U.T.)
Exp. 03-01-2028
GOVT. OF INDIA

Certified that the Affidavit/SPA/GPA has been read over & explained to the Deponent / executant who seems correctly to understand the same at the time of making thereof

I identify the deponent / declarant / executent has signed the document in my presence

Signature

23 OCT 2026

Attested
MEENA KUMARI
Notary, Chandigarh (U.T.),

The contents of this Affidavit / Document has been explained to the deponent / executant He / She has admitted the same to be correct The deponent / executant has signed Register at Sr. No. 772 Vol. 64 Dated 23/10/2026

Provisional Liquidator
Golden Forests (India) Ltd.

ANNEXURE A1 4

Issue No.	Month & Date	NAME & DESIGNATION	Place	SUBJECT	File Head and No. Mode	Stamps received Rs.	P.	S Rs
PL/CND/2003/101	24/7/03	The Tehsildar & Patwari (1+1) Seperately.	Distt - Panchkula	Supply of copies of Jama bandis and Khasra Girdawari of land at Vill - Kot, Billa and Jaswantgarh	UPC (1+1)	16	—	1
✓ 102	24/07/03	The Registrar of Companies Jallandhar	Jallandhar	Notice regarding appointment of PL & Supply of audited B/S & statement of affairs of Affil	Courier — 20 — & UPC — 13 —			
103	24/07/03	Prashant Chauhan	Chandigarh	Authority letter	By hand ✓	—		
104	26/07/03	S.L. Singla Drive In 22	Ludhiana	Deposit of Lease Rent of the Land of Golden Forests (Ind) Ltd. with the P.L.	By hand ✓			
105	26/07/03	A.K. Walia Security Contractor	Ludhiana	Order for inspection by Mr. Prashant Chauhan.	By hand. Not ✓			
106	28/7/03	Gagan Deep Mandgil 1006, Sec-16, PKL.	By Hand	Appointment Letter of Mr. Gagan Deep Mandgil.	By Hand ✓			
✓ 107		The Registrar of Companies Jallandhar.	Jallandhar	Supply of audited B/S & other records of the Company.	By Hand.			

		Dharkhari 172201 (HP)			
11/153	11	Oriental Bank of Commerce, Desa Bassi Desa Bassi, Distt. Patiala	Desa Bassi	— do —	11
11/154	11	Vijaya Bank, SEC-17B	Chandigarh	— do —	11
11/155	11	Bank of India, Manimajra Branch.	Manimajra	— do —	11
11/156	11	Punjab National Bank, Shilpayen Shivaji Path, Thane (MR)	Thane.	— do —	11 11
11/157	11	Shri D.C. Khatra, Registrar of Companies, Defence colony, Near Punjab Hospital, Jallandhar	Jallandhar	Supply of Documents pertaining to M/s SFIL & SPL and their Subsidiary companies.	By hand
11/158	10/9/03	The manager, Bank of India, Elliot Road Branch, Kolkata (Elliot Road)	Kolkata	Sent the copies of Judgments of orders 18 and 20 June 2003 and asked to transfer the Accounts in P.L. Accts.	Regd — Rs-27

GOLA®

LETTER DESPATCHED & POSTAGE REGISTER

2.

Issue No.	Month & Date	NAME & DESIGNATION	Place	SUBJECT	File Head and No.	Stamps received Rs.	Stamps received P.	Status Rs.
4/CHD/2003/342	22/11/03	Mr. D.C. Kwatra, Registrar of Companies, Defence Colony, Near Punjab Hospital	Jalandhar	Supply of Documents pertaining to GPL, GTRR&D, and TSIK Cashewns. P (Ltd) Letter dtd. 21/11/03	By Hand			
343	24/11/03	Oriental Bank of Commerce	Hapur. (UP).	Reminder for sending the Balance in GFIL Ack.	UPC.	5/-		
344.	24/11/03	The Manager, Syndicate Bank. Raya (Mathura)	Raya.	Reminder to send the Annual in PL's Acct.				
345	25/11/03	B. Rajeshwar Kumar, 12-1-B/33, Indira Nagar, A' Colony Lalapet, Near Ram Theatre	Secundarabad -500017 (A.P)	Gen Info	Book Post			
346	-do-	Mahe Jabeen c/o Beejan Bi, w/o Late Abdul Rashid Sah. Flood	Vallur.	-do-	11			

1.

Ref. Misc. Pet. No. 758 Dated 27-08-03

To

Hon. Justice R. N. Agarwal
Provisional Liquidator (G.F.I.L.)
CHANDIGARH.

Subject:— Supply of Information - In the matter of M/s Golden Forest (India) Ltd. and its subsidiary Companies.

Hon'ble Sir,

I have to refer to your ... 03 on the above-mentioned ... of

3. Golden Tourist Resorts And Develop Ltd.

a. Annual Return 30-09-2000

4. Golden Lease Finance Ltd

a. Annual Return 28-09-2000

5. Golden Projects Ltd

a. Form 32 — 30-04-01

b. Annual Return 30-09-2000

c. Balance Sheet and 31-03-2000

d. Articles of Assn. alongwith Memorandum

e. Memorandum of Assn

f. Golden Project Ltd

Yours faithfully
for
CMR DAS

Vol - II

/(R) PL/ 8532 Dated 10/9/03

Hon'ble R.N. Aggarwal
Provisional Liquidator,
Bungalow No-60, Sector-4,
CHANDIGARH

Subj:- Supply of Documents pertaining to m/s Golden Forests (India) Ltd and Golden Projects Ltd and their Subsidiary Companies.

Sir,

I am to refer to your letter No PL/CHN/2003/157 dated 10-9-03 on the above noted subject and do enclose herewith photo copies of the required documents as under:-

1. Golden Forests (India) Ltd
   (a) Balance Sheet as at 31-03-1998
   (b) Balance Sheet as at 31-03-1999

2. Golden Projects Ltd.
   (a) Balance Sheet as at 31-03-1997
   (b) Balance Sheet as at 31-03-1998

3. (a) Damor Investments, Bluebay ESA Hotels Ltd, ISIR Constructions Ltd, IRA marketing Ltd and Golden Leisure Ltd
   (b) Balance Sheet as at 31-03-1999 for each company.
   (b) Balance Sheet as at 31-03-2000 for each company

1/2

4. Golden Forest Homes Pvt. Ltd. Receipt of form no 23 pertaining to 25-03-1994.

5. Company has not submitted the Agreement dated 02/03 made between Golden Forge Ltd and Golden Forest Homes Ltd.

Yours faithfully,

C.M.R.DAS

भारत सरकार
GOVT. OF INDIA
विधि कार्य तथा कम्पनी कार्य मंत्रालय
Ministry of Law, Justice & Company
Office of Regional Director
कार्यालय क्षेत्रीय निदेशक
पंजाब, हिमाचल एवं चंडीगढ़
286 - Defence Colony Jalandhar City 144001
286 - डिफेंस कालोनी जालंधर शहर

No PC/Misc/ 4924 Dated 24/11/03

To

Hon'ble R.N. Aggarwal
Chief Justice (Retd)
Provisional Liquidator,
Bungalow No 60, Sector-4,
CHANDIGARH.

