

IN THE COURT OF CHIEF METROPOLITAN MAGISTRATE, TIS
HAZARI COURTS, DELHI.

CC NO: ~~1222~~ 2003
15/12/03

**SECURITIES AND EXCHANGE BOARD
OF INDIA**, (a statutory body established
under the provisions of Securities and
Exchange Board of India Act, 1992),
Having its Regional Office at Rajendra
Place, New Delhi represented by its Asst.
General Manager, Mr. JYOTI JINDGAR.

...COMPLAINANT

VERSUS

1. M/s Bright Forests Ltd.
Having its Regd Office at
18, 1st Floor, Nazafgarh Road,
Nangloi, Delhi-100041.

Also at
Kurukshetra Road,
Kaithal-136027.

2. Sh. Jaswant Atul (Director)
645, Professor Colony,
Kaithal-136027
3. Sh. Chander Bhan Goyal (Director)
Chiranji Lal Chander Bhan,
Anaj Mandi, Cheeka, Distt. Kaithal.
4. Sh. Sunita Atul (Director)
645, Professor Colony,
Kaithal-136027
5. Sh. Pawan Kr. Goyal (Promoter/Director)
S/o Shri Jagdish Chand Goyal,
256 A, Ram Nagar Colon, Assandh,
Distt. Karnal
6. Sh. Dharam Pal Atul (Promoter)
S/o Shri Janki Das Atul
13/606, Amargarh Colony,]
Street Zero Kaithal
7. Sh. Pawan Jindal, (Promoter/Director)

EXHIBIT
Auctional Sessions Judge-II
Central, etc.

ATTESTED

13.3.12

Date Copy Agency (Sessions)



2

S/o Shri manohar Lal Jindal,
256 A, Ram Nagar Colon, Assandh,
Distt. Karnal

8. Sh. Kanhiya Lal Gupta
(Promoter/Director)
S/o Sh. Joyti Prasad Gupta,
B-43, Shivram Park,
Najafgarh Road, nagloi,
Delhi.

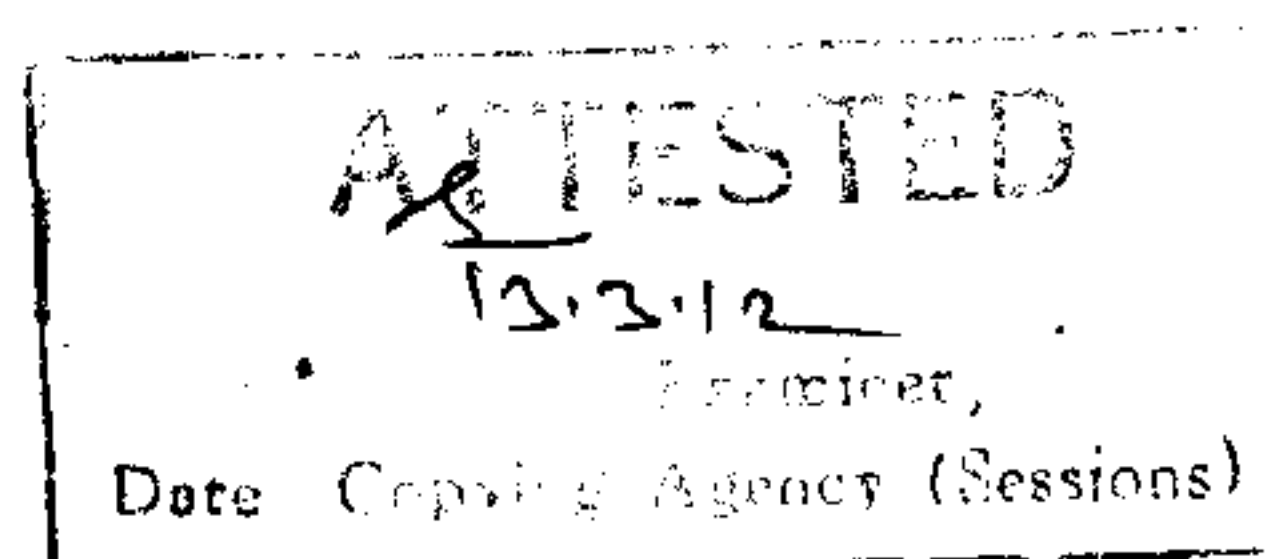
9. Smt. Sunita Devi (Promoter/Director)
W/o Shri Pawan Jindal
256 A, Ram Nagar Colon, Assandh,
Distt. Karnal.

10. Krishan Chand Atul
S/o Shri Janki Das
B-43, Shivram Park,
Najafgarh Road,
Nagloi,
Delhi.

.....ACCUSED

11. Sulochana Devi Goyal
W/o Sh. Jagdish Chand Goyal,
256 A, Ram Nagar Colon, Assandh,
Distt. Karnal.

**COMPLAINT UNDER SECTION 200 OF THE CODE OF CRIMINAL
PROCEDURE, 1973 READ WITH SEC. 24 (1) & 27 OF
SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992**





Item No. 1

CC No. 26/10

03.03.2012

Present: Sh. Ashish Aggarwal, Counsel for SEBI.
A-1 is a company represented by none.
A-3, A-5, A-7 to A-10 are in person.
A-6 & A-11 are exempted through counsel Sh. A.S. Bakshi,
Advocate who is present in the court today.
Sh. J.S. Bakshi, Advocate, Counsel for the other accused
persons.

Ld. Counsel for SEBI moves an application for substitute of the
witness. Copy of the application is given to the Ld. defence counsel.
Application is not opposed. Heard. The same is allowed.

CW-1 is examined and discharged.

On the statement of Ld. Counsel, CE stands closed.

On the request of counsel for the parties, statement of accused
persons recorded under Section 313 Cr. P.C wherein they refused to lead
evidence in their defence.

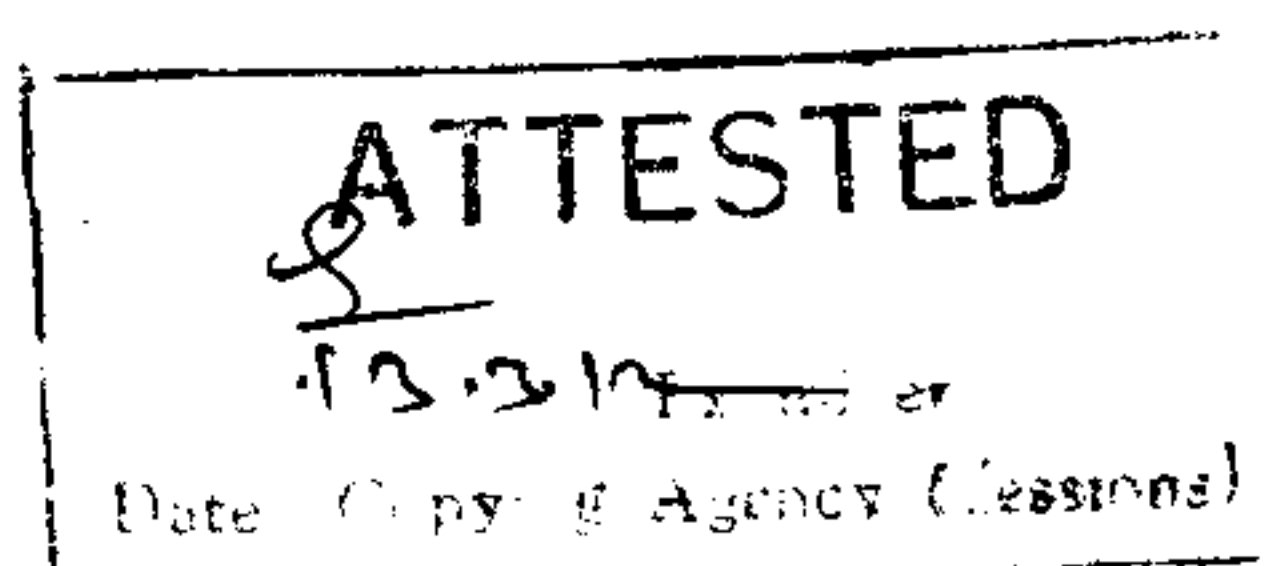
Arguments heard.

