

**PANEL OF RECOVERY OFFICERS
APPOINTED UNDER SECTION 28A OF THE SEBI ACT, 1992
DISCHARGING FUNCTIONS IN TERMS OF THE ORDERS PASSED BY THE
HON'BLE SUPREME COURT OF INDIA DATED 08.08.2024 AND 19.02.2026
IN THE MATTER OF PACL LTD.**

IA Nos.	29706 of 2026 & 1224496 of 2020
File No.	SEBI/PACL/OBJ/RG/00714/2026
Name of the Objector(s)	Mr. Arun Sharma
MR Nos.	4293/14, 18711/16, 12079/16, 12075/16

Background:

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") on 22.08.2014 passed an order against PACL Ltd., 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. By 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. It was also directed vide the said order 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.
3. 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 Hon'ble SAT vide its common order dated 12.08.2015, with a direction to the



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appellants to refund the amounts collected from the investors within three months. Aggrieved by the order dated 12.08.2015 passed by Hon'ble SAT, PACL Ltd. and its directors filed appeals before the Hon'ble Supreme Court of India.

4. The Hon'ble Supreme Court did not grant any stay on the aforesaid Impugned Order dated 12.08.2015 of Hon'ble SAT; however, PACL Ltd. and its promoters/directors did not refund the money to its 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 11.12.2015, 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 11.12.2015.
5. During hearing on the aforesaid civil appeals filed by the PACL Ltd. and its directors (i.e. Civil Appeal No. 13301 of 2015 – Subrata Bhattacharya Vs. SEBI and other connected matters), the Hon'ble Supreme Court vide its order dated 02.02.2016, directed SEBI to constitute a committee under the Chairmanship of Hon'ble 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, the direction for refund and the direction regarding restraint on the PACL Ltd. and its promoters and directors from disposing, alienating or selling the assets of the PACL Ltd., as given in the order, continue till date.
6. 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 of interest.



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7. Further, the Hon'ble Supreme Court vide its order dated 25.07.2016 restrained PACL Ltd. and/or its Directors/Promoters/agents/employees/Group and/or associate companies from in any manner selling/transferring/alienating any of the properties wherein PACL Ltd. has, in any manner, a right/interest situated either within or outside India.
8. In the recovery proceedings mentioned in paragraph 4 above, the Recovery Officer issued an attachment order dated 07.09.2016, 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 document purporting to deal with the 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.
9. The Hon'ble Supreme Court vide its order dated 15.11.2017 passed in C. A. No. 13301/2015 and connected matters directed that all the grievances/objections pertaining to properties of PACL Ltd. would be taken up by Shri R. S. Virk, District Judge (Retired).
10. On 30.04.2019, in the recovery proceedings initiated against PACL Ltd. & Ors., the Recovery Officer issued a notice of attachment in respect of 25 front companies of PACL Ltd. Thereafter, on 01.03.2021, 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 30.04.2019.
11. The Hon'ble Supreme Court vide order dated 08.08.2024, in *Civil Appeal No. 13301 of 2015 – Subrata Bhattacharya Vs. SEBI and other connected matters* 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



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*applications/objections, if filed before it, and dispose them of as per the provisions contained under
Section-28(A) of the SEBI Act.....”*

12. In compliance with the aforesaid order dated 08.08.2024 passed by the Hon'ble Supreme Court, all objections with respect to properties of PACL Ltd., which were pending before Shri R. S. Virk, District Judge (Retired) and all new objections, are now to be dealt with by the Recovery Officers attached to the Committee.
13. Subsequently, the Hon'ble Supreme Court, vide order dated 19.02.2026, in the matter of *Subrata Bhattacharya vs. SEBI (Civil Appeal No. 13301 of 2015)* directed, *inter alia*, that all interlocutory applications/Transferred Cases falling under Category B, i.e. 106 sets of Interlocutory Applications, filed against the recommendations of Shri R.S. Virk, District Judge (Retired) dismissing the objections raised by the Applicants, be placed before the Recovery Officers appointed under Section 28A of the SEBI Act, 1992. Accordingly, the set of 106 Interlocutory Applications, including the instant application, is now to be examined by the Recovery Officers appointed under Section 28A of the SEBI Act, 1992, in the matter of PACL Ltd.

