

न्यायमूर्ति (सेवानिवृत्त) आर.एम. लोढा समिति
Justice (Retd.) R. M. Lodha Committee
(पीएसीएल लि. के मामले से संबंधित / in the matter of PACL Ltd.)

संदर्भ सं. जेआरएमएलसी/पीएसीएल/

Ref. No. JRMLC/PACL/

*Order in respect of the objection filed by M/s. Kurja Hospitality LLP
SEBI/PACL/RO/RG/RD-2/ORD/28/2026*

BEFORE THE PANEL OF RECOVERY OFFICERS, SEBI
ATTACHED TO JUSTICE (RETD.) R. M. LODHA COMMITTEE
(IN THE MATTER OF PACL LIMITED)

File No.	SEBI/PACL/OBJ/RG/00376/2025
Name of the Objector	M/s. Kurja Hospitality LLP
MR Nos.	8024/16 and 10300/16

Background:

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) on August 22, 2014 had passed an order against PACL Limited, its promoters and directors, inter alia, holding the schemes run by PACL Ltd. as Collective Investment Scheme (“CIS”) and directing them to refund the amounts collected from the investors within three months from the date of the order. Vide the said order, it was also directed that PACL Ltd. and its promoters/ directors shall not alienate or dispose of or sell any of the assets of PACL Ltd. except for the purpose of making refunds as directed in the order.
2. The order passed by SEBI was challenged by PACL Ltd. and four of its directors by filing appeals before the Hon’ble Securities Appellate Tribunal (“SAT”). The said appeals were dismissed by the Hon’ble SAT vide its common order dated August 12, 2015, with a direction to the appellants to refund the amounts collected from the investors within three months. Aggrieved by the order dated August 12, 2015 passed by the Hon’ble SAT, PACL Ltd. and its directors had filed appeals before the Hon’ble Supreme Court of India.
3. The Hon’ble Supreme Court did not grant any stay on the aforementioned impugned order dated August 12, 2015 of the Hon’ble SAT, however, PACL Ltd. and its promoters/ directors

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did not refund the money to the investors. Accordingly, SEBI initiated recovery proceedings under Section 28A of the SEBI Act, 1992 against PACL Ltd. and its promoters/ directors vide recovery certificate no. 832 of 2015 drawn on December 11, 2015 and as a consequence thereof, all bank/ demat accounts and folios of mutual funds of PACL Ltd. and its promoters/ directors were attached by the Recovery Officer vide attachment order dated December 11, 2015.

4. During the hearing on the aforesaid civil appeals filed by PACL Ltd. and its directors (*Civil Appeal No. 13301 of 2015 – Subrata Bhattacharya Vs. SEBI and other connected matters*), the Hon'ble Court vide its order dated February 02, 2016 directed SEBI to constitute a committee under the Chairmanship of Hon'ble Mr. Justice R.M. Lodha, the former Chief Justice of India (hereinafter referred to as "the Committee") for disposing of the land purchased by PACL Ltd. so that the sale proceeds can be paid to the investors, who have invested their funds in PACL Ltd. for purchase of the land. In the said civil appeals, the Hon'ble Supreme Court did not grant any stay on the orders passed by SEBI and the Hon'ble SAT. Therefore, directions for refund and direction regarding restraint on the PACL Ltd. and its promoters and directors from disposing, alienating or selling the assets of PACL Ltd., as given in the order, continues till date.
5. The Committee has from time to time requested the authorities for registration and revenue of different states to take necessary steps and issue necessary directions to Land Revenue Officers and Sub-registrar offices, to not effect registration/mutation/sale/transfer, etc. of properties wherein PACL Ltd. and/ or its group or its associates have, in any manner, right or interest.
6. Also, the Hon'ble Supreme Court vide its order dated July 25, 2016 restrained PACL Ltd. and/ or its Directors/Promoters/agents/employees/Group and/ or associate companies from, in any



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manner, selling/transferring/alienating any of the properties wherein PACL Ltd. has, in any manner, a right/interest situated either within or outside India.