Vide separate judgment, A-1, A-3, A-5 to A-11 held guilty for the
offence punishable under Section 24 (1) r/w Section 27 of the SEBI Act.

Arguments heard on the point of sentence.

Vide separate order, convict No.1 to convict No. 9 are burdened


2/3/12





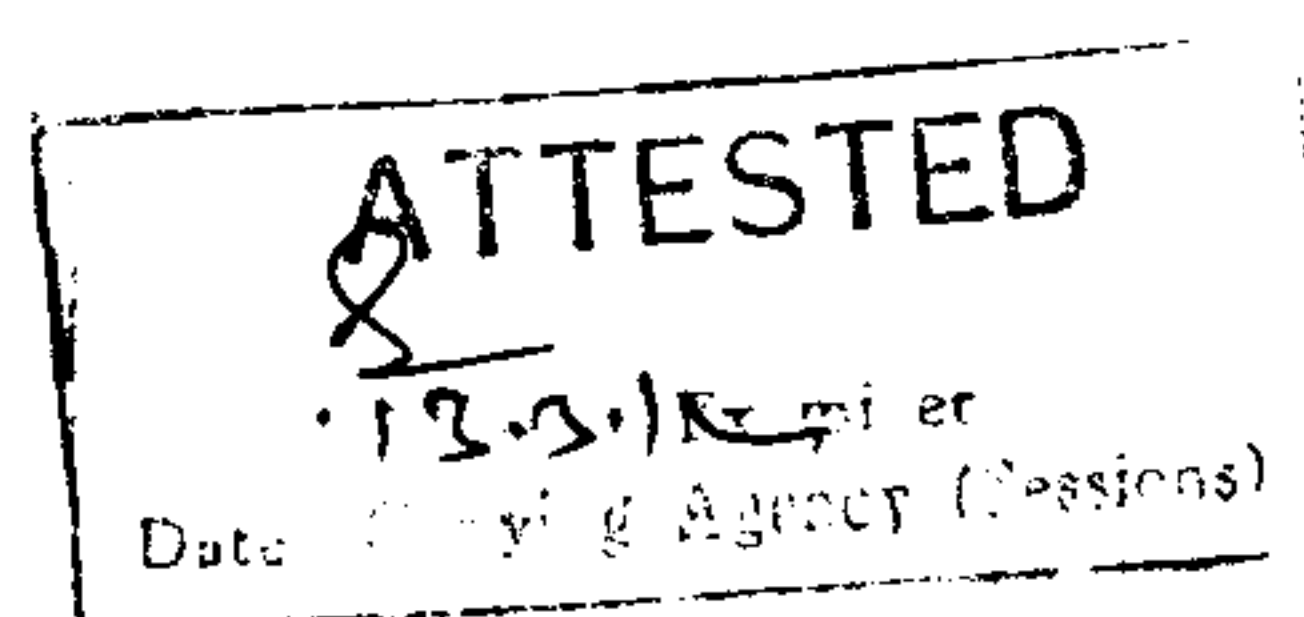
with a fine of ₹8,000/- each in default convict No 2 to 9 shall undergo simple imprisonment for a period of one month. Fine amount is paid by convict No. 2 to 9.

Ld. Counsel for SEBI submits that SEBI shall take appropriate steps for realization of amount as and when SEBI came to know about the property of the company accused. Since A-2 & A-4 are proclaimed offender, file be consigned to record room with direction that the same is revived as and when they are arrested.

Copy of judgment along with order on the point of sentence be given to the convicts/their counsels free of cost.

File be consigned to record room.


[PAWAN KUMAR JAIN]
ASJ-01/CENTRAL/DELHI
03.03.2012





SEBI Vs. Bright Forest Ltd. & Ors

IN THE COURT OF SH. PAWAN KUMAR JAIN,
ADDITIONAL SESSIONS JUDGE-01(CENTRAL):DELHI

Complaint Case No. 26 of 2010
ID No: 02401R0231032003

SECURITIES AND EXCHANGE BOARD OF INDIA, a statutory body established under the provisions of Securities and Exchange Board of India Act, 1992, having its Regional office at Mittal Court, B- Wing 224 Nariman Point, Mumbai 400021 represented by its Asstt. General Manager Ms. Versha Agarwal.

Versus

1. **M/s Bright Forests Ltd.**
Having its Registered Office at:
18,1st Floor, Nazafergah Road
Nangloi, Delhi.

Also at
Kurukshetra Road
Kaithal-136027.

.....accused no.1

2. **Sh. Jaswant Atul (Director)**
645, Professor Colony
Kaithal-136027

.....accused no. 2

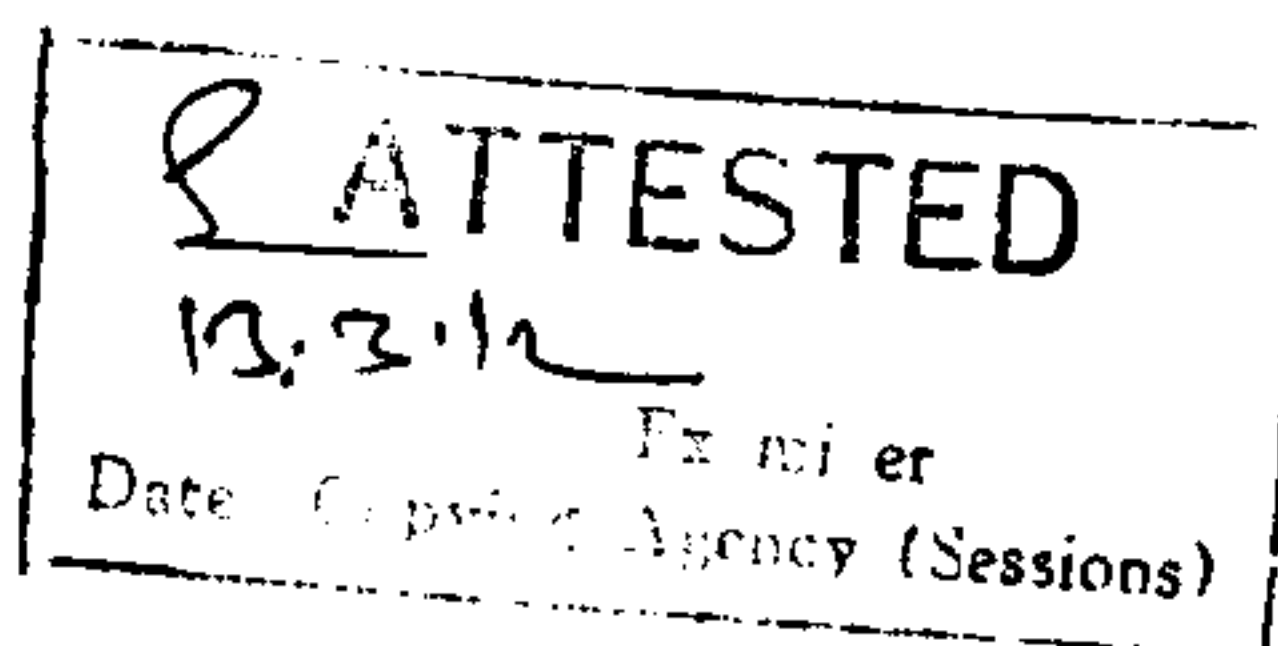
3. **Sh. Chander Bhan Goyal (Director)**
Chiranjilal Chander Bhan
Anaj Mandi, Cheeka, Distt. Kaithal

.....accused no. 3.

