

**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.**

I.A. No(s).	86666 of 2018
File No.	SEBI/PACL/OBJ/RG/00724/2026
Name of the Objector(s)/Applicant(s)	Mr. Takhat Singh
MR No (s).	9509/16 and 9510/16

**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. 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 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.



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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.

4. 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 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.
5. 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.
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 or interest.



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7. Further, 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 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 para 4 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.
9. 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 Shri R.S. Virk, District Judge (Retd.).
10. 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.
11. 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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पता (केवल पत्राचार हेतु) / Address for correspondence only:  
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*dispose them of as per the provisions contained under Section-28(A) of the SEBI Act.....”*

12. 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, District Judge (Retd.) and all new objections, are now to be dealt by the Recovery Officers attached to the Committee.
13. Subsequently, the Hon'ble Supreme Court passed the order dated February 19, 2026 in the matter of Subrata Bhattacharya vs. SEBI (Civil Appeal No. 13301 of 2015) directing, *inter alia*, that all interlocutory applications/Transferred Case falling under Category B, i.e. 106 sets of applications including the instant application, filed against the recommendations of Shri R.S. Virk, District Judge (Retd.), be placed before the Recovery Officers appointed under Section 28A of the SEBI Act, 1992. Accordingly, all such applications, including the instant application, are now to be dealt by the Recovery Officers appointed under Section 28A of the SEBI Act, 1992 in the matter of PACL Ltd.

**Present Interlocutory Application (I.A.)**

14. The instant I.A. has been filed by Mr. Takhat Singh s/o Mr. Madho Singh, residing at village Luna, Tehsil Phalodi Distruct, Jodhpur (hereinafter referred to as the “**Objector/Applicant**”), challenging the order dated May 16, 2018 passed by Shri R.S. Virk, District Judge (Retd.) (hereinafter referred to as the “**impugned order**”) in objection petition no. 367/3, whereby the objection seeking issuance of No Objection Certificate (“**NOC**”) in respect of certain land parcels was dismissed. The properties in question comprise of agricultural lands bearing Khasra No. 114/396 admeasuring 50 Bighas, Khasra No. 114/397 admeasuring 30 Bighas, Khasra No. 114/399 admeasuring 50 Bighas, Khasra No. 114/404 admeasuring 30.7 Bighas, Khasra No. 114/408 admeasuring 20 Bighas, Khasra No. 114/413 admeasuring 25 Bighas, Khasra No. 114/414 admeasuring 20 Bighas and Khasra No. 114/415 admeasuring 10 Bighas (hereinafter referred as the “**impugned properties**”), admeasuring in aggregate 235 Bighas and 07 Biswas, all situated at village Manchitiya, Patwar Circle Badi Seedh, Thesil Phalodi,



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Jodhpur, Rajasthan, covered in MR Nos. 9509/16 and 9510/16, which stand attached by the Committee.

15. It is the case of the Applicant that one Mrs. Maina (*predecessor in title*) had purchased the impugned properties from one Mr. Mag Singh through a registered Sale Deed dated November 15, 2006. Mrs. Maina thereafter became Khatedar of the impugned properties and her name was recorded in the Revenue Records as per the Rajasthan Tenancy Act, 1955 and also came into possession of the same. Subsequently, the Applicant purchased the impugned properties from the said Mrs. Maina through a registered Sale Deed dated May 25, 2012. The Revenue Authorities thereafter mutated the impugned properties in favor of the Applicant and he was recorded as Khatedar in Khatauni records and in Girdawari (which shows actual possession of the property). The Applicant has contended that Mrs. Maina was in no manner related to PACL or its associate entities or its subsidiaries or its sister concern and there is no documentary proof of any transaction or connection of her with Mr. Rajendra Singh Khetasar (*purported to be a land aggregator in the said area and an agent of PACL*). The impugned properties were never included in the list of properties for attachment and sale of properties belonging to PACL and its subsidiaries/associates and therefore, the said properties be released from attachment.
16. It is noted that the Objector/Applicant had initially filed an objection dated July 05, 2017 before Shri R.S. Virk, District Judge (Retd.) seeking NOC in respect of the impugned properties. Shri R.S. Virk, District Judge (Retd.), after hearing the applicant at length, vide order dated January 05, 2018 in file no. 367/3, granted the NOC to the Applicant considering that the impugned properties did not find any mention in the list of properties on the website [www.auctionpacl.com](http://www.auctionpacl.com) maintained by the Committee for attachment and sale of properties belonging to PACL and its subsidiaries /associates.
17. Subsequently, Central Bureau of Investigation (CBI) had moved a review application dated February 07, 2018 before Shri R.S. Virk, District Judge (Retd.) against the said order dated January 05, 2018, stating that during investigation of the subject case, it had seized 05 original Sale Deeds for lands pertaining to village Manchitiya, Tehsil Phalodi, District Jodhpur, which