Sub:- Supply of Documents as photo copies of M/s Golden Projects Ltd, Golden Tourists Resorts and developers Ltd and ISIR Constructions Ltd

Sir,

I am to refer to your letter No. PL/CHD/2003/342 dated 21-11-2003 on the above noted subject and to furnish herewith attested photo copies of the available Documents of the undermentioned Companies under—

1. Golden Projects limited (Co No. 17512)
   a. Balance Sheet as at 31-03-1997
   b. Annual Return made upto 25-09-1997.
2. Golden Tourist Resorts and Developers Ltd (Co No. 11636)
   a. Balance Sheet as at 31-03-92
   b. Balance Sheet as 31-03-96
   c. Annual Return 17-11-97
   d. Balance Sheet as at 31-03-97
   e. Balance Sheet as at 31-03-98 Signed by Liquidator
      Associates Limited 1997-2000

f. Form 2 under [illegible] (Revised)

g. Annl Return 30-12-1998

ISIR Construction & Mfg (Comm 16528)

a. Balance Sheet as at 31-3-1998

b. Annl Return 30-9-98

Balance Sheets and Annl Return for the period 1995-96, and 1996-97 will be sent to your office shortly.

Yours faithfully

Sd

(M R DAS)

Asst Registrar
Registrar of Companies

21/11/03

ANNEXURE-A3

13

IN THE HON'BLE SUPREME COURT OF INDIA AT NEW DELHI

CIVIL ORIGINAL JURISDICTION

T.C. (Civil) No. 63 of 2003

IN THE MATTER OF

National Investor Forum (Regd.) .... Petitioner

Vs

Golden Forests (India) Ltd .... Respondent

STATUS REPORT BY THE PROVISIONAL LIQUIDATOR.

MOST RESPECTFULLY SHOWETH

1. The present matter titled National Investors Forum v. Golden Forests (India) Ltd. bearing Company Petition No 60 of 2001 was filed in the Hon'ble High Court Of Punjab and Haryana praying for liquidation of Golden Forests (India) Ltd. The Hon'ble Company Judge vide order dated 18.6.2003 directed that all properties of the company shall be managed, controlled, regulated by the provisional liquidator, who shall have power to sell the moveable and immovable property. Vide order dated 20.6.2003, I R.N. Aggarwal, Retired Chief Justice, Delhi High Court, was appointed the Provisional Liquidator.

2. That the above matter has been transferred to this Hon'ble Court vide order dated 12.9.2003, in the matter of Securities and Exchange Board of India Vs Golden Forests (India) Ltd. & Anr being Transfer Petition No. 696 of 2002. The same has been numbered as T.C. (Civil) No. 63 of 2003.

3. That this Hon'ble Court vide order dated 12.9.2003 has held that:-

"If different Courts entertain different proceedings touching this very company the possibility of different orders being passed can not be avoided. It is, therefore, directed that all the proceedings referred to in Annexure –P-3 shall also be called for and tagged with the above mentioned writ petition for being taken up for hearing by this court."

4. That both prior to and subsequent to the above order, the provisional liquidator has moved various applications before the High Court at Chandigarh seeking directions on issues that have come to the notice of the provisional liquidator. However, vide order dated 9.10.2003 the High Court at Chandigarh held "In view of the order of the Supreme Court dated 12.9.2003 passed in Transfer Petition no. 696 of 2002 [Securities and Exchange Board of India Versus Golden Forests (India) Ltd and Another], this matter has to be placed before the Hon'ble Apex Court. Needful be done forthwith." A copy of the order dated 9.10.2003 is annexed herewith and marked as **ANNEXURE 'A'**. Copies of the applications dated 30.7.2003, 11.8.2003, 25.8.2003 and 21.9.2003 filed before the Hon'ble High Court Of Punjab and Haryana At Chandigarh are annexed hereto and marked **Annexure 'B' (Colly)**.

5. That I desire to place the following facts that have come to light during the course of my appointment as "provisional liquidator". These facts are being placed before this Hon'ble Court so as to appraise this Hon'ble Court of the status of the work done by me till date in my capacity of "provisional liquidator" and for seeking appropriate direction (s) on the applications filed before the Hon'ble High Court of Punjab and Haryana at Chandigarh, which have been transferred to this Hon'ble Court along with C.P. 60 of 2001.

6. That, M/s Golden Forests (I) Ltd, hereinafter called the GFIL, was purportedly engaged in Agro Forestry activities on the lands purchased with the moneys of the investors/depositors. The investor/depositor was described as "Unit Holder". A Unit of land measuring 125 sq. feet, or in proportion of the invested money, was allotted to the "Unit Holder" against an investment of Rs. 5000. GFIL was appointed 'Forest Service Contactor' on Job Contract Basis by the "Unit Holder". The money was invested by way of the Security for the purpose of Development and Maintenance of the particular unit of lands as mentioned in the Application Forms and Agreements, executed at the time of the investment. "Guarantee – Cum – Performance Deeds" were also executed between the Unit Holders and GFIL at the time of the investment. "Company Receipts" were issued to Unit holders.

7. The management of the Golden Group of companies launched a public limited company named Golden Projects Ltd hereinafter called GPL. The company was engaged in house building activities on the lands purchased with the moneys of the investors/depositors. The investor/depositor was described as "Land Unit Holder". The money was invested by way of the earnest money and service charges for the purpose of purchase/allotment of units of lands as mentioned in the Receipt–cum-Allotment Letters issued to the "Land Unit Holders" at the time of the investment The deposit was subject to the terms and conditions as provided in the application and the company also issued a cheque towards the maturity amount of the deposit which provided that in case the cheque is realized the land allotted shall stand reverted to the company. Thus, the scheme was that the depositor was allotted specific area of land and if the depositor was paid the deposit amount with interest the receipt stood discharged otherwise the depositor who is termed as a land unit holder remained, in the eyes of law, the owner of the land mentioned in the 'Receipt-Cum-Allotment letter'.

8. That GFIL and it subsidiary companies were directed vide order dated 17th August 2001 passed by the Punjab & Haryana High Court not to alienate its

properties. This order was in furtherance to the order dated 7/10/1998 passed by the Delhi High Court in case of S.D. Bhattacharya & Ors. Vs. S.E.B.I. & Ors in CM No. 9639/98 in C.W No. 3352/1998 wherein inter alia the following directions were passed which were applicable to all plantation companies, agro companies and companies running Collective Investment Schemes:

". .companies are restrained from selling, disposing of and/or alienating their immovable properties or parting with the possession of the same. The Directors of these companies are also interdicted from transferring their immovable properties in any manner whatsoever. They shall also not part with the possession thereof"

Further it is pointed out that vide order dated 30.9.1999, restraint was imposed on GFIL by the Bombay High Court in the WP 344/98 titled SEBI v. GFIL. This matter also now stands transferred before this Hon'ble Court.

9. That the Provisional Liquidator has examined the Annual Returns and the Balance Sheets of the Golden Forests (India) Ltd, Golden Projects Ltd, ISIR Constructions Ltd, Golden Tourists Resorts and Developers Ltd, and Golden Lease Finance Ltd for some years and particularly that of 1999-2000. The company Golden Forests (India) Ltd was registered in the year 1987 with authorized capital of Rs. 5 lacs and subscribed capital was only Rs. 1 lac. The Golden Projects Ltd. was registered in the year 1996 with authorized capital of Rs. One Crore comprising Equity shares of Rs. 10/- each, and issued, subscribed, and paid up capital was only Rs. 710/-. Golden Tourist Resort and Developer Ltd. (a subsidiary of GFIL) was registered in 1991 with authorized capital of Rs. 22 crores and subscribed capital was Rs. 196470000/-. The ISIR Construction Pvt. Ltd (A subsidiary of Golden Projects Ltd.) was registered in May 1995 with an authorized capital of Rs. 50 lacs and subscribed capital of Rs. 5100/-.

The Provisional Liquidator finds that on 25.3.1999 Golden Forests India Limited increased the authorized capital to Rs. 28 crores divided into 10 lacs Equity share of Rs. 10/- each and 270 redeemable preference share of Rs. 10 lacs each

and out of 270 preference share, 264 preference share are shown allotted to Golden Projects Ltd. against value of Rs. 264000000/- The remaining preference shares remained unallotted. The subscribed Equity capital is Rs. 10 lacs.

