

BEFORE THE PANEL OF RECOVERY OFFICERS APPOINTED UNDER SECTION 28A OF THE SEBI ACT, 1992 DISCHARGING FUNCTIONS IN TERMS OF THE ORDERS OF THE HON'BLE SUPREME COURT DATED 08.08.2024 AND 19.02.2026 IN C.A. No. 13301 OF 2015 IN THE MATTER OF PACL LTD.

IA NO.	158545 of 2024
File No.	SEBI/PACL/IA/KW/00742/2026
Name of the Objector/ Applicant(s)	Mr. Sanjay Bhardwaj and Mr. Rupesh Bhardwaj
MR No.	1119/18

Background:

1. The Securities and Exchange Board of India (hereinafter referred to as "SEBI") on 22.08.2014 passed an order against Pearls Agrotech Corporation Limited (hereinafter referred to as "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. The aforesaid order was challenged by PACL Ltd. and its directors by filing appeals before the Hon'ble Securities Appellate Tribunal (hereinafter referred to as "SAT"). Vide its order dated 12.08.2015, the said appeals were dismissed by Hon'ble SAT, with a direction to the appellants to refund the amounts collected from the investors within three months. Aggrieved by the aforesaid order dated 12.08.2015, PACL Ltd. and its directors filed appeals before the Hon'ble Supreme



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Court of India in Civil Appeal No. 13301 of 2015 – Subrata Bhattacharya Vs. SEBI and other connected matters.

3. 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 SEBI Act, 1992 against PACL Ltd. and its promoters/directors vide Recovery Certificate no. 832 of 2015 dated 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.
4. During the course of hearing on the aforesaid civil appeals filed by 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, direction for refund and 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.



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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 of interest.
6. 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.
7. In the recovery proceedings mentioned at para 3 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 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 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).
9. 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



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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.

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

11. In compliance with 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 by the Recovery Officers attached to the Committee.
12. Subsequently, the Hon'ble Supreme Court passed an order dated 19.02.2026 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, challenging the recommendations of Shri R.S. Virk, District Judge (Retd.), be



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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 Panel of Recovery Officers appointed under Section 28A of the SEBI Act, 1992 for discharging functions in terms of the Orders of the Hon'ble Supreme Court dated 08.08.2024 and 19.02.2026 in C.A. No. 13301 of 2015 in the matter of PACL Ltd.

13. The Objectors/Applicants, Mr. Sanjay Bhardwaj and his son, Mr. Rupesh Bhardwaj (hereinafter referred to as "**Applicant no. 1 and Applicant no. 2 respectively**") filed objection petition before Shri R. S. Virk, District Judge (Retd.) seeking release from attachment of certain lands, details of which are as under:

- i. Mr. Sanjay Bhardwaj - Khasra no. 716 (0.10 hectares), Khasra no. 719 (0.44 hectares), Khasra no. 721 (3.22 hectares), Khasra no. 722 (4.66 hectares), total measuring 8.42 hectares, situated at Village Margodi, Tehsil and District Seoni Madhya Pradesh and Khasra no. 726 (1.56 hectares) situated at Village Badhi, Tehsil and District Seoni, Madhya Pradesh. The total land measuring 9.98 hectares.
- ii. Mr. Rupesh Bhardwaj - Khasra nos. 465 (0.62 hectares), 520 (0.09 hectares), 525 (0.16 hectares), 559 (1.65 hectares), 562 (0.95 hectares), 565 (1.63 hectares), 566 (0.54 hectares) and 570 (1.15 hectares), total measuring 6.79 hectares situated at Village Margodi, Tehsil and District Seoni Madhya Pradesh.

The above land attached is collectively hereinafter referred to as 'impugned properties'. The impugned properties attached by the Committee under MR. No. 1119/18.



