

**Before Shri R.S. Virk, District Judge (Retd.)  
In the matter of PACL Ltd.**

**File no. 664**

**MR Nos. 36300-16 to 36304-16**

**Objectors** : Smt. Pushpa Rohini Agarwal and others, Kota (Rajasthan)

**Present** : (i) Drishti Grover, Advocate, (Enrolment No. D/8938/2018)  
(ii) None for CBI.  
(iii) Shri Satyam Bhatiya, Advocate for PACL  
(Enrolment No.D/1855/2016)

**Order** :

1. (a) It may be noticed at the outset that vide order dated 02/02/2016, passed in civil appeal no. 13301/2015 bearing the title Subarata Bhattacharaya Versus Securities & Exchange Board Of India, the Hon'ble supreme court had directed constitution of a committee by SEBI to be headed by Hon'ble Mr. Justice R.M. Lodha former Chief Justice of India as its Chairman for disposing of the land purchased by PACL so that the sale proceeds recovered there from can be paid to the investors who have invested their funds in the company for purchase of the land.

(b) 2<sup>nd</sup> Status Report (Volume-I) of the Justice (Retd.) R.M. Lodha Committee (in the matter of PACL Ltd) submitted before the Hon'ble Supreme Court, had at page 77 thereof, proposed as under :-

“It would be in the interest of the investors of the Company, that all objections based on documents purportedly executed after 02-02-2016 be scrutinized and then heard and disposed of by a retired Judicial Officer(s) assisted by requisite number of Advocates, appointed by the Committee.”

(c) The aforesaid proposal of committee was accepted by the Hon'ble Supreme Court.

2. (a) Subsequent thereto, I have been appointed by the said committee to hear objections/representations against attachments of various properties in the matter of PACL Ltd which appointment has been duly notified in SEBI Press release no. 66 dated 08/12/2017.

(b) My said appointment is also duly mentioned in the order dated 15/11/2017 (to be read with orders dated 13/04/2018, 02/07/2018 and 07/12/2018) of the Hon'ble Supreme Court in civil appeal no. 13301/2015 Subrata Bhattacharya Vs SEBI.

3. (a) The objectors above named seek delisting, (from the list of properties shown attached on [www.auctionpacl.com](http://www.auctionpacl.com)) the land in question comprised in Khewat No. 305, Khasra No. 633/1 (measuring 2.40 Hectares) situated at village Kasar in Tehsil Ladpura of District Kota, Rajasthan with the averments that the said land was earlier owned by one Kanahiya Lal s/o Tulsi Ram r/o Ladpura of District Kota, Rajasthan who had sold the same vide registered sale deed no. 122 dated 10/05/1994 in favour of PGFL (Pearls Green Forest Ltd) through its authorised person named Krishan Kumar.

(b) The said land was thereafter sold by PGFL through its authorised person named Tejender Pal Singh s/o Amrik Singh, as per resolution dated 01/12/2009, in favour of the four objectors above named through four separately registered sale deeds, all dated 05/02/2010, copies whereof have been appended as Annexures P-8 to P-11, and pursuant whereto mutation has also been entered in their favour, copy whereof is Annexure P-12.

(c) The objectors herein thus contend that they are bonafide purchasers of the land in question separately purchased by them through four separate sale deeds, all dated 05/02/2010, which are all prior to the order of the Hon'ble Supreme Court dated 02/02/2016 and are therefore not liable to attachment or sale by the PACL committee more so when the order of Hon'ble Supreme Court dated 02/02/2016 only authorised sale of properties of PACL sold by PACL after February 2016.

(d) It is contended inter-alia that the Hon'ble Supreme Court's order dated 02/02/2016 covers only the properties of PACL and hence can only be interpreted as properties in the name of PACL as it existed on the date of the order but since PACL did not have any right in the said Land on the date of the order, hence on this ground alone, the said land should not form part of the e-auction process.

4. Upon notice having been sent to CBI through email at its given email address [sp1bsfcdel@cbi.gov.in](mailto:sp1bsfcdel@cbi.gov.in) vide my order dated 09/05/2019 for 20/05/2019, it filed a reply dated 17/05/2019 mentioning therein that it had seized sale deed no. 122/1994 dated 10/05/1994, executed by Kanhaiya Lal (through his authorised person named Krishan Kumar) in favour of M/S PGF Ltd from M/S PACL Ltd, vide seizure memo dated 08/09/2016, and which sale deed has been handed over by it to this committee.