4. **Sh.Sunita Atul (Director)**
645, Professor Colony
Kaithal-136027

.....accused no. 4


3/3/12





SEBI Vs. Bright Forest Ltd. & Ors

5. **Sh. Pawan Kumar Goyal**
(Promoter/Director)
S/o Sh. Jagdish Chand Goyal
256A, Ram Nagar Colon, Assandh
Distt. Karnal.

.....accused No. 5

6. **Sh. Dharam Pal Atul (Promoter)**
S/o Sh. Janki Dass Atul
13/606, Amargarh Colony
Street Zero Kaithal

.....accused No. 6

7. **Sh. Pawan Jindal**
(Promoter/Director)
S/o Sh. Manohar Lal Jindal
256A, Ram Nagar Colon, Assandh
Distt. Karnal

.....accused No. 7

8. **Sh. Kanhiya Lal Gupta**
(Promoter/Director)
S/o Sh. Jyoti Prasad Gupta)
B-43, Shivram Park
Najafgarh Road, Nangloi
Delhi.

.....accused No. 8

9. **Smt. Sunita Devi**
(Promoter/Director)
W/o Pawan Jindal
256A, Ram Nagar Colon, Assandh
Distt. Karnal

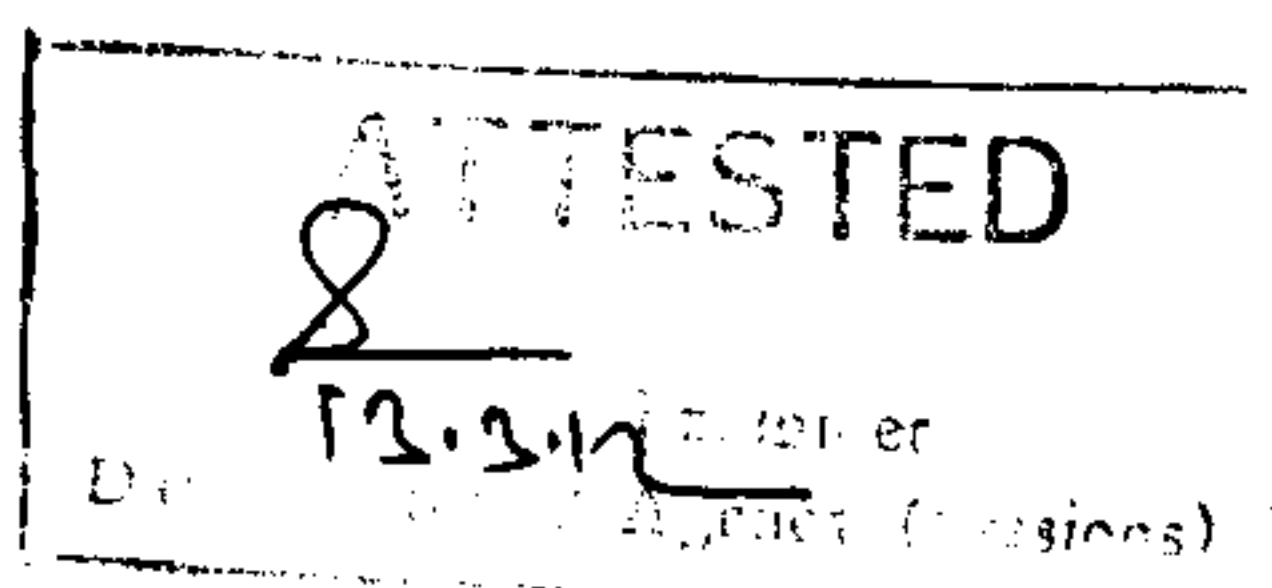
.....accused No. 9

10. **Krishan Chand Atul**
S/o Shri Janki Dass
B-43, Shivram Park
Najafgarh Road, Nangloi.
Delhi.

.....accused No.10

11. **Sulochana Devi Goyal**
W/o Sh. Jagdish Chand Goyal


2/3/12





SEBI Vs. Bright Forest Ltd. & Ors

256A, Ram Nagar Colon,
Assandh, Distt. Karnal

.....accused No. 11

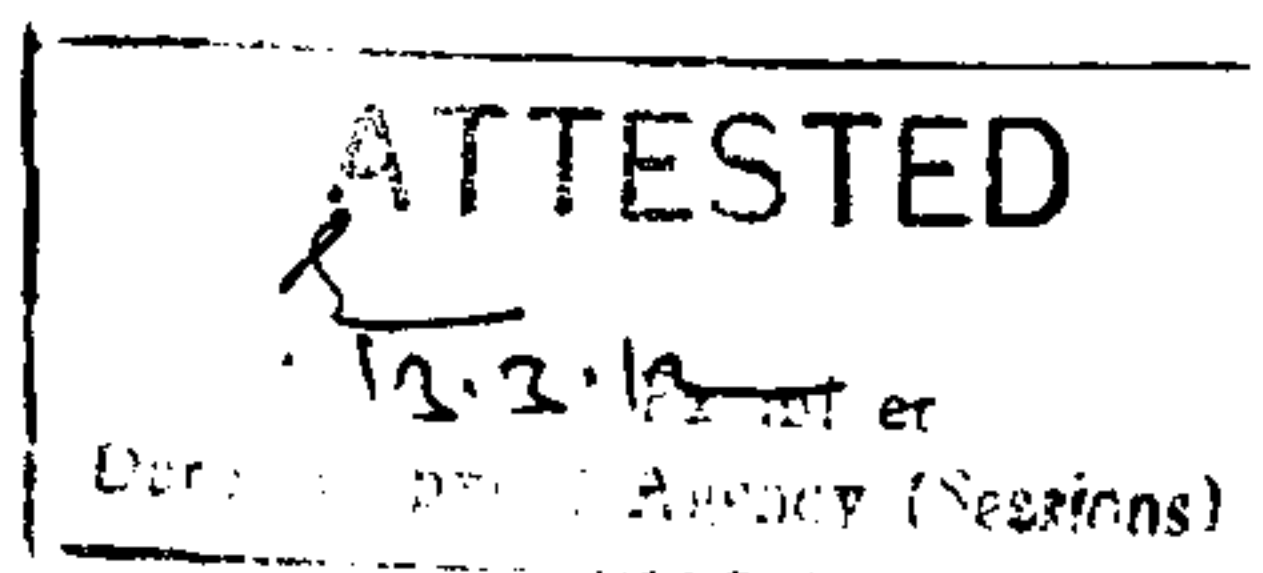
Date of Institution : 15.12.2003
Date of committal to Session Court : 05.02.2005
Date of pronouncement of judgment : 03.03.2012.