Present Interlocutory Applications:

14. The present Interlocutory Application Nos. 124496 of 2020 and 29706 of 2026 (hereinafter collectively referred to as "I.As.") have been filed by Mr. Arun Sharma s/o Mr. B.N. Sharma, residing at 10, Bengali Library Road, Dehradun, Uttarakhand (hereinafter referred to as the "Objector/Applicant"), challenging the order dated 11.10.2018 passed by Shri R. S. Virk, District Judge (Retired) (hereinafter referred to as the "impugned order") in File No. 573, whereby the objection petition seeking delisting of certain land parcels from the attachment of the Committee was dismissed. The properties in question (hereinafter referred to as the "impugned properties") comprise of four separate parcels of agricultural land, all situated at Mauza Shankarpur Hakumatpur, Pargana Pachwadun, Tehsil Vikasnagar, District Dehradun,



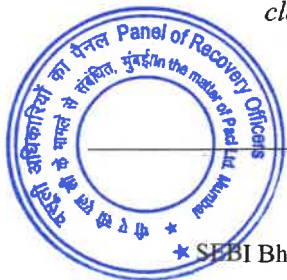
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Uttarakhand, covered in MR Nos. 4293/14, 18711/16, 12079/16 and 12075/16, which stands attached by the Committee. The first parcel comprises Khasra Nos. 3192 (admeasuring 0.2105 Ha) and 3193 Min (admeasuring 0.3390 Ha and 0.0460 Ha), totalling 0.5955 Ha. The second parcel comprises Khasra No. 3194 Min, admeasuring 364.77 Sq. Mtrs. The third parcel comprises Khasra No. 3177 Ka, admeasuring 0.3080 Ha. The fourth and final parcel comprises Khasra No. 3178 Min, admeasuring 0.1530 Ha.

15. The Objector/Applicant had initially filed an objection petition dated 06.09.2018, before Shri R. S. Virk, District Judge (Retired). However, *vide* the impugned order dated 11.10.2018, Shri R. S. Virk, District Judge (Retired), dismissed the objection petition of the Applicant on two grounds:

15.1 That the sale deeds executed by Mr. Rajiv Kumar on behalf of PACL were not accompanied by any authority letter/board resolution demonstrating that Mr. Rajiv Kumar was authorised by PACL Ltd. to execute the said sale deeds. The relevant extract of the impugned order is reproduced as under:

"5. I have heard the learned counsel for the objector and have gone through the case file which reveals that out of four sale deeds mentioned in column no. 4 of the chart detailed in para 2 of this order above, two sale deeds viz, sale deed nos. 2284 and 2283, both dated 06/01/2015, were executed by one Rajiv Kumar s/o Ramesh Chand statedly on behalf of PACL Ltd in favour of the objector herein. It is mentioned in para nos. 14 of both these sale deeds that he (Rajiv Kumar) was executing the same on the strength of authority vested in him by virtue of decision taken in the meeting dated 16/08/2014 of the board of directors of PACL Ltd. It is indeed surprising as to how the registering officer, Dehradun came to register the said two documents without any authority letter/board resolution having been attached to the said sale deed. Even in the present objection petition, no copy of any board meeting wherein the purported vendor Rajiv Kumar s/o Ramesh Chand might have been authorized by PACL Ltd to execute the said two sale deeds in question on its behalf been produced on record. The objector cannot therefore claim any valid title to the land detailed at Sr. Nos. 1 and 2 of the chart in para 2 of this order



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above. In these circumstances the objection raised by PACL Ltd vide its above referred letter dated 10/08/2016 submitted before the District Collector cum Registrar, Dehradun requesting him not to transfer the properties detailed therein, including the properties detailed above, cannot be considered to be unjustified."

15.2 That with respect to the sale deeds executed by Mr. Tarlochan Singh, the Applicant had not produced the earlier title deeds, namely Sale Deeds No. 4997 and 4999, both dated 01.05.2007, which were statedly executed by one Mr. S.K. Gupta in favour of Mr. Tarlochan Singh. The relevant extracts of the impugned order are reproduced as under:

"6. Next coming to the sale deed nos. 756 and 757, both dated 07/01/2015, statedly executed by Tarlochan Singh s/o Sadhu Singh in favour of the objector herein, the said vendor has mentioned therein that he had earlier acquired title to the lands detailed therein on the strength of registered sale deeds both dated 01/05/2007, statedly executed in his favour by one S.K. Gupta s/o P.C. Gupta, but no copy of the said sale deed nos. 4997 and 4999, both dated 01/05/2007, have been produced on record..."