5. Upon notice having been sent to PACL through email at its given email address [amarjit.bedi@gmail.com](mailto:amarjit.bedi@gmail.com) vide my order dated 09/05/2019, it filed a reply dated 20/05/2019 mentioning therein that the land in question is not owned by PACL Ltd, but was owned by PGF Ltd which had sold the same.

6. I have heard the learned counsel for the objectors above named, as also the counsel for PACL Ltd.
7. (a) It may be noticed at the outset that Pearls Green Forests Ltd which had sold the land in question through its authorised person in favour of the objectors above named was incorporated on 19/01/1983 at Chandigarh and is called PGF Ltd w.e.f. 1997. At the time of its incorporation, one Nirmal Singh Bhangoo was its Managing Director.
- (b) SEBI had issued a public notice dated 18/12/1997, besides specific letter dated 20/04/1998, to PGF Ltd whereby it was called upon to furnish various details as regards collective investment schemes.
- (c) In the backdrop thereof, SEBI passed an order dated 20/02/2002 under section 11B of SEBI Act against PGF Ltd which was challenged by PGF by filing CWP No.4620/2002 in the Punjab & Haryana High Court.
- (d) In pursuance of directions of the Punjab & Haryana High Court in the said writ, SEBI, after complying with the High Court order dated 29/04/2002, issued an order dated 06/12/2002 prohibiting PGF from collecting any money from investors and directed it to refund the money already collected by PGF.
- (e) PGF Ltd challenged the aforesaid order dated 06/12/2002 by filing CWP No.188 of 2003 before a division bench of the Punjab & Haryana High Court which was dismissed vide order dated 26/07/2004.
- (f) Aggrieved against the said order dated 26/07/2004, PGF Ltd filed civil appeal no. 6572 of 2004 bearing the title PGF Ltd Versus Union of India (reported in 2015 13 SCC 50) which was dismissed by the Hon'ble Supreme Court vide order dated 12/03/2013, with costs to the tune of Rupees Fifty lakhs. It was further observed in para 56 thereof as under :-

Apart from imposing cost for having wasted the precious time of the High Court as well as of this Court, in order to ensure that none of the investors/customers of the PGF Limited, who have parted with their valuable savings and earnings by falling a prey to the promise extended to them are deprived of their investments, we feel it just and necessary to direct for proper investigation both by the Central Bureau of Investigation as well as the Department of Income Tax and in the event of any malpractice indulged in by the PGF Limited, to launch appropriate proceedings, both Civil, Criminal and other actions against the PGF Limited, as well as, all those who were responsible for having indulged in such malpractice. We also direct the second respondent to proceed with its investigation/enquiry and inspection of the PGF Limited as well as all its other officers and other premises and after due enquiry to be carried out in accordance with law, take necessary steps for ensuring the refund of the monies collected by the PGF Limited in connection with the sale and development of land to its various customers.



8. (a) Subsequently, the Hon'ble Supreme Court vide order dated 22/01/2016 passed in Civil Appeal No. 6572 of 2004 bearing the title M/S PGF Ltd and others Versus Union of India and another had appointed a committee headed by Hon'ble Mr. Justice Vikramjeet Sen (Retd) for realisation of the monies by way of sale of the immovable properties, as well as liquidation of fixed deposit receipts, for disbursement of monies collected by PGF to its investors. At page 3 of the said order, it was recorded by the Hon'ble Supreme Court as under :-

**Pursuant to our above order an affidavit dated 26th March, 2015 has been filed by the Superintendent of Police, CBI, wherein it has been pointed out as under in paragraph 11:-**

*"That CBI has seized papers (including some photocopies) of 348 properties of PGF and more than 14000 properties of PACL and others, all of which may not be title deeds. In the above affidavit dated 22.12.2014, the appellant has provided indicative list of 25 properties, said to be attached by CBI. In this regard, it is submitted that out of indicative list of 25 properties also, original title documents only in respect of 7 properties viz. SL. No. 10, 17, 18, 19, 20, 21 & 25 have been seized by CBI, while papers of 7 properties viz. SL. No. 2, 3, 4, 7, 9, 14 & 22 are 'Agreement To Sell' only and papers of 3 properties viz. SL. No. 11, 12 & 23 are Xerox copy only. Papers of remaining 8 of the said 25 properties do not figure in the list of papers seized by CBI. Similar discrepancies may be expected in remaining property papers also."*

