

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 Mr. K. Alagumalai & Mrs. P. Mookal  
SEBI/PACL/OBJ/NS/00053/2024

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

File No.	SEBI/PACL/OBJ/NS/00053/2024
Name of the Objector(s)	(1) Mr. K. Alagumalai (2) Mrs. P. Mookal
MR No.	12294/16

**Background:**

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") on 22.08.2014 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. 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 12.08.2015, with a direction to the appellants to refund the amounts collected from the investors within three months.



*[Handwritten signature]*

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Aggrieved by the order dated 12.08.2015 passed by the Hon'ble SAT, PACL Ltd and its directors had filed appeals before the Hon'ble Supreme Court of India.

3. The Hon'ble Supreme Court did not grant any stay on the aforementioned impugned order dated 12.08.2015 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 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 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 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, 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.
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



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SEBI Bhavan, BKC, Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051



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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. Also, 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 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 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.
8. The Hon'ble Supreme Court, vide its order dated 15.11.2017, 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 Mr. R.S. Virk, Retired District Judge.
9. On 30.04.2019, 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 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.



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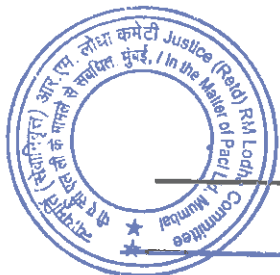
10. Vide order dated 08.08.2024 passed in *Civil Appeal No. 13301 of 2015 - Subrata Bhattacharya Vs. SEBI and other connected matters*, the Hon'ble Supreme Court has directed as under:

*".....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 dispose them of as per the provisions contained under Section-28(A) of the SEBI Act....."*

11. In compliance with the 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, Retired District Judge and all new objections, are now to be dealt by the Recovery Officer attached to the Committee.

**Present Objection:**

12. The instant objection has been filed by (i) Mr. K. Alagumalai s/o Mr. Karuppusamy and (ii) Mrs. P. Mookal w/o Mr. Periya Karuppan, both residing at Melakallankulam Village, Kariyapatti Taluk, Virudhunagar District, Tamil Nadu (hereinafter referred to as the "Objectors"), through Mr. A. Maruthupandian, Advocate (hereinafter referred to as "Authorised Representative" or "AR") objecting the attachment of properties having Survey Nos. 53/1A2A and 53/1A2B, admeasuring a total of 01 Acres 50 Cents, situated at Melakallankulam Village, Kariapatti Sub Registration District, Virudhunagar Registration District, Tamil Nadu (hereinafter referred as the "impugned properties") due to



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attachment of properties covered in MR No. 12294/16, which stands attached by the Committee.

13. The Objectors in their objection petition have submitted that the impugned properties admeasuring a total of 01 Acres 50 Cents were originally part of a land having Survey No. 53/1 admeasuring a total of 07 Acres 14 Cents, belonging to Mrs. K. Poochammal @ Erulayai w/o Mr. Karupiah Thevar and her heirs. In the year 2006, out of their total land admeasuring to 07 Acres 14 Cents, Mrs. K. Poochammal @ Erulayai and her heirs sold part of the land admeasuring 03 Acres 02 Cents to Mrs. R. Muthupillai w/o Mr. Rakkappan through document no. 2190/2006 recorded in Revenue Records under Patta no. 1153 as Survey No. 53/1A. Thereafter, in the year 2011, out of her total land, Mrs. R. Muthupillai sold a part admeasuring 01 Acres 50 Cents to Mr. V. M. Chellapandian s/o Mr. Marimuthu through document no. 4442/2011 recorded in Revenue Records under Patta no. 1505 as Survey No. 53/1A2. Subsequently, in the year 2014, the Objectors i.e., Mr. K. Alagumalai and Mrs. P. Mookal, purchased land admeasuring 0.75 Acres each from Mr. V. M. Chellapandian through document no. 1502/2014 recorded in Revenue Records under Patta no. 1678 as Survey No. 53/1A2A and through document no. 1503/2014 recorded in Revenue Records under Patta no. 1679 as Survey No. 53/1A2B, respectively.

14. The Objectors submit that they have been carrying out agricultural activities on the impugned properties while also updating their standing crop and yield details in *Adangal* (*Revenue Records for agricultural yield*) and paying the land taxes regularly. The Revenue Land Records also show the said lands in their name under Patta no. 1678 and Patta no. 1679.