16. The Applicant, being aggrieved by the aforesaid order dated 11.10.2018, has filed the present I. A No. 124496 of 2020 before the Hon'ble Supreme Court in the matter of *Subrata Bhattacharya vs. SEBI* (Supra), challenging the same.

17. The Hon'ble Supreme Court, vide order dated 19.02.2026, while taking note of the segregation of the interlocutory applications (I.As) into five distinct categories, i.e. Category A to E, observed that the issues arising in the identified 106 I.As require a detailed scrutiny of documentary material to determine the true nature and ownership of the properties in question and thus, directed that such matters ("Category B" applications, i.e., applications challenging dismissal of objections by Shri R. S. Virk, District Judge (Retired)) be placed before Recovery Officers appointed under Section 28A of the SEBI Act, 1992, for examination.



18. Upon perusal of the I.As. filed by the Objector/Applicant, it is noted that the Applicant/Objector has, *inter alia*, contended as under:

18.1. That he is the *bona fide* purchaser of the impugned properties, having acquired them through four registered sale deeds bearing nos. 2284 & 2284 both dated 06.01.2015 and 4997 & 4999 both dated 01.05.2007, all prior to the Hon'ble Supreme Court's order dated 02.02.2016, after paying consideration through banking channels. That pursuant to execution of the said sale deeds, mutation of the impugned properties was duly effected in the name of the Applicant/Objector in the revenue records of the State of Uttarakhand. The Applicant/Objector also took possession of the impugned properties.

18.2. That the two technical defects on which the application of the Applicant was rejected by Shri R. S. Virk, District Judge (Retired), have since been fully cured. Firstly, the Board Resolution dated 16.08.2014, authorising Mr. Rajiv Kumar s/o Ramesh Chand, to sell the properties on behalf of PACL Ltd., has been placed on record. Secondly, the Sale Deeds Nos. 4997 and 4999, both dated 01.05.2007, executed by Mr. S.K. Gupta in favour of Mr. Tarlochan Singh, along with certified translations, have also been produced.

18.3. That the impugned properties owned by the Applicant in the present case are part of the same parcel of land where the lands of the other four applicants namely, Sakshi Verma, Randhir Singh Verma, Subham Pundhir and Sharat Negi in I.A. Nos. 198795/2019, 196966/2019, 198791/2019 and 198793/2019, respectively are situated. These other four applicants had filed objections before Shri R. S. Virk, District Judge (Retired) seeking release of their properties from the list of properties attached by the Committee. However, Shri R. S. Virk, District Judge (Retired), vide orders dated 06.07.2018, allowed the applications of the other four applicants therein and had rejected the application of the present Applicant only on procedural default. The said I.As were filed by these four applicants before the Hon'ble Supreme Court for confirming the order passed by Shri R.S. Virk, District Judge (Retired). The Hon'ble Supreme Court, vide its order dated



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06.10.2021, has confirmed the said orders and allowed the I.As filed by these four applicants.

19. The Applicant has, thus, sought the following reliefs in his I.A. :

- 19.1. To set aside the order dated 11.10.2018 passed by Shri R.S. Virk in File No. 573 and direct delisting of the impugned properties from the attachment/auction list of the Lodha Committee.
- 19.2. To grant permission to place on record additional documents.