7. In the recovery proceedings mentioned in para 3 above, the Recovery Officer issued an attachment order dated September 07, 2016 against 640 associate companies of PACL Ltd. In the said order, *inter alia*, the registration authorities of all States and Union Territories were requested not to act upon any documents purporting to be dealing with transfer of properties by PACL Ltd. and / or the group/ associate entities of PACL Ltd. mentioned in the Annexure to the said attachment order, if presented for registration.
8. The Hon'ble Supreme Court, vide its order dated November 15, 2017, passed in Civil Appeal No. 13301/2015 and connected matters directed that all the grievances/ objections pertaining to the properties of PACL Ltd. would be taken up by Mr. R.S. Virk, Retired District Judge.
9. On April 30, 2019, in the recovery proceedings initiated against PACL Ltd. and Ors., the Recovery Officer issued a notice of attachment in respect of 25 front companies of PACL Ltd. Thereafter, on March 01, 2021, the Recovery Officer issued another notice of attachment in respect of 32 associate companies of PACL Ltd., which included 25 front companies of PACL Ltd. whose accounts were attached vide order dated April 30, 2019.
10. Vide order dated August 08, 2024 passed in *Civil Appeal No. 13301 of 2015 - Subrata Bhattacharya Vs. SEBI and other connected matters*, the Hon'ble Supreme Court has directed as under:

".....10. Since, we had directed in our order dated 25.07.2024, that no fresh applications or objections shall be filed before or entertained by Shri R.S. Virk, District Judge (Retd.) and that the same shall be filed before the Committee, the Committee may deal with such applications/ objections, if filed before it, and

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*dispose them of as per the provisions contained under Section-28(A) of the SEBI
Act.....”*

11. In compliance with the aforesaid order dated August 08, 2024 passed by the Hon'ble Supreme Court, all objections with respect to properties of PACL Ltd., which were pending before Shri R.S. Virk, Retired District Judge and all new objections, are now being dealt by a Panel consisting of three Recovery Officers attached to the Committee.

Present Objection:

12. The instant objection has been filed by M/s. Kurja Hospitality LLP (hereinafter referred to as the “**Objector**”), having LLP No. ABC-4815, through its authorized representative Mr. Anindhya Panwar, having its registered office at House No. 480, F – 1, Rani Sati Nagar, Shyam Nagar, Jaipur, Rajasthan - 302019, objecting the attachment of properties having Khasra No. 1173 admeasuring 0.90 Hectare, Khasra No. 1176 admeasuring 0.98 Hectare and Khasra No. 1177 admeasuring 0.64 Hectare (hereinafter referred as the “**impugned properties**”), all situated at Bisalpur Village, Bali Tehsil, Pali District, Rajasthan, covered in MR Nos. 8024/16 and 10300/16, by the Committee.

13. The Objector in its objection petition has submitted the following flow of title/interest in the impugned properties:

13.1 Impugned Khasra No. 1173 admeasuring 0.90 Hectare and Khasra No. 1176 admeasuring 0.98 Hectare:

(a) It is submitted that the said impugned Khasra Nos. were originally allotted to one Mr. Jawanaram s/o Mr. Bheraram (belonging to ‘Guru’ caste falling under the Schedule Caste category) between the year 1980 and 1999 (Samvat 2037 and 2056).

(b) Thereafter, vide Sale Deed bearing no. 2007002904 dated October 11, 2007, Mr. Jawanaram s/o Mr. Bheraram, conveyed the said impugned Khasra Nos. in favor of



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one Mr. Kanaram s/o Mr. Moolaramji (belonging to 'Satiya' caste falling under the Schedule Caste category).