10. On an examination of the balance sheets of GFIL and its subsidiary/associate companies the Provisional Liquidator finds grave manipulations and financial irregularities involving crores of rupees. The Balance sheet for the year ending 31st March, 2000 shows that on 2.4.1999 Golden Projects Ltd. had entered into an agreement with GFIL for purchase of land and from time to time, Golden Projects Ltd. had advanced over Rs. 18 crores to GFIL for purchase of land on the terms and conditions contained in the agreement and title to the properties was to be passed on in three years from the date of agreement. The Resolution for enhancing the capital by GFIL is dated 25.3.1999 and Rs. 264000000/- are shown to have been paid on account of 264 preference shares in the Balance Sheet of Golden Projects Ltd. ending 31st March, 1999. Another suspicious aspect is that the Balance Sheet shows that Golden Projects Ltd. entered into an agreement of purchase of land at various places for which amounts were advanced, as per agreement, to the Investors and field staff which was to be adjusted against maturity after submission of statement of accounts by field staff. The Balance Sheets show that during the years 1998, 1999, and 2000, Crores of rupees was received by way of deposits against allotment of land (without delivering the possession) and possession of the allotted land remained with the company. Undisputedly, the company has defaulted in paying back the deposits and also the land supposed to have been allotted in Receipt – Cum- Allotment Certificates to the investors remained with the company. The Balance Sheet shows payment of huge amounts of money by way of loan, advances, and business incentives to the field staff, Agents, Directors, and their relatives.

Further, the Balance Sheet of Golden Tourists Resorts & Developer Ltd. for the year 1998-99 and 1999-2000 shows that the company in September 1997 borrowed US$ 29,81,900 = Rs 10,76,76,409 (Rs Ten Crore Seventy Six Lakh) from M/s Credit Suise, First Boston, London against Bank guarantee given by

Punjab National Bank Sector 17, Chandigarh secured against 100% margin of FDR of one of its Group Company viz. ISIR Construction Ltd. which is a subsidiary company of Golden Projects Ltd. It is significant that the loan amounting to approximately Rs Ten Crore Seventy Six Lakhs (Rs 10,76,00,000/-) was transferred into three separate Fixed deposits for periods of 30, 90 and 180 days. Thus, the Company, per se could not have utilized the foreign loan amounts lying in Fixed Deposits, for any development work. The loan amount repaid amounted to Rs Thirteen crores Seventy five lakhs' Rs 137500000/-) such increase being due to the depreciation of the Rupee. Further, interest amounting to US$ 550765/- was also paid in 5 installments. The loan amount was repaid by transferring the FDR held by ISIR Constructions Pvt. Ltd. to the account of Golden Tourists Resorts & Developer Ltd on 3rd January 2000. The Provisional Liquidator had required the Punjab National Bank to furnish the loan and security documents to find out the purpose for which the money was borrowed and utilized. However the Punjab National Bank has only provided the statement of accounts of by ISIR Constructions Pvt. Ltd. and Golden Tourists Resorts & Developer Ltd and certain other documents. The Bank has been unable to furnish the file relating to the guarantee account, which would reveal the purpose for which the loan was taken. The Bank has in its letter-dated 23.10.2003 addressed to the Provisional liquidator stated that "file of the a/c which has been consigned to old record is not traceable and as such copy of the Bank Guarantee deed could not be provided."

A though the Golden Projects Ltd. had started defaulting in the payments sometime in October 1999 but it continued to receive deposits. The balance sheets further show payment of large sums of money by GFIL and Golden Projects Ltd to other Group companies by way of loans and advances. Some of the companies have received huge deposits running into crores of rupees by way of share application money. The balance sheets show neither allotment of shares nor refund of application money. In fact, in some cases the deposits by way of application money are much in excess of the authorized capital. Further, nothing is known about the application money that was given to various group

companies. All the above-mentioned matters require thorough probe and investigation.

11. That on 5th September 2003 the Managing Director, through the Security Contractor Mr. A.K Walia gave possession to the Provisional Liquidator of a portion of the Central Office located at Village Sangotha near Lalru. The same was stated to be containing records of GFIL only. The files and furniture etc. were found lying scattered in various rooms and it was not possible to prepare the inventory or examine the files. The Provisional Liquidator took possession by putting locks on the premises without any examination of the files. On 8.9.2003 the Provisional Liquidator wrote to Mr. R. K. Syal, M.D. of GFIL with copy to the Security Officer Incharge to hand over possession of the Central Office buildings with the records pertaining to GFIL and its subsidiary and group companies. Mr. R. K. Syal wrote back that the Golden Projects Ltd is a separate company and it does not come within the ambit of the order of the High Court dated 18/06/2003 and the Provisiona. Liquidator may obtain the possession of the records of Golden Projects Ltd. through the High Court. Therefore, the Provisional Liquidator has not been able to obtain possession of the rest of the Central Office buildings allegedly containing the records of the Golden Projects Ltd and other group companies. The true and correct facts of the business dealings of Golden Forests India (Ltd.) and its subsidiary and Group companies could be found out only on a complete inspection of the records of all the group companies. The Provisional Liquidator may state that the Golden Forests (I) Ltd, Golden Projects Ltd. and all subsidiary/associate companies are inter linked and have common business activities and are closely held companies by the "Syal Family" and cannot be treated as separate entities. The Provisional Liquidator has received a large number of claims from the depositors of Golden Projects Ltd. To label or treat the Golden Projects Ltd a company separate from Golden Forests (I) Ltd would have the affect of jeopardizing the interests of the depositors of Golden Forests (I) Ltd and as well of Golden Projects Ltd. The Provisional Liquidator has filed Company Application in Punjab and Haryana

High Court for a clarification and a copy of that application has been annexed herewith.

12. The Provisional Liquidator from the records obtained from different sources and the office of the Registrar of Companies, has been able to gather information about the Bank accounts and other financial dealings of GFIL and its subsidiary/group companies. The Provisional Liquidator has been able to obtain partial information with regard to the lands and buildings owned by GFIL and its Group Companies located/situated at various places in Haryana, Punjab, Himachal and Uttranchal and other states. The Provisional Liquidator has also been able to find the properties of GFIL etc. situated in Mussoorie and Dhanaulti in Tehri District. The Provisional Liquidator from the municipal records has found that 'Himani Cottage' situated in Mussoorie is owned by G.F.I.L and has affixed "sale notice" on a conspicuous part of the cottage The Provisional Liquidator has received an offer of Rs. 22 Lacs for the said cottage but the Provisional Liquidator finds that the company has entered into a settlement with Mr. Ramesh Malik, Mr. Harvir Singh, Mr. Surender Kumar Malik, and Mr. Samar Pal Singh all from Muzaffarnagar (UP) in lieu of satisfaction of claim of some of the investors under an alleged resolution dated 5/12/2000 which has made it difficult for the Provisional Liquidator to proceed with the negotiation for the sale of the said property. The Provisional Liquidator moved under section 456 of the Companies the District Magistrate, Mussorie to take possession of the properties and deliver possession thereof to the Provisional Liquidator.

13. That it has come to the notice of the Provisional Liquidator that GFIL and its associate companies have around 1500 Bank accounts all over India. The Provisional Liquidator has sent letters to all the Banks to submit Statement of accounts for the last three years and to remit the balance amount in the account to the account of the Provisional Liquidator in the State Bank of Patiala, High Court Branch, Chandigarh. Some of the banks have reported no balance in the account, some nave required orders of the High Court regarding appointment of

the Provisional Liquidator, and some banks have transferred the balance outstanding amount and some banks have asked for further instructions. The Provisional Liquidator is in correspondence with those banks, as well. It is stated that till date approximately Rs. One Crore has been collected from roughly 400 Banks which have responded till date and further remittances are expected to come in. The amounts received have been deposited in the account of the Provisional Liquidator at Chandigarh and invested in short term Fixed Deposits.