20. In compliance with the order dated 19.02.2026 passed by the Hon'ble Supreme Court, the Applicant was granted an opportunity of hearing on 23.04.2026 before the Panel of Recovery Officers. During the hearing, the Applicant was represented by an Authorised Representative ('AR'), who, while reiterating the averments made in the I.As, submitted that the Applicant had executed four registered sale deeds dated 06.01.2015 and 07.01.2015, all prior to the order dated 02.02.2016 passed by the Hon'ble Supreme Court. It was submitted that the impugned properties were acquired *vide* four separate sale deeds bearing nos. 2284 & 2284 both dated 06.01.2015 and 4997 & 4999 both dated 01.05.2007, and that the consideration was paid through bank instruments (demand drafts and cheques). Subsequently, the impugned properties have also been mutated in the name of the Applicant in the revenue records. The AR also placed on record payment confirmations from the banks, including a letter from the Cooperative Bank certifying the demand draft numbers and amounts. For the payments made by cheque, the AR submitted that bank statements would be produced. Further, the AR reiterated that four similarly placed entities (*Sakshi Verma, Randhir Singh Verma, Subham Pundhir, and Sharat Negi*) had filed objections in respect of adjacent land parcels forming part of the same larger land. Their objections were allowed by Shri R. S. Virk, District Judge (Retired) on 06.07.2018, and those recommendations were subsequently confirmed by the Hon'ble Supreme Court *vide* order dated 16.10.2021. The AR confirmed that the four parcels of land form part of the same larger undivided land parcel and the MR numbers are distinct

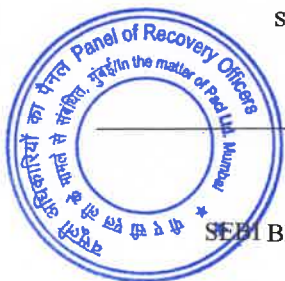


but pertain to the same village and khasra numbers. The AR stated that the board resolution dated 16.08.2014 authorising Mr. Rajiv Kumar to sell the properties on behalf of PACL formed an annexure to the objection petition filed before Shri R.S. Virk, District Judge (Retired). However, as the same was stated to be not made available in the impugned order dated 11.10.2018, the same has been placed on record in the present proceedings. The sale deeds Nos. 4997 and 4999 dated 01.05.2007 from Mr. S.K. Gupta to Mr. Tarlochan Singh have also been produced along with certified translations. The AR also clarified that the board resolution dated 16.08.2014 specifically mentions the name of the Applicant along with the other four applicants whose objections were allowed, demonstrating that all five transactions were authorised by the same board resolution. Thus, the AR submitted that the two grounds on which their objection was dismissed by Shri R.S. Virk, District Judge (Retired), have since been cured.

21. Based on the submissions made and discussions held during the hearing, the AR for the Objector/Applicant was advised to furnish the certified bank statements, clarification regarding the source of funds for the consideration paid, layout of the land parcels and other relevant revenue records within a period of one week from the date of the hearing, i.e., on or before 30.04.2026. However, vide email dated 30.04.2026, the Applicant requested further time of one week to produce the documents, which was duly granted. Thereafter, on 06.05.2026, the Objector/Applicant submitted a comprehensive compilation of documents, which has been taken on record.

22. Upon examination of the I.As. and the documents placed on record by the Applicant, the Panel of Recovery Officers observe as under:

22.1. For the lands situated at Khasra Nos. 3192, 3193 and 3194 covered under the sale deed Nos. 2284 and 2283 dated 06.01.2015, respectively, the revenue records i.e. Khatauni for Fasli years 1406-1411 to 1424-1429 show that these Khasra numbers originally belonged to individuals viz. Mr. Krishnachand and Mr. Sobhit Jain who subsequently sold the lands to, one Mr. Rajiv Kumar, representative of PACL Ltd. The Board of



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Directors of PACL Ltd., in its meeting held on 16.08.2014, had passed a resolution authorising Mr. Rajiv Kumar to sell/transfer the lands in question which included specific Khasra numbers, to the Applicant and four other individuals. The relevant extract of the said resolution is reproduced is under:

*“RESOLVED THAT the consent of the board be and is hereby accorded for sale/transfer of land/property of the Company; admeasuring area approx 2.83206 Hectares vide Khasra nos. 3195, 3196, 3197, 3199, 3177, 3179, **3193, 3194, 3192** respectively, situated at Shankarpur Hukumatpur, Vikas Nagar, at Dehradun, in the State of Uttarakhand to Mr. R.S. Verma S/o Shri S.S. Verma, R/o Rajiv Juyal Marg (Dehradun) and Mr. Arun Sharma, S/o Shri B.N. Sharma, R/o 10, Bengali Library Road (Dehradun) on the terms and conditions as stated in the Sale Deed/Agreement to Sell.*