13.2 Impugned properties at Khasra No. 1177 admeasuring 0.64 Hectare:

- (a) It is submitted that the said impugned Khasra No. was originally allotted to one Mr. Pukhraj s/o Mr. Jeewa (belonging to Schedule Caste category) between the year 1980 and 1999 (Samvat 2037 and 2056).
- (b) Thereafter, vide Sale Deed bearing no. 2007003165 dated November 06, 2007, Mr. Pukhraj s/o Mr. Jeewa, conveyed the said impugned Khasra No. in favor of Mr. Kanaram s/o Mr. Moolaramji (belonging to 'Satiya' caste falling under the Schedule Caste category).

13.3 Thereafter, ownership of the impugned properties was successively transferred/conveyed through the following sale transactions:

- (a) Sale Deed bearing no. 2012001185 dated March 26, 2012:
Executed by Mr. Kanaram s/o Mr. Moolaramji in favor of Mr. Khumaram s/o Mr. Himmatramji (belonging to 'Garo' caste falling under the Schedule Caste category).
- (b) Sale Deed bearing no. 2012002948 dated June 20, 2012:
Executed by Mr. Khumaram s/o Mr. Himmatramji in favor of Mrs. Ramba Devi w/o Mr. Malaram (belonging to 'Meghwanshi' caste falling under the Schedule Caste category).
- (c) Sale Deed bearing no. 2015004349 dated November 30, 2015:
Executed by Mrs. Ramba Devi w/o Mr. Malaram in favor of Mr. Somaram s/o Mr. Natharam (belonging to 'Meghwanshi' caste falling under the Schedule Caste category).



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(d) Sale Deed bearing no. 20190347100995 dated December 26, 2019:

Executed by Mr. Somaram s/o Mr. Natharam in favor of Mr. Tararam Dangi s/o Mr. Gamana Ram (belonging to 'Meghwal' caste falling under the Schedule Caste category). This Sale Deed was supplemented by a Supplementary Deed/Correction Deed dated February 10, 2020 bearing no. 20200147000114

(e) Sale Deed bearing no. 202101474000018 dated January 06, 2021:

Executed by Mr. Tararam Dangi s/o Mr. Gamana Ram in favor of Mr. Dinesh Kumar s/o Mr. Khasaram (belonging to 'Meghwal' caste falling under the Schedule Caste category).

(f) Sale Deed bearing no. 202101474000342 dated May 07, 2021:

Executed by Mr. Dinesh Kumar s/o Mr. Khasaram in favor of Mr. Dinesh Kumar Panwar s/o Mr. Chiraunji Lal Panwar (belonging to 'Damami' caste falling under the Schedule Caste category).

13.4 Consequently, Mr. Dinesh Kumar Panwar s/o Mr. Chiraunji Lal Panwar, vide Sale Deed bearing no. 202301474001041 dated August 07, 2023, conveyed various properties including the impugned properties admeasuring a total of 2.2969 Hectare, in favor of M/s. Kurja Hospitality LLP (*Objector*). It is submitted that designated partners of M/s. Kurja Hospitality LLP (*Objector*) i.e., (i) Ms. Manju Sisodia, (ii) Ms. Pinki Devi Vishnawat and (iii) Mr. Anindhya Panwar, all belong to 'Dholi' caste falling under the Schedule Caste category.

14. The Objector has submitted that it is the absolute owner of the impugned properties and the Title Search Report bearing reference no. LSR/Res./007/2023-24 dated March 30, 2024 by Mr.