14. The Provisional Liquidator has also received claims against the company. The Kangra Central Cooperative Bank, Himachal Pradesh has claimed Rupees Eight Lacs (Rs 8,00,000/-) on account of over draft, the Income- Tax Department has also filed a claim of approximately Rs Fifty One Crores (Rs. 51,78,97,722/-), and the landlord of office buildings at Manimajra has claimed Rs Fifteen Lacs (Rs. 15,00,000/-) on account of arrears of rent.

15. The Provisional Liquidator further finds that during the last about two and a half years the Managing Director and other officers of the company have entered into settlements with various groups of investors through their agents and agreed to transfer or given possession of company property in satisfaction of their claims/dues. These settlements are in large number and relate to the properties located at different places. These settlements allegedly are claimed to have been made through a resolution dated 5.12.2000 but from the information gathered from some of the agents/investors, reveal that these settlements were made sometime in the year 2001 or afterwards under a pre-dated resolution. The Golden Forests India Ltd. and Golden Projects Ltd. have a number of properties in Mussoorie but it has been discovered on enquiry that they have entered into settlements and parted with possession.

16. The Provisional Liquidator has obtained Jamabandis and revenue documents pertaining to the lands of the company in village Kot, Billa and Jaswant Garh in District Panchkula, Haryana and he finds that some lands have been sold

recently in June, 2003. The company has not produced any details regarding the settlements. The Company filed two petitions titled (1) Company Petition no. 226 of 2001 GFIL Vs. Permanent Lok Adalat UT, Chandigarh, and (2) Company Petition No. 237 of 2001 M/s GFIL Vs. Lok Adalat, Patiala under section 391 (1) to (3) of Companies Act in the Hon'ble High Court for permission to enter into settlement with the investors/agents. Company Petition bearing No. CP 237 of 2001 was dismissed as withdrawn because expenses for convening the meeting were not deposited. All the settlements and alienations made by the company are "Prima facie illegal, null, and void". The Company has also leased out properties recently to third parties. Although, R.K. Syal, A.L. Syal, Smt. Pamila Syal and Neena Syal are in the Jail since about 22.12.2000, even then they are dealing with the properties of the company. The Restaurant known as Drive-in-22 located at Highway Chandigarh-Ambala has been leased out to one Mr. S.L. Singla. Mr. Singla was asked to produce the lease deed but he has not been able to produce it. Mr. Singla stated that he is paying Rupees one Lac per month as lease money. The information of the Provisional Liquidator is that Syals are receiving Rs. 3.5 Lacs per month from Mr. S.L. Singla. Similarly, the property at Nolta known as York Health Club has been given to one Pale Ram of Bhiwani. This fact came to the knowledge of the Provisional Liquidator from the News Report published in the English News Paper "The Tribune" dated 26.9.2003 and "The Hindustan Times" dated 23.10.2003. The Provisional Liquidator got the premises known as "York Health Resort" inspected on 7/11/2003 and on inspection Mr. Abhimanyu Sharma, Advocate reported:

"When we reached York Health, we met one Mr. Surinder Front Officer of Resort who on our inquiry told us that this resort is approximately over eight Bighas in the rural interior of Nolta Village, Resort consisting of 26 well furnished tourists huts, having luxury room and Deluxe rooms, tariff of luxury room is Rs 1000 and Deluxe room Rs 1500. The Information Brochure relating to tariff and facilities is attached as Annexure B. The Restaurant is in operation and waiters at the Restaurant were serving the people the Bar has yet to start. Construction work at

Beauty Parlour & Massage center was at full swing on inquiry it was revealed by the employee of the Resort that contract for Beauty Parlour And Massage Center has been given to a Delhi based party. From Newspaper cuttings it appeared that the property of the GFIL Ltd. known as Health Club Village Nolta (now named Yorks Health Resort) and a Resort in Village Toran (District Panchkula) are in the possession of one Pale Ram of Bhiwani. The first report published in the English daily Tribune dated 26.9.2003 and second one published in the Hindustan Times & Amar Ujala dated 23.10.2003. Copy of the news reports are enclosed as Annexure C & D. This fact was confirmed by the employee of the resort, we also met the General Manager of the Resort Mr. R.S. Bist."

The inspection report dated 10/11/2003 is annexed hereto and marked **Annexure 'C'**. Thus, it is confirmed that the property described as "Health Club Nolta" owned by GFIL has been either leased out or sold to Mr. Pale Ram and it is now known as "York Health Resort" and which is functioning and operating under the name of "York Health Resort". Cuttings of the Newspapers reports are annexed as **Annexure 'D'**.

17. That, the inspection of the Central Office and property of the Golden Group of companies at Jharmeri (Near Lalru), Punjab revealed that large areas / portions of the property had been given away by way of illegal settlements. A printing press is functioning which is in violation of the order of the High Court. After inspection of the spot it was found that there were 9 to 10 people working in the printing press and one Mr. Sachin Mishra has taken the lease of a portion of the main Golden Group building at Lalru from the Golden Forest (India) Ltd. Further, it was found that a bottled water unit, selling water under the brand name 'Jal-Shakti' was also functioning from the said premises. The security incharge of the premises on being questioned by Mr. Abhimanyu Sharma, Advocate and Mr. Prashant Chauhan, Secretary to the Provisional Liquidator, stated that the portion of the building housing the Bottled Water Unit was allegedly given to him by the Syals in settlement of his dues. However in a meeting with the Provisional Liquidator on 11/12/2003 the said Security Incharge stated that the Bottled Water Unit was given to him by the Syals in lieu of his dues but he had no claim on the

building in which the Unit was located. The Provisional Liquidator has required the said Security Incharge to furnish all documents evidencing his alleged settlements with the Syals, as also the complete list of occupants in the said building. However, information sought for, has not been furnished till date.

18. The properties that have been either leased out or sold by the management of GFIL to the best of the knowledge of the provisional liquidator are detailed in the **Annexure 'E'** and these alienations are in gross violation of the restraint orders passed by the Hon'ble High Courts.

The provisional liquidator has filed a Civil Contempt Petition against R. K. Syal and others for violating the restraint orders and alienating the properties, as detailed herein above.

19. That it has come to the notice of the provisional liquidator that a house belonging to Mrs. Romila Sinha wife of Haritesh Sinha (Director of GFIL) bearing H. No. 568, Sec – 12, Panchkula was sold to Mr. Sukhdev Singh & Mrs. Nirmal R/o Village Chagera, Tehsil Rajpura District Patiala as recently as 2.6.2003. That it has been confirmed that HUDA, Panchkula has re-allotted this property to Mr. Sukhdev Singh on 10.7.2003.

20. The Lands and properties belonging GFIL and its subsidiary companies are spread out in different States and the Provisional Liquidator is making efforts to locate and recover their prime property but to succeed in his effort help of the local Revenue and District Authorities is essential. The Provisional Liquidator has written to the District Magistrates, Panchkula, Patiala and Musssoorie to invoke their powers u/s 456 of the Indian Companies Act and take possession of the properties of GFIL, its subsidiary and associates companies and thereafter handover the possession to the Provisional Liquidator. However response has been received only from the District Magistrate, Panchkula vide which he has directed the Estate officer, HUDA and Tehsildar, Panchkula / Kalka to take

appropriate steps in this regard. No response has been received from the District Magistrates at Patiala and Musssoorie.