Present: Sh. Ashish Aggarwal, learned counsel for SEBI.
A-1 is a company represented by none.
Sh. A.S. Bakshi and Sh. J.S. Bakshi, Advocates,
Counsel for accused No.3, 5 to 11.

JUDGMENT (ORAL)

1. This criminal complaint was preferred by the Securities & Exchange Board of India (hereinafter referred to as "SEBI" or "the complainant"), on December 15, 2003 in the Court of Additional Chief Metropolitan Magistrate (ACMM), alleging violation of the provisions of Section 12 (1B) of Securities & Exchange Board of India Act, 1992 (hereinafter, "the SEBI Act") and Regulation Nos. 5(1) read with 68(1), 68(2), 73 and 74 of the Securities & Exchange Board of India (Collective Investment Schemes) Regulations, 1999 (hereinafter referred to as "the CIS Regulations" or "the said Regulations"), constituting offence punishable under Section 24(1) read with Section 27 of the SEBI Act.

2. Eleven persons were arrayed as accused in the criminal complaint preferred under Section 200 Cr.P.C., they being accused No.1 M/s Bright Forests Ltd., ("A1") accused No. 2 Sh. Jaswant





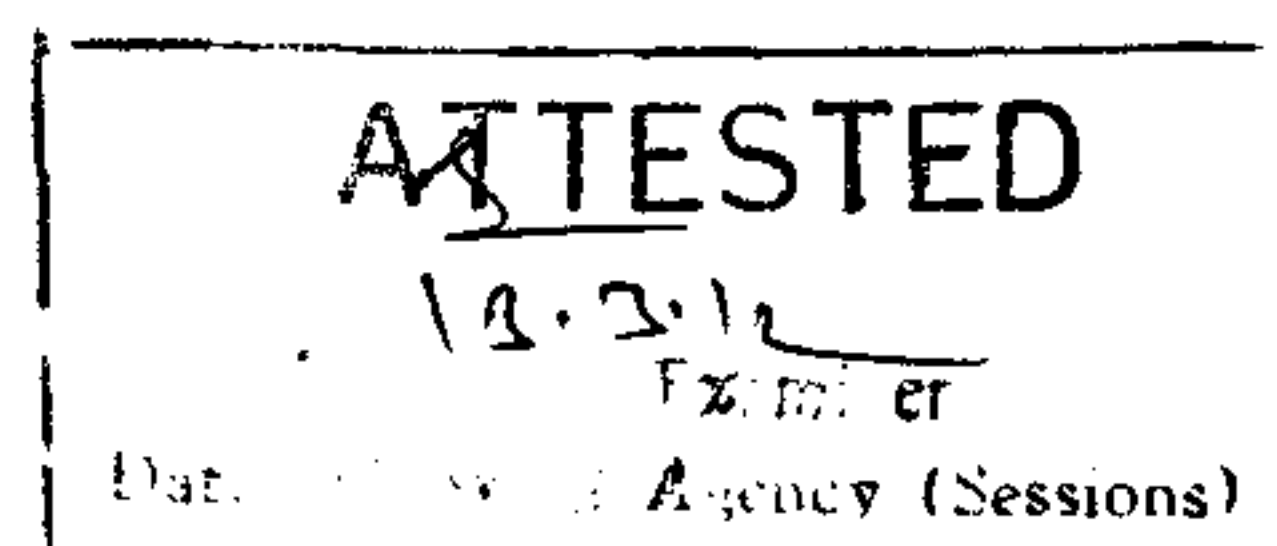
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Atul("A2"), accused No.3 Sh. Chander Bhan Goyal ("A3"), accused No.4 Sh. Sunita Atul ("A4"), accused No.5 Sh. Pawan Kumar Goyal ("A5"), accused No.6 Sh. Dharampal, ("A6"), accused No.7 Sh. Pawan Jindal, ("A7"), accused No.8 Sh. Kanhiya Lal Gupta ("A8"), accused No.9 Smt. Sunita Devi ("A9"), accused No.10 Sh. Krishan Chand Atul ("A10"), and accused No.11 Sulochana Devi Goyal ("A11"). It is alleged that A2 to A11 were Directors of the company accused and as such persons were in charge of, and responsible to, A1 for the conduct of its business within the meaning of the provisions contained in Section 27 of the SEBI Act.

3. It is alleged in the complaint that A1 had floated the Collective Investment Scheme (CIS) and raised large amount approximately ₹ 91,135.15 from general public, in violation of the provisions contained in Section 12 (1B) of the SEBI Act. It is also alleged that after coming into force of the CIS Regulations and in spite of public notice dated December 18, 1997, the accused persons had failed to get the Collective Investment Scheme registered with SEBI or to wind up the said scheme or repay the amount collected from the investors in terms of the CIS Regulations, thus constituting violation of the law and regulations framed thereunder and thereby committing the offence alleged as above.

4. Cognizance on the complaint was taken by the learned ACMM vide order dated December 15, 2003 whereby process were issued under Section 204 Cr.P.C. against all the accused persons.

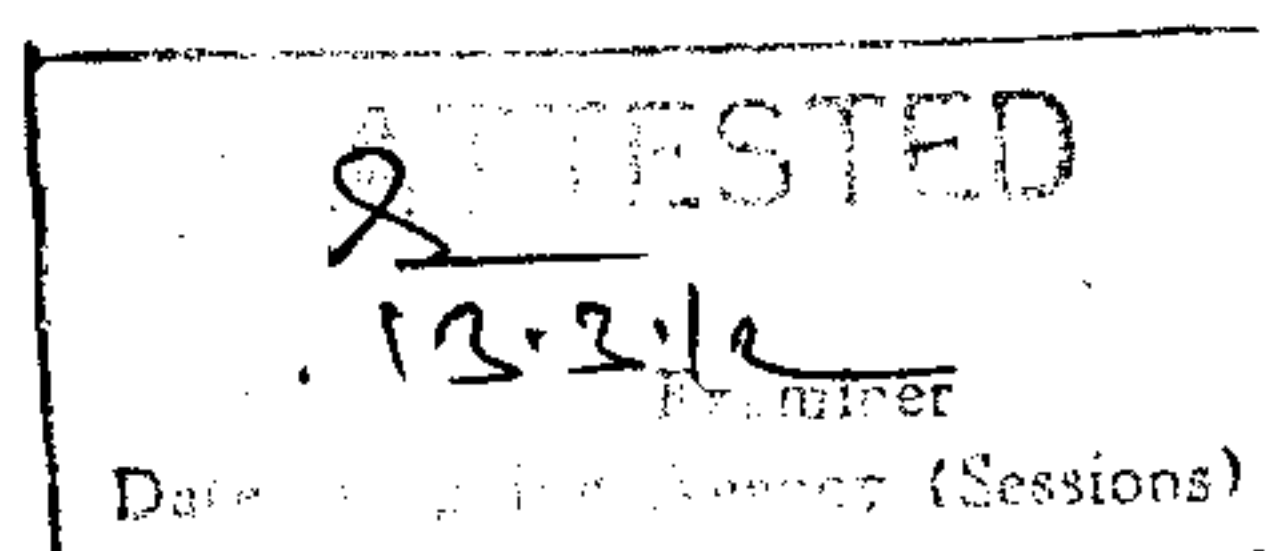
5. On account of the amendment, particularly in Sections 24 and





26 of the SEBI Act, through Amendment Act which came into force w.e.f. November 24, 2002, pursuant to Administrative Directions of Hon'ble High Court, under orders of the Ld. District & Sessions Judge, this case was transferred on February 5, 2005 from the Court of Ld. ACMM to the Court of Sessions, then presided over by Ms. Asha Menon, the then Additional Sessions Judge, Delhi.

