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BEFORE THE HON'BLE SUPREME COURT OF INDIA
(Civil Appellate Jurisdiction)
C.A. No. 13410 / 2015

IN THE MATTER OF:

SUKHDEV SINGH & ANR

...APPELLANTS

VERSUS

SECURITY & EXCHANGE
BOARD OF INDIA

...RESPONDENT

**OBJECTIONS ON BEHALF OF SUKHDEV SINGH, MANAGING
DIRECTOR, PACL LTD., IN RESPECT TO REPORT DATED 16.11.2019
ISSUED BY COMMITTEE BY HON'BLE MR. JUSTICE R.M. LODHA
(FORMER CHIEF JUSTICE OF INDIA).**

MOST RESPECTFULLY SHOWETH:

1. That the present objections are being filed in terms of the Order dated 11.12.2019.
2. That vide report dated 16.11.2019, Hon'ble Justice R.M. Lodha Committee had shortlisted 'Two Offers', one by M/s Prudent ARC Limited/Telecare Network India Pvt. Ltd. and another by ARCIL Assets Reconstruction India Ltd.
3. That both the proposals are liable to be rejected as valuable and prime properties of PACL are sought to be taken without any commitment/surety of payments. Further, both the proposals are in respect to piecemeal properties and not the complete list of 27,500 properties. The piecemeal sale at lower than realizable market value would be highly detrimental to the interests of the investors. Moreover, the same would render the sale of other properties difficult. Also, it would be important to note that there are certain properties, whose front portions have been bid by M/s Prudent and ARCIL but the back portion has not been bidden. The said fact clearly establishes that purchase of front portion only is with the objective to make the remaining part of the same property to lose its market value. At best, if the said 2 proposals are accepted and honored in the present form then also despite disposal of valuable properties the liability of PACL is not likely to decrease causing grave prejudice to PACL.
4. That it is further pertinent to note that the bidding by both the above said Companies is a fraudulent act and tantamount to unlawful enrichment at the cost of the loss to PACL as these companies have consciously treated institutional lands, which have constructions above, as agricultural lands. That further, there is a deliberate attempt to reduce the minimum price of the lands in question by these two companies which they have done firstly by basing the base price on the circle rate and not on market rate; Secondly the circle rate given by them is also incorrect and is less than the actual circle rate; Thirdly, bidding of properties which are not mentioned on the Auction website, Fourthly, mentioning wrong location of properties, e.g., property of Ambika Vihar, Delhi shown as property located at Gurugram, Haryana; The said 2 Companies are trying to advantage of the huge difference in Market value and Circle Rate Value of various properties.
5. That further, both the above said Companies have made bids in respect to properties situated at Delhi without considering the fact that the Land Pooling Policy of the Delhi Government, provides for much higher price (7 to 8 times) than the price offered by the above 2 Companies.
6. That neither of the Companies has filed bank balance Certificates to show

- Rs. 21 Crores, the said fact shows the malafide on the part of the above 2 Companies.
7. That the above 2 Companies have not made any security deposit qua the proposal for grant of properties worth more than Rs. 1000 Crores to them.
 8. That the offer made by M/s Prudent/Telecare is highly misleading, infirm, non-committed and is an attempt to gain monopoly and exclusive right to sell the assets of PACL by blocking them for much lower sum of money. M/s Prudent has further gone to the extent of stating that it does not incur any liability on its part on account of failure on part of the prospective buyer to honor any or all their commitments in the said process prospectively or retrospectively in letter dated 25.09.2019. M/s Prudent merely seeks to lend its name and face to Telecare, a Company in financial distress having no financial strength but seeking purchase of assets worth Rs. 1000 Crores.
 9. That the said Companies have not disclosed any of their previous projects in their proposals. In a way, M/s Prudent has disclaimed the authenticity of EOI (Expression of Interest) submitted by Telecare vide letter dated 16.09.2019. It is further submitted that Telecare is a Pvt. Ltd. and its holding Company is M/s Optiemus Infracom Ltd. Also, at 70% of the assets of the above bidder Telecare consists of investment in shares of Optiemus Infracom Ltd., which has lost its value from Rs. 96.60 as on 01.04.2019 to Rs. 26.30 as on date. It is significant to point out that the said bidder M/s Telecare has deliberately suppressed this fact. Furthermore, Telecare is incurring huge losses and has a debt of Rs. 176.18 Crores, cash in hand being Rs. 9 Lacs and bank balance being Rs. 21.30 Crores. The said Company is into sale of Mobile handsets and accessories and has no connection, experience in sale and purchase of properties. Further, the reduction of commission fees by M/s Prudent from 4% to 0.5% and now 0% casts a doubt on their conduct.
 10. That M/s ARCIL is merely acting as a facilitator on behalf of prospective buyers and has at the outset disclaimed any pecuniary liability for the failure of prospective buyers to complete the sale transactions. It is relevant to point out M/s ARCIL has not given any name, detail, financial strength or undertaking from any of the prospective buyers to complete sale transactions. Hence acceptance of proposal on behalf of M/s ARCIL would again lead to blocking of assets of PACL. It is further pertinent to note that bids of M/s ARCIL are not on "as is where is" basis hence, the same is liable to be rejected. M/s ARCIL has further not mentioned any timeline for completion of the sale transactions. Moreover, M/s ARCIL has proposed to charge a commission @ 3% + GST, which would be payable immediately in issuance of sale certificate for any particular property. The same further implies that M/s ARCIL is not ready to keep the commission pending till the entire properties being bid are sold.
 11. On the other hand, PACL is committed and willing to undertake and cooperate with this Committee, SEBI and this Hon'ble Court for disposal of properties in a transparent manner and at the best prices, as PACL and its directors have detailed knowledge of the properties and their best prices. PACL has no objection if the properties are sold to identified direct buyers.

Drawn on 13.12.2019

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Drawn and Filed by

Wajeed Shafiq,
Advocate for Petitioner