

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 in respect of objection filed by Mr. T. M. Rajappa
SEBI/PACL/OBJ/NS/00061/2024

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/00061/2024
Name of the Objector(s)	Mr. T.M. Rajappa
MR No.	18095/16

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. 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.



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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 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.



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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.
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:



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“.....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 Mr. T. M. Rajappa residing at Thataparathi Village, Jangamakote Hobali, Sidlaghatta Taluk, Chikkaballapur District, Karnataka – 562105 (hereinafter referred to as the “**Objector**”) through his authorized representatives viz. Adv. A. B. Veerakumar, Adv. C. L. Venkatarreddy, Adv. V. Dhanajaya and Adv. Saket Ramchandra Ketkar (hereinafter collectively referred to as the ‘**ARs**’) objecting the attachment of property i.e. agricultural land at Survey No. 22/3A admeasuring 1 Acre 13 Guntas situated at Vallappanahalli Village, Jangamakote Hobli, Sidlaghatta Taluk, Chikkaballapur District, Karnataka (hereinafter referred to as the “**impugned property**”), due to attachment of property covered in MR No. 18095/16, which stands attached by the Committee.

13. The Objector in his objection petition has submitted that the impugned land and other properties were ancestral and joint family properties of one Mr. Motappa S/o Late Mr. Marappa and his seven joint family members. The said impugned land was previously contained in Survey No. 22/3 and having an extent of 4 Acres 13 Guntas. However, the said properties, including the impugned property, were partitioned by



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these entities by filing a compromise petition on 17.04.2010 before the Civil Judge & J.M.F.C at Sidlaghatta in O.S. No. 534/2007. In the said compromise partition, the impugned property comprising of 1 Acre 13 Guntas was allotted to Mr. Motappa and the survey authority had assigned a new survey no. 22/3A to the said property as per the said compromise in partition suit. It is further submitted by the Objector that as informed by the family members of Mr. Motappa, Mr. Motappa S/o Marappa alongwith his family members namely, Smt. Thimmakka, Shri Devaraj, Shri Muniraju, Smt. Channamma and Shri Muniraju, with an intention to sell his share in the said survey no. 22/3A for their urgent family necessities and fulfillment of their commitments, had executed a General Power of Attorney (GPA) No. HBB-4-00104-2011-12 dated 17.05.2011 in favour of one Mr. Diwakar Awasthi S/o Late Dr. Surendra Kumar Awasthi residing at 18, 1st main Road, GMR Layout, Geddalahalli, Sanjayanagar Post, Bangalore – 560004 for a fixed consideration of Rs. 13,25,000/-. It is submitted that an advance of Rs. 2,00,000/- was also received by Mr. Motappa and his family members on execution of the said GPA.

14. It is submitted that at the time of execution of the said GPA, Mr. Motappa and his family had insisted on getting the GPA registered before sub-registrar of Sidlaghatta but Mr. Diwakar Awasthi forcibly took them to sub-registrar Hebbala, Bangalore. It is the case of the Objector that the GPA was executed by Mr. Motappa and his family members only for the purpose of looking after the property and the possession of the property was not handed over to Mr. Diwakar Awasthi. After registration of the GPA, the GPA holder had promised Mr. Motappa and his family members that, within 3 months, the property will be sold and the balance consideration of Rs. 11,25,000/- would be paid to Mr. Motappa. However, even after the lapse of the promised period, the balance consideration was not paid by the GPA holder and despite approaching the GPA holder several times, the GPA holder postponed to pay the said amount. Thereafter,



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Mr. Motappa and his family members had held a panchayat for cancellation of the said GPA by proposing to repay the advance money of Rs. 2,00,000/- but the GPA holder did not respond. The said entities had even issued a legal notice to Mr. Diwakar Awasthi (GPA holder) for cancellation of the registered GPA and the legal notice was duly delivered to him but the GPA holder neither replied nor complied with the demand made therein.