14. Upon notice of the said objection petition being issued to PACL, it had interalia filed reply contending that the impugned property including other survey nos. measuring to a total of 54.375 Acres was purchased by its associate company, PGF Ltd. from one Ms. Sangeeta Kapoor through General Power of Attorney (GPA) and Agreement to Sell (ATS) dated 28.07.2006 which was taken into possession by CBI vide seizure memo dated 09.02.2017. It was further submitted that the ATS made between Ms. Sangeeta Kapoor and PGF Ltd. is a conclusive proof that the land in question is related to PACL.
15. After hearing the counsels for the objector and PACL, Shri R. S. Virk District Judge (Retd.), while dismissing the objection petition vide Order dated 22.02.2024 interalia observed that the Objectors/Applicants claimed the ownership based on two sale deeds both dated 20.04.2014 executed by Ms. Sangeeta Kapoor whereas PACL claims to have already acquired the same land parcels from Ms. Sangeeta Kapoor through irrevocable GPA and Agreement to Sell (ATS) both dated 28.07.2006. Further, the ATS recorded that an amount of Rs. 11,41,160/- had been received by Ms. Sangeeta Kapoor and these documents were recovered by CBI from the possession of PACL. It was further observed that the ATS has to read as a whole wherein Ms. Sangeeta Kapoor has acknowledged the receipt of said amount from authorised representative of PACL, Mr. C.B. Dhillon by means of separate receipt as mentioned in the said ATS for which irrevocable GPA of the same date has also been executed by her in favour of PGF Ltd. *qua* the land parcels. Further, Ms. Sangeeta Kapoor had no right or title left in the land parcels in view of her having executed the GPA and ATS both dated 28.07.2006 in favour of PGF Ltd. through its authorised representative Mr. C.B. Dhillon.



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16. Aggrieved by the said order of Shri R. S. Vrik, District Judge (Retd.), the Applicants have filed Interlocutory Application No. 158545 of 2024 (hereinafter referred to as 'IA') for directions before the Hon'ble Supreme Court in the matter of *Subrata Bhattacharya vs. SEBI (supra)* challenging the aforementioned Order dated 22.02.2024. In the said IA, the Applicant has *interalia* contended that -

- i. the Applicants are agriculturalist who have *bonafide* purchased the impugned properties vide registered sale deeds both dated 20.02.2014;
- ii. the Applicants had carried out due diligence prior to the purchase of impugned properties after being convinced of the undisputed title of the owner i.e. Ms. Sangeeta Kapoor which was reflected in all the government records;
- iii. Shri R.S. Vrik District Judge (Retd.), erroneously dismissed the objection petition filed by the Applicants by placing reliance upon an unregistered ATS considering it as a conclusive proof of conveyance. The Hon'ble Court in several judgements, including a recent judgement of 2023 in *Munishamappa Vs. M. Rama Reddy & Ors.* held that "Agreement to sell is not a conveyance; it does not transfer ownership rights or confers any title". Further, Hon'ble Supreme Court has deprecated the practice of sale through unregistered documents such as GPA in *Suraj Lamp Vs Industries (P) Ltd Vs State of Haryana (2009) 7 SCC 363*;
- iv. the order passed by Shri R. S. Virk, District Judge (Retd.) is in contravention to the judgements passed by Hon'ble Supreme Court in as much as the sale through the unregistered ATS and GPA is given precedence over the registered sale deed and the Revenue Records of the Government.



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- v. PACL has not placed any document to prove its title, while the Applicants have not only placed reliance on registered sale deeds but have also placed on record Government records and the loan taken on the agricultural land to start farming.
17. In view of the above contentions, the Applicants have *inter-alia* prayed to pass appropriate directions to set aside the Order dated 22.02.2024 passed by Shri R.S. Virk District Judge (Retd.) and declare that the title of impugned properties belong to the Applicants.
18. In compliance with order dated 19.02.2026 passed by the Hon'ble Supreme Court in *Subrata Bhattacharya vs. SEBI* in Civil Appeal No. 13301 of 2015 (supra), the proceedings in respect of the IA was initiated by the Panel of Recovery Officers and the Applicant was granted an opportunity of hearing on 06.04.2026 before them. On the said date, the Authorised Representative ('AR') of the Applicant appeared in person and made submission on the lines of averments made in the said IA and further submitted that there was a mismatch between the land measurements in the sale deed vis-a-vis documents in MR as the registered sale deeds mention the area in hectares whereas MR documents mention the area in acres as a scale of measurement. During the hearing, the AR submitted written submissions and additional documents in support of its claim viz., mutation orders dated 30.05.2013 in respect of the impugned properties, Kisan Credit loan statement, reply of PACL to the Applicants, General Power of Attorney dated 28.06.2006 under MR No. 1119/18, copy of CBI seizure memo dated 2017, etc. Based on the submissions, the Applicants were advised to submit Bank Due Diligence/Search Report, Land Tax Payment Receipts up to date; and Bank



