

**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 in civil appeal no. 13301/2015 Subrata Bhattacharya Vs SEBI,  
and notified in SEBI Press release no. 66 dated 08/12/2017).

**File no. 554**

**MR No. 25269-16**

**Objector** : Shri Vijaykumar D. Bandi, Bangalore

**Argued by** : B. Srinivas, Advocate, Karnataka (Enrolment No. KAR/636/1997)

**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 objector above named seeks delisting from attachment land measuring 0-37 guntas comprised in Survey No. 88/6 situated at Nagavara Village, Kasaba Hobli, Bangalore North Taluk on the ground of his having acquired the same through registered gift deed no. 2634/17-18 dated 20/12/2017 executed in his favour by his mother Padmavathi D. Uppar.
3. The ownership of the above described land has undergone change several times in the recent past as detailed in the forthcoming paras.
4. As per recital in the sale deed no. 5726/03-04 dated 19/05/2003 (copy whereof is Annexure- A-2 at pages 02 to 11 appended to the objection petition) the land comprised in Survey No. 78/2 (15 guntas); Survey No. 81/1 (17 ½ guntas); Survey No. 85/8 (28 guntas); and **Survey No. 88/6 (2 acres 17 ½ guntas)** situated at Nagavara Village, Kosaba Hobli, Bangalore North Taluk had initially fallen to the share of one Hanumanthappa vide partition deed no. 5189/74-75 dated 02/12/1974 wherein it was statedly stipulated that in the event of Hanumanthappa above named not alienating the above described land in his life time, it would devolve after his death on Krishanappa and since Hanumanthappa did not alienate the said land during his life time, Sri Krishanappa came to be recorded as owner thereof as per entry at Sr. No. 31/1979-80 of the relevant register.

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5. After the death of Krishnappa above named, his widow Smt. Parvathamma and other L.Rs vide sale deed no. 5726/03-04 dated 19/05/2003 (copy whereof is Annexure A-2 at pages 02 to 11 of the objection petition) sold the same in favour of Sri Kariyappa for an amount of Rs. 36,60,000/- (Thirty six lakhs sixty thousand) which amount was received through several cheques and in cash as detailed therein.
6. The above named Kariyappa, along with two others namely Shakthi Builders and Promoters, through its authorised partner named D.R. Vijayasarithi, D.S. Rangappa described therein as “vendors” (though the latter mentioned two were not recorded as purchasers/owners thereof), alongwith N. Shantharaju, N.R. Byayanna, Sri N.R. Sonnegowda and Vyalikaval House Building Co-operative Society Ltd through its GPA holder Lakshman, described therein as ‘confirming parties’ further sold only the land in question measuring 37 guntas comprised in Survey No. 88/6 out of the land detailed in para 3 (i) above, vide registered sale deed no. 402/11-12 dated 04/05/2011 (copy whereof is Annexure- A-3 at pages 12 to 40 of the objection petition) in favour of one K. Muniraju for an amount of Rs.3,46,87,500/- (Three crores forty six lakhs eighty seven thousand five hundred) paid by three cheques as detailed hereunder :-
- (a) Cheque no. 094027 dated 04/05/2011 in sum of Rs.1,26,56,250/- (one crore twenty six lakh fifty six thousand two hundred fifty) in favour of Confirming party No.1 (namely N. Shantharaju).
- (b) Cheque no. 094028 dated 04/05/2011 in sum of Rs. 84,37,500/- (Eighty four lakhs thirty seven thousand five hundred) in favour of Confirming party No.2 (Namely N.R. Byayanna).
- (c) Cheque no. 094029 dated 04/05/2011 in sum of Rs. 1,35,93,750/- (One crore thirty five lakhs ninety three thousand seven hundred fifty) in favour of Confirming party No.3 (Namely N.R. Sonnegowda).
7. Thereafter, K. Muniraju above named sold the land in question measuring 37 guntas comprised in Survey No. 88/6 in favour of M/S Stone Water Properties Pvt. Ltd through Mr. Ayush Thappa as its authorised signatory, vide registered sale deed no. 934/11-12 dated 14/06/2011 (copy whereof is Annexure A-3A at pages 41 to 53 of the objection petition) for an amount of Rs. 5,00,00,000/- (Five crores) which was statedly paid vide DD No.000140 dated 14/06/2011 drawn on IDBI Bank, Bangalore. It may be pointed out here that Ayush Thappa above named is actively associated with Prateek Kumar and K. Muniraju as their GPA as discussed in my orders dated 26/09/2018 and 27/09/2018 in objection petition nos. 531, 532, 536, 537, 538, 539, 540, 541, 542 and objection petition no. 535.