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Jayanti Lal Mali, Advocate and Legal Advisor addressed to the Branch Manager of United Bank of India, MI Road branch, Jaipur, Rajasthan also does not have any mention of PACL in reference to the impugned properties. Therefore, PACL's alleged right, title and interest in the impugned properties is false and frivolous. It is further submitted that Section 42 of the Rajasthan Tenancy Act, 1955, expressly prohibits transfer of agriculture land by members of the Schedule Caste to non-Scheduled Caste person. The object of the provision is to safeguard members of the Schedule Caste from exploitation and to prevent alienation of their agricultural holdings to socially and economically dominant sections. Rule 5(14)(2) of Rajasthan Agricultural Credit Operations (Removal of Difficulties) Rule, 1976, further reinforces this restriction. In effect, the sale of agricultural land belonging to a Schedule Caste individual to a non- Schedule Caste individual or entity, including a company, is prohibited and is *void-ab-initio* under Section 42 of the Rajasthan Tenancy Act, 1955. The Objector states that in the absence of any exception to the said provision and the fact that neither PACL nor any of its directors belong to the Schedule Caste or Schedule Tribe category, PACL can never have the valid right, title and interest in the impugned properties.

15. Upon perusal of the aforementioned Title Search Report bearing reference no. LSR/Res./007/2023-24 dated March 30, 2024, it is observed that Mr. Dinesh Kumar Panwar (*predecessor-in-title of the Objector*), had surrendered the following share of land in the impugned properties to the Government, which has been duly accepted/acknowledged by the Tehsildar Bali vide Surrender Order no.132/2022 dated January 18, 2022:

- Khasra No. 1173 admeasuring 0.1380 Hectare
- Khasra No. 1176 admeasuring 0.10 Hectare

16. Consequent to the above, Mr. Dinesh Kumar Panwar (*predecessor-in-title of the Objector*) also had obtained conversion of the land use of the remaining area in the impugned Khasra Nos. 1173 and 1176, along with the impugned Khasra No. 1177, changed from 'Agriculture' to



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'Non Agriculture' vide Conversion Order Certificate Ref. No. LC/2022-23/125824 dated January 23, 2023, to the following extent:

- Khasra No. 1173 admeasuring 0.7620 Hectare.
- Khasra No. 1176 admeasuring 0.88 Hectare.
- Khasra No. 1177 admeasuring 0.64 Hectare.

17. Subsequently, it is noted that Mr. Dinesh Kumar Panwar had sold the aforesaid converted land (resort) to the Objector vide Sale Deed bearing no. 202301474001041 dated August 07, 2023.

18. A hearing before the Panel of Recovery Officers attached to the Committee was granted to the Objector on February 05, 2026. On the said date, Mr. Himanshu Mahajan, Advocate [hereinafter referred to as the Authorized Representative (AR)] appeared on behalf of the objector along with Mr. Anindhya Panwar, Partner of the Objector firm, and reiterated the submissions made earlier in the objection petition. The AR outlined the chain of title of the impugned properties leading to the Objector and submitted that all individuals involved in the said chain of title, including all partners at the Objector firm, belong to the Schedule Caste category. The AR further submitted that, at the time of purchase, due enquiries were conducted and the Tehsildar's report did not disclose any reference to PACL Ltd. in respect of the said impugned lands. The AR also submitted that a portion of the impugned land was surrendered to the Government for providing an approach road to the resort on the impugned lands, in compliance with statutory requirements prior to conversion of land use to non-agriculture. Accordingly, it was specifically stated that the present claim pertains only to the remaining portion of the impugned properties and excludes the parcel of land surrendered to the Government. The AR further submitted that the full sale consideration for the acquisition of the impugned properties was duly paid by the Objector. In view of the said submission, the AR was advised to furnish proof of payment of sale consideration and the exact land extent being claimed within a period of one week from the date of the said hearing.