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statements reflecting the payments made towards purchase of the impugned properties within a week. The AR of the Applicant has accordingly submitted the said documents vide letter dated 10.04.2026 which has been taken on record.

19. The Panel of Recovery Officers have perused the documents available on record namely, IA along with annexures, the impugned order dated 22.02.2024, sale deeds dated 20.02.2014, Bank statements, mutation order, Kisan credit loan statement, documents seized under MR no. 1119/18, Bank title search report, Jamabandi and written submissions and its annexures. From the submissions of the Applicants and perusal of the sale deeds, it is noted that the genesis of transaction is as under:

Sr.no.	Property Description	Type of document	Name of Purchaser	Name of original owner	Consideration (Rs.)
Sanjay Bhardwaj → Sangeeta Kapoor					
1.	Khasra No. 716 (0.10 hec), Khasra No. 719 (0.44 hec), Khasra No. 721 (3.22 hec), Khasra No. 722 (4.66 hec) Total land measuring 8.42 hectares	Sale deed dated 13.04.2004 Registered	Sangeeta Kapoor	Chandrabhan Singh	3,87,500/- Cash



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Sr.no.	Property Description	Type of document	Name of Purchaser	Name of original owner	Consideration (Rs.)
2	Khasra No. 726 (1.56 hec)	Sale deed dated 08.04.2004 Registered	Sangeeta Kapoor	Omkar Singh	81,500/- Cash
3.	Khasra No. 716 (0.10 hec), Khasra No. 719 (0.44 hec), Khasra No. 721 (3.22 hec), Khasra No. 722 (4.66 hec), Khasra No. 726 (1.56 hec) Total land measuring 9.98 hectares	Sale deed dated 20.02.2014 Registered	Sanjay Bhardwaj (Applicant No. 1)	Sangeeta Kapoor	12,47,500- Payment: Cheque no. 493052 dated 20.02.2014 Rs. 6,00,000 - through SBI 6,47,500 - Cash
Rupesh Bhardwaj → Sangeeta Kapoor					
1.	Khasra No. 465 (0.62 hec), Khasra No. 520 (0.09 hec), Khasra No. 525 (0.16 hec), Khasra No. 559 (1.65 hec), Khasra No. 565 (1.63 hec), Khasra No. 562 (0.95), Khasra No. 566 (0.54 hec), Khasra No. 570 (1.15 hec)	Sale deed dated 20.02.2014 Registered	Rupesh Bhardwaj S/o of Sanjay Bhardwaj (Applicant No. 2)	Smt. Sangeeta Kapoor	8,48,750/- Payment: Cheque no. 565077 Rs. 5,00,000 SBI (20/02/2014) 3,48,750 - Cash



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Sr.no.	Property Description	Type of document	Name of Purchaser	Name of original owner	Consideration (Rs.)
	Total land measuring 6.79 hectares				
2.	Khasra No. 465 (0.62 hec), Khasra No. 520 (0.09 hec), Khasra No. 525 (0.16 hec), Khasra No. 559 (1.65 hec), Khasra No. 565 (1.63 hec), Khasra No. 562 (0.95), Khasra No. 566 (0.54 hec), Khasra No. 570 (1.15 hec) Total land measuring 6.79 hectares	Sale deed dated 27.03.2004 Registered	Smt. Sangeeta Kapoor	Dayaram	3,16,000/- cash