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included 02 Sale Deeds related to the impugned properties. CBI submitted that it had not yet handed over the said 05 original Sale Deeds seized from the premises of PACL to the Committee for the time being, keeping in view that the matter pertaining to the subject lands is pending before the Hon'ble High Court of Jodhpur and that the said Court may, at any time, ask/direct them to show/produce the said original documents. It had further submitted that it will be handing over the said property documents to the Committee within 2-3 weeks.

18. In the review application, the CBI had also contended that properties involved in the abovementioned 05 original Sale Deeds seized from the premises of PACL, were purchased by PACL Ltd. through an agreement made with a land broker namely, Shri. Rajender Singh Khetasar s/o Shambhu Singh Khetasar, for which PACL Ltd. had made payments through cheques, who in-turn used to purchase lands in Rajasthan in the names of individuals and deposited the original sale deeds at PACL Office.

19. The Objector/Applicant thereafter filed a reply against the review application of the CBI submitting that the impugned properties were not indicated in the list of properties being dealt with by the Committee on the website of the Committee i.e., [www.auctionpacl.com](http://www.auctionpacl.com) and since no documents of the impugned properties were handed over to the Committee by CBI, the objection was allowed by Shri R.S. Virk, District Judge (Retd.) vide its order dated January 05, 2018. The Objector/Applicant had further submitted that although CBI claims that by way of some agreement entered into between PACL and one Mr. Rajender Singh Khetasar (described as land broker by CBI), PACL had made payments to Mr. Rajender Singh Khetasar to purchase lands in the name of individuals and the original Sale Deeds were deposited in the office of PACL, no such said agreement or details and proof of payment made by PACL was furnished by CBI before the Committee. The Objector/Applicant further submitted that the impugned properties originally belonged to and were owned by one Mr. Mag Singh (recorded Khatedar in the revenue records maintained by the State of Rajasthan under the provisions of Rajasthan land Revenue Act), who thereafter sold them in favor of one Mrs. Maina w/o Mr. Sabeer Khan (*predecessor-in-title*) and thus, in view of the provisions of Section 54 of the Transfer of Property Act, 1882 (TPA) and Section 48 of the Registration Act, the legal title of



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the property vests in the person in whose favor a registered instrument is existing i.e., Mrs. Maina in the present case. Thus, the Objector/Applicant, by purchasing the impugned properties from the registered owner i.e., Mrs. Maina, becomes the *bonafide* owner of the impugned properties.

20. Upon examining the facts presented in the review application and the submissions made by the parties, Shri R.S. Virk, District Judge (Retd.), vide impugned order dated May 16, 2018, while recalling its earlier order dated January 05, 2018 granting the NOC, dismissed the Objector's application, primarily on the grounds that:

a) Recovery of original documents from PACL premises:

*"... No reason whatsoever is forth coming from the objector as to under what circumstance the original title deeds of the land in question were not with his vendor namely Smt Maina but were recovered from the premises of PACL office."*

b) the allegedly suspicious nature of high-value cash transactions by the predecessor-in-title viz. Mrs. Maina:

*"... This aspect assumes significance because Smt Maina is apparently an illiterate lady with no ostensible source of income and therefore purchase of the land in question by her vide two separate sale deeds, both dated 15/11/2006, for Rs. 3,40,000/- and Rs. 2,80,000/-, all in cash and further sale thereof in favour of the objector Takhat Singh herein vide sale deed dated 25/02/2012 for Rs. 25,93,769/-, again in cash, is a highly suspicious circumstance."*

c) the inference that the transactions were benami in nature, indicating that the properties were effectively acquired using PACL funds:

*"... The recovery of original title deeds of the land in question in favour of Smt Maina are in themselves a very strong circumstance indicating that she was merely a benamidar and the money was not her own but of someone else which as per circumstance indicated above was of PACL which in turn was not a bonafide investor"*



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*but was investing this amount for ulterior motives to the detriment of crores of innocent investors spread all over India.”*

21. The Applicant, being aggrieved by the aforesaid order dated May 16, 2018 passed by Shri R.S. Virk, District Judge (Retd.), has filed the present IA No. 86666 of 2018 before the Hon'ble Supreme Court in the matter of Subrata Bhattacharya vs. SEBI (Supra).
22. The Hon'ble Supreme Court, vide order dated February 19, 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 (including the present I.A) 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 (Retd.)) be placed before Recovery Officers appointed under Section 28A of the SEBI Act, 1992, for examination.
23. Upon perusal of the I.A seeking directions filed by the Objector/Applicant, it is noted that the Applicant/ Objector has, *inter alia*, contended as under:
- He is the *bona fide* purchaser of the impugned properties, having acquired them from Mrs. Maina through a registered sale deed for a valuable consideration after due verification of revenue records, wherein she stood recorded as the lawful owner/Khatedar.
  - The impugned properties never belonged to M/s PGF or M/s PACL, as no registered conveyance or revenue entry exists in favor of either of the entities.
  - The allegation that funds of PACL were used through intermediaries to purchase the impugned properties in the name of Mrs. Maina is unsupported by any cogent evidence showing payment by alleged intermediaries or that Mrs. Maina acted on behalf of PACL, and mere recovery/seizure of original title deeds from the premises of the company does not create legal ownership rights in favor of PACL.



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- d) The observation that Mrs. Maina, being a poor lady, was incapable of entering into such heavy transactions is stated to be based completely on conjectures and surmises and thus, cannot be sustained.
- e) The title standing in the name of Mrs. Maina cannot be disregarded and that the Applicant/Objector is protected as *bona fide* transferee acting in good faith under Section 41 of the TPA.

The Objector/Applicant has thus prayed for:

- (i) direction to the registration authorities to register the further sale made by the Applicant,  
(ii) CBI to issue NOC to prevent any hindrance in dealing with the impugned properties, and  
(iii) the Committee to return the original title deeds of the impugned properties.

24. In compliance with the order dated February 19, 2026 of the Hon'ble Supreme Court, the Applicant was granted an opportunity of hearing before the Panel of Recovery Officers on April 09, 2026. During the hearing, the Applicant was represented by an Authorised Representative ('AR') who, while reiterating the averments made in the I.A and the objection filed before Shri R.S. Virk, District Judge (Retd.), submitted as under:

- a) The Objector/Applicant is *bona fide* owner of the impugned properties, having acquired the same through duly registered sale deed after undertaking due diligence.
- b) That vide order dated January 05, 2018 Shri R.S. Virk, District Judge (Retd.) had initially granted NOC as the impugned properties were not included in the public auction list; however, the said order was subsequently recalled upon an application filed by the CBI. The AR contended that the CBI has neither alleged nor brought out a case that purchase made by the objector's predecessor-in-title, Mrs. Maina, constitutes a benami transaction. It is a case wherein the allegation of acquisition of land by PACL is based on the seizure of original sale deeds from PACL's office, which does not establish ownership. Citing various case laws, the AR asserted that in case of benami transactions the onus of proof



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rests entirely on the asserting party rather than the objector, and because no evidence was presented regarding an illicit source of funds, the question of a benami transaction does not arise.

