

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

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

*Order in respect of the objection filed by Mr. Govindaraju,
Mr. Ramakrishnappa & Ms. Gayathri
SEBI/PACL/OBJ/NS/00143/2024, SEBI/PACL/OBJ/NS/00145/2024,
SEBI/PACL/OBJ/NS/00151/2024*

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

File Nos.	Name of the Objector(s)
(i) SEBI/PACL/OBJ/NS/00143/2024	(i) Mr. Govindaraju
(ii) SEBI/PACL/OBJ/NS/00145/2024	(ii) Mr. Ramakrishnappa
(iii) SEBI/PACL/OBJ/NS/00151/2024	(iii) Ms. Gayathri
MR Nos.	24709/16, 24711/16, 24727/16, 24807/16, 24732/16, 24733/16

Background:

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) on August 22, 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

Page 1 of 16

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



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dismissed by the Hon'ble SAT vide its common order dated August 12, 2015, with a direction to the appellants to refund the amounts collected from the investors within three months. Aggrieved by the order dated August 12, 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 August 12, 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 December 11, 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 December 11, 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 February 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



Page 2 of 16

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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 or interest.
6. Also, the Hon'ble Supreme Court vide its order dated July 25, 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 September 07, 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 November 15, 2017, passed in Civil Appeal No. 13301/2015 and connected matters directed that all the grievances/ objections



Page 3 of 16

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pertaining to the properties of PACL Ltd. would be taken up by Mr. R.S. Virk, Retired District Judge.

9. On April 30, 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 March 01, 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 April 30, 2019.
10. Vide order dated August 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 August 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 Officers attached to the Committee.



Page 4 of 16

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12. Accordingly, the present objections with respect to the properties of PACL Ltd., are being heard and adjudicated upon by a Panel consisting of three Recovery Officers attached to the Committee.

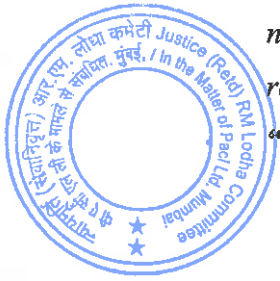
Present Objection:

13. The instant objections have been filed by the following persons with respect to the land parcels, details of which are as under:

- (i) **Mr. Govindaraju** s/o late Mr. Yellappa, residing at Chikkabanhalli village, Bidarahalli Hobli, Bangalore East Taluk - with respect to land admeasuring 30 Guntas in Survey No. 133 situated in Kumbena Agrahara village, Bidarahalli Hobli, Bangalore East Taluk.
- (ii) **Mr. Ramakrishnappa** s/o late Mr. Yellappa, residing at Chikkabnahalli village, Bidarahalli Hobli, Bangalore East Taluk - with respect to, (1) land admeasuring 30 Guntas in Survey No. 133 situated in Kumbena Agrahara village, Bidarahalli Hobli, Bangalore East Taluk and (2) land admeasuring 09 Guntas in Survey No. 35 situated in Doddabanahalli village, Bidarahalli Hobli, Bangalore East Taluk.
- (iii) **Ms. Gayathri** w/o Mr. Balachandra, residing at No. 5/254, Yelahanka old town, Near Kogilu cross, Bangalore -560064 - with respect to land admeasuring 06 Guntas in Survey No. 133 Kumbena Agrahara village, Bidarahalli Hobli, Bangalore East Taluk.

(hereinafter collectively referred to as the **"Objectors"** and individually, by their respective names and further, the land parcels with respect to which the Objectors have filed their respective claims are individually referred to as **"impugned land"** and collectively as **"impugned lands"**)

Page 5 of 16



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14. The aforesaid objection petitions have been filed by the Objectors, as their respective impugned lands, stand attached by the PACL Committee, being covered in the documents seized under MR. Nos. 24709/16, 24711/16, 24727/16, 24807/16, 24732/16 and 24733/16.
15. It is the case of all Objectors that they had executed several irrevocable GPAs during December 2010 with respect to the land parcel owned by them in 02 villages, i.e., Kumbena Agrahara village and Doddabanahalli village in Bidarhalli Hobli, Bangalore East Taluk, in favor of M/s N.S.B Real Estate Pvt. Ltd. (hereinafter referred to as "NSB") which were duly registered in the office of concerned sub-registrar. As NSB i.e. the GPA holder failed to develop the lands, the Objectors cancelled the respective GPAs entered into with NSB by executing separate Deeds of Revocation of General Power of Attorney, on various dates. Further, the Objectors submit that the GPAs executed by them did not pass on any title in favor of NSB. In any case, these GPAs have been subsequently cancelled by the respective executor/s of GPA by executing Revocation Deeds *qua* these GPAs, as these GPAs were not coupled with interest and hence, were revocable under Section 202 of Indian Contract Act, 1872 (ICA). These deeds of revocation were also duly registered in the office of concerned sub-registrar. The Objectors viz., (i) Mr. Govindaraju and (ii) Ms. Gayathri have stated that they have already sold their entire share in the respective impugned land, whereas, Objector viz. Mr. Ramakrishnappa has sold only 04 Guntas of land in Survey No. 133, while retaining possession of the remaining portion of the said impugned land.