RESOLVED FURTHER THAT Mr. Rajeev Kumar, S/o Shri Ramesh Chand, 303, Paradise Apartment, Kalidas Road, Dehradun (Uttarakhand), be and is hereby authorized, to sign and execute the sale deed/Agreement to sell and other requisite documents including declaration, affidavit, undertaking and other papers as may deemed necessary for the aforesaid purpose and to comply with all the formalities whatsoever be required for the said purpose and to represent the company before the concerned authorities and also to appoint experts, consultants, advocates and to perform all such acts and deeds ancillary and incidental thereto for and on behalf of the Board.”

22.2. Thereafter, Mr. Rajiv Kumar had, while acting on the authority given *vide* the said resolution, executed Sale Deed No. 2284 dated 06.01.2015 (3192 Area 0.2105 Hectare & 3193 Min Area 0.3390 & 3193 Min Area 0.0460 Hectare total Area 0.5955 Hectare) and Sale Deed No. 2283 dated 06.01.2015 (Khasra No. 3194 Min, 364.77 sq. mtrs.) in favour of the Applicant/Objector, who paid the full consideration of Rs. 76,35,000/- and Rs. 20,75,000/-, respectively, by way of demand drafts, the details of which are certified by the concerned banks and are reproduced as under:



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Sr. No.	Sale Deed No.	Instrument Type	Instrument No. and date	Amount (Rs.)	Bank
1.	2284	Demand Draft	532427 dated 05.01.2015	76,35,000	ICICI Bank, Dehradun
2.	2283	Demand Draft	000863 dated 02.01.2015	20,75,000	HDFC Bank, Raipur Road, Dehradun
Total				97,10,000	

22.3. For the lands covered under the Sale Deed Nos. 757 and 756 dated 01.05.2007 executed by Mr. Tarlochan Singh for Khasra Nos. 3177 Ka and 3178 Min, the revenue records i.e. Khatauni for Fasli years 1412-1417 show that one Mr. S.K. Gupta was recorded as the khata holder for the said impugned properties. Subsequently, Mr. S.K. Gupta had sold these lands to Mr. Tarlochan Singh, through two registered sale deeds, i.e. Sale Deed No. 4997 for Khasra No. 3177 Ka (0.3080 Ha) and Sale Deed No. 4999 for Khasra No. 3178 Min (0.1530 Ha), both dated 01.05.2007. Certified copies of these sale deeds, along with their certified English translations, have been placed on record by the Applicant. The revenue records also show Mr. Tarlochan Singh as the owner of the said land parcels. Thereafter, Mr. Tarlochan Singh executed Sale Deed No. 757 dated 07.01.2015 for Khasra No. 3177 Ka and Sale Deed No. 756 dated 07.01.2015 for Khasra No. 3178 Min in favour of the Applicant, who paid the full sale consideration of Rs. 35,00,000/- and Rs. 38,25,000/-, respectively, by way of demand drafts and cheques, as certified by HDFC Bank Ltd. The details of the payment made by the Applicant/Objector and the mode of payment as certified by HDFC Bank Ltd are as under:

Sr. No.	Sale Deed No.	Instrument Type	Instrument No. and date	Amount (Rs.)	Bank
1.	757	Demand Draft	000865 dated 02.01.2015	5,00,000	HDFC Bank, Raipur Road, Dehradun
2.	757	Cheque	000008 dated 10.04.2015	30,00,000	



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3.	756	Demand Draft	000864 dated 02.01.2015	5,00,000	
4.	756	Cheque	000007 dated 10.04.2015	33,25,000	
Total				73,25,000	

22.4. The certified land revenue records, i.e. Khatauni for Fasli years 1418-1423 and 1424-1429, further show that the Applicant's name was mutated as Khata-holder in respect of the impugned properties. The Applicant has also placed on record certified copies of all four registered sale deeds dated 06.01.2015 and 07.01.2015, which are duly registered with the Sub-Registrar, Vikas Nagar, Dehradun, through which he has purchased the impugned properties. The payment of the total sale consideration of Rs. 1,70,35,000/-, as mentioned in the tables above, has been substantiated by placing on record the certificates issued by Banks along with bank statements of the Applicant for the relevant period. Further, the Applicant was advised in the hearing held on 08.05.20226 to clarify the source of funds for the total sale consideration of Rs. 1,70,35,000/-. Pursuant to the hearing, the Applicant has placed on record his bank statements, an affidavit explaining the legitimate source of funds from his savings, agricultural income, and family sources, along with a letter from Sushila Devi Centre for Professional Studies & Research confirming receipt of funds for land procurement.