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15. The Objectors further submit that in the year 2006, one Mr. Machakalai while claiming to be the son of Mr. Muthuerula Thevar residing at Door No. 33, K. Alankulam, Melakallankulam, Kariapatti Taluka, Virudhunagar District, sold the above said lands by forged documents to one Mr. Ajay Kumar s/o Mr. Harish Chand residing at C-35A, Nehru Vihar, Karawal Nagar, Delhi-94, represented by his Power of Attorney ('POA') Mr. Shiv Kumar s/o Mr. Ved Praksh Goel residing at 52-A, S.M. Puram, 2<sup>nd</sup> Street Anton Bhawan, Tuticorin, Tamil Nadu via document no. 48/2006. It is the case of the Objectors that at the time of sale, the land was in possession of Mrs. K. Poochammal @ Erulayai and her heirs through Patta no. 375 and therefore, Mr. Machakalai's claim regarding the said patta being registered in his name is incorrect. The Objectors also state that Mr. Machakalai is not the son of Mr. Muthuerula Thevar, and hence, he does not have any right over the impugned properties, which implies that the land was not purchased from the rightful owner. It is further mentioned that Mr. Machakalai had later cancelled the said registered Sale Deed bearing no. 48/2006 by cancellation deed bearing no. 2187/2006.

16. It is the case of the Objectors that only recently they became aware about the impugned properties being held for auction under properties of PACL Ltd. Upon checking the Encumbrance Certificate ('EC') as well as all Revenue Records available with the Registration Department, they found no entries regarding PACL Ltd. Accordingly, they contend that PACL Ltd. or its associates never had any title or ownership in the impugned properties and cannot maintain any rights on the impugned properties based on the forged documents. Furthermore, the Objectors maintain that they have purchased the impugned properties from the rightful owner, following due procedures, rules and regulations stated by law. The Objectors have therefore, filed the present objection seeking release of the said impugned properties from attachment.



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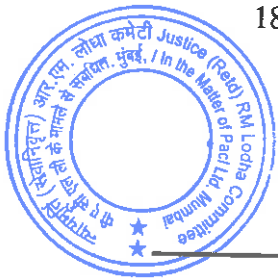
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17. The Objectors were provided an opportunity of hearing on April 22, 2025. On the said date, the AR appeared on behalf of the Objectors and reiterated the submissions made in the objection petition. The AR, while detailing the chronology of transfer of ownership in the impugned properties till it was acquired by the Objectors in the year 2014, submitted that the Objectors had been in possession of the impugned properties since its purchase in year 2014 and have been regularly paying land taxes ever since. The AR further alleged that in order to facilitate transfer of the impugned properties to associates of PACL Ltd., Mr. Machakalai falsely represented himself as the son of Mr. Muthuerula Thevar and executed the forged document no. 48/2006, which was subsequently cancelled via document no. 2187/2006. Furthermore, it was specifically stated that in the year 2006, the Patta for the impugned property stood in the name of Mrs. K. Poochammal, thereby indicating that Mr. Machakalai did not hold any ownership rights to transfer the impugned properties. Considering the allegations made by the AR regarding the false representation by Mr. Machakalai, the AR was advised to furnish certain documents along with additional submissions, if any, on or before May 09, 2025. In response, vide emails dated May 09, 2025 and May 23, 2025, the AR furnished documents such as (i) death certificate of one Mr. Machakalai, (ii) family card bearing no. 26/G/0382698, (iii) Patta no. 375, (iv) EC for the period January 01, 1987 to April 06, 2014 etc., along with additional submission.

18. The objection along with the documents produced in support of the claim made therein have been perused. Among others, following documents have been submitted by the Objectors with respect to the flow of title/interest in the impugned properties:

18.1 Sale Cancellation Deed ('SCD') dated August 24, 2006 bearing no.2187/2006

The SCD is in respect of ancestral property of Mr. M. Machakalai s/o Mutuerula Thevar having Survey No. 53/1, by one Mr. A. Pandiyarajan s/o Mr. Ayynar acting



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as power agent through GPA document no. 532/2006 dated August 22, 2006 (document not submitted with objection) registered in Satur Sub-Registrar's Office on Book-4, cancelling the earlier sale of the said property by Sale Deed dated January 06, 2006 bearing no. 48/2006, for non-receipt of the sale consideration.

**18.2 Sale Deed dated September 05, 2006 bearing no. 2190/2006:**

Sale of ancestral property at Survey No. 53/1 admeasuring 03 Acres 02 Cents out of total land admeasuring 07 Acres 14 Cents by Mrs. K. Poochammal and Mr. K. Rajendran in favor of Mrs. R. Muthupillai. In the said sale deed, it is mentioned that Mrs. K. Poochammal has possessed the impugned properties by inheritance.