21. That it has recently come to the notice of the Provisional Liquidator that some State Governments have declared the lands of GFIL and its associated companies as 'Surplus Holdings'. The Collector Agrarian, Dera Bassi, District Patiala, Punjab has declared huge areas of the land held by GFIL and its associate companies as 'Surplus Area'. The Collector Agrarian, Hoshiarpur has also declared 10, 236 Kanals out of the 10,344 Kanals held by GFIL as surplus and 3403.19 Kanals out of 3535.16 Kanals of land held by Golden Project Limited (GPL) as Surplus land under the provisions of the Land Reforms Act, 1972.

22. It is stated that appeals filed against the above Orders passed by the Collectors/ Divisional Commissioners were also dismissed. Presently Revision proceedings being R.O.R. No. 937-939/2001 are pending before the Financial Commissioner, Punjab at Chandigarh. It is stated that the Collectors have taken an erroneous v ew in declaring the lands of GFIL its associate companies as 'Surplus Holdings' . A depositor of GPL on a deposit made by him/her was allotted a specific area of land with full description of the land given in the "Receipt – cum- Allotment Letter" the deposit was appropriated as follows: a. Earnest money = 70%, b. Service and Maintenance charges = 10%, and c. Consideration of land unit = 20%. The deposit was subject to the terms and conditions as provided in the application and the company also issued a cheque towards the maturity amount of the deposit which provided that in case the cheque is realized the land allotted shall stand reverted to the company. Thus, it is clear that the depositor was allotted specific area of land and if the depositor was paid the deposit amount with interest the receipt stood discharged otherwise the depositor who is termed as a land unit holder was in the eyes of law, the owner of the land allotted.

23. It is an admitted fact that GFIL as well as its associate and subsidiary companies have defaulted in making the payments. Hundreds of depositors have submitted their claims before the Provisional Liquidator. Thus, as per the terms and conditions of the deposits and allotments of lands the depositors in law are the owners of the lands and the Learned Collectors have erred in considering the company to be the owner of the land.

24. The Collectors / Divisional Commissioners have failed to appreciate that the object of the company were to engage itself in Agro Forestry, Social Forestry, and Seed Farming etc with public participation by way of investments under the plans formulated by it with the help of agricultural experts to make sure that the investments are attractive and ensure handsome returns to the investors. The agro forestry activities progressed on the lands purchased by the company with the money of the investors/depositors. The investors/depositors was described as "Unit Holder". The area allotted was in proportion to the investment; the beneficiary was to be the "Land Unit Holder". This was the concept when the company came into existence.

25. The Learned Collectors / Divisional Commissioners have overlooked the fact GFIL came into existence in 1987 long after the Land Reforms Act had come into existence and the company could not have purchased huge areas of land in different districts and provinces, only to have the holdings declared surplus which would defeat the very object and purpose for which the company was formed.

26. The Provisional Liquidator feels that the orders of the Collectors / Divisional Commissioners if upheld, would be prejudicial to the interests of the 24 lakh investor/ depositors whose only hope in recovery of their moneys lay in the ultimate sale of the land. All the lands of GFIL and their subsidiary/associate companies belong in fact to the investors and they have vital interest in the properties/lands of the companies. All the lands and properties have been

acquired with the public investments and all the investments rightfully belong to the public and there is no cogent reason why public should be deprived of their investments and why the Government should try to benefit at the expense of the public. That, as per the terms and conditions of the deposits and allotments of lands the depositors in law are the owners of the lands. This issue may be looked into by this Hon'ble Court in the light of the investors interests.

27. During the five and a half months the Provisional Liquidator has met a large number of investors/agents. The Provisional Liquidator finds that the company gave handsome commissions and incentives to the agents, floated attractive schemes of investments, which were not viable. These coupled with gross mismanagement of the affairs of the companies are the primary reasons for the failure of the company

The aforesaid Status Report is submitted before this Hon'ble Court for record.

JUSTICE R.N.AGGARWAL (Retd.)
Provisional Liquidator
Golden Forests (India) Ltd.

Dated:
Place: Chandigarh

ANNEXURE-A 4

ANNEXURE B

IN THE HON'BLE SUPREME COURT OF INDIA AT NEW DELHI

CIVIL ORIGINAL JURISDICTION

I.A.NO. 1 OF 2004

IN

T.C. (Civil) No. 63 of 2003

12

IN THE MATTER OF

National Investor Forum (Regd.) .... Petitioner

Vs

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

To

The Hon'ble Chief Justice of India
And his Companion Judges of the
Hon'ble Supreme Court.

APPLICATION FOR DIRECTIONS BY THE PROVISIONAL LIQUIDATOR APPOINTED BY THE HON'BLE PUNJAB & HARYANA HIGH COURT AT CHANDIGARH.

MOST RESPECTFULLY SHEWETH:

1. The Applicant herein has been appointed "Provisional Liquidator" by the Hon'ble Punjab & Haryana High Court at Chandigarh vide order dated 20.6.2003, passed by the Hon'ble Company Judge in Company Petition

No 60 of 2001. A copy of the order-dated 20.6.2003 is annexed hereto and marked **Annexure 'A'**.

2. That the above matter has been transferred to this Hon'ble Court vide its order dated 12.9.2003, in the matter of Securities and Exchange Board of India Vs Golden Forests (India) Ltd. & Anr being Transfer Petition No. 696 of 2002.

3. That the applicant had filed a 'Status Report' on 29.1.2004 to apprise this Hon'ble Court of the status of work done by the applicant and for seeking appropriate direction (s) on the applications filed before the High Court at Chandigarh in C.P. 60 of 2001 which have also been transferred to this Hon'ble Court. For the sake of brevity and to avoid repetition the said Status Report may be treated as part and parcel of this application. A copy of the Status Report is annexed hereto and marked **Annexure 'B'**.

4. That the Company viz. Golden Forests India Ltd. and its subsidiary companies were directed vide order dated 7th August 2001 passed by the Punjab & Haryana High Court not to alienate its properties. This order was further to the order dated 7/10/1998 passed by the Delhi High Court in case of S.D. Bhattacharya & Ors. Vs. S.E.B.I. & Ors. in CM No. 9639/98 in C.W No. 3352/1998 wherein inter alia the following directions were passed, which were applicable to all plantation companies, agro companies and companies running Collective Investment Schemes,:

> "Companies are restrained from selling, disposing of and/or alienating their immovable properties or parting with the possession of the same. The Directors of these companies are also interdicted from transferring their immovable properties in any manner whatsoever. They shall also not part with the possession thereof".

A copy of the order dated 7/10/1998 is annexed hereto and marked Annexure 'C'.

Further the High Court of Judicature at Bombay vide its order dated 23.11.1998 passed in W.P.No. 344 of 1998 in the case of SEBI v Golden Forests (India) Ltd. had directed Golden Forest India Ltd. and its subsidiaries as well as the Directors not to dispose off any property."

A copy of the order dated 23.11.1998 is annexed hereto and marked Annexure 'D'.

It is also pointed out that several other High Courts have passed similar directions, restraining the Company from alienating their properties in any manner. These matters have also been transferred to this Hon'ble Court.

5. That despite the above clear directions it has come to the notice of the Applicant that Golden Forest India Ltd. and its subsidiaries have in clear violation of the restraint orders alienated and are continuing to alienate its properties located throughout the country. The properties that have been either leased out or sold by the management of Golden Forest India Ltd. to the best of the knowledge of the provisional liquidator are detailed in the **Annexure 'E' (colly).** These alienations by way of sale, lease, purported settlements with investors etc. are in gross violation of the restraint orders passed by the Hon'ble High Courts. These alienations made in violation of the restraint orders ought to be declared null and void and instructions be issued to the concerned District Magistrates to take and deliver possession of these properties to the Applicant herein and also ensure their security.