- c) The AR submitted that the Objector/Applicant has been in possession of the impugned properties since their purchase in year 2012, and that revenue records reflect the name of the Objector/Applicant as owner. It was also submitted that the sale consideration was paid in cash, which was permissible at the relevant time, prior to the insertion of Section 269ST of the Income-tax Act, 1961, which came into effect from April 01, 2017.
- d) The AR contended that there is no material to establish that the predecessor-in-title viz. Mrs. Maina, acted as a nominee/agent of PACL. The AR, while relying on the affidavit filed by Mrs. Maina (part of the additional submission forwarded pursuant to Hon'ble Supreme Court order dated February 19, 2026) stated that the payment for purchase of the impugned properties was made by her from her earnings from farming and cattle breeding activities. Similarly, the Objector/Applicant is also stated to have purchased the impugned properties from his earnings from farming activities.
- e) Further, regarding the seizure of the original sale deeds from PACL's office, the AR, relying on the affidavit (part of the additional submission forwarded pursuant to Hon'ble Supreme Court order dated February 19, 2026) filed by Mr. Chotu Singh, a friend of Mrs. Maina's husband, submitted that PACL as a prospective purchaser of the impugned properties from Mrs. Maina had obtained the documents for pre-purchase scrutiny. However, the transaction did not materialize, and the documents were later seized by CBI from PACL's office.

25. Based on the submissions made and discussions held during the hearing, the AR for the Objector/Applicant was advised to furnish translated copies of the annexures filed with the I.A, complete chain of title documents of the impugned properties, Khatauni Records and other relevant revenue records pertaining to the impugned properties within a period of two weeks



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from the date of hearing, i.e., on or before April 23, 2026. Subsequently, vide email dated April 23, 2026, the Objector/Applicant submitted additional documents including Sale Deeds, revenue records, mutation entries, jamabandi extracts and affidavits which have been taken on record.

26. Upon examination of the Land Revenue Records Samvat 2063-2066 and Mutation Register Entry no. 588, it is observed that name of Mr. Mag Singh and others are duly recorded in respect of the impugned properties except for Khasra No. 114/414 admeasuring 20 Bighas and Khasra No. 114/415 admeasuring 10 Bighas. It is also observed that their names were duly recorded in respect of the impugned Khasra No. 114/408 to the extent of 50 Bighas instead of only 20 Bighas claimed by the Applicant. The impugned properties (excluding Khasra No. 114/414 and Khasra No. 114/415) were thereafter conveyed to Mrs. Maina (*predecessor in title*) vide two Sale Deeds, both dated November 15, 2006. Mrs. Maina (*predecessor in title*), subsequently transferred the impugned properties (including Khasra No. 114/414 admeasuring 20 Bighas and Khasra No. 114/415 admeasuring 10 Bighas) to the Objector/Applicant vide Sale Deed dated May 25, 2012, however in respect of the impugned Khasra no. 114/408 only 20 Bighas out of the 50 Bighas were conveyed. Additionally, Khasra No. 114/414 admeasuring 20 Bighas and Khasra No. 114/415 admeasuring 10 Bighas were also transferred in favour of the Objector/Applicant under the said Sale Deed dated May 25, 2012, despite no corresponding earlier entries being reflected in the aforementioned revenue records and conveyance of the same by Mr. Mag Singh and other to Mrs. Maina (*predecessor in title*). It is also observed that name of Mrs. Maina (*predecessor in title*) and the Applicant is duly recorded in the Jamabandi Samvat 2067-2070 Entry no. 250 and Mutation Register Entry no. 811, respectively. The Jamabandi (Khevat/Katauni), Land Settlement Record Samvat 2071-2074 and Khasra Girdawari Samvat 2082 with respect to the impugned properties also duly reflect the name of the Applicant/Objector.