**18.3 Sale Deed dated August 18, 2011 bearing no. 4442/2011:**

Sale of land admeasuring 01 Acres 50 Cents by Mrs. R. Muthupillai in favor of Mr. V.M. Chellapandian, out of total land admeasuring 03 Acres 02 Cents purchased from Mrs. Poochammal and others vide document dated September 05, 2006 bearing no. 2190/2006.

**18.4 Sale Deed dated April 30, 2014 bearing no. 1502/2014**

Sale of land admeasuring 75 Cents by Mr. V.M. Chellapandian in favor of Mr. K. Alagumalai, out of total land admeasuring 01 Acres 50 Cents purchased from Mrs. R. Muthupillai vide document dated August 18, 2011 bearing no. 4442/2011.

**18.5 Sale Deed dated April 30, 2014 bearing no. 1503/2014**



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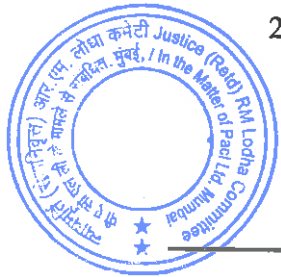
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Sale of land admeasuring 75 Cents by Mr. V.M. Chellapandian in favor of Mrs. P. Mookkal, out of total land admeasuring 01 Acres 50 Cents purchased from Mrs. R. Muthupillai vide document dated August 18, 2011 bearing no. 4442/2011.

18.6 EC records relating to the property at Melakallangulam Village Survey No. 53, 53/12 and 53/1 Part, for the period from January 01, 1987 to April 06, 2014 showing only two entries i.e., entries of document nos. 2190/2006 (*sale of land by Mrs. K. Poochammal and Mr. K. Rajendran to Mrs. R. Muthupillai*) and 4442/2011 (*sale of land by Mrs. R. Muthupillai to Mr. V.M. Chellapandian*).

18.7 Death Certificate bearing registration no. 549/2016 of one Mr. Machakalai s/o Mr. Muniyappan issued by Government of Tamil Nadu, Department of Revenue.

19. In order to decide the present objection, the document seized in the MR No. from the possession of PACL Ltd. and thereafter, attached by the Committee was perused and it is observed that the document seized is a registered Sale Deed dated January 06, 2006 bearing no. 48/2006 (*same document as mentioned in the objection*) executed by one Mr. Machakalai s/o Muthuirula Thevar ('seller') in favor of Mr. Ajay Kumar s/o Mr. Harish Chand ('purchaser'), represented by his power agent Mr. Shiv Kumar s/o Mr. Ved Prakash Goel for Scheduled Properties containing various Survey Nos., including Survey No. 53/1, of which the impugned properties at Survey Nos. 53/1A2A and 53/1A2B were originally part of. It is specifically mentioned in the said Sale Deed that the seller has sold the Scheduled Properties to the purchaser after receiving the full sale consideration of Rs. 2,77,075/- in cash from the purchaser.



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20. Further, the EC record for the period from January 01, 1980 to May 28, 2025 was downloaded from the website of Tamil Nadu Registration Department. Apart from certain other entries, entries relevant to the present objection are presented in chronological order below:

Document No. & Year	Date of Execution & Date of Presentation & Date of registration	Nature	Survey No.	Property Extent
48/2006	January 06, 2006 January 06, 2006 January 09, 2006	Conveyance Non Metro/UA	53/1, 63, 64, 67/1, 77/5	53/1 (07 Acres 14 Cents) 63 (11 Acres 78 Cents) 64 (10 Acres 03 Cents) 67/1 (03 Acres 20 Cents) 77/5 (76 Cents)
2187/2006	August 24, 2006 August 25, 2006 September 20, 2006	Cancellation	53/1	03 Acres 02 Cents
2190/2006	September 05, 2006 September 05, 2006 September 20, 2006	Conveyance Non Metro/UA	53/1	03 Acres 02 Cents
4442/2011	August 18, 2011 August 18, 2011 August 18, 2011	Conveyance Non Metro/UA	53/1	01 Acre 50 Cents
1502/2014	April 30, 2014 April 30, 2014 April 30, 2014	Conveyance Non Metro/UA	53/1	75 Cents (0.30.37 Hectares)
1503/2014	April 30, 2014 April 30, 2014 April 30, 2014	Conveyance Non Metro/UA	53/1	75 Cents (0.30.37 Hectares)