15. The Objector states that as Mr. Motappa and his family had fallen into financial crisis, they had obtained loan from Pragathi Gramin Bank, Cheemangala Branch, Sidlaghatta Taluk on 08.03.2013 by mortgaging the impugned property vide registered mortgage deed No. SDG-1-Part-IV-00193/2012-13 registered at Sub-registrar, Sidlaghatta. Mr. Motappa S/o Marappa died on 18.01.2014 and therefore, it is the case of the Objector that upon his death, the GPA had become infructuous having no legal sanctity under law. In support of the same, death certificate of Mr. Motappa is produced before me. After the death of Mr. Motappa, his family members, in order to repay the loan and for redemption of mortgage, sold the impugned property to the Objector through a sale deed dated 12.09.2014 bearing document no. SDG-1-03212/2014-15 CD No SDGD 99 registered in the office of Sub-registrar, Sidlaghatta. The Objector submits that as per the sale deed, Objector's name was entered in the relevant revenue documents and since then, the Objector has become the absolute owner and is in possession and enjoyment of the said property. It is submitted that after the purchase of the impugned property in the year 2014, the Objector had also mortgaged the impugned property with the Central Bank of India, Jangamakote Branch, Sidlaghatta Taluk in the year 2015 and the mortgage deed executed in the year 2015 has been produced before me in support of the said submission.



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16. It is submitted by the Objector that the Agreement to sell (ATS) dated 20.03.2010, receipt dated 17.05.2011, Will dated 17.05.2011 and another ATS dated 17.05.2011 (*documents available in the MR No. 18095/16*) have been created behind the back of Mr. Motappa and his family. It is alleged that the said documents have different amounts, tampered as overwritten by using pen, having different thumb impressions and are created without the knowledge of Mr. Motappa and his family.
17. In view of the same, the Objector has filed the present objection seeking removal of the impugned property from the list of properties attached by the PACL Committee and issuance of No Objection Certificate (NoC). The Objector in his Objection petition has even volunteered to repay the advance amount of ₹2,00,000/- received by Mr. Motappa and his family from Mr. Diwakar Awasthi on execution of the GPA dated 17.05.2011, which stands terminated on death of Mr. Motappa, to show his *bonafides*.
18. The Objector was provided with an opportunity of hearing on 07.04.2025. On the scheduled date, the ARs appeared on behalf of the Objector and reiterated the averments made in the objection petition. The ARs, while referring to the reply filed by PACL Ltd., submitted that a GPA has been claimed to be executed between Mr. Motappa i.e. the Vendor from whom the Objector has purchased the impugned property and one Mr. Diwakar Awasthi on 17.05.2011 and payment of Rs. 2,00,000/- was received from the GPA holder and the balance amount of Rs. 11,25,000/- was to be paid by the GPA holder upon further sale of the said impugned property. It was submitted that on the same date, one ATS and a Will has also been claimed to have been executed in favour of Mr. Diwakar Awasthi which shows that the said documents are not genuine. Further, it was stated that another ATS dated March 20, 2010 has been brought on record by PACL Ltd. in its reply which was purportedly executed between Mr. Motappa and one Mr. H. Suresh. The said document also is an unregistered document and therefore, not



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enforceable under law. It was submitted that the said impugned property bearing survey no. 22/3A has been purchased by the Objector from Ms. Thimmakka, Mr. Devaraja, and Mr. Muniraja by executing a registered sale deed and by way of payment of Rs. 3,20,000/- in cash. It is the case of the Objector that due stamp duty and registration charges have been paid by him for the purchase of the impugned property. In order to show Objector's bonafide and to avoid further legal issues, the ARs reiterated that the Objector volunteers to pay Rs.2,00,000 (Rupees Two Lakh Only) which was received by Mr. Motappa and his family members from GPA Holder viz. Mr. Diwakar Awasthi at the time of execution of GPA dated 17.05.2011.

19. In order to decide the objection, the documents seized under MR No. 18095/16 were perused by the undersigned. Under the said MR No., four documents are seized. One document is a GPA No. HBB-4-00104-2011-12 dated 17.05.2011. The said document is executed by Mr. Motappa, Ms. Thimmakka, Mr. Devaraj, Mr. Muniraju, Ms. Chennamma and Mr. Muniraju (*another son of Mr. Motappa from his other wife Ms. Chennamma*) as executors, in favour of Mr. Diwakar Awasthi, as GPA Holder, in respect of the impugned property comprised in Survey No. 22/3A. The said GPA appears to be registered in SRO, Hebbala and mentions that it is an irrevocable document.