6. **Vide** order dated February 7, 2012, A-2 & A-4 were declared proclaimed offender.
7. **Vide** order dated March 1, 2012, a notice for the offence punishable under Section 24 (1) read with Section 27 of the SEBI Act, was framed against all the accused persons except accused No. 2 & 4, who were declared proclaimed offender. All the accused persons pleaded not guilty and claimed trial. Mr.A.S. Bakshi, Advocate accepted the notice on behalf of accused No. 6 & 11 and pleaded not guilt on their behalf. Since A-1 was not represented by anyone, none has responded to the notice on behalf of accused company.
8. In order to prove the guilt of accused persons, complainant has examined only one witness named Ms. Versha Agarwal, Assistant General Manager, SEBI as CW1. Thereafter, accused persons were examined under Section 313 Cr.P.C. in which they denied the evidence led by the complainant. However, they preferred not to lead any evidence in their defence.
9. I have heard arguments advanced by Sh. Ashish Aggarwal, Advocate, Counsel for complainant and Sh. J.S. Bakshi and Sh. A.K. Bakshi, Advocates, Counsels for accused persons and perused the





SEBI Vs. Bright Forest Ltd. & Ors

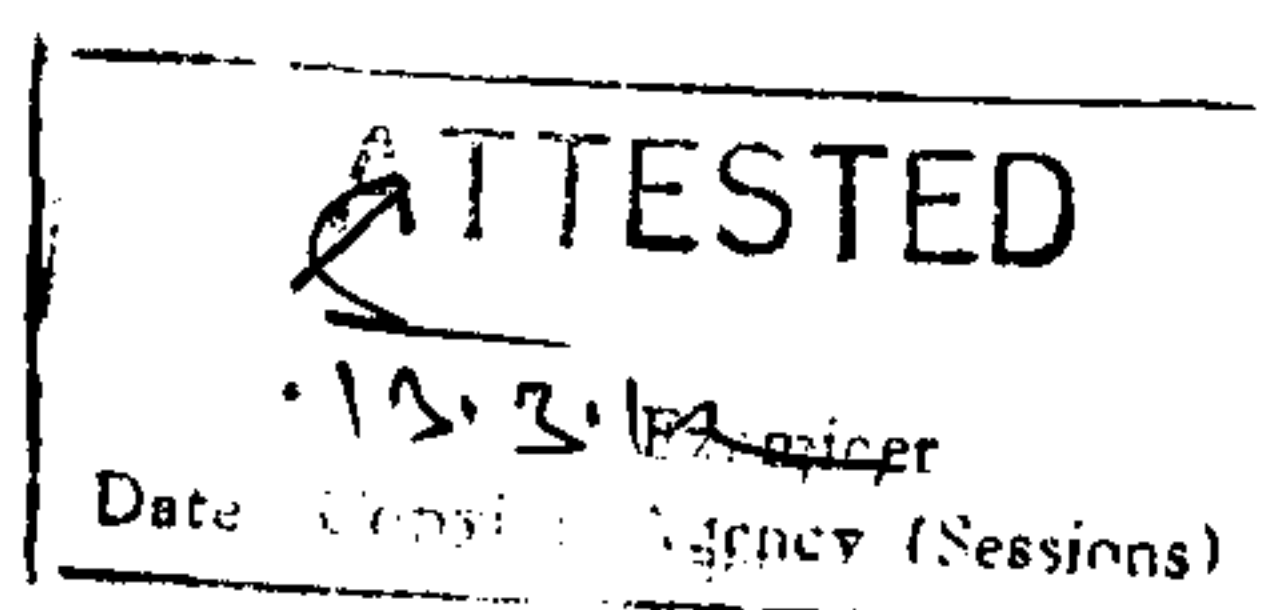
record carefully.

10. **Learned** counsel for the complainant submits that company accused had mobilized funds in violations of the provisions of Section 12 (1B) of the SEBI Act and had also violated the regulations of 5 & 73 of CIS Regulations. It was submitted that company accused had not submitted the winding up and repayment report in accordance with the provisions of SEBI Act. Ld. Counsel for the accused persons submits that accused persons were not aware about the provisions of CIS Regulations.

11. **First** question arises as to whether company accused had violated any provisions of SEBI Act at the time of mobilizing funds from the general public.

12. It is undisputed fact that company accused was incorporated on March 17, 1994 and this fact was intimated by the company accused to the SEBI in its letter Ex. CW-1/7. Thereafter, company accused had also sent a letter to the SEBI, same is Ex. CW-1/6 wherein company accused intimated the SEBI that company accused had mobilized funds to the tune of ₹91,135.15 Company in its letter Ex. CW-1/8 intimated the SEBI that they had not mobilized funds after December 18, 1997. This proves that company accused had mobilized of funds during 1994 to 1997.

13. As per Section 12 (1B) of the Act, company accused was not supposed to mobilize any fund after January 25, 1995 unless company accused obtained a certificate of registration from the SEBI. If any scheme was in existence on or before January 25, 1995,





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company accused was bound to comply with the provisions of CIS Regulations by moving an application under Regulation 5 of the CIS Regulation to seek registration of the scheme within two months from the notification of CIS regulations. But admittedly, company accused had not moved any application in terms of Regulation 5 of the CIS Regulation. Thus, in terms of Regulations 73 of CIS Regulations, company accused was bound to refund the amount to the investors and was bound to submit the WRR with the SEBI on the prescribed format. But, admittedly, company accused had not complied with provisions of Regulation 73 of CIS Regulations. Thus, it becomes clear that company accused had not only violated provisions of Section 12 (1B) of the Act but also Regulation of 5 & 73 of CIS Regulation which is punishable under Section 24 (1) of the SEBI Act.

14. CW-1 in her deposition categorically deposed that A-2 to A-11 were persons incharge of and responsible to, the company accused for the conduct of its business and her testimony remained unchallenged during trial. Even accused persons have not taken any plea in their statement recorded under Section 313 Cr. P.C. Since the deposition of CW-1 remained unchallenged during trial, this court has no reason to disbelieve her testimony. Since the accused No. 3,5 to 11 were persons incharge of, and responsible to, the company accused for the conduct of its business, thus in terms of Section 27 of the SEBI Act, they are also liable for the violations committed by the company accused.

15. Pondering over the on going discussion, I am of the considered opinion that complainant has succeeded to prove the guilt of accused persons beyond the shadow of all reasonable doubts that company accused M/s Bright Forests Ltd. had mobilized funds.