20. From the perusal of the above sale deeds, it is noted that the said deeds have been duly registered before the Sub Registrar Office, Seoni after payment of stamp duty and registration charges, etc. Further, the Panel has observed that:

- The payment for consideration for purchase of the impugned properties was made by the Applicants partly by cash and partly by cheque. In respect of Applicant no. 1, the AR has submitted his statement of the bank account held with State Bank of India for the period from 20.02.2014 to 05.03.2014,



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wherefrom it is noted that an amount of Rs.6,50,000/- has been withdrawn by Applicant no. 1 on 20.02.2014 through cash cheque no. 493053 and an amount of Rs.6,00,000/- has been debited on 05.03.2014 towards cheque no. 493052. Similarly, in respect of Applicant no. 2, the AR has submitted the Applicant's statement of the bank account held with State Bank of India for the period from 10.02.2014 to 28.02.2014, where from it is noted that an amount of Rs.4,00,000/- has been withdrawn by Applicant no.2 on 20.02.2014 through cash cheque no. 565077 and an amount of Rs.5,00,000/- has been debited on 28.02.2014 towards cheque no. 565076. The entries of amounts substantiate that the payment of sale consideration towards purchase of impugned properties was partly made through banking channels to the vendor, viz. Ms. Sangeeta Kapoor.

- ii. The Mutation order dated 30.05.2013 issued by Tehsildar, Seoni *inter alia* states that the report obtained from Halka Patwari dated 06.04.2013 noted that the impugned properties were registered in the name of seller Shri Chandrabhan son of Shri Kotu Singh as a landowner. It was also noted that in the Misal settlement of the year 1988, the said land was registered in the name of Mr. Tarachand, son of Mr. Bhagchand, Mr. Raghuveer Singh, Mr. Balbir Singh and Mr. Chandrabhan Singh, son of Kotu Singh. Based on the documentary record, the Tehsildar, Seoni held that Ms. Sangeeta Kapoor has acquired the ownership of the said the impugned properties comprised in Khasra nos. 716, 719, 721, 722 through registered sale deed dated 13.04.2004. Similarly, vide order dated 30.05.2013 of the Tehsildar, the Patwari vide report dated 06.04.2013 noted that the impugned property in survey no. 726 was registered in the name of Mr. Omkar Singh, son of Mr. Govardhan Singh. Further in the Misal settlement of the year 1988, the said land was registered in the name of



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Mr. Govardhan Singh. Based on the documentary record, the Tehsildar, Seoni held that Ms. Sangeeta Kapoor had acquired the ownership of the said impugned properties through registered sale deed dated 08.04.2004.

- iii. Similar order was passed in Khasara nos. 465,520,525,559,562,565,566 and 570 wherein the Patwari has held that impugned property was in the name of Mr. Dayaram son of Mr. Bhadda. Further in the Misal settlement of the year 1988, the said land was registered in the name of Mr. Bhadda. Based on the documentary record, the Tehsildar, Seoni held that Ms. Sangeeta Kapoor has acquired the ownership of the said the impugned properties comprised in Khasra nos. 465,520,525,559,562,565,566 and 570 through registered sale deed dated 27.03.2004. The Tehsildar thereafter has ordered transfer of the impugned properties in the name Ms. Sangeeta Kapoor. The said orders evidenced clear title of the previous owner, Ms. Sangeeta Kapoor in respect of the impugned properties.
- iv. The AR has submitted the Bank title search report dated 18.10.2021 certified by Bank of India, Seoni Branch wherein it is stated Mr. Chandrabhan Singh was the previous owner of the impugned property in Khasra nos. 716, 719, 721, 722 who has sold it vide registered sale deed dated 13.04.2004 to Ms. Sangeeta Kapoor for consideration of Rs.3,87,500/-. With respect to Khasra no. 726, it is stated to be ancestral property of Mr. Omkar Singh who has sold it to Ms. Sangeeta Kapoor vide registered sale deed no. 08.04.2004 for a consideration of Rs. 81,500/-. It is further stated that Ms. Sangeeta Kapoor sold the impugned properties vide registered sale deed dated 20.04.2014 for consideration of Rs.12,47,500/- to Mr. Sanjay Bharadwaj and delivered the possession. Further, after mutation by sansodhan no.03 order dated