20. In this case, as the Objectors have submitted that the said GPA was executed by Mr. Motappa so that GPA Holder may look after the impugned property on his behalf and did not convey any title, it is pertinent to firstly understand the basic principles governing the contract of 'agency' as stated under Chapter X of the Indian Contract Act, 1872 and the provisions of the Power of Attorney Act, 1882. It is noted that 'Agency' is a fiduciary relationship between two persons, where one explicitly or implicitly agrees that the other will act on their behalf to influence their legal relations



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with third parties, and the other similarly agrees to act in this capacity or does so based on an agreement. The relationship between the executant of a general power of attorney and the holder of the power is one of a 'principal' and 'agent'. A principal is bound by the acts done by an agent or the contracts made by him on behalf of the principal. Likewise, power of attorney, in the nature of contract of agency, authorizes the holder to do acts specified by the executant, or represent the executant in dealings with third persons.

21. Considering that the GPA in the present case mentions that the same is irrevocable, a reference can be made to the judgement passed by the Hon'ble Supreme Court in the case of *M. S. Ananthamurthy & Anr Vs. J. Manjula Etc. (Civil Appeal Nos. 3266-3267 of 2025 arising out of SLP (C) Nos. 13618-13619 of 2020) dated 27.02.2025*, wherein the Hon'ble Apex Court, while examining whether from the reading of the GPA involved therein, the holder of the GPA had an interest in the subject matter of the agency, i.e. the suit property, based on which the GPA can be said to be an irrevocable agency created, relied on the decision of the Hon'ble High Court of Delhi in *Shri Harbans Singh Vs. Smt. Shanti Devi reported in 1977 SCC OnLine Del 102* and laid down that a POA, if not coupled with interest, cannot be said to be irrevocable. Thus, the agency has to be specifically meant to secure the agent's benefit or interest and only then will it be said to be an irrevocable GPA, otherwise the same would be revocable.

22. In the present case, upon perusal of the GPA dated 17.05.2011, it is observed that the said GPA did not create any interest but only gave authority to the Donee (*GPA holder*) to, *inter alia*, pay taxes, supervise and make necessary developments, to obtain order of sale permission from concerned authority, to get the layout plan approved from concerned authorities, to form residential layout and to sell the same to prospective buyers, to receive sale consideration on behalf of Mr. Motappa (Donor) and sell the

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scheduled properties whole or in part to any purchaser and present the sale deed before the Sub-registrar on Donor's behalf, etc. with respect to the impugned property on behalf of the Donor (*Executor*) and the title/ ownership of the impugned property vested with the Donor of the GPA. Therefore, from the recitals of the GPA in question, it can be clearly seen that the said GPA cannot be said to be irrevocable in the light of the judgement by the Hon'ble Supreme Court in the case of *M.S. Ananthamurthy & Anr (Supra)* as it did not create any interest.

23. Considering that the GPA was a revocable agreement, in accordance with the provisions of Section 201 of the Indian Contract Act, 1872, consequent to the death of the principal, Mr. Motappa, in the year 2014, the said GPA bearing No. HBB-4-00104-2011-12 stood terminated. The Death Certificate issued by the Chief Registrar of Births and Deaths, Government of Karnataka bearing registration no. 01 of 2014 and issued on 22.12.2023 has been produced before me in support of the claim of the Objectors that upon Mr. Motappa's death, the GPA cannot be said to be enforceable. Therefore, the protection under Section 202 of the Indian Contract Act, 1872, which provides that an agency cannot be terminated where the agency is coupled with interest, is not applicable in the present case as the said GPA was not coupled with any interest.

24. Notwithstanding the same, assuming that the GPA executed by the Donor intended to create interest in favour of the Donee, then also, by virtue of the judgement passed by the Hon'ble Supreme Court in the case of *Suraj Lamp and Industries Pvt. Ltd Vs. State of Haryana & Anr (2012) 1 SCC 656*, which discouraged the practice of transferring an immovable property by way of executing a GPA / ATS / Will, it is clear that mere execution of GPA does not convey any title and cannot be said to be a valid mode of transferring any immovable property. In the said case, the Hon'ble Supreme Court has observed as under:



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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/
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“24. 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 recognised 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.”

25. Thus, in the light of the principle laid down by the Hon’ble Supreme Court in the above stated case, in the instant case, even though the GPA was executed by Late Mr. Motappa in favour of the POA holder viz. Mr. Diwakar Awasthi, the said GPA did not create any ownership right or transfer the title in the impugned property to the POA holder.