(b) The Hon'ble Supreme Court had vide its above referred order dated 01/04/2015 in the above noted appeal had directed the CBI to handover all seized papers referred to in para 11 of its above quoted order as, reproduced verbatim in para 8(a) of this order above.

(c) No doubt the CBI in its reply dated 17/05/2019 filed to the objection petition in hand has mentioned therein that it had seized sale deed no. 122/1994 dated 10/05/1994 executed by Kanhaiya Lal (through his authorised person named Krishan Kumar) in favour of M/S PGF Ltd, from M/S PACL Ltd vide seizure memo dated 08/09/2016 and which sale deed has been handed over by it to this committee, yet this committee cannot pass any order releasing the property in question from attachment because it belonged to PGF Ltd in respect of sale of properties of which company, a committee headed by Hon'ble Mr. Justice Vikramjeet Sen, retired Judge of the Hon'ble Supreme Court stands appointed vide its order dated 01/04/2015 passed in Civil Appeal No. 6572 of 2004 bearing the title M/S PGF Ltd and others Versus Union of India and another.

9. It will not be out of place to mention here that the CBI had averred before me in its applications dated 07/02/2018 (moved in file nos. 367/2 and 367/3, decided by me on 16/05/2018 and uploaded vide catalogue no. 211 & 212 at [www.sebi.gov.in/PACL.html](http://www.sebi.gov.in/PACL.html)) that its Bank Securities & Fraud Cell Branch had, upon conversion of Preliminary Enquiry No. PE/BD1/2013/E/0003 registered an FIR vide No. RC-BDA/2014/E/0004/CBI/BS&FC/ND on 19/02/2014 under sections 120-B r/w


420 IPC in pursuance of order of the Hon'ble Supreme Court of India dated 12/03/2013 passed in Civil Appeal No. 6572 of 2004 in the matter of M/s PGF Ltd Versus Union of India and others against :-

- (i) M/s PGF Ltd through its Managing Director namely
  - (a) Shri Nirmal Singh Bhangoo,
  - (b) And directors namely S/Shri Harchand Singh, Chander Bhushan Dhillon and Prem Seth
- (ii) As well as against M/s PACL Ltd
  - (a) through its Managing Director namely Shri Sukhdev Singh, and
  - (b) Whole time directors namely S/Shri Gurmeet Singh and Subrata Bhattacharya & Additional director namely Shri Gurjant Singh Gill and some unknown others,

(b) It was averred inter-alia therein by the CBI that investigation revealed that the conspiracy is having National and International ramification in as much as directors of M/s PGF and M/s PACL in pursuance of criminal conspiracy with each other and others had illegally collected Rs.45,184 Crores from 5.46 Crore gullible investors and diverted the wrongful gain/fund through Sham Land Developments (11,000 Crore approximately). Further, in pursuance of said conspiracy, thousands of crores were paid illegally to the agents and PACL had also diverted those funds through sham transactions at all India level and also at International level to Dubai, Australia etc.

10. The upshot of the above discussion is that this committee has no jurisdiction to pass any order for release of the property in question, previously belonging to PGF Ltd, and which has been attached by the CBI during the course of investigation of the case referred to in para 9 of this order above. Resultantly, the objection petition in hand stands dismissed.


**Date : 27/05/2019**

  
**R. S. Virk**  
**Distt. Judge (Retd.)**

**Note:**

Three copies of this order are being signed simultaneously, one of which shall be retained on this file whereas the other two, also duly signed, shall be delivered to the objector and PACL Ltd as and when requested /applied for. No certified copies are being issued by this office. However, the orders passed by me can be downloaded from official website of SEBI at [www.sebi.gov.in/PACL.html](http://www.sebi.gov.in/PACL.html).

**Date : 27/05/2019**

  
**R. S. Virk**  
**Distt. Judge (Retd.)**