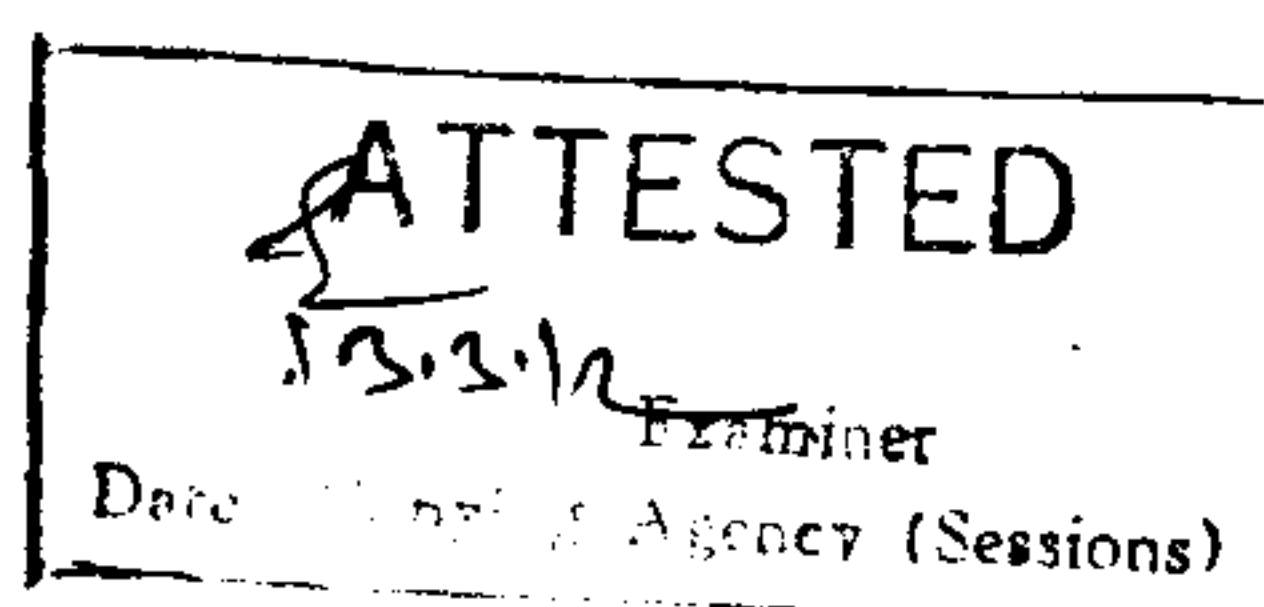
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through various Collective Investment Schemes in violation of Section 12 (1B) of the SEBI Act and also violated regulations No. 5 and 73 of CIS Regulations. Thus, I hereby hold company accused no. 1 M/s Bright Forests (India) Ltd., accused no. 3 Sh. Chander Bhan Goyal ("A3"), accused No. 5 Sh. Pawan Kumar Goyal ("A5"), accused No. 6 Sh. Dharampal, ("A6"), accused No. 7 Sh. Pawan Jindal, ("A7"), accused No. 8 Sh. Kanhiya Lal Gupta ("A8"), accused No. 9 Smt. Sunita Devi ("A9"), accused No. 10 Sh. Krishan Chand Atul ("A10"), and accused No. 11 Sulochana Devi Goyal ("A11") guilty for the offence punishable U/s 24 (1) r/w Section 27 of the SEBI Act.

Announced in the open Court
on this 3rd Day of March, 2012

(PAWAN KUMAR JAIN)
ADDITIONAL SESSIONS JUDGE-01
CENTRAL/THC/DELHI

Copy given to
the Court in open Court
at Acc.
Copy Received
On Behalf of Accused Persons
Except: (No. 2 & 4)
M. S. M. SINHA Adv.
On Behalf of Main Counsel
M. A. S. BAKSHI Adv.





SEBI Vs. Bright Forests Ltd. & Ors.

IN THE COURT OF SH. PAWAN KUMAR JAIN,
ADDITIONAL SESSIONS JUDGE-01(CENTRAL):DELHI

Complaint Case No. 26 of 2010
ID No: 02401R0231032003

SECURITIES AND EXCHANGE BOARD OF INDIA, a statutory body established under the provisions of Securities and Exchange Board of India Act, 1992, having its Regional office at Mittal Court, B- Wing 224 Nariman Point, Mumbai 400021 represented by its Asstt. General Manager Ms. Versha Agarwal.

Versus

1. **M/s Bright Forests Ltd.**
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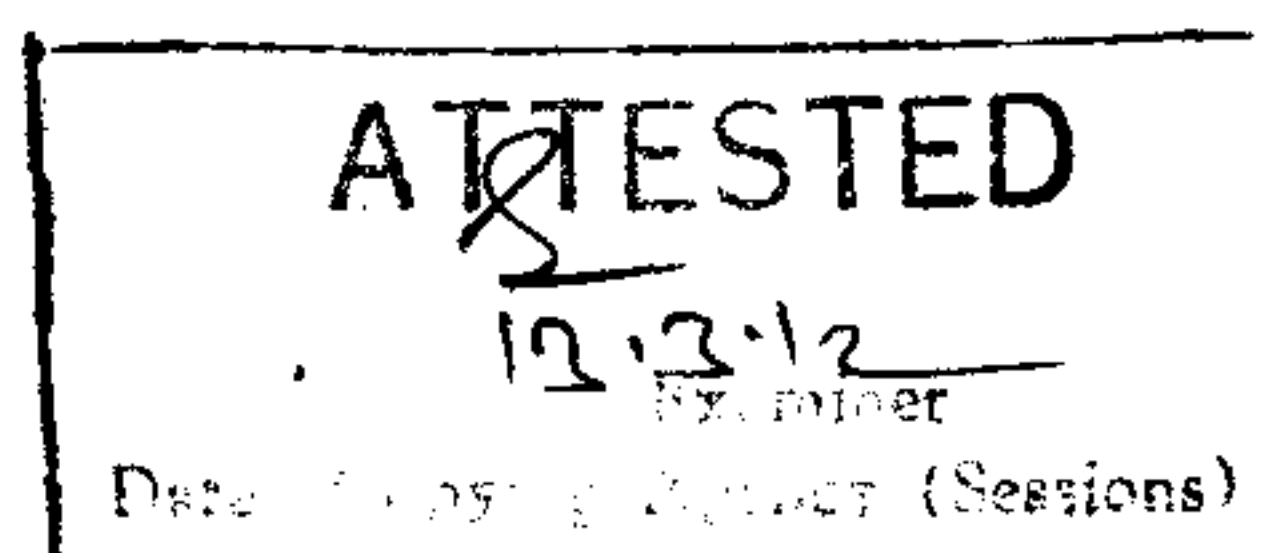
..... convict No.1

2. **Sh. Chander Bhan Goyal (Director)**
Chiranji Lal Chander Bhan
Anaj Mandi, Cheeka, Distt. Kaithal

.....convict No. 2.