6. The Applicant in furtherance of orders of the Hon'ble High Court of Punjab & Haryana at Chandigarh, has put on sale certain properties of Golden Forest India Ltd. This action is necessary in order to repay the nearly Rs 1000 Crores of 24 Lakh investors The Applicant has invited bids for the properties and the same would be sold subject to confirmation by this Hon'ble Court. The list of properties for which bids have been invited is annexed hereto and marked **Annexure 'F'**. The terms and conditions

for sale of the above properties are also annexed hereto and marked Annexure 'G'. Subsequently a corrigendum was issued which inter alia relaxed the terms and conditions and extended the last date of submission of tender. A copy of the said Corrigendum is annexed hereto and marked Annexure 'H'.

7. That in order for the successful sale of the said properties, it is essential that clear titles and peaceful possession be given to the buyer. The Provisional Liquidator has written to the District Magistrates at Panchkula, Patiala and Musssoorie to invoke their powers under section 456 of the Companies Act, 1956 and take possession of the properties of Golden Forest India Ltd., its subsidiary and associates companies and thereafter handover the possession to the Provisional Liquidator, but no action has been taken by the District Magistrates, so far.

8. That certain properties of the Golden Forest India Ltd. company are being claimed by individuals / companies as their separate properties and claim no link whatsoever to Golden Forest India Ltd. or its subsidiaries. This is causing hindrance in getting possession and effecting sale of these premises. This despite the fact that the property is in the custody of the Court by virtue of the order dated 18.6.2003 passed by the Hon'ble Punjab & Haryana High Court. It is stated that these properties belong to Golden Forest India Ltd. or its subsidiary companies have been illegally alienated by the management of Golden Forest India Ltd., thus illegally deriving huge benefits and creating hindrances in the way of the Provisional Liquidator to sell the properties and repay the investors. A perusal of the records reveals that the management and persons behind these so-called entities now claiming no link whatsoever with Golden Forest India Ltd., are closely associated and backed by the management of Golden Forest India Ltd. Some of these entities are clearly stated to be subsidiary companies

of Golden Forest India Ltd. in its Balance Sheets and also in records obtained from the Registrar of Companies. Details of these properties which have also been put up for sale are as under:

a) 'Drive –in 22'- Tourist resort located near Village Kurli, 12 KM from Ambala, Distt. Patiala, Punjab. This prime property is being claimed by M/s Drive in Tourist Resorts Private Limited who claim to have allegedly entered into a lease with M/s Golden Tourist Resorts and Developers Ltd. It is the claim of M/s Drive in Tourist Resorts Private Limited that M/s Golden Tourist Resorts and Developers Ltd. is not the associate or subsidiary company of Golden Forest India Ltd. and as such the Court has no claim on such property.

It is submitted that M/s Golden Tourist Resorts and Developers Ltd. is a subsidiary of Golden Forest India Ltd. and this position has been ascertained by the Applicant from the records made available by the Registrar of Companies, wherein Golden Forest India Ltd. and M/s Golden Tourist Resorts and Developers Ltd have in their own Balance Sheets acknowledged the fact that M/s Golden Tourist Resorts and Developers Ltd. is the subsidiary of Golden Forest India Ltd. As such, the lease allegedly entered into by M/s Drive in Tourist Resorts Private Limited on 13.7.2002 is null and void. It is essential that the alleged claimant of the lessee rights Sh. S.L.Singla be directed to vacate the lands and buildings described as 'Drive-in 22' and hand over its possession to the Provisional Liquidator, in the alternative, the Deputy commissioner be directed to take possession as prayed in the earlier paragraph.

b) Golden Public school- located on NH 22, Village Jharmari, district Patiala, Punjab. The said school is claiming an area of approximately 19 Killa valued at Rs. 12.5 Crores. There is conclusive evidence that the lands and buildings are of Golden Forests (India) Ltd and school buildings have been constructed with the funds of Golden Forests (India) Ltd and its subsidiary companies and, from time to time Golden Forests (India) Ltd and its

subsidiary companies have been advancing money to the Golden Scientific and Technical Education Society, Golden Educational Promotion Society, Golden Educational Society, and Indian Overseas Peace Foundation Trust which are the creation of Syals and it is R. K. Syal and his family members who are the members of the Governing Body of the 4 Societies. It is being claimed by the school management that the said school is being run by the society registered under the name of 'The Golden Scientific & Technical Education Society'. That the said society it has allegedly taken the said land vide an alleged lease deed dated 12.3.1998 from Golden Forest India Ltd. The Management claims that the school building is not the property of Golden Forest India Ltd. Detailed study of documents available with the Applicant reveals that the Golden Forest India Ltd. and its subsidiary companies have contributed heavy amounts in the construction of the school building and all investments made in the school. A perusal of the Balance sheets of Golden Public School and 'The Golden Scientific & Technical Education Society' reveal that they own no property. Further the Balance sheet of Golden Forest India Ltd. for the year 1997-98 reveals under the head 'Capital work in Progress' that nearly Rs 60 lakhs were spent on the construction of the school, thus the school lands and building are listed as an asset of Golden Forest India Ltd. It is further revealed that subsidiary companies of Golden Forest India Ltd., including Golden Lease Finance Ltd. and Golden Tourist Resorts and Developers Ltd. have advanced huge loans to 'The Golden Scientific & Technical Education Society'.

A perusal of the records of the 'The Golden Scientific & Technical Education Society' obtained from the 'Registrar of Firms and Societies, Punjab shows that the governing body and subscribers of the society comprises the family members of the Syal family who are also the owners / Managers of Golden Forest India Ltd. and its subsidiary and associate companies. The applicant states that the whole set up is nothing but a sham to illegally alienate such valuable property, which rightfully belongs

to the investors. The lease, if any, ought to be declared null and void and Golden Scientific and Technical Education Society or any other occupier claiming possession or title to the Golden Public School's Lands and buildings be directed immediately to handover the possession of school buildings to the Provisional Liquidator.

9. That apart from the above properties which have been illegally aliented by the Syals, it has come to the notice of the Provisional Liquidator that the Syals in collusion with certain people have been leasing out lands in Jharmari, Kurli, Jarout, Sangotha and surrounding villages located in Tehsil Derabassi, District Patiala, Punjab. The same have been leased out for agricultural purposes and huge monetary benefits are being derived illegally by the Syals. The Provisional Liquidator has taken steps to inform / warn the villagers by way of proclamations in these areas not to enter into such illegal leases / settlements and that the same were against the orders passed by the Hon'ble High Court. However, agricultural activities on these lands are continuing till date.

10. Another aspect on which clear directions are required relates to the status of the Group Company functioning under the name of 'Golden Projects Ltd'. The company Golden Projects Ltd. was registered in the year 1996 with authorized capital of Rs. One Crore comprising Equity shares of Rs. 10/- each, and issued, subscribed, and paid up capital was only Rs. 710/- The Applicant finds that there are lot of investors both in Golden Forest India Ltd. and Golden Projects Ltd. It is stated that Golden Forest India Ltd. and its subsidiary companies and "Golden Projects Ltd." are all managed by a single family. It is the Syals who control and manage Golden Forest India Ltd. and its various subsidiary and associate companies. Also, all other circumstances on record show that Golden Forest India Ltd., Golden Projects Ltd. and other subsidiary companies

have deep business nexus and dealings and are inter-connected, managed, and controlled by one family "Syals". Prima-facie, it seems that Golden Projects Ltd. is a subsidiary company of Golden Forests (I) Ltd.

