

**Before Shri R.S. Virk, District Judge (RETD.)
appointed to hear objections/representations in the matter of PACL Ltd.
as referred to in the order dated 15/11/2017, of the Hon'ble Supreme Court
passed in civil appeal no. 13301/2015 titled Subrata Bhattacharya vs SEBI.**

File No. 330

Objections By AGM Super Estates Private Limited Against Attachment

Present Shri Amarjit Singh Bedi & Gaganpreet Sandhu Advocates for the objector.

Order -

1. The objector above described is seeking delisting of property measuring 325.54 sq. mtr bearing plot no. 28, Sec – 10 , Dwarka, and New Delhi from the list of properties attached by the committee chaired by Hon'ble Mr. Justice R.M. Lodha, former Chief Justice of India, constituted as such by Hon'ble Supreme Court vide order dated 02.02.2016 in the case arising out of Civil Appeal No. 13301/2015 bearing the title Subrata Bhattacharya vs SEBI, with other connected cases.
2. The objector contends that the above described property was initially allotted vide letter no. F.27(56)92LSB(R)940 dated 12.01.1996 by DDA to one Jaggi S/o Shri Yad Ram. The said documents exist at page 22-25 of the objection petition. DDA had also statedly issued possession letter dated 30.04.1996 to the above named Jaggi (copy whereof exists at page 26 of file). DDA had also subsequently executed perpetual lease deed dated 07.06.1996 in favour above named of Jaggi and his wife Smt. Khazani (copy whereof exists at page 31-42, of the objection file).
3. Subsequent thereto the above name Jaggi and Khazani executed GPA as well as agreement to sell, SPA and Will, all dated 03.07.1996, besides executing a receipt in the sum of Rs. 11 Lakhs, also dated 03.07.1996 in favour of Pearls Green Forest Ltd. through its Vice President B.K. Kalia (as per documents existing at pages 43-57).
4. The above named PGF on its part then executed GPA, SPA, Agreement to Sell, Indemnity Bond, Will, Affidavit, Possession Letter and receipt in the sum of Rs. 15 Lakhs, all dated 12.03.1997, as existing on pages 58-79 in favour one Nirmal Singh Bhangoo.
5. The above named Nirmal Singh Bhangoo on his part then executed a registered Agreement to Sell, SPA, GPA, Will, Affidavit and Possession Letter and also receipt in the sum of Rs. 71 Lakhs in favour of one Mr. Mukesh Goel, photocopies whereof exist at pages 80-127.
6. The above named Mukesh Goel through Jaggi applied to DDA for grant of sanction for construction vide letter dated 02.04.2008 and after completion, submitted building plan as

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also construction photographs pursuant whereto DDA granted occupancy certificate dated 06.11.2008. Copies of above referred documents exist at pages 128-139.

7. The above named Mukesh Goel then submitted documents such as treasury slip for transfer, challan, receipt of freehold conversion as per documents existing at pages (140-143) on the basis whereof DDA issued letter dated 19.03.2009 (page 144) for execution of conveyance deed in favour of Mukesh Goel and pursuant thereto Jaggi above named through DDA executed conveyance deed dated 26.03.2009 in favour of Mukesh Goel (copies of the above referred documents are at pages 145-150)
8. Thereafter, abovenamed Mukesh Goel executed registered sale deed 08.09.2009 (pages 7 to 16) for an amount of Rs. 85 Lakhs in favour of the objector viz. AGM Estates as corroborated by proof of payment, property tax receipts alongwith proof of payment through cheque (pages 151 to 155) and pursuant thereto mutation in favour of the objector was entered on 17.07.2013 vide letter bearing no. Taxes/Mut./Dy.A&c/NGZ/2013/1753 (page 156)
9. The Ld. Counsel for the objector have contended that the only document leading to attachment of the above described property and its proposed auction is an Agreement of sale dated 22.09.2001 executed by above described M/s PGF Ltd. In favour of M/s PACL India Ltd. represented therein by Manoj Kumar, Manager but the said agreement of sale is a redundant document in as much as M/s PGF Ltd. had prior thereto, executed GPA, SPA, ATS, Indemnity Bond, Will, Affidavit and possession letter, besides a receipt in the sum of Rs. 15 Lakhs, all dated 12.03.1997, through its Vice President Shri B.K. Kalia in favour of Nirmal Singh Bhangoon "in his individual capacity" and therefore the subsequent agreement of sale dated 22.09.2001 executed by M/s PGF Ltd. in favour of M/s PACL Ltd. is a nullity and did not confer any right whatsoever in the latter.
10. Further, it is argued that the objector has purchased the said property vide registered sale deed and has complete chain of documents in his favour and thus an unregistered agreement of sale dated 22/9/2001 executed by M/s PGF in favour of M/s PACL India Ltd. will not be of any consequence. It is further submitted that the DDA has executed conveyance deed in favour of Mukesh Goel after going through the veracity of the documents and with consent of Jaggi and therefore the objector is a bonafide purchaser and should not be penalised for any infraction/sham transaction by M/s PGF or M/s PACL Ltd.
11. At first glance, the above referred averments/contentions and the supporting arguments put forth sound impressive but do not stand close scrutiny. In this context, it may be firstly be noticed that as per entry at Sr No. 87 of the list maintained by SEBI in respect of files received from the Central Bureau of Investigation which is looking into pan India operations of PACL involving millions of investors who have been defrauded, the said investigating agency had taken the original records of the transfer of the property in question into possession vide malkhana register (MR No. 425/16). As per the said entry, the sale price of this property is 4 crores, and the transfer was affected vide the stamp No. IN-DL28141637880499M, on the strength of GPA (STAMP PAPER NO. IN-DL28140184105205M) by AGM SUPER ESTATES PVT. LTD in favour of PACL dated 05/11/2014 which aspect has been withheld by the objector herein . Thus the objector is no longer the owner of this property which now vests with PACL and therefore has no locus standii to prefer the objection petition in hand.