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8. Above named purchaser M/S Stone Water Properties Pvt. Ltd vide registered sale deed no. 3671/13-14 dated 31/07/2012 resold the above described land back to K. Muniraju above named for an amount of Rs.1,00,00,000/- (one crore only) which was paid vide cheque no. 382470 dated 31/07/2012 drawn on Canara Bank, Hebbel Branch, Bangalore. M/S Stone Water Properties Pvt. Ltd above named thus apparently suffered a loss of Rs.4,00,00,000/- (Four crores) within a period of just about one year elapsing between these two sale deeds. In this context the counsel for the objector after conclusion of arguments submitted written arguments on 17/10/2018 whereto is appended copy of order dated 07/02/2012 passed by the Hon'ble Supreme Court in civil appeal no. 1930 of 2012 bearing the title B. Anjanappa and others Versus Vyalikaval House Building Co-operative Society Ltd and others to contend that M/S Stone Water Properties had resold the above described land to K. Muniraju in view of the said judgement of the Hon'ble Supreme Court dated 07/02/2012, but I find myself unable to accept this contention firstly because subsequent to repurchase of the land in question vide sale deed dated 31/07/2012, K. Muniraju above named created equitable mortgage on this land by depositing title deeds thereof with Canara Bank, Bangalore on 11/03/2014 as per deed no. 3356/13-14 (copy whereof is Annexure A-5 at pages 69 to 77 of the objection petition) against advancement of loan to the tune of Rs.5,00,00,000/- (five crores) which mortgage was thereafter redeemed on 19/03/2016 (as per redemption deed no. 5812/15-16 of the said date issued by Canara Bank), copy whereof is Annexure 8 at page 101 of the objection petition. Moreover, it needs to be borne in mind that K. Muniraju above named is involved in several such dubious transactions as would be evident from a perusal of my order passed in objection petition nos. 531, 532, 536, 537, 538, 539, 540, 541 and 542 which were all disposed off through common order dated 26/09/2018, and objection petition no. 535 decided vide my order dated 27/09/2018 (which orders have all been uploaded on [www.sebi.gov.in/PACL.html](http://www.sebi.gov.in/PACL.html) vide Catalogue Nos. 298 to 309).
9. After redemption of the equitable mortgage by K. Muniraju on 19/03/2016, the said land was transferred by K. Muniraju above named on the same date viz, 19/03/2016 in favour of Smt. Padhmavathi D. Uppar vide registered sale deed no. 580/16-17 dated 18/03/2016, registered on 19/03/2016 who on her part gifted the said land in favour of her son Vijaykumar D. Bandi, objector herein, vide registered gift deed no. 2634/17-18 dated 20/12/2017.
10. It will be pertinent to highlight here that the purchase by Smt. Padhmavathi D. Uppar of the land in question vide registered sale deed dated 19/03/2016 **is subsequent to the order of Hon'ble Supreme Court dated 02/02/2016 passed in civil appeal no. 13301/2015 Subrata Bhattacharya Vs SEBI.** It also needs to be noticed that the said

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purchase was for a sale consideration of Rs.9,75,00,000/- (nine crore seventy five lakhs) paid as hereunder:-

Rs. 9,65,25,000/- (Nine crore sixty five lakhs twenty five thousand) transferred by RTGS from purchaser account in Axis Bank, Sahakar Nagar Branch, Bangalore through cheque bearing No.183635 dated 18/03/2016 to vender account in Canara Bank, Hebbel Branch, Bangalore vide U.T.R.No.UTIBH16079072520. Learned counsel for the objector has in this context produced a certificate dated 28/09/2018 issued by one T.R. Bala SM/OH, Sahakaranagar branch of Axis Bank Ltd to the effect that an amount of Rs. 9,65,25,000/- was transferred from A/C No. 912020003860373 of Mr. D.Y. Uppar (husband of Padmavathi D. Uppar) in favour of K. Muniraju in his A/C No. 0425201024705 vide UTR No. UTIBH160790072520 dated 19/03/2016. In this context, the counsel for the objector (after conclusion of arguments has submitted written arguments on 17/10/2018 whereto is appended a copy of ITR for the assessment year 2016-17 pertaining to Dhareppa Yankappa Uppar, a PWD contractor). The said ITR does not however indicate transfer of the aforesaid amount of Rs.9,75,00,000/- by him in favour of his wife Smt. Padhmavathi D. Uppar and yet in the column of **“Fixed Assets and Depreciation”** (at page 6 of the said ITR), an entry exists at Sr. No. 19 which mentions ‘Nagavar land’ (Smt. Padhmavathi D. Uppar) and which is apparently the land in question, to be worth Rs.5,21,36,000/- **before 30/09/2015** as so indicated therein which is even prior to the date of purchase thereof vide sale deed dated 18/03/2016 and which sale deed on the basis whereof the objector lays claim thereto is apparently a fictitious document and instead the money involved therein is being circuitously rotated in a clandestine manner from one entity to another. It may be recalled here that the purchase of the property in question by Smt. Padhmavathi D. Uppar was vide registered sale deed dated 18/03/2016 which in any case is subsequent to the order of Hon’ble Supreme Court dated 02/02/2016 whereby the properties of PACL for order to be sold for payment to the investors. Furthermore, a perusal of entry at Sr. No. 24878 pertaining to MR No.25269-16 of the MR register prepared by the CBI during the course of investigation, and copy whereof is available with this office reveals that the land in question was transferred for an amount of Rs.5,00,00,000/- (Five crores) by K. Muniraju and others in favour of M/S Synergyone Infrastructure & Projects Pvt Ltd (which company is associated with PACL India Ltd in scores of transactions as per my own order dated 15/02/2018 passed in file no.309 and uploaded on [www.sebi.gov.in/PACL.html](http://www.sebi.gov.in/PACL.html) vide Catalogue No.57). This aspect assumes significance because an astronomical figure of approximately fifty six thousand crores was unauthorisedly collected by PACL from millions of investors all over India which amount is being clandestinely circulated by the said company through various persons and means for the last several years to the detriment of the investors and the transaction


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in question for the circumstances detailed in the foregoing paras does raise serious questions as regards its genuineness.

11. In view of the circumstances specifically detailed in paras 8 and 10 of this order above, the sale deed dated 19/03/2016 statedly executed by K. Muniraju above named which sale is subsequent to the order of Hon'ble Supreme Court dated 02/02/2016 passed in civil appeal no. 13301/2015 Subrata Bhattacharya Vs SEBI cannot be considered to be a genuine document and resultantly the gift deed dated 20/12/2017 executed by Smt. Padhmavathi D. Uppar in favour of her objector son Vijaykumar D. Bandi is also rendered invalid and consequently the objection petition in hand is held to be devoid of any merit and is accordingly dismissed.

**Date : 23/10/2018**

  
**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 : 23/10/2018**

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