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21. Upon examination of the abovementioned documents i.e., documents submitted by the Objectors, document seized in the MR No. from the possession of PACL Ltd and EC records downloaded from the Tamil Nadu Registration Department website, the following sequence of events can be inferred:

- a) By way of a registered Sale Deed dated January 06, 2006 bearing no. 48/2006, one Mr. Machakalai s/o Muthuirula Thevar, after receiving the full sale consideration in cash, sold the lands at various Survey Nos. (including Survey No. 53/1 of which the impugned properties at Survey Nos. 53/1A2 and 53/1A2B were originally part of) listed in the Scheduled Properties mentioned therein, to one Mr. Ajay Kumar s/o Mr. Harish Chand, represented by his power agent Mr. Shiv Kumar s/o Mr. Ved Prakash Goel.
- b) By way of another Sale Deed bearing no. 2190/2006 on September 05, 2006 i.e., nearly 08 months after the execution of the abovementioned Sale Deed bearing no. 48/2006, one Mrs. K. Poochammal and one Mr. K. Rajendran sold part of land admeasuring 03 Acres 02 Cents out of their total claimed ancestral property admeasuring 07 Acres 14 Cents at Survey No. 53/1 (included in the Scheduled Properties mentioned in Sale Deed bearing no. 48/2006), to one Mrs. R. Muthupillai (predecessor in the title to the Objectors of the impugned properties).
- c) The Objectors asserted that the abovementioned Sale Deed bearing no. 48/2006 was cancelled through a SCD bearing no. 2187/2006. It is noted that the EC record reflects an entry showing a sale deed being executed bearing no. 48/2006. Thus, in the light of the fact that the Objectors themselves are relying on the cancellation deed being executed for cancelling the sale deed no. 48/2006 for the land admeasuring 07 Acres 14 Cents, it in itself is an implicit acknowledgement of the existence, execution and registration of the Sale deed no. 48/2006 by Mr. Machkalai and therefore, the said sale



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deed is a valid sale of the impugned property as without an existence of a sale deed, there cannot be any cancellation of the said sale deed.

- d) Notwithstanding the above, several inconsistencies and irregularities have been noticed in the said SCD which raises concern w.r.t. its genuineness. Firstly, the said SCD was executed by one Mr. A. Pandiarajan as power agent through a GPA bearing no. 532/2006 executed on the same day as the SCD, who was not party to the original Sale Deed bearing no. 48/2006, which was being cancelled by him. In the absence of a formal court order or mutual consent of the parties to the original Sale Deed, such unilateral cancellation by an entity not party to the original Sale Deed is not tenable. Further, the said SCD merely make reference to the GPA allegedly executed in favor of Mr. A. Pandiarajan. As neither the executant is clearly identified nor the GPA is available on records for examination, the authority under which Mr. A. Pandiarajan carried out the said SCD in itself is questionable. Secondly, the reason of non-receipt of the sale consideration cited for cancellation of the Sale Deed bearing no. 48/2006, is in contradiction to the fact that the Sale Deed bearing no. 48/2006 explicitly mentioned the receipt of full sale consideration. Thirdly, the scope of cancellation is questionable as the SCD refers only to Survey No. 53/1 which forms part of the impugned properties in the present objection, while conspicuously omitting reference to the other Survey Nos. that were part of the original Sale Deed bearing no. 48/2006 being cancelled. Such selective cancellation raises doubt as to the intention behind execution of such cancellation and genuineness of the said document.

- e) Furthermore, the said SCD is found to be executed on August 22, 2006 i.e., just few days before the execution of sale of the impugned properties to the predecessor in title to the Objectors via Sale Deed dated September 05, 2006 bearing no. 2190/2006.



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Additionally, the EC records reveal that both SCD bearing no. 2187/2006 (*cancelling document no. 48/2006*) and Sale Deed bearing no. 2190/2006 (*predecessor in the title to the Objectors*) were presented for registration on the same date i.e., September 20, 2006. However, it is crucial to note that Sale Deed bearing no. 2190/2006 executed by Mrs. K. Poochammal and Mr. K. Rajendran (*predecessor in the title to the Objectors*) was executed on September 05, 2006 i.e., before the said SCD was even presented for registration before the Sub-Registrar. Therefore, even assuming without admitting that the execution of the SCD was a valid cancellation, the fact remains that the partial cancellation of the Sale Deed bearing no. 48/2006 had not even taken legal effect on the date when the Sale Deed bearing no. 2190/2006 was executed i.e., on September 05, 2006. In other words, as on September 05, 2006, the original Sale Deed bearing no. 48/2006 remained legally valid and subsisting. Accordingly, the Sale Deed bearing no. 2190/2006 (executed by Mrs. K. Poochammal and Mr. K. Rajendran), having been executed during the existence of an earlier valid and registered sale deed, is bad in law and therefore, invalid and thus, cannot be said to have conferred lawful title to the purchaser.