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12. Moreover, it needs to be borne in mind that PACL Ltd. (previously called Pearls Agrotech Corporation Ltd.) was registered on 13/02/1996, with the registrar of companies, Jaipur as per information available on the net. It may also be noticed that PGF was registered on 19/01/1983 with the registrar of companies, Chandigarh. Though it is contended that the scope of PACL Committee is confined to PACL properties and not to PGF properties in the light of order dated 2/02/2016 of the Hon'ble Supreme Court in civil appeal No.13301/2015 bearing the title Subrata Bhattacharya Versus Securities & Board of India, yet the fact cannot be lost sight of that PACL and PGF(Pearls Green Forests) Ltd. are apparently sister concerns as would be evident from the fact that Shri N.S. Bhangoo is one of the five Directors/Partners in PGF Ltd. as per information available on the net and the same Shri N.S. Bhangoo, was also chairman of PACL and is vendee of the property in question viz. plot no. 28, Sec -10, Dwarka, New Delhi measuring 325.54sqm from M/S PGF Ltd. through its Vice President Shri B.K. Kalia on the strength of documents dated 12/03/1997, detailed in paras 4 & 8 above. It needs to be mentioned at this stage that M/S PGF Ltd. is also being investigated by the CBI as well as by Department of Income Tax in the light of order dated 12/03/2013 passed by the Hon'ble Supreme court in civil appeal no. 6572 of 2004 bearing the title M/S PGF Ltd. and others Versus Union of India and another. Keeping in view the fact that PACL was incorporated on 13/02/1996 wherein N.S. Bhangoo was the chairman, it cannot be said at this stage without there being any documentary evidence to show that the amount of Rs. 15 Lakhs paid by Shri N.S. Bhangoo to PGF for purchase of the property in question was derived out of his personal funds and not out of funds to the tune of several thousand crores collected by him as a collective investment scheme (within the meaning of section 11 AA of the Security and Exchange Board of India Act, 1992) from millions of investors but without obtaining the requisite permission from SEBI as contemplated in the said Act and the Regulations framed thereunder. It may also be pointed out here that the PACL had come into existence on 13/02/1996 whereas the purported sale in question by Shri N.S. Bhangoo is dated 12/03/1997.
13. It may also be borne in mind here that neither SEBI which has issued noticed to PACL nor the CBI which is investigating the criminal case registered in the matter are parties to this petition for which reason there is no counter material available with me to conclude that the purchase by Shri N.S. Bhangoo of the property in question from M/S PGF Ltd. was Solely out of his own funds and not that of PACL because in the latter event, the investors have a vested right in this property not with standing the execution of conveyance deed by DDA in favour of Mr. Mukesh Goel .
14. In view of the foregoing discussion, the objection petition in hand is held to be devoid of any merit and is accordingly dismissed.

Date : 22/12/2017


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District Judge (RETD)