23. In order to further examine the present application, the Panel perused the MR documents seized by CBI from the possession of PACL Ltd basis which the impugned properties have been attached by the Committee. It is observed that the MR Nos. 4293/14, 18711/16, 12079/16 and 12075/16 consist of the registered sale deeds executed by the original owners in favour of PACL Ltd. and Mr. Tarlochan Singh, namely:

- i. Sale Deed No. 5349/ dated 09.08.2012 executed by Mr. Krishnachand in favour of Mr. Rajiv Kumar on behalf of PACL Ltd. for Khasra No. 3192 (0.2105 Ha) (MR No. 4293/14);
- ii. Sale Deed No. 11313 dated 14.12.2006 executed by Mr. Shobhit Jain in favour of Mr. Rajiv Kumar on behalf of PACL Ltd. for Khasra Nos. 3193 and 3194 (MR No. 18711/16);



- iii. Sale Deed No. 4997 dated 01.05.2007 executed by Mr. S.K. Gupta in favour of Mr. Tarlochan Singh for Khasra No. 3177 Ka (0.3080 Ha) (MR No. 12079/16); and
- iv. Sale Deed No. 4999 dated 01.05.2007 executed by Mr. S.K. Gupta in favour of Mr. Tarlochan Singh for Khasra No. 3178 Min (0.1530 Ha) (MR No. 12075/16).

It is pertinent to note that these MR documents form part of the chain of title documents provided by the Applicant to substantiate lawful acquisition of the impugned properties by Mr. Rajiv Kumar on behalf of PACL Ltd. and Mr. Tarlochan Singh, from whom the Applicant subsequently purchased the properties through registered sale deeds dated 06.01.2015 and 07.01.2015

24. It is noteworthy to mention here that the above-mentioned sale deeds, i.e. sale deeds bearing nos. 5349 dated 09.08.2012, 11313 dated 14.12.2006 and 4997 & 4999, both dated 01.05.2007, through which Mr. Rajiv Kumar on behalf of PACL Ltd. and Mr. Tarlochan Singh purchased the impugned properties, have been seized by CBI (under MR Nos. 4293/14, 18711/16, 12079/16 and 12075/16) 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 whooping 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



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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)

“.....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)

25. Further, reference can also be made to the aforementioned SEBI order 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. ... 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.”

26. In view of the above and considering the very fact that the abovementioned sale deeds bearing Nos. 5349 dated 09.08.2012, 11313 dated 14.12.2006 and 4997 & 4999, both dated 01.05.2007, under MR Nos. 4293/14, 18711/16, 12079/16 and 12075/16 were in possession of PACL Ltd., it is inferred that the purchasers in all the said sale deeds i.e. Mr. Rajiv Kumar and Mr. Tarlochan Singh had purchased the relevant impugned properties mentioned therein



on behalf of PACL Ltd as its agents/employees/associates, 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

27. Further, it is also relevant to note that, in the case of the lands sold by Mr. Rajiv Kumar, PACL Ltd. had itself passed a board resolution on 16.08.2014 expressly authorising the sale of the impugned properties (Khasra Nos. 3192, 3193, 3194) to the Applicant and four other individuals. This resolution was acted upon, and the sale deeds were executed. Therefore, the sale of impugned properties by Mr. Rajiv Kumar in favour of the Applicant/Objector was a valid sale authorised by PACL Ltd. In the case of the lands sold by Mr. Tarlochan Singh, even if it is inferred that he was an agent of PACL Ltd., the fact that he further transferred the impugned properties to the Applicant/Objector by executing Sale Deeds bearing nos. 757 and 756 both dated 01.01.2015 for consideration which has created third party rights, cannot be ignored. The revenue records also reflect his name as the absolute owner.