27. Further, an affidavit filed by Mrs. Maina (*predecessor in title*) stating that the impugned properties (except Khasra No. 114/414 admeasuring 20 Bighas and Khasra No. 114/415



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admeasuring 10 Bighas) were purchased out of her own income derived from agriculture and animal husbandry activities has also been placed on record by the Applicant/Objector to substantiate that the funds were not transferred from the monies collected by PACL for the purchase of the impugned properties. She has also stated in the said affidavit that she had no association with Mr. Rajendra Singh Khetsar (*alleged agent of PACL*). It is also declared that her husband viz. Mr. Sabeer Khan had approached one Mr. Chotu Singh for sale of the impugned properties, pursuant to which the original documents were handed over to a prospective purchaser, namely PACL, for verification purposes. However, the transaction did not materialise. The said version has been further corroborated by placing on record an affidavit of Mr. Chotu Singh.

28. The Objector/Applicant has also submitted a circular dated May 29, 2025 issued by the Government of Rajasthan mandating strict reporting and action against cash transaction exceeding prescribed limits in property dealings. By placing reliance on the aforesaid circular, the Objector contends that prior to the issuance of such directions, there was no express prohibition on cash transaction in property dealings in the region where the impugned properties are situated and therefore, the consideration paid by him in cash for purchase of the impugned properties cannot be treated as illegal or impermissible.

29. In order to further examine the present application, the Panel perused the documents i.e., copies of registered Sale Deeds covered under MR Nos. 9509/16 and 9510/16 seized by CBI from the possession of PACL Ltd. and thereafter, attached by the Committee, details whereof are as under:

Sr. No.	MR No.	Description of Document	Seller	Buyer	Property as per Schedule	Consideration (Rs.)
1	9509/16	Registered Sale Deed bearing no. 2139/06 dated November 15, 2006	Mr. Mag Singh s/o Mr. Radha Kanwar & others	Mrs. Maina w/o Mr. Sabeer Khan	Survey Nos. 114/399 (50 Bg.), 114/396 (50 Bg.), 114/404 (30.7 Bg.), 114/408 min1 (10 Bg.)	Rs. 3,40,000 (Cash)



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Sr. No.	MR No.	Description of Document	Seller	Buyer	Property as per Schedule	Consideration (Rs.)
2	9510/16	Registered Sale Deed bearing no. <u>2140/06</u> dated November 15, 2006	Mr. Mag Singh s/o Mr. Radha Kanwar & others	Mrs. Maina w/o Mr. Sabeer Khan	Survey Nos. 114/408 (20 Bg.), 114/408 min (20 Bg.), 114/397 (30 Bg.), 114/397 (20 Bg.), 114/413 (25 Bg.)	Rs. 2,80,000 (Cash)

From the aforesaid table, it is noted that in the year 2006, vide 02 Sale Deeds (2139/06 and 2140/06), Mrs. Maina (*predecessor in title of the Objector/Applicant*) had purchased the properties mentioned therein from Mr. Mag Singh and others for which consideration was paid in cash. It is pertinent to mention here that the said two documents also form part of the chain of title documents provided by the Applicant/Objector in the instant matter.

30. It is noteworthy to mention here that the abovementioned title deeds i.e., Sale Deeds bearing no. 2139/06 and 2140/06, respectively, through which Mrs. Maina (*predecessor in title*) acquired the properties at Khasra No. 114/396 admeasuring 50 Bighas, Khasra No. 114/397 admeasuring 30 Bighas, Khasra No. 114/399 admeasuring 50 Bighas, Khasra No. 114/404 admeasuring 30.7 Bighas, Khasra No. 114/408 admeasuring 50 Bighas, Khasra No. 114/413 admeasuring 25 Bighas (excluding Khasra No. 114/414 admeasuring 20 Bighas and Khasra No. 114/415 admeasuring 10 Bighas) have been seized by CBI (*under MR. Nos. 9509/16 and 9510/16*) 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



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*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)*

