

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

संदर्भ सं. जेआरएमएलसी/पीएसीएल/  
Ref. No. JRMLC/PACL/

Order on the Objection filed by Shri Khemchand Sanodiya & Anr.  
SEBI/PACL/OBJ/AR/00102/2024

**BEFORE THE RECOVERY OFFICER, SEBI**  
**ATTACHED TO**  
**JUSTICE (RETD.) R.M. LODHA COMMITTEE**  
**(IN THE MATTER OF PACL LTD.)**

<b>File No.</b>	SEBI/PACL/OBJ/AR/00102/2024
<b>Name of the Objector(s)</b>	1. Shri Khemchand Sanodiya 2. Ramkumari Sanodiya
<b>MR No.</b>	23826-17

**ORDER**

**Background:**

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") on 22.08.2014 passed an order against the PACL Ltd., its promoters and directors, *inter alia* holding the schemes run by PACL Ltd. as 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 order passed by SEBI was challenged by PACL Ltd. and 4 of its directors by filing appeals before Hon'ble SAT. The said appeals were dismissed by Hon'ble SAT vide its common order dated 12.08.2015, with a direction to the 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 Hon'ble Supreme Court of India.



Page 1 of 8

पता (केवल पत्राचार हेतु) / Address for correspondence only:

सेबी भवन, प्लॉट सं. सी4-ए, 'जी' ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400051  
SEBI Bhavan, BKC, Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

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

संदर्भ सं. जेआरएमएलसी/पीएसीएल/  
Ref. No. JRMLC/PACL/

*Order on the Objection filed by Shri Khemchand Sanodiya & Anr.*  
*SEBI/PACL/OBJ/AR/00102/2024*

3. 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 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.
4. 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), Hon'ble Supreme Court vide its order dated 02.02.2016, 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, 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.
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



Page 2 of 8

पता (केवल पत्राचार हेतु) / Address for correspondence only:

सेबी भवन, प्लॉट सं. सी4-ए, 'जी' ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400051  
SEBI Bhavan, BKC, Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

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

संदर्भ सं. जेआरएमएलसी/पीएसीएल/  
Ref. No. JRMLC/PACL/

Order on the Objection filed by Shri Khemchand Sanodiya & Anr.  
SEBI/PACL/OBJ/AR/00102/2024

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. Also, 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 in 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. 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 Mr. R. S. Virk, Retired District Judge.
9. On 30.04.2019, in the recovery proceedings initiated against PACL Ltd. & Ors., the Recovery Officer issued a notice of attachment in respect 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.



Page 3 of 8

पता (केवल पत्राचार हेतु) / Address for correspondence only:

सेबी भवन, प्लॉट सं. सी4-ए, 'जी' ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400051  
SEBI Bhavan, BKC, Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

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

संदर्भ सं. जेआरएमएस/पीएसीएल/  
Ref. No. JRMLC/PACL/

Order on the Objection filed by Shri Khemchand Sanodiya & Anr.  
SEBI/PACL/OBJ/AR/00102/2024

10. Vide order dated 08.08.2024, passed in Civil Appeal No. 13301 of 2015 – Subrata Bhattacharya Vs. SEBI and other connected matters, 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 dispose them of as per the provisions contained under Section-28(A) of the SEBI Act.....”*

11. In compliance with aforesaid order dated 08.08.2016 passed by Hon'ble Supreme Court, all objections with respect to properties of PACL Ltd., which were pending before Shri R. S. Virk, Retired District Judge and all new objections, are now to be dealt by the Recovery Officers attached to the Committee.

**Present Objection:**

12. Present objection has been filed by Khemchand Sanodiya S/o Bhoje Lal Sanodiya R/o Chandonri Kala, Seoni, Madhya Pradesh and Ramkumari Sanodiya W/o Ramprasad Sanodiya R/o Chandonri Kala, Seoni, Madhya Pradesh, (hereinafter collectively referred to as “**the Objectors**”) with respect to land admeasuring 5.5600 Hectare in Khasra Nos. 141 and 145 standing in the name of Khemchand Sanodiya and 1.1600 Hectare in Khasra No. 466 standing in the name of Ramkumari Sanodiya, in Village – Chandori Kala, Seoni, Madhya Pradesh (hereinafter referred to as the “**impugned land**”), being covered in MR No. 23826-17.



