

**Before Shri R.S. Virk, District Judge (RETD.)**  
**appointed to hear objections/representations in the matter of PACL Ltd.**  
**(as referred to in the orders dated 15/11/2017, 13/04/2018 and 02/07/2018 of**  
**the Hon'ble Supreme Court passed in civil appeal no. 13301/2015 titled Subrata**  
**Bhattacharya Vs SEBI, and also duly notified in SEBI Press release no. 66 dated**  
**08/12/2017).**

File no. 520

MR No. 24960/16

**Applicants** : Shri Joginder Singh and 5 others, Mohali (Punjab)  
**Present** : Priyanka Garg, Advocate, Delhi  
(Enrolment No. D/3968/2015).

**Order** :

1. It may be noticed at the outset that vide order dated 02/02/2016, passed in civil appeal no. 13301/2015 bearing the title Subarata Bhattacharaya Versus Securities & Exchange Board Of India, the Hon'ble supreme court had directed constitution of a committee by SEBI to be headed by Hon'ble Mr. Justice R.M. Lodha former Chief Justice of India as its Chairman for disposing of the land purchased by PACL so that the sale proceeds recovered there from can be paid to the investors who have invested their funds in the company for purchase of the land.
2. The objectors herein seek delisting of the land in question measuring 3 Bighas 12 Biswas comprised in Khasra Nos. 1235/739 (2-0) and 1238/740 (1-12) situated at Village Gholu Majra, Tehsil – Dera Bassi, District- Mohali (Punjab) from the list of properties put up for auction/sale at [www.auctionpacl.com](http://www.auctionpacl.com) with the averments that the above described land was purchased by the objectors herein vide registered sale deed dated 06/03/2014 from M/S Castle Infraestates Pvt. Ltd which on its part had earlier purchased the said land from M/s Ashtam Builders Pvt. Ltd vide registered sale deed dated 03/02/2012 and which company on its part had earlier purchased the said land from Om Prakash and Mahipal sons of Amit Dutt vide registered sale deed dated 08/04/2011. It is claimed that PACL has had no concern whatsoever with the land in question at any stage of time. It is further averred that after purchase of the land in question by the objectors herein through sale deed dated 06/03/2014 and in which context mutation number 2491 dated 02/06/2014 was duly entered they have

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thereafter sub divided the same into plots and sold some of them in favour of Baldev Singh, Ishwar Singh, Neetu Pandey and Leela Devi vide registered sale deeds dated 18/11/2014, 30/06/2014, 20/04/2015 and 03/03/2015 respectively.

3. A perusal of the file reveals that the sale transaction dated 06/03/2014 was for an amount of Rs. 25,00,000/- which was statedly received by the seller from the objectors prior to the registration of the said sale deed. The above named vendor namely M/S Castle Infraestate Pvt Ltd is neither a subsidiary nor an associate of PACL Ltd as per the list of 639 subsidiaries/associates of PACL forwarded by PACL to SEBI.
4. Reference may at this stage be made to observations of the Hon'ble Supreme Court in the case bearing the title Kaliaperumal Versus Rajagopal & Anr. (civil appeal no. 5800 of 2002) wherein it was observed, in para 8 thereof, as under :-

“Sale is defined as being a transfer of ownership for a price. In a sale there is an absolute transfer of all rights in the properties sold. No rights are left in the transferor. The price is fixed by the contract antecedent to the conveyance. Price is the essence of a contract of sale. There is only one mode of transfer by sale in regard to immovable property of the value of Rs.100/- or more and that is by a registered instrument. It is now well settled that payment of entire price is not a condition precedent for completion of the sale by passing of title, as Section 54 of Transfer of Property Act, 1982 ('Act' for short) defines 'sale' as a transfer of ownership in exchange for a price paid or promised or part paid and part promised. If the intention of parties was that title should pass on execution and registration, title would pass to the purchaser even if the sale price or part thereof is not paid. In the event of non-payment of price (or balance price as the case may be) thereafter, the remedy of the vendor is only to sue for the balance price. He cannot avoid the sale. He is, however, entitled to a charge upon the property for the unpaid part of the sale price where the ownership of the property has passed to the buyer before payment of the entire price, under section 55(4)(b) of the Act. Normally, ownership and title to the property will pass to the purchaser on registration of the sale deed with effect from the date of execution of the sale deed. But this is not an invariable rule, as the true test of passing of property is the intention of parties. Though registration is prima facie proof of an intention to transfer the property, it is not proof of operative transfer if payment of consideration (price) is a condition precedent for passing of the property. The answer to


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the question whether the parties intended that transfer of the ownership should be merely by execution and registration of the deed or whether they intended the transfer of the property to take place, only after receipt of the entire consideration, would depend on the intention of the parties. Such intention is primarily to be gathered and determined from the recitals of the sale deed. When the recitals are insufficient or ambiguous the surrounding circumstances and conduct of parties can be looked into for ascertaining the intention, subject to the limitations placed by Section 92 of Evidence Act.” Similar view has been expressed by the Hon’ble Supreme Court in the case bearing the title Vidhyadhar Versus Manikrao & Anr. reported in AIR 1999 SC1441.

The above quoted observations of the Apex code are fully applicable to the facts of the case in hand.

5. In view of the foregoing discussion, the objectors above named are held to be bona fide purchasers for value of the property in question and the same is therefore liable to be removed from the list of properties attached by the committee as per [www.auctionpacl.com](http://www.auctionpacl.com). The petition is accordingly accepted.


**Date : 30/07/2018**

  
**R. S. Virk**  
**Distt. Judge (Retd.)**

**Note:**

Two copies of this order are being signed simultaneously, one of which shall be retained on this file whereas the other one, also duly signed, shall be delivered to the objector as and when requested /applied for. No certified copies are being issued by this office. However, the orders passed by me can be downloaded from official website of SEBI at [www.sebi.gov.in/PACL.html](http://www.sebi.gov.in/PACL.html).

**Date : 30/07/2018**

  
**R. S. Virk**  
**Distt. Judge (Retd.)**