22. In view of the above, Sale Deed bearing no. 48/2006 dated January 06, 2006 being a valid sale of land in Survey No. 53/1, any subsequent transfers by way of sale deeds relating to the same property, including the Sale Deeds executed by Mr. V.M. Chellapandian in favor of the Objectors, culminating in the Objectors' present claim on the impugned property, are *void* and bad in law.

23. Having said that, it is the case of the Objectors that they have been regularly paying land taxes which was also reiterated by the AR during the hearing. However, in the absence of any documentary evidence on record, the said claim of the Objectors is not tenable. Further,



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with respect to the 'Death Certificate' and 'Family Card 2005-2009' of one Mr. Machakali M. s/o Mr. Muniyappan submitted by the Objectors to substantiate their claim that Mr. M. Machakalai had falsely represented himself as son of Muthuerula Thevar, it is noted that the said documentary evidence produced by the Objectors is neither sufficient to establish that it pertains to the same individual who had executed the sale deed, nor are they adequate to conclusively support the claim made by the Objectors.

24. The Objectors in their additional submission have initially alleged that PACL Ltd. have executed and registered document no. 48/2006 with a deliberate intent to unlawfully usurp the property from illiterate and vulnerable farmers. However, contradictorily, they subsequently argued that since the EC obtained by them for the period spanning a total of 28 years i.e., from January 01, 1987 to April 06, 2014 did not reflect any entry indicating that PACL Ltd. had purchased or acquired any right, title, or interest in the suit property, it confirmed that PACL Ltd. had no lawful claim over the suit property. However, the EC records downloaded from the official website of Tamil Nadu Registration Department for the period January 01, 1980 to May 28, 2025, clearly shows an entry of the Sale Deed dated January 06, 2006 bearing no. 48/2006 executed by Mr. Machakalai s/o Muthuirula Thevar in favour of Mr. Ajay Kumar s/o Mr. Harish Chand represented by his power agent Mr. Shiv Kumar s/o Mr. Ved Prakash Goel for the lands having Survey Nos. 53/1, 63, 64, 67/1 and 77/5 admeasuring total 32 Acres 91 Cents.

25. It is noteworthy to mention here that the Sale Deed bearing no. 48/2006 was seized by CBI from the possession of PACL Ltd. and therefore, has 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:



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*".....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. 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 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)*

26. Further reference can also be made to the order dated August 22, 2014 passed by SEBI, wherein PACL Ltd. itself, during the proceeding before the Whole Time Member, SEBI, had made admitted that for the purpose of its business, it was buying lands through its agents. The same is reproduced as under:



*LR..*

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“.....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)

27. In view of the above, it can be inferred that PACL Ltd. through its agent viz. Mr. Ajay Kumar, was transacting in the impugned properties as it was unable to own lands in its own name beyond certain limits due to the land laws of the country and hence, the actual beneficial owner of the said impugned properties was PACL Ltd by execution of the conveyance deed for the said impugned properties.
28. From the foregoing, considering that the sale undertaken via registered Sale Deed dated January 06, 2006 bearing no. 48/2006 in favor of an agent of PACL Ltd., including the impugned properties, transferred the title in the impugned properties to PACL related entity, all the subsequent transfers by way of the sale deeds mentioned in the objection are bad in law and the claim of the Objectors, on the said impugned properties, is liable to be rejected.



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29. Given all the above facts, the objection raised by the Objectors is liable to be rejected and is accordingly disallowed.
30. The Objectors may approach Hon'ble Supreme Court against this order, by way of filing an appropriate application in Civil Appeal No. 13301/2015 – Subrata Bhattacharya Vs. SEBI and other connected matters.

Place: Mumbai

Date: June 27, 2025

Ms. RESHMA GOEL  
RECOVERY OFFICER



रेशमा गोयल / RESHMA GOEL  
उप महाप्रबंधक एवं वसूली अधिकारी  
Deputy General Manager & Recovery Officer  
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