Page 4 of 8

पता (केवल पत्राचार हेतु) / Address for correspondence only:

सेबी भवन, प्लॉट सं. सी4-ए, 'जी' ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400051  
SEBI Bhavan, BKC, Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

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

संदर्भ सं. जेआरएमएलसी/पीएसीएल/  
Ref. No. JRMLC/PACL/

*Order on the Objection filed by Shri Khemchand Sanodiya & Anr.*  
*SEBI/PACL/OBJ/AR/00102/2024*

13. The Objectors were given a personal hearing on 07.02.2025 which was attended through virtual mode, by the Authorised Representative (AR) of the Objectors. AR submitted that impugned land situated in Khasra nos. 141, 145 & 466 is the ancestral land of the Objectors. By referring to land records, it was also submitted that Objectors are the holders of the land in these survey numbers. The AR was asked to inform the total land area comprised in the aforesaid Khasra numbers with in a period of one month. Thereafter, matter was heard on 17.03.2025 when the AR submitted that the total area in the respective Khasra nos. 141, 145 and 466 is the same and only area, as is being claimed by the Objectors, in the objection petition. It was also submitted that different areas in these Khasra numbers, as mentioned in the objection petition and in the General Power of Attorney (GPA) and Agreement to Sell (ATS), seized under the MR no. 23826-17, is due to use of different units of measurement of area. In response to the query as to how the Objectors become owner of the impugned land, AR sought one week's time to respond to the query. Vide email dated 23.03.2025, the AR has submitted a written note on the title of the Objectors to the impugned land. Alongwith this title note, the AR has submitted copy of the sale deed dated 11.07.1986 whereby land was purchased by one of the Objector i.e. Khemchand, copy of the land records showing the new Khasra numbers allotted to the land of Khemchand during the land settlement proceedings held in the state of Madhya Pradesh, land record showing that another objector herein, i.e. Ramkumari, purchased the land in the year 1970 and a copy of the re-numbering list showing the change of old Khasra number pertaining to Ramkumari to new Khasra number.

14. The case of the Objectors is that they are the owners of the impugned land as they had purchased the impugned land in the year 1970 and 1986, by virtue of sale deeds executed in their favour. Objectors have submitted that they are in continuous



Page 5 of 8

पता (केवल पत्राचार हेतु) / Address for correspondence only:

सेबी भवन, प्लॉट सं. सी4-ए, 'जी' ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400051  
SEBI Bhavan, BKC, Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

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

संदर्भ सं. जेआरएमएससी/पीएसीएल/  
Ref. No. JRMLC/PACL/

*Order on the Objection filed by Shri Khemchand Sanodiya & Anr.*  
*SEBI/PACL/OBJ/AR/00102/2024*

possession of the impugned land since then. It has been submitted that the names of the Objectors are duly reflected in the revenue records and in support, Objectors have also produced copy of the relevant land records. It is submitted that the Objectors recently came to know about the attachment of their properties in the matter of PACL Ltd. Objectors have further submitted that they have no dealing whatsoever with PACL Ltd. or with any other party for their land.

15. I have perused the documents seized under MR No. 23826-17 which contains copies of two documents. One document is a GPA dated 28.07.2006 executed at Delhi and given by Kuldeep Singh Chahal S/o Darshan Singh R/o T-13, T Floor, Lajpat Nagar II, Delhi-24, in favour of PGFL with respect to land parcel admeasuring 16.8 Acres comprising of 0.25 Acre in Survey no. 141, 13.65 Acres in Survey no. 145 and 2.9 Acres in Survey no. 466, situated at Village – Chandorikala, Tehsil – Shivni, District Shivni, Madhya Pradesh.

16. Another document seized under MR No. 23826-17 is an unregistered ATS dated 28.07.2006 entered at Delhi between Kuldeep Singh Chahal S/o Darshan Singh R/o T-13, T Floor, Lajpat Nagar II, Delhi-24, and PGFL, with respect to land parcel admeasuring 16.8 Acres comprising of 0.25 Acre in Survey no. 141, 13.65 Acres in Survey no. 145 and 2.9 Acres in Survey no. 466, situated at Village – Chandorikala, Tehsil – Shivni, District Shivni, Madhya Pradesh, for a total consideration of Rs. 2,87,455/-. ATS mentions that whole of the consideration has been paid by the vendor from the vendee and a separate receipt has been made in this regard. However, no such separate receipt is annexed to the ATS.