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19. In response, vide email dated February 17, 2026, the AR submitted that Mr. Dinesh Kumar Panwar (*predecessor-in-title of the Objector, father and husband of partners at the Objector firm, namely Mr. Anindhya Panwar and Mrs. Manju Sisodia, respectively*), owner of impugned properties, had surrendered land area admeasuring 0.1380 Hectare in Khasra No. 1173 and 0.10 Hectare Khasra No. 1176, to the Government of Rajasthan to make provisions for road, which was accepted by the Office of the Tehsildar, Bali (Distt. Pali), Rajasthan, vide its order dated January 10, 2022. Consequently, the Objector is presently in possession of Khasra No. 1173 (*new Khasra No. 2575/1173*) admeasuring 0.7620 Hectare and Khasra No. 1176 (*new Khasra No. 2577/1176*) admeasuring 0.88 Hectare. The Objector has also furnished its SBI bank account statement for October 09, 2025, reflecting a debit entry of Rs. 6,40,000/- vide cheque no. 182836 in favor of Dinesh Kumar Panwar (*predecessor-in-title of the Objector*) purportedly towards payment of the sale consideration for the impugned properties, which has been taken on record.

20. In order to further examine the present objection, the documents in MR Nos. 8024/16 and 10300/16 seized by CBI from the possession of PACL Ltd. and thereafter, attached by the Committee were perused. Upon perusal, it was observed that:

20.1 MR No. 10300/16 comprises of a Sale Deed bearing no. 4562/07 (Conveyance deed no. 2007002904) dated October 11, 2007 executed by one Mr. Jawanaram s/o Mr. Bheraram in favour of one Mr. Kanaram s/o Mr. Mularamji in respect of properties having Khasra No. 1173 admeasuring 0.90 Hectare and Khasra No. 1176 admeasuring 0.98 Hectare, situated at Bisalpur Village, Bali Tehsil, Rajasthan.

20.2 MR No. 8024/16 comprises of the following documents:

a) Sale Deed bearing no. 4757/07 (Conveyance deed no. 2007003165) dated November 06, 2007 executed by one Mr. Pukhraj s/o Mr. Jeeva in favour of one Mr.



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Kanaram s/o Mr. Mularamji in respect of property having Khasra No. 1177 admeasuring 0.64 Hectare, situated at Bisalpur Village, Bali Tehsil, Rajasthan.

- b) Power of Attorney (POA) not dated executed by one Mr. Pukhraj s/o Mr. Jeeva in favour of one Mr. Kanaram s/o Mr. Mularamji in respect of the following properties:
- Khasra No. 1173 admeasuring 0.90 Hectare and Khasra No. 1176 admeasuring 0.98 Hectare situated at Bali Tehsil, Pali District, Rajasthan
 - Khasra No. 1177 admeasuring 0.64 Hectare situated at Desuri Tehsil Pali District, Rajasthan
- c) Agreement to Sell (ATS), not dated, executed by one Mr. Kanaram s/o Mr. Mularam ('Vendors') in favor of M/s PACL India Ltd. ('Purchaser') in respect of various properties including Khasra No. 1173 admeasuring 0.90 Hectare, Khasra No. 1176 admeasuring 0.98 Hectare and Khasra No. 1177 admeasuring 0.64 Hectare, situated at Bisalpur Village, Bali Tehsil, Pali District, Rajasthan, for an agreed total sale consideration of Rs.10,49,750/-. It is noted that the entire sale consideration was paid by the Purchaser to the Vendors by means of separate legal receipt. However, the mode of payment remains unclear, as the receipt annexed to the ATS neither specifies the manner in which the consideration was transacted nor bears any dated.

21. With respect to the POA and unregistered ATS under the MR Nos. 8024/16 and 10300/16 seized by CBI from the possession of PACL Ltd., reference may be made to the judgement passed by the Hon'ble Supreme Court in the case of *Suraj Lamp and Industries Pvt. Ltd Vs. State of Haryana & Anr (2012) 1 SCC 656*, which discouraged the practice of transferring an immovable property by way of executing a GPA / Agreement to sell / Will. Thus, in view of the law laid down by the Hon'ble Supreme Court in *Suraj Lamp's case (supra)*, it is clear that mere execution of GPA/POA/ATS does not convey any title in the immovable property covered thereunder, in favour of the purchaser. In the present case, even though a POA and an ATS were executed by the predecessors to the title of the impugned properties in favor of the