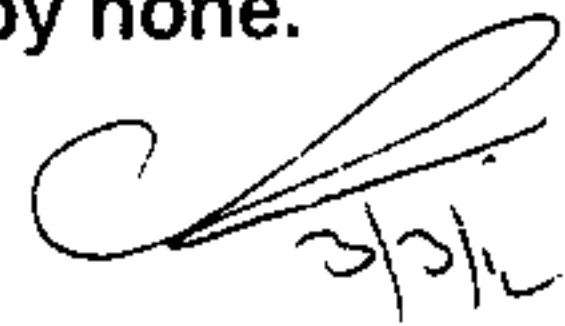
3. **Sh. Pawan Kumar Goyal**
(Promoter/Director)
S/o Sh. Jagdish Chand Goyal
256A, Ram Nagar Colon, Assandh
Distt. Karnal.

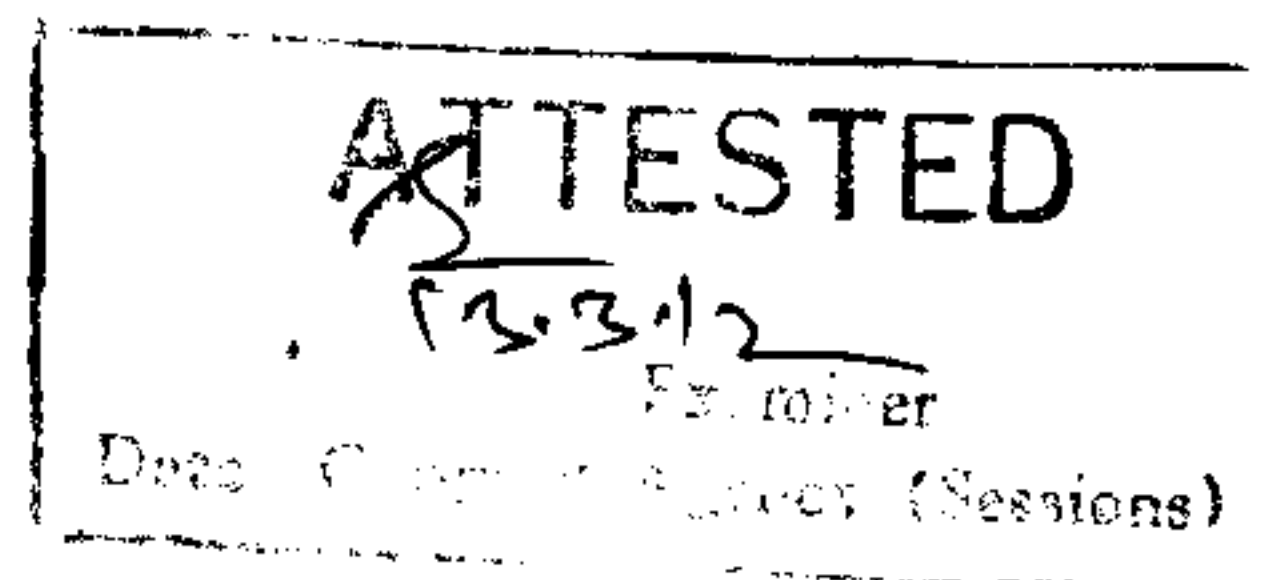
.....convict No. 3



4. **Sh. Dharam Pal Atul (Promoter)**
S/o Sh. Janki Dass Atul
13/606, Amargarh Colony
Street Zero Kaithal
.....convict No. 4
5. **Sh. Pawan Jindal**
(Promoter/Director)
S/o Sh. Manohar Lal Jindal
256A, Ram Nagar Colon, Assandh
Distt. Karnal
.....convict No. 5
6. **Sh. Kanhiya Lal Gupta**
(Promoter/Director)
S/o Sh. Jyoti Prasad Gupta
B-43, Shivram Park
Najafgarh Road, Nangloi
Delhi.
.....convict No. 6
7. **Smt. Sunita Devi**
(Promoter/Director)
W/o Sh. Pawan Jindal
256A, Ram Nagar Colon, Assandh
Distt. Karnal
.....convict No. 7
8. **Krishan Chand Atul**
S/o Shri Janki Dass
B-43, Shivram Park
Najafgarh Road, Nangloi,
Delhi.
.....convict No.8
9. **Sulochana Devi Goyal**
W/o Sh. Jagdish Chand Goyal
256A, Ram Nagar Colon,
Assandh, Distt. Karnal
.....convict No. 9

Present: **Sh. Ashish Aggarwal, Advocate, Counsel for SEBI.**
Convict No. 1 is company represented by none.







SEBI Vs. Bright Forests Ltd. & Ors.

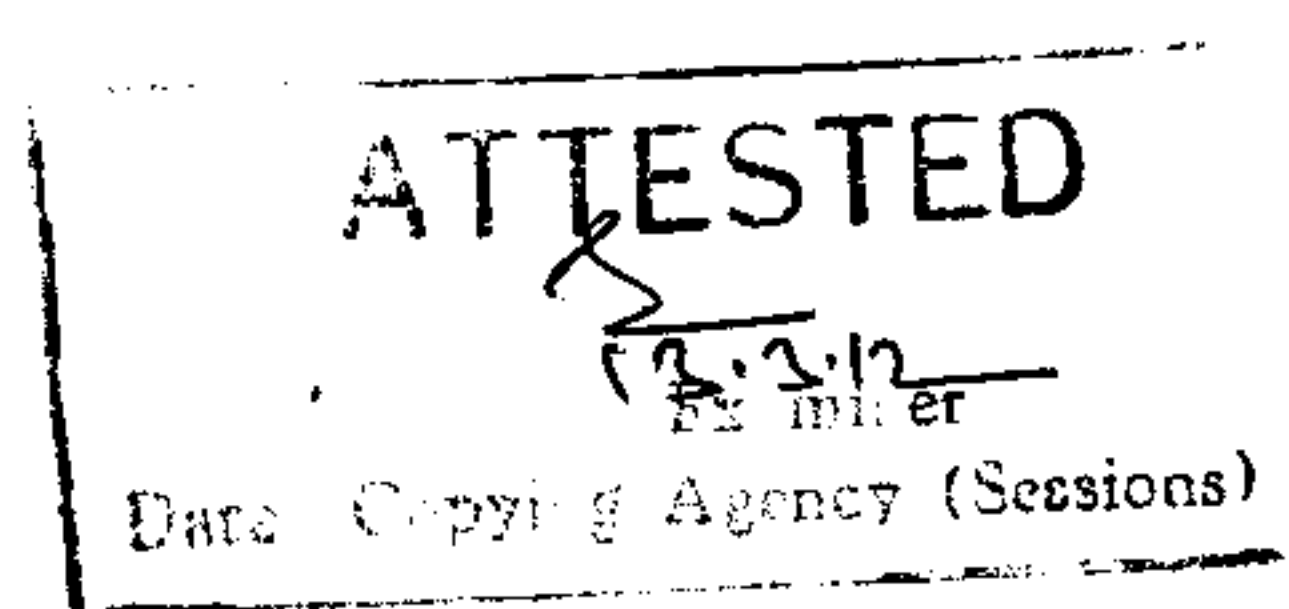
**Sh. A. S. Bakshi and Sh. J.S. Bakshi, Advocates for
convicts. No. 2 to 9**

ORDER ON THE POINT OF SENTENCE

1. **Vide** separate judgment dated March 3, 2012, A-1 M/s Bright Forests Ltd., A-3 Sh. Chander Bhan Goyal, A-5 Sh. Pawan Kumar Goyal, A-6 Sh. Dharampal, A-7 Sh. Pawan Jindal, A-8 Sh. Kanhiya Lal Gupta, A-9 Smt. Sunita Devi, A-10 Krishan Chand and A-11 Sulochana Devi Goyal have been held guilty for the offence punishable under Section 24 (1) r/w Section 27 of the SEBI Act.