*“.....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)*

31. 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)*



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32. In view of the above and considering the very fact that the abovementioned Sale Deeds bearing no. 2139/06 and 2140/06 (under MR. Nos. 9509/16 and 9510/16) were in possession of PACL Ltd., it is inferred that the purchaser in both the said Sale Deeds namely, Mrs. Maina, had purchased the relevant impugned properties mentioned therein 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.
33. At this juncture, it is imperative to note that while the affidavit of Mrs. Maina (*predecessor in title*) states that the source of the fund for payment of sale consideration were paid by her out of the earnings from farming and animal husbandry activities, no further documentary evidence to substantiate the said claim has been placed on record. In view thereof, the said contention cannot be taken into consideration.
34. Having said that, upon perusal of the I.A and the objection filed before Shri R.S. Virk, District Judge (Retd.) along with the documents produced before the Panel of Recovery Officers in support of the claim made therein, it is observed that the Sale Deeds under MR Nos. 9509/16 and 9510/16, which were seized by CBI from the possession of PACL Ltd., through which Mrs. Maina (*in her individual name*) had purchased the properties at Khasra No. 114/396 admeasuring 50 Bighas, Khasra No. 114/397 admeasuring 30 Bighas, Khasra No. 114/399 admeasuring 50 Bighas, Khasra No. 114/404 admeasuring 30.7 Bighas, Khasra No. 114/408 admeasuring 50 Bighas, Khasra No. 114/413 admeasuring 25 Bighas, (excluding Khasra No. 114/414 admeasuring 20 Bighas and Khasra No. 114/415 admeasuring 10 Bighas), also form part of the chain of title documents of the said impugned properties submitted by the Objector/Applicant. Further, the corresponding Mutation Entry No. 598, also reflects that the said impugned properties at Khasra No. 114/396 admeasuring 50 Bighas, Khasra No. 114/397 admeasuring 30 Bighas, Khasra No. 114/399 admeasuring 50 Bighas, Khasra No. 114/404 admeasuring 30.7 Bighas, Khasra No. 114/408 admeasuring 20 Bighas (instead of 50 Bigha),



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Khasra No. 114/413 admeasuring 25 Bighas, (excluding Khasra No. 114/414 admeasuring 20 Bighas, Khasra No. 114/415 admeasuring 10 Bighas) are mentioned in the individual name of Mrs. Maina and there is no mention of PACL in the said entry/record. It is further noted that Mrs. Maina has subsequently sold the aforesaid impugned properties to the Objector viz. Mr. Takhat Singh vide Sale Deed dated May 25, 2012 and the said impugned properties have even been mutated in name of the Applicant in the entry no. 811.

35. Even if Mrs. Maina is inferred to be an agent of PACL, the fact that she has further transferred the impugned properties to the Applicant/Objector vide Sale Deed dated May 25, 2012 for consideration which has created third-party rights, cannot be ignored.
36. Notwithstanding the above, it is pertinent to refer to the provision contained in Section 41 of 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.*

37. 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 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.



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38. Assuming without admitting that the transfer made by the vendor/transferor viz. Mrs. Maina 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/Applicant has submitted that impugned properties were purchased after conducting due diligence, including verification of the Mutation Entries and Jamabandis reflecting the name of the sellers (*predecessor-in-title*).

39. As noted in the above paras, considering that Sale Deeds seized from the custody of PACL under the MR Nos. 9509/16 and 9510/16 appear to be exclusively executed in the individual name of Mrs. Maina in the Mutation Entries, 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/Applicant could not have reasonably known or been expected to know of any alleged link between the impugned properties and PACL. The Objector/Applicant having verified the chain of title, Mutation Entries and Jamabandis in respect of the aforesaid impugned properties prior to purchase, can be said to have exercised *due diligence*, taken *reasonable care* and acted in *good faith* while acquiring the impugned properties. Accordingly, the Objector/Applicant’s purchase falls squarely within the protection afforded under Section 41 of the TPA. In view of the same, the Panel is of the view that the Objector’s claim w.r.t the impugned properties at Khasra No. 114/396 admeasuring 50 Bighas, Khasra No. 114/397 admeasuring 30 Bighas, Khasra No. 114/399 admeasuring 50 Bighas, Khasra No. 114/404 admeasuring 30.7 Bighas, Khasra No. 114/408 admeasuring 20 Bighas, Khasra No. 114/413 admeasuring 25 Bighas, (excluding Khasra No. 114/414 admeasuring 20 Bighas and Khasra No. 114/415 admeasuring 10 Bighas) deserves to be allowed.