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POA holder and M/s PACL India Ltd., respectively, the said POA/ATS did not create any ownership right or transfer the title in the impugned properties to the POA holder/M/s PACL India Ltd. Regarding the applicability of Section 53A of TPA in the present case, it is noted that after the amendments made to Section 53A on September 24, 2001, unregistered ATS is not protected under Section 53A of TPA. In the present case, the ATS concerned is not registered. Therefore, Section 53A of TPA is not attracted *qua* the said ATS. Moreover, the Objector has stated that it is in possession of the impugned properties. Therefore, there is no question of PACL Ltd. or its agent/employee being in possession of said land which can be protected under Section 53A of TPA.

22. It is noteworthy to mention here that the abovementioned Sale Deed bearing no. 4562/07 (Conveyance deed no. 2007002904) dated October 11, 2007 and Sale Deed bearing no. 4757/07 (Conveyance deed no. 2007003165) dated November 06, 2007, have been seized by CBI from the possession of PACL Ltd. and therefore, have been attached by the Committee. At this juncture, reference can be made to the order dated August 22, 2014 passed by SEBI, wherein observations with respect to the *modus operandi* adopted by PACL Ltd. have been made which are as under:

“.....At this stage, I note from the details submitted during the course of investigation that PACL had mobilized funds from its customers to the tune of ₹ 44,736 crores till March 31, 2012. Further by its own admission, it has collected ₹ 4364,78,08,345 from 39,97,357 customers during the period of February 26, 2013 to June 15, 2014. The total amount mobilized comes to a whopping 49,100 crore. This figure could have been even more if PACL would have provided the details of the funds mobilized during the period of April 01, 2012 to February 25, 2013. The collection of such huge funds suggests that PACL has many more customers than the stated 1.22 crore. In this regard, I also refer to the proposal of PACL and its directors as forwarded to SEBI through their advocates and note that it has 4,63,13,342 customers to whom the land has not yet been allotted. Thus, a quick calculation of the total number of the customer of PACL comes to around 5.85 crore which includes the customers who said to have been allotted land and who are yet to be allotted the land.....” (at pp. 71-72)

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“.....From the above, it is noted that PACL has very limited stock of lands in its name and that most of the lands are held through General Power of Attorney/through Agreement to Sale/through associate companies. PACL in its reply has informed that the said associate companies are controlled by its friends and nears and dears of the management of PACL. I observe that PACL enters into an MoU with the associate companies for the purchase of land. The MoU inter-alia, states that as PACL is unable to purchase the land in its own name beyond certain limits due to the land laws and other applicable laws of the land in different States of the country, PACL has nominated the associate company to purchase the land for PACL and get the sale deed executed in the name of associate company.....” (at p. 80)

23. Further, reference can also be made to the aforementioned SEBI order dated August 22, 2014 wherein PACL Ltd. itself, during the proceeding before the Whole Time Member, SEBI, had admitted that for the purpose of its business, it was buying lands through its agents. The same is reproduced as under:

“.....PACL uses agents to carry out its business. Depending on the years of experience, the agents are entitled to various designations. The agent in turn engages field associates who interact with the potential customers and explain the plans for purchase of land. As the business of PACL is propelled through word-of-mouth, it is important to incentivize the agents and field associates appropriately by way of commission. In the process, PACL often makes payment to the field associates directly as per the understanding with the agent in order to ensure that the field associates are not deprived of their commission, after deducting the requisite amount from the commission paid to the relevant agents. The large amount of commission, reflected in the balance sheet not only constitutes the commissions paid to the agents/ field associates, but also other commissions paid in relation to the procurement of the land by PACL and sale of spaces in residential and commercial projects developed by PACL in the ordinary course of business” (at p. 26-27)