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31.05.2014 by the Court of Tehsildar, Seoni, the name of Mr. Sanjay Bharadwaj has been recorded as an owner and title holder of the impugned property in Khasra nos. 716, 719, 721, 722 and 726 and the said Applicant no. 1 has been in possession of the same. The survey report also states that all the transactions are legal and valid and the impugned properties are clear and marketable and free from all encumbrances. The AR has also submitted the Kisan credit card loan statement dated 06.04.2026 of Shri Sanjay Bharadwaj certified by Bank of India reflecting the closure of the said loan account.

- v. Similarly, in case of Mr. Rupesh Bharadwaj in respect of Khasra nos. 465,520,525,559,562,565,566 and 570, the AR has submitted Bank title search report dated 18.10.2021 certified by Bank of India, Seoni Branch wherein it is stated that Mr. Dayaram was the previous owner of the impugned property in Khasra nos. 465,520,525,559,562,565,566 and 570 who sold these lands vide registered sale deed dated 27.03.2004 to Ms. Sangeeta Kapoor for consideration of Rs.3,16,000/-. It is further stated that Ms. Sangeeta Kapoor sold the impugned properties vide registered sale deed dated 20.04.2014 for consideration of Rs.8,48,750/- to Mr. Rupesh Bharadwaj and delivered the possession. Further, it is stated that after mutation by sansodhan no.05 order dated 31.05.2014, by the court of Tehsildar, Seoni, the name of Shri Rupesh Bharadwaj has been recorded as an owner and title holder of the impugned property in Khasra nos.465,520,525,559,562,565,566 and 570 and the said Applicant no. 2 is in possession of the same. The survey report also states that all the transactions are legal and valid and the impugned properties are clear and marketable and free from all encumbrances. The AR has also submitted the Kisan credit card loan statement dated 04.04.2026 of Shri Rupesh Bharadwaj certified by Bank of India reflecting the closure said loan account.



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- vi. The Khatawaar Khatauni or Jamabandi issued under the Madhya Pradesh Land Revenue Act (Land Survey and Land Records) Rules, 2000 dated 08.04.2026 having CLR No. 2501921372 states the name of account holder for Khata no. 431 which is forming part of impugned property comprised of Survey no. 716, 716, 721, 722, 726 total area 9.980 hectare is in the name of Mr. Sanjay Bhardwaj, land owner. Similarly, Khatawaar Khatauni or Jamabandi issued under the Madhya Pradesh Land Revenue Act (Land Survey and Land Records) Rules 2000 dated 08.04.2026 having CLR No. 2501921371 states the name of account holder Mr. Rupesh Bhardwaj for Khata no. 421 which is forming part of impugned property comprised of Survey no. 465, 520, 525, 559, 562, 565, 566, 570 total area 6.7900 hectare as land owner.
21. Before proceeding ahead to examine the documents seized under the MR, reference is drawn to observations made in the order dated 22.08.2014 passed by SEBI wherein the *modus operandi* adopted by PACL has been enunciated 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." (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*



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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)

Further, it is pertinent to refer to the admission made by PACL in the aforesaid order wherein it had admitted that for the purpose of its business, it was buying lands through its agents. The relevant paragraph is reproduced hereunder:

".....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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22. The Panel of Recovery Officers have also perused the documents seized under the MR. No. 1119/18, namely, the GPA and ATS both dated 28.07.2006, details of which are as under:

Sr. no.	Document no.	Executed by	In favour	Extent Acres	Sale Deed no. and Dated
1	GPA Dated - 28/07/2006	Ms. Sangeeta Kapoor	Mr. C.B Dhillon (AR of PGF Ltd.)	S. no. - 1/1 (0.50) S. no. - 1/2 (2.375) S.no. - 1/4 (0.875) S. no. - 2/2 (0.25) S.no. -1/3 (3.7) S.no. - 465 (1.55) S.no. - 520 (0.225) S.no. - 525 (0.40) S.no. - 559 (4.125) S. no. - 570 (2.375) S.no. - 732 (1.125) S. no. - 733 (3.00) S.no. - 716 (0.25) S. no. - 719 (1.10) S.no. - 721 (8.05)	118/2004 15/04/2004 119/2004 15/04/2004 119/2004 15/04/2004 119/2004 15/04/2004 120/2004 15/04/2004 3448/2004 27/03/2004 3448/2004 27/03/2004 3448/2004 27/03/2004 3448/2004 27/03/2004 121/2004 15/04/2004 121/2004 15/04/2004 117/2004 15/04/2004 117/2004 15/04/2004 117/2004



				S.no. - 722 (11.65)	117/2004 15/04/2004
				S.no. - 726 (3.9)	123/2004 15/04/2004
				S.no. - 525 (0.40)	3448/2004 27/03/2004
				S.no. - 559 (4.125)	3448/2004 27/03/2004
2	Agreement Dated - 28/07/2006	Ms. Sangeeta Kapoor	Mr. C.B Dhillon (AR of PGF Ltd.)	S. no. - 1/1 (0.50)	118/2004 15/04/2004
				S. no. - 1/2 (2.375)	119/2004 15/04/2004
				S.no. - 1/4 (0.875)	119/2004 15/04/2004
				S. no. - 2/2 (0.25)	119/2004 15/04/2004
				S.no. -1/3 (3.7)	120/2004
				S.no. - 465 (1.55)	15/04/2004 3448/2004
				S.no. - 520 (0.225)	27/03/2004 3448/2004
				S.no. - 525 (0.40)	27/03/2004 3448/2004
				S.no. - 559 (4.125)	27/03/2004 3448/2004
				S. no. - 570 (2.375)	27/03/2004 3448/2004
				S.no. - 732 (1.125)	27/03/2004 121/2004
				S. no. - 733 (3.00)	15/04/2004 121/2004
				S.no. - 716 (0.25)	15/04/2004 117/2004
				S. no. - 719 (1.10)	15/04/2004 117/2004
				S.no. - 721 (8.05)	15/04/2004 117/2004
				S.no. - 722 (11.65)	15/04/2004 117/2004 15/04/2004



Sanjay Bhardwaj

				S.no. - 726	123/2004
				(3.9)	15/04/2004
				S.no. - 525	3448/2004
				(0.40)	27/03/2004
				S.no. - 559	3448/2004
				(4.125)	27/03/2004

On perusal of the GPA, it is observed that the Ms. Sangeeta Kapoor had executed the GPA in favour of Mr. C.B. Dhillon who is authorised representative of PGF Ltd. Further, the ATS dated 28.07.2006, executed between Ms. Sangeeta Kapoor and Mr. C.B. Dhillon *inter alia* states that Ms. Sangeeta Kapoor has agreed to sell and transfer the land mentioned in the ATS for a total sum of Rs.11,41,160/- to Mr. C. B.Dhillon and that Ms. Sangeeta Kapoor has received the said amount in full and final settlement by means of a separate receipt. However, on perusal of the said ATS, it is found that there is no receipt appended to it which acknowledges the payment of the said consideration.

23. In this regard, it is a well settled position of law that in terms of Section 54 of the Transfer of Property Act, 1882 (TPA), "sale" is defined as a transfer of ownership in exchange for a price paid or promised or part-paid or part-promised. On the other hand, "Contract for sale/ Agreement To Sell" of immovable property is a contract that a sale of such property shall take place on the terms settled between the parties at a future date. Para 2 of Section 54 of TPA, however, provides that for tangible immovable property worth Rs.100 or more, the transfer must be made through a registered instrument, while for property valued less than Rs.100, the transfer can be made either by a registered instrument or by delivery of possession; essentially meaning that a sale of significant value requires a registered document to be legally valid.