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40. Here, it is also important to refer to the order dated February 19, 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, District Judge (Retd.) 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 relatable 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.*

..... "

41. As can be seen from the aforementioned observations of the Hon'ble Supreme Court in the order dated February 19, 2026, it can be understood that even the Apex Court has 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 such as banking channels. Though the Hon'ble Supreme Court has referred to transactions through banking channels as an indicator of *bona fide* purchase, the said observation cannot be read as excluding genuine transactions undertaken prior to the statutory restrictions on cash dealings,



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particularly where the transfer is evidenced through registered instruments, corresponding revenue entries and long-standing possession. In the present case, the genuineness of the transaction in respect of the impugned properties stands established through the existence of a duly registered instrument i.e. sale deed dated May 25, 2012, payment of valuable consideration and proof of peaceful possession. The Objector/Applicant has produced a duly registered Sale Deed dated May 25, 2012, thereby confirming the legality and validity of the transfer. The requirement of valuable consideration also stands satisfied as the Sale Deed itself records the payment details, and the vendor has expressly acknowledged receipt of the entire sale consideration in cash within the recitals of the registered instrument and also by way of an affidavit placed on record. In addition, there is nothing on record to show any dispute or claim being made by the vendor for non-receipt of the sale consideration. Furthermore, the Objector/Applicant has even demonstrated continuous and peaceful possession over the impugned properties since year 2012 through the Khasra Girdawari records which reflect cultivation activities being done on the said properties by the Applicant/Objector.

42. With regard to the fact that the sale consideration for the said transaction being done in cash, it is noteworthy to refer to a recent judgment dated September 01, 2025 passed by the Hon'ble Supreme Court in *Georgekutty Chacko vs. M.N. Saji (civil appeal no.11309 of 2025)*, wherein the Court has observed as under:

*"...it is not uncommon that in money transactions, there is a component of cash also involved and just because a person is not able to prove the transfer through official modes i.e., through any negotiable instrument or bank transaction, would not lead to the conclusion that such amount was not paid through cash especially when there was a categorical statement to this effect by the appellant before the Court concerned. Moreover, the initial presumption of legally enforceable debt comes from the Negotiable Instruments Act, 1881 also and thus the onus is on the respondent to prove that no such amount was given."*

.....



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*h* *h*

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*Only because documentary proof was not available, we find such view taken to be erroneous. A person who gives cash obviously would not be having any documentary proof per se. Sometimes there may be an occasion where even for a cash transaction, a receipt is taken, but absence of the same would not negate and disprove the stand that the cash transaction also took place between the parties."*

43. Applying the aforesaid principle to the present case, the payment made in cash by the Applicant/Objector in year 2012 cannot, by itself, be treated as suspicious or non-genuine. As observed by the Hon'ble Supreme Court in the above judgement, the absence of a bank transaction does not disprove a transaction when a categorical statement is made by the parties. Here, the vendor viz. Mrs. Maina has expressly acknowledged the receipt of the entire consideration in the recitals of the Sale Deed and also in the affidavit placed on record before the Panel. Further, there is nothing on record to show any dispute/ complaint/ongoing litigation challenging the non-receipt of the sale consideration.
44. Further, the Objector while relying on the insertion of Section 269ST to the Income Tax Act, 1961 which came into effect from April 01, 2017 has submitted that there was no bar on cash transactions at the time when the transaction took place. We find merit in the same and therefore, as mentioned in para 41 above, the fact that the said transfer has been executed by a registered document, mutation of the Applicant's name in revenue records, and Applicant being in peaceful possession of the impugned properties since the year 2012 cannot be ignored. Further, just because the payment of consideration was made by the Applicant/Objector in cash, the transfer of impugned properties excluding Khasra No. 114/414 and Khasra No. 114/415, cannot be said to be invalid.
45. In the light of the foregoing and the documentary evidence placed on record, the Objector/Applicant is found to be a *bona fide* purchaser for value of the impugned properties excluding Khasra Nos. 114/414 and 114/415 for which the chain of title remains unverified. Accordingly, the order dated May 16, 2018 passed by Shri R.S. Virk, District Judge (Retd.) is liable to be set aside to the extent of the aforementioned verified properties.