28. Notwithstanding the above, it is pertinent to refer to the provision contained in Section 41 of the 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 immovable 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.”

29. 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 authorised to sell the properties of PACL Ltd. and to make a 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 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.

30. Assuming without admitting that the transfer made by the vendor/transferor viz. Mr. Rajiv Kumar (on behalf of PACL) and Mr. Tarlochan Singh in favor of the Objector/Applicant attracts Section 41 of the TPA and thus, prohibits even the Committee, even then, under the said provision 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/Applicant had acted in good faith and taken reasonable care to ascertain authority of the transferor to make the transfer, the Objector has submitted that the impugned properties were purchased after conducting due diligence, including verification of the revenue records (Khatauni), chain of title documents including registered sale deeds, and in the case of the transfer of impugned properties by Mr. Rajiv Kumar, the board resolution dated 16.08.2014 authorizing the said sale.

31. As noted in the above paragraphs, the registered sale deeds and revenue records showed Mr. Rajiv Kumar (as duly authorised representative of PACL pursuant to the board resolution dated 16.08.2014) and Mr. Tarlochan Singh as the recorded owners of the respective land parcels at the time of the transactions. With respect to the impugned properties sold by Mr. Tarlochan Singh in favour of the Applicant, it is noted that there was no indication of any undisclosed title, claim or interest of PACL in the properties sold by him and no encumbrance or adverse entry was reflected in the revenue records at the relevant time showing that PACL Ltd was the actual beneficial owner of the said properties. The Objector/Applicant, having verified the chain of title, revenue records, registered sale deeds and other documents prior to



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purchase and having paid the entire sale consideration through banking channels, can be said to have exercised due diligence, taken reasonable care, and acted in good faith while acquiring the impugned properties. Accordingly, the Applicant's purchase falls squarely within the protection afforded under Section 41 of the TPA.

32. Further, it is also felt important to peruse the four other objections which were allowed by Shri. R.S. Virk, District Judge (Retired), details of which are as under:

S.No.	File No.	Name of the Applicant	MR No(s).	Shri R. S Virk Order date and Outcome	I.A No. before Hon'ble Supreme Court	Supreme Court Order Date & Outcome
1	472	Sakshi Verma	18710/16,12079/16, 12077/16	06.07.2018 (Allowed)	198795/2019	06.07.2018 (Allowed)
2	473	Randhir Singh Verma	18709/16,18711/16, 12088/16,12086/16, 12089/16		196966/2019	
3	470	Shubham Pundhir	4329/14, 4295/14		198791/2019	
4	471	Sharat Negi	12085/16, 12081/16,18704/16		198793/2019	

33. Upon perusal of the order dated 06.07.2018 passed by Shri R. S. Virk, District Judge (Retired) in the other four cases, it is observed that the properties involved in the said objections are adjacent lands and forming part of the same larger land parcel which is involved in the present I.A. The certified maps of the said land parcels as submitted by the Applicant demonstrate that the Applicant's properties are geographically conjoint to the properties of the other four Objectors whose objections have already been allowed by Shri R. S. Virk, District Judge (Retired) having similar set of facts. It is further observed that the vendors in the sale deeds through which the said four applicants had claimed title over the said properties was also PACL through its authorized representative viz. Mr. Rajiv Kumar S/o Ramesh Chand. Notably, the Board Resolution dated 16.08.2014 authorising Mr. Rajiv Kumar, which the



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Applicant has also produced on record, was relied upon and accepted by Shri R. S. Virk, District Judge (Retired), in allowing these four objections. Also, as observed earlier, the Hon'ble Supreme Court, vide its detailed order dated 06.10.2021, was pleased to allow the I.As filed by the said four applicants and the orders of Shri R.S. Virk, District Judge (Retired) has been confirmed. The relevant part of the said order dated 06.10.2021 is reproduced as under:

"1. In this batch of eight interlocutory applications, the applicants have placed their claims for evaluation before Shri R S Virk, the Judicial Officer nominated by this Court for examining such claims. The claims have been found to be valid. Hence, the applicants have sought the release of the properties. ...