11. The Applicant has in depth examined the Annual Returns and the Balance Sheets of the Golden Forests (India) Ltd, Golden Projects Ltd, and other subsidiary companies for some years. The Balance sheets reveal that on 25.3.1999 Golden Forests India Limited increased its authorized capital to Rs. 28 crores divided into 10 lacs Equity share of Rs. 10/- each and 270 redeemable preference shares of Rs. 10 lacs each. That out of the 270 preference shares, 264 preference shares are shown allotted to Golden Projects Ltd. against value of Rs. 264000000/-. The remaining preference shares remained unallotted. The subscribed Equity capital is Rs. 10 lacs. The Balance sheet for the year ending 31st March, 2000 shows that on 2.4.1999 Golden Projects Ltd. had entered into an agreement with Golden Forest India Ltd. for purchase of land and from time to time Golden Projects Ltd. had advanced over Rs. 18 crores to Golden Forest India Ltd. for purchase of land on the terms and conditions contained in the agreement and title to the properties was to be passed on in three years from the date of agreement. The Resolution for enhancing the capital by Golden Forest India Ltd. is dated 25.3.1999 and Rs. 264000000/- are shown to have been paid on account of 264 preference shares in the Balance Sheet of Golden Projects Ltd. ending 31st March, 1999. It can be fairly inferred from the above facts and circumstances that the Golden Forests (I) Ltd and Golden Projects Ltd, are inter linked and have common business activities and are closely held companies of the "Syal Family" and cannot be treated as separate entities. Since these companies are intricately inter connected, any adverse conclusion would only advance the nefarious plans of the Company and virtually stall the process of sale of the properties of the Company.

12. A list of subsidiaries and or associated companies of Golden Forest India Ltd., compiled as per records available with the Applicant is annexed hereto and marked **Annexure 'I'**. Clear directions are necessary to declare such properties as belonging to Golden Forest India Ltd. or its subsidiary companies and any alienations made, after the date of restraint orders, ought to be declared null and void and possession thereof be delivered to the Provisional Liquidator.

13. That the Applicant is facing hurdles in successfully completing sale of certain properties. The authorised staff of the Provisonal Liquidator has on occasions been prevented from entering certain properties. In fact, certain persons were desirous of purchasing these properties and were keen to inspect the same were denied entry as they found the gates locked and private security guards claimed they did not have the gate keys. A complaint in this respect was also made to the District Magistrate, Patiala. It is essential that District Magistrates take possession and ensure security of all properties of Golden Forest India Ltd., its subsidiary and associates companies and thereafter handover the possession to the Provisional Liquidator.

14. That it has come to the notice of the Applicant that the State Governments of Punjab and Uttaranchal have declared the lands of Golden Forest India Ltd. and its associated companies as 'Surplus Holdings' under the provisions of the respective State Act regulating the ceiling on land holding. The applicant has now initiated appeal proceedings against such orders that have come to his knowledge. A complete list of the proceedings pending along with their current status is annexed hereto and marked **'Annexure J'**.

15. The Collectors / Divisional Commissioners in issuing such orders (detailed in Annexure J) have failed to appreciate that the objects of the

company were to engage itself in Agro Forestry, Social Forestry, and Seed Farming etc with public participation by way of investments under the plans formulated by it with the help of agricultural experts to make sure that the investments are attractive and ensure handsome returns to the investors. The agro forestry activities progressed on the lands purchased by the company with the money of the investors/depositors.

16. The Learned Collectors / Divisional Commissioners have overlooked the fact that Golden Forest India Ltd. came into existence as a public limited company in 1987. The purchase of lands commenced thereafter, long after the Land Reforms Act had come into existence and the company could not have purchased huge areas of land in different states; only to have the holdings declared surplus which would defeat the very object and purpose for which the company was formed.

17. The Collectors / Divisional Commissioners have failed to appreciate that the definition of 'Land' makes it clear that only the 'Land' which is occupied or has been let for agricultural purposes or purposes subservient to agriculture, or for pasture including (a) the sites of buildings and other structures on such land; and (b) banjar land fall within the scope of 'Land' as defined. The lands/sites, which are not occupied for agricultural purposes or for purposes subservient to agriculture, cannot fall under definition of Land, and, therefore, cannot be declared surplus.

18. It is pointed out that the Golden Forests (India) Ltd and its other subsidiary and associate companies have built huge structures on their lands in villages Jharmari, Kurli, and Jaraut located in District Patiala, Punjab. The building known as Golden Public School is built up in village Jharmari in an area of 19 Killa (Approx.); the tourist resort known as Drive-in-22 has 35 huts, restaurant, Bar, Amusement Park is in village Kurli in an area of 40 Killa (Approx.); the building known as Central Secretariat is a massive

structure with roads, streetlights, underground sewerage, fast food restaurant, and a temple with the statue of Lord Shiva is in village Jharmari in an area of 34 Killa (Approx.); behind the Central Secretariat there is a hotel building with 85 rooms and other facilities is in village Jharmari in an area of 16 Killa (Approx.); adjoining to the above there is a farm house, vehicles washing station, automobile shed, bottling plant vehicle work shop in village Jharmari in an area of 36 Killa (Approx.); there are 10 residential multi storey buildings and 2 multi storey office buildings in village Jaraut in an area of 25 Killa (Approx.) (declared surplus in the hands of the Golden Forests (India) Ltd) plus other surrounding lands which were intended to be used for construction of buildings.

19. The above-described structures were built some time between 1996 and 1998 at a huge cost and this fact is confirmed from the balance sheets filed by the company with the Registrar of Companies, Jalandhar.

20. The company never acquired or occupied the lands noted above for agricultural purposes or for purposes subservient to agriculture as per the definition of 'land'. The object in floating the companies and acquisition of lands was primarily promotion of agro based social forestry farm and development of self contained eco-friendly satellite townships, tourist resorts etc The above objective is amply demonstrated by the companies building, tourist resorts at Billa, Nolta, Nalagarh, Mussoorie and Dhanaulti in addition to Drive-in-22 at village Kurli on Chandigarh – Ambala National Highway 22. The building of apartments, office buildings and a school further corroborate the fact that the acquisition of the lands and sites in various villages was not to use the land for agricultural purposes or for the purposes subservient to agriculture.

21. It is further pointed out that the schemes floated by Golden Forest India Ltd. and its subsidiaries were in the nature of a 'Collective investment

scheme' as specified under the provisions of the Securities and Exchange Board of India Act, 1992. Section 11AA (1) of the said Act states:

"11AA

(1) Any scheme or arrangement which satisfies the conditions referred to in sub section (2) shall be a Collective Investment Scheme.

(2) Any scheme or arrangement made or offered by any company under which, –

i. the contributions, or payments made by the investors, by whatever name called, are pooled and utilized for the purpose of the scheme or arrangement;

ii. the contributions, or payments are made to such scheme or arrangement by the investors with a view to receive profits, income, produce or property, whether movable or immoveable, from such scheme or arrangement ;

iii. the property, contribution or investment forming part of scheme or arrangement, whether identifiable or not, is managed on behalf of the investors;

iv. the investors do not have day-to-day control over the management and operation of the scheme or arrangement."

Further, Golden Forest India Ltd. was granted Industrial Classification Code No. '05' by Reserve Bank of India vide its letter dated July, 1989 for carrying on the business for 'Forestry and Logging', and was classified as a 'Non Financial Company'.