24. In view of the above and considering the very fact that the abovementioned Sale Deed bearing no. 4562/07 (Conveyance deed no. 2007002904) dated October 11, 2007 and Sale Deed



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bearing no. 4757/07 (Conveyance deed no. 2007003165) dated November 06, 2007 was in possession of PACL Ltd., it is inferred that the purchaser in both the said Sale Deeds namely, Mr. Kanaram s/o Mr. Moolaramji, had intended to purchase the impugned properties on behalf of PACL Ltd. as its agent/employee/associate, as PACL Ltd. was unable to own lands in its own name beyond certain limits due to the land laws of the country. Hence, the actual beneficial owner of the said impugned properties was no other than PACL Ltd.

25. Having said that, upon perusal of the objection along with the documents produced in support of the claim made therein, it is observed that the Sale Deeds under MR Nos. 8024/16 and 10300/16, which were seized by CBI from the possession of PACL Ltd., through which Mr. Kanaram s/o Mr. Moolaramji (*in his individual name*) had purchased the impugned properties, also forms part of the chain of title of the impugned properties submitted by the Objector. It is further observed that corresponding Mutation Entries (No. 909 and No. 920) and Jamabandis pertaining to the aforesaid Sale Deeds under the said MR Nos., stood in the individual name of Mr. Kanaram s/o Mr. Moolaramji. It is also noted that Mr. Kanaram s/o Mr. Moolaramji had subsequently sold the impugned properties to certain individuals, who in turn transferred the same to other purchasers, culminating in the sale of the impugned properties to the Objector by Mr. Dinesh Kumar Panwar vide Sale Deed bearing no. 202301474001041 dated August 07, 2023. It is further observed that Mr. Dinesh Kumar Panwar (*predecessor-in-title of the Objector*) had surrender a portion of impugned lands to the Government of Rajasthan, which was accepted by the Office of the Tehsildar, Bali (Distt. Pali), Rajasthan, vide its order dated January 10, 2022. Thus, it can be inferred that, at the relevant point in time, Mr. Dinesh Kumar Panwar was recognized by the competent revenue authority as the recorded holder of the impugned lands. Moreover, the Conversion Order Certificate Ref. No. LC/2022-23/125824 dated January 23, 2023 issued by the Revenue Department, Government of Rajasthan, further reflects and acknowledges the holding of the impugned properties by Mr. Dinesh Kumar Panwar (*predecessor-in-title of the Objector*) prior to their transfer to the Objector. Further, Mutation Entry No. 2990 dated September 21, 2023 and Jamabandi dated November 07, 2023,

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pertaining to the Objector's purchase, reflect that the impugned properties, namely Khasra No. 1173 (new Khasra No. 2575/1173) admeasuring 0.7620 Hectare, Khasra No. 1176 (new Khasra No. 2577/1176) admeasuring 0.88 Hectare and Khasra No. 1177 admeasuring 0.64 Hectare, stand duly recorded in the name of the Objector.

26. Having regard to the above observation, particularly that the sale transactions undertaken through the Sale Deed bearing no. 4562/07 (Conveyance deed no. 2007002904) dated October 11, 2007 and Sale Deed bearing no. 4757/07 (Conveyance deed no. 2007003165) dated November 06, 2007 mentioned at preceding para no. 20 seized from the possession of PACL Ltd. stands recorded in the corresponding Mutation Entries (No. 909 and No. 920) and Jamabandis, in the individual name of the purchaser viz., Mr. Kanaram s/o Mr. Moolaramji, who thereafter has transferred the impugned properties, culminating in its purchase by the Objector, it is pertinent to refer to the provision contained in Section 41 of Transfer of Property Act, 1882 (TPA) which reads as under:

41. Transfer by ostensible owner. -

Where, with the consent, express or implied, of the persons interested in immoveable property, a person is the ostensible owner of such property and transfers the same for consideration, the transfer shall not be voidable on the ground that the transferor was not authorised to make it:

Provided that the transferee, after taking reasonable care to ascertain that the transferor had power to make the transfer, has acted in good faith.