Page 6 of 8

पता (केवल पत्राचार हेतु) / Address for correspondence only:

सेबी भवन, प्लॉट सं. सी4-ए, 'जी' ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400051  
SEBI Bhavan, BKC, Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

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

संदर्भ सं. जेआरएमएलसी/पीएसीएल/  
Ref. No. JRMLC/PACL/

Order on the Objection filed by Shri Khemchand Sanodiya & Anr.  
SEBI/PACL/OBJ/AR/00102/2024

17. As can be noted from the facts narrated above, impugned land and the land mentioned in GPA and ATS, are same. As stated above, the Objectors had purchased their respective land parcels in years 1970 and 1986 and has been in continuous possession of these lands since then. The GPA and the ATS dated 28.07.2006, seized under the MR No. 23826-17, are not even registered and merely notarised documents. In these facts, it seems that Kuldeep Singh Chahal, who is donor in the GPA and vendor in the ATS, never had title in the impugned land so as to execute such GPA and ATS in favour of PGFL, with respect to impugned land.

18. Also, ATS dated 28.07.2006 merely being an ATS could not have conveyed any title in the land parcels to PGFL. Though there is mention of full consideration paid by the PGFL to the vendor, however, there is no receipt attached to the ATS. Even suit for specific performance of the said ATS is barred by limitation as such a suit was required to be filed within a period of 3 years, in terms of the provisions of the Limitation Act, 1963.

19. Regarding the legality of the GPAs and ATSs as a conveyance deed, Hon'ble Supreme Court in *Suraj Lamp and Industries Pvt. Ltd. Vs. State of Haryana & Anr.* reported in (2012) 1 SCC 656, observed as under:

“.....16. We therefore reiterate that immovable property can be legally and lawfully transferred/conveyed only by a registered deed of conveyance. Transactions of the nature of 'GPA sales' or 'SA/GPA/WILL transfers' do not convey title and do not amount to transfer, nor can they be recognized or valid mode of transfer of immovable property. The courts will not treat such transactions as completed or concluded transfers or as conveyances as they neither convey title nor create any interest in an immovable property. They cannot be recognized as deeds of title, except to the limited extent of



Page 7 of 8

पता (केवल पत्राचार हेतु) / Address for correspondence only:

सेबी भवन, प्लॉट सं. सी4-ए, 'जी' ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400051  
SEBI Bhavan, BKC, Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

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

संदर्भ सं. जेआरएमएलसी/पीएसीएल/  
Ref. No. JRMLC/PACL/


*Order on the Objection filed by Shri Khemchand Sanodiya & Anr.*  
*SEBI/PACL/OBJ/AR/00102/2024*

*Section 53A of the Transfer of Property Act. Such transactions cannot be relied upon or made the basis for mutations in Municipal or Revenue Records. What is stated above will apply not only to deeds of conveyance in regard to freehold property but also to transfer of leasehold property. A lease can be validly transferred only under a registered Assignment of Lease. It is time that an end is put to the pernicious practice of SA/GPA/WILL transactions known as GPA sales.....”*

20. For the applicability of Section 53A of Transfer of Property Act, 1882 (TPA) to the said ATS is concerned, first and foremost transferee must be in possession of the immovable property in question. In the present case, the Objectors have specifically averred that they are in possession of the impugned land and they are cultivating the same. Therefore, Section 53A is not attracted to the ATS made in favour of PGFL. Further, after the amendments made to Section 53A on 24.09.2001, transferee in an unregistered agreement to sell is not protected under Section 53A of TPA. The ATS dated 28.07.2006 is unregistered and hence, transferee under it (PGFL) is not protected under Section 53A of TPA.

21. Given all the above, the objection by the Objectors is liable to be allowed and is accordingly allowed.

**Place: Mumbai**  
**Date: April 25, 2025**

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



**अनुभव रॉय / ANUBHAV ROY**  
उप महाप्रबन्धक एवं वसूली अधिकारी  
Deputy General Manager & Recovery Officer  
न्यायमूर्ति (सेवानिवृत्त) आर.एम. लोढा समिति  
Justice (Retd.) R.M. Lodha Committee  
(पी ए सी एल लि के मामले से संबंधित. मुंबई / In the Matter of Pacl Ltd. Mumbai)

Page 8 of 8

पता (केवल पत्राचार हेतु) / Address for correspondence only:

सेबी भवन, प्लॉट सं. सी4-ए, 'जी' ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400051  
SEBI Bhavan, BKC, Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051