22 Golden Forest India Ltd. was purportedly engaged in Agro Forestry activities on the lands purchased with the moneys of the investors/depositors. The investor/depositor was described as "Unit Holder". A Unit of land measuring 125 sq. feet, or in proportion of the invested money, was allotted to the "Unit Holder" against an investment of Rs. 5000. Golden Forest India Ltd. was appointed 'Forest Service Contactor' on Job Contract Basis by the "Unit Holder". The money was invested by way of the Security for the purpose of Development and Maintenance of the particular unit of lands as mentioned in the Application Forms and Agreements, executed at the time of the investment. "Guarantee – Cum – Performance Deeds" were also executed between the Unit Holders and Golden Forest India Ltd. at the time of the investment. "Company Receipts" were issued to Unit holders. Similarly in the case of Golden Projects Ltd. which was engaged in house building activities on the lands purchased with the moneys of the investors/depositors, the scheme was that the depositor was allotted specific area of land and if the depositor was paid the deposit amount with interest the receipt stood discharged otherwise the depositor who was termed as a land unit holder remained, in the eyes of law, the owner of the land mentioned in the 'Receipt-Cum-Allotment letter'.

23. From the above it is clear that the investments and contributions made by the investors were towards 'Collective Investment Schemes'. The properties forming part of the scheme or arrangement were being managed on behalf of the investors; the depositor who was termed as a land unit holder remained, in the eyes of law, the owner of the land till the maturity of his investment. Thus the actions of the state Government to declare the land owned by Golden Forest India Ltd. and its subsidiary companies to be surplus is patently illegal and against the interest of the 24 lakh investors whose only hope of recovering their life savings lay on the ultimate sale of these properties.

24. The Provisional Liquidator feels that the orders of the Collectors / Divisional Commissioners if upheld, would be prejudicial to the interests of the 24 lakh investor/ depositors whose only hope in recovery of their moneys lay in the ultimate sale of the land. All the lands of Golden Forest India Ltd. and their subsidiary/associate companies belong in fact to the investors and they have vital interest in the properties/lands of the companies. All the lands and properties have been acquired with the public investments and all the investments rightfully belong to the public and there is no cogent reason why public should be deprived of their investments and why the Government should try to benefit at the expense of the public. That, as per the terms and conditions of the deposits, the depositors are in fact the owners of the lands. It is necessary to issue appropriate directions to the State Government with respect to the land holdings of Golden Forest India Ltd. and its subsidiary companies in order to protect the investors' interests as also to limit the cost and time involved in pursuing such cases throughout the country, which are an added burden on the investors and is virtually stalling the efforts to sell the properties of the Company.

25. That it has come to the notice of the Provisional Liquidator that Golden Forest India Ltd. and its subsidiary and associate companies have around 1500 Bank accounts all over India. The Provisional Liquidator has sent letters to all the Banks to submit Statement of accounts for the last three years and to remit the balance amount in the account to the account of the Provisional Liquidator in the State Bank of Patiala, High Court Branch, Chandigarh. Some of the banks have reported no balance in the account, some have required orders of the High Court regarding appointment of the Provisional Liquidator, and some banks have transferred the balance outstanding amount and some banks have asked for further instructions. The Provisional Liquidator is in correspondence with those banks, as well. It is stated that till date approximately Rs.1.10 Crores been collected from

around 400 Banks which have responded and further remittances are expected to come in. The amounts received have been deposited in the account of the Provisional Liquidator at Chandigarh and invested in short term Fixed Deposits. It is necessary to direct the banks that have not responded, to remit all moneys lying either in the Companies or the personal accounts of the Directors accounts to be remitted to the Provisional Liquidator.

26. The Provisional Liquidator recently received information that certain movable property like generators, air conditioners, printing press machines etc. belonging to the company were being illegally removed / sold or were in immediate danger of being removed and sold from the premises of the company. As such, the Provisional Liquidator decided to immediately take over the security arrangements at Golden Group Complex, Village Jharmari, near Lalru, and also to prepare an inventory of all the goods, machine etc. Accordingly he wrote to Mr. Walia, the security contractor of Golden Group of companies to immediately handover the security arrangement to M/s Golden Eagle Security Services, Sec-22, Chandigarh, through Capt. Ramesh Gupta (Retd.), engaged by the Provisional Liquidator to maintain security of the company property at village Jharmari, Kurli, and Jarout.

27. That officials of Provisional Liquidator along with Capt. Ramesh Gupta of M/s Golden Eagle Security Services went to Golden Group Complex village Jharmari on 6th July 2004 to take over the security of the complex. However, Mr. A. K. Walia refused to handover the security arrangements and the keys of the complex in the result the Provisional Liquidator could not take over the security arrangements of the properties at village Jharmari, Kurli, and Jarout and also the inventory of the good lying in the various properties of the company could not be prepared.

28. The Provisional Liquidator may add that the defiant attitude adopted by Mr. A. K. Walia is intentional, malicious and at the instance of R. K. Syal and Pamila Syal with ulterior motives.

29. The Provisional Liquidator also has information that Walia has purchased about 2 Bighas of land near the company's property and has built a two-storey building. The Provisional Liquidator also has information that a few Printing machines were removed by one Sachin Mishra from the premises of the company and shifted to the building of Mr. A. K. Walia.

30. The Provisional Liquidator, in the circumstances noted above is left with no alternative except to move this Hon'ble court for certain directions and orders. The Provisional Liquidator in the earlier portion of the petition has brought to the notice of this Hon'ble court the problems that are being faced by him in the effective control and management of the companies' properties. The Provisional Liquidator has also stated that that he has advertised some of the prime properties of Golden Forests (India) Ltd and its subsidiary/associate companies and invited tenders, the last date of receipt of the tenders being 31st July 2004. The Provisional Liquidator feels that in case the properties are sold with an assurance to the intending buyers of peaceful possession and clear titles, the properties could fetch over rupees 100 Crores and which could go a long way in creating funds for payments to the investors/creditors.

PRAYER

In view of the above-mentioned facts and circumstances it is humbly prayed that this Hon'ble Court may be pleased to:

i. declare the alienations listed in Annexure 'E' (Colly) made by Golden Forest India Ltd. and its subsidiary or associate companies which are in violation of the restraint orders dated 7.10.1998 and 23.11.1998 passed by the High Court of Delhi and Bombay respectively, to be null and void.

ii. issue directions to the District Magistrates at Panchkula (Haryana), Mussorie (Uttaranchal), Patiala (Punjab) to take possession of the properties of Golden Forest India Ltd., its subsidiary and associates companies, and personal properties of Directors (including those illegally alienated by the Company) located in those Districts and thereafter handover the possession to the Provisional Liquidator and also ensure its security.

iii. direct the Deputy Commissioners at Panchkula (Haryana), Mussorie (Uttaranchal), Patiala (Punjab) and Solan (Himachal Pradesh) to render all assistance to the applicant including supply of revenue records (without fees) as may be required.

iv. quash the orders passed by the State Governments of Punjab and Uttaranchal (detailed in Annexure 'J') declaring the lands belonging to Golden Forest India Ltd., its subsidiary and associates companies as surplus holdings.

v. restrain the State Governments of Punjab and Uttaranchal from initiating proceedings to declare the lands of Golden Forest India Ltd., its subsidiary and associates companies to be surplus holdings.

vi. declare the companies listed in Annexure 'I' to be subsidiaries and or associated companies of Golden Forest India Ltd. including Golden Projects Ltd.

vii. give clear directions to sell all properties of the Golden Forests (India) Ltd and its subsidiary / associate companies without interference of any party and direct the District Magistrates to render all assistance in securing such properties.

viii. direct the Reserve Bank of India to instruct all Banks to remit the moneys lying in the Accounts of Golden Forest India Ltd., its subsidiaries and associate companies and the personal accounts of the Directors, to the Provisional liquidator.

ix. direct the security contractor of Golden Group of companies A. K. Walia, to immediately handover charge to the security agency viz. M/s Golden Eagle Security Services appointed by the Provisional Liquidator.

x. any other or further order(s) as this Hon'ble Court may deem fit in the facts and circumstances of the present case.

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

Dated 14/7/2004

Filed by:

(MS. SURUCHI AGARWAL
Advocate for Petitioner