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46. With regard to the Objector's claim for properties at Khasra No. 114/414 admeasuring 20 Bighas and Khasra No. 114/415 admeasuring 10 Bighas, it is observed that these properties do not form part of the Sale Deeds under MR Nos. 9509/16 and 9510/16 (*seized by CBI from the possession of PACL Ltd.*). Considering that there is nothing on record to show any attachment of these properties by the Committee, the question of their release from attachment does not arise. Consequently, the objection so far as it relates to these properties, namely Khasra No. 114/414 admeasuring 20 Bighas and Khasra No. 114/415 admeasuring 10 Bighas, is liable to be disposed of without any direction.
47. Further, considering that only 20 Bighas out of the 50 Bighas attached (by the Committee) in Khasra No. 114/408 (covered under relevant MR Nos.) were conveyed by Mrs. Maina to the Objector/Applicant, it is concluded that the attachment in respect of the remaining 30 Bighas in the said Khasra No. 114/408 shall continue.
48. Lastly, with respect to the prayer in the I.A No. 86666 of 2018, seeking direction to the registration authorities to register the further sale made by the Applicant, considering that there are no facts brought on record to show any further transfer being executed by the Applicant and in the light of the mandate of the Recovery Officers as defined in the order dated February 19, 2026, the said prayer does not warrant any consideration.

**ORDER:**

49. Given the above, the objection raised by the Objector/Applicant with respect to Khasra No. 114/396 admeasuring 50 Bighas, Khasra No. 114/397 admeasuring 30 Bighas, Khasra No. 114/399 admeasuring 50 Bighas, Khasra No. 114/404 admeasuring 30.7 Bighas, Khasra No. 114/408 admeasuring 20 Bighas and Khasra No. 114/413 admeasuring 25 Bighas, is liable to be allowed and is accordingly, allowed. In view thereof, the order dated May 16, 2018 passed by Shri R.S. Virk, District Judge (Retd.), to the extent of the aforementioned Khasra Nos., is hereby set aside.



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50. The attachment in respect of impugned property at Khasra No. 114/408 admeasuring 30 Bighas (remaining out of a total of 50 Bighas), shall continue to stand attached by the Committee.
51. Further, the attachment in respect of the impugned properties at Khasra No. 114/414 admeasuring 20 Bighas and Khasra No. 114/415 admeasuring 10 Bighas, is disposed of without any direction.

**Place: Mumbai**

**Date: June 01, 2026**




**On behalf of Panel of Recovery Officers  
(in the matter of PACL Ltd.)**

  
01-06-2026

**MS. RESHMA GOEL  
RECOVERY OFFICER**



**MR. BAL KISHOR MANDAL  
RECOVERY OFFICER**

  
01-06-2026

**MS. PREETI PATEL  
RECOVERY OFFICER**

**रेशमा गोयल / RESHMA GOEL**  
उप महाप्रबंधक एवं वसूली अधिकारी  
Deputy General Manager & Recovery Officer  
(पी ए सी एल ली के मामले में 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 ली के मामले में संबंधित) (In the matter of PACL Ltd.)

**प्रीति पटेल / PREETI PATEL**  
उप महाप्रबंधक एवं वसूली अधिकारी  
Deputy General Manager & Recovery Officer  
(पी ए सी एल ली के मामले में संबंधित, मुंबई) (In the Matter of PACL Ltd. Mumbai)