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24. In sale, there is an actual transfer of ownership in exchange for a consideration whereas, in a Contract of sale/ Agreement to Sale, there is only a contract between the parties that the sale will take place on the agreed terms on a later date. A transfer of immovable property by way of sale can only be by a deed of conveyance (*sale deed*). In the absence of a deed of conveyance (*duly stamped and registered as required by law*), no right, title or interest in an immovable property can be transferred.
25. The Hon'ble Supreme Court in *Ramesh Chand (D) through LRs vs. Suresh Chand & Anr.* 2025 INSC 1059, has ruled that title can only be transferred by way of deed of conveyance as per Section 54 of Transfer of Property Act, 1882. The same is reproduced as under:
28. *Apart from the aforementioned documents, there is also an affidavit dated 16.05.1996 said to have been executed by Sh. Kundan Lal in favour of the plaintiff, along with a receipt of consideration, wherein Sh. Kundan Lal is said to have acknowledged receipt of full consideration for the sale of suit property to the tune of Rs. 1,40,000/- from the Plaintiff. The said instruments do not confer a valid title upon the plaintiff because as per Section 54 of TP Act, only through a deed of conveyance a title can be transferred,....."*
26. The Hon'ble Supreme Court in *Ramesh Chand (D) through LRs vs. Suresh Chand & Anr.* (*Supra*) has further ruled that:
- "19. A power of attorney is not a sale. A sale involves transfer of all the rights in the property in favour of the transferee but a power of attorney simply authorises the grantee to do certain acts with respect to the property including if the grantor permits to do certain acts with respect to the property including an authority to sell the property.



Sanjay Bhardwaj

27. In this regard, reliance is also placed on the judgment of the Hon'ble Supreme Court in *Suraj Lamp and Industries Pvt. Ltd. Vs. State of Haryana & Anr.* (Reported in 2012) 1 SCC 656 wherein the Hon'ble Supreme Court, in addition to discouraging the practice of transferring an immovable property by way of executing a GPA / ATS / Will, has observed as under:

"18. It is thus clear that a transfer of immovable property by way of sale can only be by a deed of conveyance (sale deed). In the absence of a deed of conveyance (duly stamped and registered as required by law), no right, title or interest in an immovable property can be transferred.

19. Any contract of sale (agreement to sell) which is not a registered deed of conveyance (deed of sale) would fall short of the requirements of Sections 54 and 55 of the TP Act and will not confer any title nor transfer any interest in an immovable property (except to the limited right granted under Section 53-A of the TP Act). According to the TP Act, an agreement of sale, whether with possession or without possession, is not a conveyance. Section 54 of the TP Act enacts that sale of immovable property can be made only by a registered instrument and an agreement of sale does not create any interest or charge on its subject-matter."

28. By virtue of the scope of transfers of immovable property made through documents such as ATS/ GPA/Will, as has been considered at length in the matter of *Suraj Lamps (Supra)* by the Hon'ble Supreme Court, such documents do not transfer any title and ownership rights in immovable property. Therefore, in the instant case, the GPA and the unregistered ATS both dated 28.07.2006 cannot be said to have transferred any interest, right or title in the impugned property to PACL or any entity associated with



Sanjay Bhardwaj *Rupesh Bhardwaj*
Page 21 of 26

PACL. Thus, the said documents seized under MR no. 1119/18 do not confer any title to impugned properties. In view of the above, the observation of Shri R.S. Virk, District Judge (Retd.) that Ms. Sangeeta Kapoor had no right or title left in land parcels in view of having executed the GPA and ATS in favour of PGF Ltd. does not hold good for the very reason that no title was ever transferred by Ms. Sangeeta Kapoor in favour of the Mr. C. B. Dhillon and she was always in the possession and ownership of the said impugned properties till she transferred them to the Applicants vide registered sale deeds.

29. Apart from the above, reference herein is also made to the observation of the Hon'ble Supreme Court in para 12 (vi) of its order dated 19.02.2026 wherein payment through banking channels has been stated as an indicator of *bonafide* purchase as under:

"(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 bona fide purchaser for value having actually paid the amounts through banking channels."