26. Another document seized under MR. No. 18095/16 is an unregistered ATS dated 20.03.2010 executed by Mr. Motappa, Mr. Devaraj, Mr. Muniraju and Mr. Muniraju, as Vendors and Mr. H. Suresh, as Purchaser, in respect of the impugned property comprised in Survey No. 22/3A admeasuring 1 Acre 13 Guntas situated at Vallapanahalli Village, Jangamakote Hobli, Shidlahatta Taluk. Additionally, one another document seized under the same MR No. is an unregistered ATS dated 17.05.2011 executed between Mr. Motappa, Ms. Thimmakka, Mr. Devara, Mr. Muniraju, Ms. Chennamma and Mr. Muniraju, as Vendors and Mr. Diwakar Awasthi, as Purchaser, in respect of the impugned property having Survey No. 22/3A with Mr. H. Suresh as Confirming Party

27. It is a well settled position of law that in terms of Section 54 of the 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” 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



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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. Therefore, an agreement to sell, even though executed between the Vendors and Mr. H. Suresh (dated 20.03.2010) and between the Vendors and Mr. Diwakar Awasthi (dated 17.05.2011), cannot be considered as giving any ownership to the purported Purchasers, in the absence of a registered sale deed.

28. In sale, there is an actual transfer of ownership in exchange for a consideration whereas, in a Contract of 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.

29. Having said that, it is pertinent to examine the applicability of Section 53A of the TPA which states on Part performance and reads as under:

"53A. Part performance. Where any person contracts to transfer for consideration any immovable property by writing signed by him or on his behalf from which the terms necessary to constitute the transfer can be ascertained with reasonable certainty, and the transferee has in part performance of the contract, taken possession of the property or any part thereof, or the transferee, being already in possession, continues in possession in part performance of the contract and has done some act in furtherance of the contract, and the transferee has performed or is willing to perform his part of the contract, then, notwithstanding that, or, where there is an instrument of transfer, that the transfer has not been completed in the manner prescribed therefor by the law for the time being in force, the transferor or any person claiming under him shall be debarred from enforcing against the transferee

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and persons claiming under him any right in respect of the property of which the transferee has taken or continued in possession, other than a right expressly provided by the terms of the contract:

Provided that nothing in this section shall affect the rights of a transferee for consideration who has no notice of the contract or of the part performance thereof."

30. A plain reading of the said provision under the TPA shows that the said section protects the transferees, who have taken possession of the property on the basis of an agreement, by way of debarring the transferor or any person claiming under him from enforcing against the transferee and persons claiming under him any right in respect of the property of which the transferee has taken or continues to be in possession, other than a right expressly provided by the terms of the contract. However, following are the elements of the Doctrine of Part performance:

- Existence of an Agreement, which is valid and enforceable under law
- Payment of consideration
- Taking possession or making improvements to the property

31. It is noted that after the amendments made to Section 53A on 24.09.2001, unregistered ATS is not protected under Section 53A of TPA. In the present case, both the said ATS are not registered. Therefore, Section 53A of TPA is not attracted *qua* the said Agreements. Moreover, the Objector is in possession of the impugned property. Thus, there is no question of Mr. H. Suresh or Mr. Diwakar Awasthi being in possession of the said property which can be protected under Section 53A of TPA.

32. In this regard, reliance is placed on the judgment passed by the Hon'ble Supreme Court in *Suraj Lamp (Supra)* 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:

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"24.....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 recognised as deeds of title, except to the limited extent of Section 53-A of the TP 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."

33. Thus, in view of the law laid down by the Hon'ble Supreme Court in *Suraj Lamp's case (supra)*, unregistered ATS does not convey any title in the immovable property covered thereunder, in favour of the purchaser.

34. Another document seized under MR No. 18095/16 is an unregistered Will dated 17.05.2011, purportedly executed by Mr. Motappa, as the testator, in favour of Mr. Diwakar Awasthi, pertaining to the impugned property bearing Survey No. 22/3A. Upon perusal of the said Will, it is noticed that though the said Will purportedly appears to have the signature above the name of Mr. Motappa (testator), the same does not have signatures of any witnesses. It is pertinent to note here that in terms of the statutory requirement prescribed under Section 63(c) of the Indian Succession Act, 1925, an '*unprivileged Will*' i.e., a will executed by a testator who is not a soldier employed in an expedition or engaged in actual warfare or an airman so employed or engaged or a mariner at sea, shall be treated as a valid Will if the same is attested by at least two or more witnesses, each of whom must have either witnessed the testator signing the Will or received from the testator an acknowledgment of such signature. In the instant case, the absence of attestation by the requisite number of witnesses renders the said Will legally invalid and raises serious suspicion on the genuineness and authenticity of such



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a document. Therefore, upon the death of Mr. Motappa on 18.01.2014, no right or title over the impugned property can be said to have been transferred to Mr. Diwakar Awasthi. Also, by virtue of the scope of sale of immovable property made through certain document 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 a property and therefore, the Will dated 17.05.2011 cannot be said to have transferred any interest, right or title in the impugned property to any entity associated to PACL Ltd.