27. It can be argued that by virtue of the aforesaid provision, PACL Ltd. as well as the Committee cannot question the transfer made in favor of the Objector. In terms of the order dated February 02, 2016 passed by the Hon'ble Supreme Court, the Committee has been authorized for selling the properties of PACL Ltd. and for making refund to its investors. Thus, the prohibition created by Section 41 of the TPA on questioning the authority of ostensible owner by the real owner, would not restrict the committee in discharge of its mandate given to it by the Hon'ble



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Supreme Court, and can always question the authority of the ostensible owner in making the transfer and *bonafides* of the transferee, without being bound by or without any reference to Section 41 of TPA.

28. Assuming without admitting that the transfer made by the vendor/transferor in favor of the Objector attracts Section 41 of the TPA and thus, prohibits even the Committee, even then, under the said provisions itself a transfer made by an ostensible owner, in order to attract Section 41 of the TPA, has to satisfy the test of “*reasonable care*” and “*good faith*” of the transferee as stated in the proviso to Section 41. In terms of the proviso, the transferee should have acted in *good faith* and taken *reasonable care* to ascertain that the transferor had the power to make the transfer, in order to take benefit of Section 41 of the TPA. To demonstrate that the Objector had acted in *good faith* and taken *reasonable care* to ascertain authority of the transferor to make the transfer, the Objector has submitted that impugned properties were purchased after conducting due diligence, including verification of the Mutation Entries and Jamabandis reflecting the name of the seller (*predecessor-in-title of the Objector*), the Tehsildar’s Order accepting surrender of the portion of the impugned lands and the Conversion Order issued by the Revenue Department, Government of Rajasthan, acknowledging the holding of the impugned properties by the seller (*predecessor-in-title of the Objector*).

29. As noted in the above paras, considering that Sale Deeds seized from the custody of PACL under the MR Nos. 8024/16 and 10300/16 appear to be exclusively executed in the individual name of Mr. Kanaram s/o Mr. Moolaramji in the Mutation Entries and Jamabandis, with no indication of any title/claim/interest in favor of PACL or any of its associates, it can clearly be seen that the Objector could not reasonably have known or been expected to know of any alleged link between the impugned properties and PACL. The Objector having verified the chain of title, Mutation Entries and Jamabandis coupled with the abovementioned Tehsildar’s Order and Conversion Order issued by the Revenue Department, Government of Rajasthan in respect of the impugned properties prior to purchase, can be said to have exercised *due*

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diligence, taken reasonable care and acted in good faith while acquiring the impugned properties. Accordingly, the Objector's purchase falls squarely within the protection afforded under Section 41 of the TPA. In view of the same, the Objector's claim deserves to be allowed.

ORDER:

30. Given the above facts, the objection raised by the Objector is liable to be allowed and is accordingly, allowed to the extent of Khasra No. 1173 (new Khasra No. 2575/1173) admeasuring 0.7620 Hectare, Khasra No. 1176 (new Khasra No. 2577/1176) admeasuring 0.88 Hectare and Khasra No. 1177 admeasuring 0.64 Hectare.

Place: Mumbai

Date: February 27, 2026



**For and on behalf of Justice (Retd.) R.M. Lodha Committee
(in the matter of PACL Ltd.)**


27.02.2026

MS. RESHMA GOEL

RECOVERY OFFICER


27.02.2026

MR. BAL KISHOR MANDAL

RECOVERY OFFICER


27/02/2026

MS. PREETI PATEL

RECOVERY OFFICER

रेशमा गोयल / RESHMA GOEL
उप महाप्रबन्धक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer
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(पी ए सी एल लि के मामले से संबंधित, मुंबई) / (In the Matter of PACL Ltd. Mumbai)

बाल किशोर मंडळ / BAL KISHOR MANDAL
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