30. In the instant case, as already discussed and established in para nos.20(i), the Applicants have made part payment of sale consideration in cash for the purchase of the impugned properties. In this regard, reference is drawn to the judgement dated 01.09.2025 of the Hon'ble Supreme Court passed in Civil



hw *dr* *Ad*
Page 22 of 26

Appeal No. 11309 of 2025 *Georgekutty Chacko vs M.N Saji* wherein it is observed that -

“..... 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.
.....”

31. Applying the aforesaid principle, in the present matter, in so far as the sale consideration is recorded to have been paid partly in cash by the Applicant, the same cannot *ipso facto* make the transaction non-genuine or invalid in view of the above observation of the Hon'ble Supreme Court. It is noted that claims over the properties 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 a 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, particularly where the transfer is evidenced through registered sale deeds, corresponding revenue records and bank statements, etc. In the instant case, the genuineness of the transaction in respect of the impugned properties stands established through the existence of a registered instrument i.e. sale deeds and payment of sale consideration and the mutation records.



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- "12. In view of the fact that the said appeals are pending for a long time, we accordingly direct:*

(iv) The parties shall be at liberty to adduce necessary evidence in this regard confined to the extent relevant to establish source of the property, which evidence will be led in a summary manner. The adjudication shall be confined to documentary evidence. No oral evidence shall be permitted. The Recovery Officers may permit filing of additional documents over and above what was filed before Judge Virk & this Court in their IAs.



Page 24 of 26

34. In the instant matter, based on the documentary evidence placed before the Panel of Recovery Officers, viz., Jamabandi in the name of the Applicants, mutation orders of Tehsildar, Seoni, the title search reports of the impugned properties, vis a vis the MR documents, there is no any link of PACL and its associates in any of the transactions. Having verified the above documents, it is established that the impugned properties were in fact owned by Ms. Sangeeta Kapoor, the predecessor in the title of the Applicant till the time they were transferred to the Applicants vide the registered sale deeds. Further the bank statements submitted by the AR of the Applicants corroborates the fact that the impugned properties have been purchased independently and hence the Applicants as *bonafide* purchasers for value owned the impugned properties in an independent capacity. Accordingly, the order dated 22.02.2024 passed by Shri R. S. Virk, District Judge (Retd.) is liable to be set aside in respect of the impugned properties.

ORDER

35. For the reasons, enumerated above, the Interlocutory Application filed by the Applicants, namely Mr. Sanjay Bhardwaj in respect of the impugned properties comprised in Khasra no. 716 (0.10 hectares), Khasra no. 719 (0.44 hectares), Khasra no. 721 (3.22 hectares), Khasra no. 722 (4.66 hectares), Khasra no. 726 (1.56 hectares) total admeasuring 9.98 hectares situated at Badhi, Tehsil and Mr. Rupesh Bhardwaj in respect of the impugned properties comprised in Khasra nos. 465 (0.62 hectares), 520 (0.09 hectares), 525 (0.16 hectares), 559 (1.65 hectares), 562 (0.95 hectares), 565 (1.63 hectares), 566 (0.54 hectares) and 570 (1.15 hectares),



  Page 25 of 26

total measuring 6.79 hectares situated at Village Margodi, Tehsil and District Seoni Madhya Pradesh are liable to be allowed and are hereby allowed.

Place: Mumbai

Date: 17.08.2026

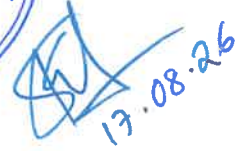


KSHAMA P. WAGHERKAR
RECOVERY OFFICER



RESHMA GOEL
RECOVERY OFFICER





SAROJ KUMAR SAHU
RECOVERY OFFICER

क्षमा प्र. वाघेरकर / **KSHAMA P. WAGHERKAR**
महाप्रबंधक एवं वसूली अधिकारी
General Manager & Recovery Officer
(पी. ए. सी. एल. लि. के मामले में संबंधित, मुंबई) / (In the matter of PACL Ltd. Mumbai)

रेशमा गोयल / **RESHMA GOEL**
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