2. Mr. Pratap Venugopal, learned counsel for SEBI states that there is no objection of either SEBI or the Justice R M Lodha Committee to the interlocutory applications being allowed in terms of the evaluation which has been made by Shri R S Virk.

3. The interlocutory applications are accordingly allowed in the above terms."

34. The present Applicant stands on an identical footing as these other four applicants. Considering that the impugned properties have been purchased by The Applicant/Objector vide registered conveyance deeds, the revenue records have been subsequently mutated in the name of the Applicant and the proof of payment of entire sale consideration being paid by banking channels has been brought on record, the said sale cannot be treated as invalid and therefore, the Applicant/Objector is found to be a bona fide purchaser of the said impugned properties. Furthermore, as Shri R.S. Virk, District Judge (Retired) had the benefit of the complete documents in the other four objections and that he did not have them in the case of the Applicant, is the only ground which led to the dismissal of his objection. In the light of the said documents being available on record before the Panel of Recovery Officers, there doesn't appear to be any reason for treating the case of the Applicant/Objector differently.



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35. Here, it is also pertinent to refer to the order dated 19.02.2026 passed by the Hon'ble Supreme Court wherein, while directing that the Category B applications i.e. the 106 applications filed against the order/recommendation passed by Shri R.S. Virk, Retired District Judge be dealt with by the Recovery Officers appointed under Section 28A of the SEBI Act, 1992, the Hon'ble Supreme Court specifically has stated as under:

"12. In view of the fact that the said applications are pending for a lone time, we accordingly direct:

.....

(iii) The remit of the Recovery Officers shall be confined to determining whether the properties subject matter of such applications were in fact purchased by PACL Limited or related to its associate entities, subsidiaries or sister concerns and whether the Applicants establish, on the basis of documentary materials & evidence, that the properties are held by them in their independent capacity.

.....

(vi) A party will not be denied a claim over a property solely for the reason, that at one point and time the property was owned by PACL or its associated entities and it is not clear as to what were the source of funds used by PACL & its sister entities, as the case may be, to purchase the properties, if otherwise it is clear that the party is a bonafide purchaser for value having actually paid the amounts through banking channels.

....."

36. The Hon'ble Supreme Court, in the abovementioned order dated 19.02.2026, has thus, directed that claims over a property are liable to be protected where it is evident that the claimant is a *bona fide* purchaser for value who has actually paid the consideration through legitimate means like banking channels. In the present case, the genuineness of the transaction in respect of the impugned properties stands established through the existence of duly registered instruments along with the revenue records showing his ownership and possession of the impugned properties and payment of valuable consideration, which has been certified by the respective banks and the entries are even found in the bank statements of the respective



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Banks for the relevant period. The said documentary evidence available on record confirms his valid title, ownership and right over the said impugned properties.

37. In the light of the above and considering the documentary evidence available on record, it is viewed that the Applicant is a *bona fide* purchaser for value of the impugned properties and therefore, the I.As filed by the Applicant/Objector deserve to be allowed by setting aside the order dated 11.10.2018 passed by Shri R.S. Virk, District Judge (Retired).

ORDER:

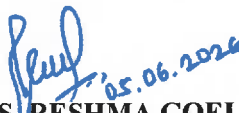
38. Given the above, the objection raised by the Objector/Applicant, Mr. Arun Sharma, is liable to be allowed and is hereby, allowed. In view thereof, the order dated 11.10.2018, passed by Shri. R.S. Virk, District Judge (Retired) in File No. 573, is hereby set aside.

39. The Interlocutory Application Nos. 124496 of 2020 and 29706 of 2026 are thus accordingly, disposed of.

Place: Mumbai

Date: June 05, 2026




MS. RESHMA GOEL
RECOVERY OFFICER


MR. BAL KISHOR MANDAL
RECOVERY OFFICER


MS. PREETI PATEL
RECOVERY OFFICER
प्रीति पटेल / PREETI PATEL
उप महाप्रबंधक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer
(पी ए सी एल टी के मामले से संबंधित, मुंबई) [In the matter of PACL Ltd. Mumbai]

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

बाल किशोर मंडल / BAL KISHOR MANDAL
उप महाप्रबंधक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer
(पी ए सी एल टी के मामले से संबंधित) [In the matter of PACL Ltd.]