35. From the foregoing, it is clear that the GPA bearing No. HBB-4-00104/2011-12 dated 17.05.2011, the unregistered ATS dated 17.05.2011 and the Will dated 17.05.2011 do not convey any title or interest in the impugned property in favour of Mr. Diwakar Awasthi. Similarly, the unregistered ATS dated 20.03.2010 also cannot convey any legal title or interest in the impugned property in favour of Mr. H. Suresh.

36. It is noted that the impugned property was allotted to Mr. Motappa pursuant to a compromise petition dated 17.04.2010 filed before the Court of the Civil Judge & J.M.F.C., Sidlaghatta, in O.S. No. 534/2007. Subsequently, the revenue records were mutated in his name under Mutation Record No. 11/2010-11 dated 02.02.2011. Further, vide registered mortgage deed No. SDG-1-Part-IV-00193/2012-13 dated 08.03.2013, Mr. Motappa had mortgaged the impugned property with Pragathi Gramin Bank, Cheemangala Branch, Sidlaghatta Taluk. Upon the demise of Mr. Motappa on 18.01.2014, Ms. Thimmakka w/o Mr. Motappa inherited the impugned property comprised in Survey no. 22/3A. The revenue records were mutated in her name under Mutation Record No. H2/2014-2015 dated 02.09.2014. Thereafter, Ms. Thimmakka, Mr. Devaraja, and Mr. Muniraja in order to repay the loan, sold the impugned property to the Objector by executing a registered sale deed bearing No. SDG-03212/2014 dated



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12.09.2014 for a total consideration of Rs. 3,20,000/-. The mutation of revenue records in favour of the Objector was effected vide Mutation Record No. H3/2014-15 dated 27.10.2014. Subsequently, it is also seen that the Objector had mortgaged the impugned property with the Central Bank of India, Jangamakote Branch, Sidlaghatta vide Mortgage Deed No. 1596/2015 dated 16.07.2015. This mortgage was subsequently discharged by the Objector in 2017 vide document No. SDG-1-00382-2017-18 dated 26.04.2017 which is available on record. Upon perusal of the documents produced by the Objector before me, it is also observed that the Objector had executed another Mortgage Deed bearing No. 5582/2018 dated 14.03.2018 again in favour of Central Bank of India, Jangamakote Branch, Sidlaghatta mortgaging the impugned property with the bank by raising a loan of Rs. 8,00,000/-. Entries pertaining to the aforementioned mortgage transactions are duly reflected in the Encumbrance Certificate (EC) records, which further substantiates the Objector's title and possession over the property.

37. Therefore, considering that the documents under the MR No. 18095/16 do not confer any interest, right and/or title in the impugned property to any entity associated and/ or related to PACL Ltd. and in the light of the above stated facts, the objection is liable to be allowed.

38. It is a matter of fact that the Objector has submitted that on execution of the GPA dated 17.05.2011, Mr. Motappa had received an amount of Rs. 2,00,000/- from the GPA holder viz. Mr. Diwakar Awasthi. Further, it is submitted by the Objector that he is ready to repay the said amount. In view of the same, in lines with the powers conferred upon the Recovery Officers under Section 28A of the SEBI Act, 1992 read with Section 220(2) of the Income Tax Act, 1961, the Objector is directed to refund the amount of Rs. 2,00,000/- (Rupees Two Lakhs Only) along with simple interest at the rate of 1%



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per month (12% per annum) or part thereof from the date of execution of the GPA i.e. 17.05.2011 till the date of actual payment to the PACL Committee.

ORDER:

39. Given all the above, the objection raised by the Objector is liable to be allowed subject to payment of Rs. 2,00,000/- (Rupees Two Lakhs Only) along with simple interest at the rate of 1% per month or part thereof, from 17.05.2011 till the date of actual payment, to the PACL Committee within a period of 30 days from the date of receipt of this order, failing which, the attachment on the impugned property shall continue without being affected by any observations made in this Order.

Place: Mumbai

Date: June 25, 2025



MS. RESHMA GOEL
RECOVERY OFFICER

रेशमा गोयल / RESHMA GOEL
उप महाप्रबंधक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer
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Justice (Retd) RM Lodha Committee
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