2. **Learned** counsel appearing for convicts requests for a lenient view on the ground that there is no criminal antecedents of any of the convicts and they are sole bread earner of their respective families and respectable persons of the society. It is further submitted that convict No. 4 Dharmapal has suffered fracture in his both legs and convict No. 9 Smt. Sulochana Devi Goyal is suffering from terminal cancer

3. **On** the other hand, learned counsel for SEBI requests for some substantial punishment.



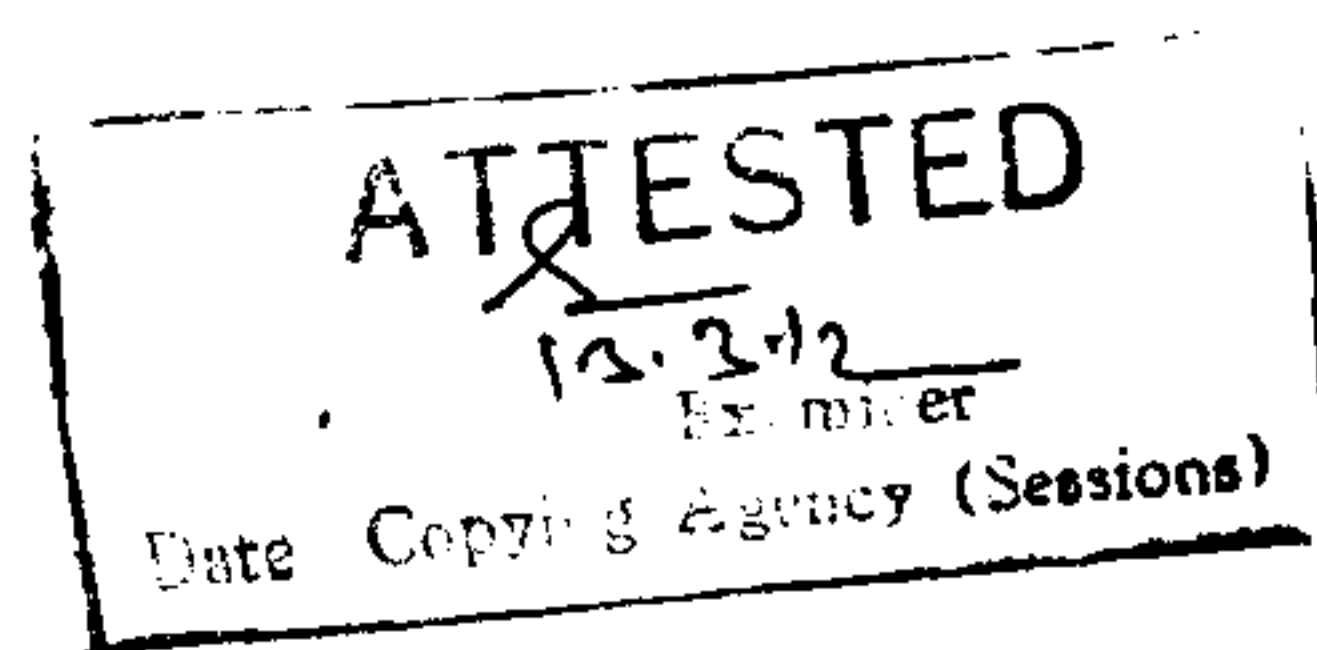
4. I have heard counsel for both the parties, perused the record carefully and gave my thoughtful consideration to their submissions.

5. **Considering** the submissions of learned counsel for both the parties and quantum of amount involved in the Collective Investment Schemes, I am of the opinion that ends of justice will be met if the convicts are burdened with some amount of fine. Accordingly, I hereby impose a fine of ₹ 8,000/- each in default convict No. 2 to 9 shall undergo simple imprisonment for a period of one month.

6. **Convict** no. 2 to 9 have deposited the fine amount.

7. **Ld. Counsel** for SEBI submits that presently SEBI is not aware about the property of the company accused, and states that SEBI shall take appropriate steps for realization of fine amount as and when the SEBI came to know about the property of the company accused. Request is allowed.

8. **Copy** of judgment along with order on the point of sentence be given to the convicts/their counsel free of cost.





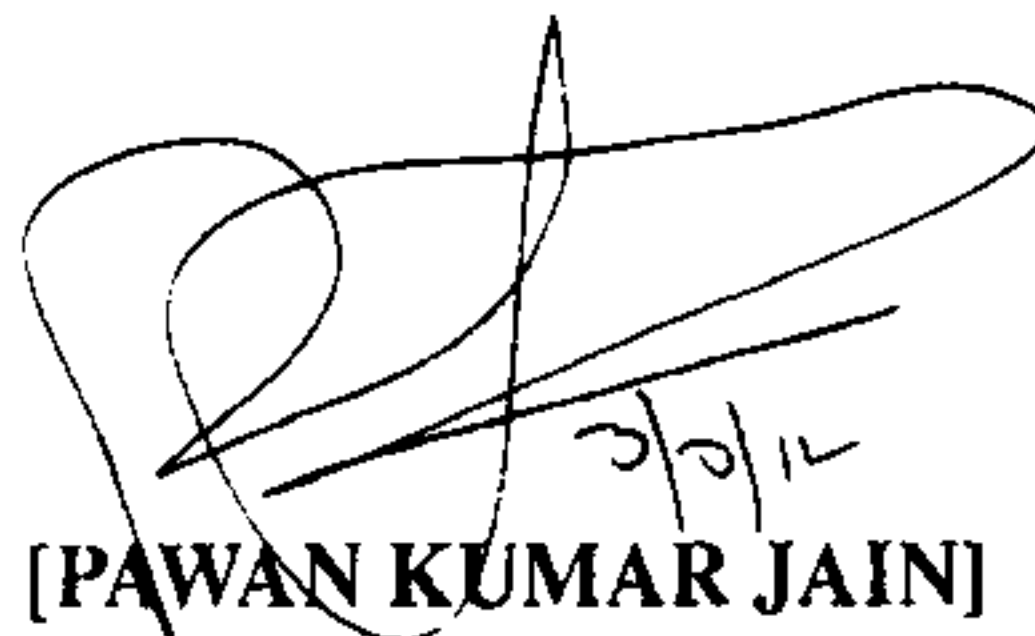
SEBI Vs. Bright Forests Ltd. & Ors.

9. Since accused No. 2 & 4 are proclaimed offender, file be consigned to record room with direction that the same be revive as and when they are arrested.

10. File be consigned to record room.

Announced in the open Court

on this 3rd Day of March, 2012.


[PAWAN KUMAR JAIN]

Addl. Sessions Judge-01(Central)

Tis Hazari, Delhi.

*File given to
the court in open court
at 11:00*

*Copy received
Court for accused persons
Group - (No 2 & 4)
Mr. S. M. Sarda
Mr. A. J. Ramani
Mr. Manoj Kumar*

Office of the District & Sessions Judge	
Delhi	
Certified to be True Copy	
13.3.12	
Examiner	
Date	Copying Agency (Sessions)
Authorised under Section 78 of the Indian Evidence Act, 1978	