16. The details of various registered irrevocable GPAs executed by the Objectors with NSB are tabulated as under:

Page 6 of 16



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S. No.	Name of the Objector	Survey No.	Area of land	Address	Date of GPA	Name of GPA holder	Date of cancellation
(i)	Mr. Govindaraju	133	30 Guntas	Kumbena Agrahara Village, Bidarhalli Hobli, Bangalore East Taluk	December 01, 2010 (bearing no. 307/2010-11)	N.S.B Real Estate Pvt. Ltd.	January 27, 2022
(ii)	Mr. Ramakrishnappa	133	30 Guntas	Kumbena Agrahara Village, Bidarhalli Hobli, Bangalore East Taluk	December 01, 2010 (bearing no. 308/10-11)		October 11, 2019
		35	09 Guntas	Doddabanahalli Village, Bidarhalli Hobli, Bangalore East Taluk.	December 18, 2010 (bearing no. 349/10-11)		October 11, 2019
(iii)	Ms. Gayathri	133	06 Guntas	Kumbena Agrahara Village, Bidarhalli Hobli, Bangalore East Taluk	December 18, 2010 (bearing no. 346/2010-11)		December 15, 2017

17. A hearing before the Panel of Recovery Officers attached to the PACL Committee was granted to the Objectors on October 30, 2025. The Authorized Representative (AR) appeared on behalf of all the Objectors and submitted that the present objections are factually similar to the objections already disposed of by another Recovery Officer, PACL Committee, vide order dated June 20, 2025. The AR clarified that, except for Objector viz. Ms. Gayathri, the other two Objectors are family members and that the impugned lands form part of a large ancestral land parcel, portions of which were inherited by each Objector



Page 7 of 16

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as per their individual share. The AR further submitted that the Objectors had executed and later lawfully revoked the irrevocable GPAs executed by them in favor of NSB, with no dispute raised by the later and that the Objectors remain in possession of their impugned lands. Clarification was sought from the AR as to how irrevocable GPAs executed by the Objectors were revoked by them. Also, revenue records showing names of the Objectors along with any other documentary proof evidencing ownership of the Objectors in the impugned lands was advised to be submitted. The AR sought two weeks' time to file additional submissions along with the documentary evidence which was granted. Vide email dated November 10, 2025, the AR for the objectors sought additional time and accordingly, time till November 18, 2025 was provided to file additional reply. The AR vide email dated November 21, 2025, filed additional submission relying on various case laws to state that a GPA does not convey title or create any interest in immovable property unless executed as a registered deed of conveyance. Further, if no specific interest is established through linked documents, the principal retains the right to revoke the GPA at any time, irrespective of any claims of irrevocability made within the document itself. Accordingly, in the present objections, the Objectors revoked the purported irrevocable GPAs, as no such specific interest was created in the impugned property.

18. In order to further examine the present objections, the documents seized in the MR Nos. 24709/16, 24711/16, 24727/16, 24807/16, 24732/16 and 24733/16 seized by CBI from the possession of PACL Ltd. and thereafter, attached by the Committee were perused and the following was observed:

- (i) MR. No. 24709/16, is a registered irrevocable GPA dated December 01, 2010 bearing no. 308/10-11 executed by Mr. Ramakrishnappa in favor of NSB,

Page 8 of 16



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represented by Mr. Narasimha Murthy P. s/o Mr. Puttappa Pasupati, with respect to land admeasuring 30 Guntas in Survey No. 133 situated at Kumbena Agrahara Village, Bidarhalli Hobli, Bangalore East Taluk.

- (ii) MR. No. 24733/16, is a registered irrevocable GPA dated December 18, 2010 bearing no. 349/10-11 executed by Mr. Ramakrishnappa in favor of NSB, represented by Mr. Narasimha Murthy P. s/o Mr. Puttappa Pasupati, with respect to land admeasuring 09 Guntas in Survey No. 35 situated at Doddabanahalli Village, Bidarhalli Hobli, Bangalore East Taluk.
- (iii) MR. No. 24711/16, is a registered irrevocable GPA dated December 18, 2010 bearing no. 352/2010-11 executed by Ms. Arasamma in favor of NSB, represented by Mr. Narasimha Murthy P. s/o Mr. Puttappa Pasupati, with respect to land admeasuring 09 Guntas in Survey No. 35 situated at Doddabanahalli Village, Bidarhalli Hobli, Bangalore East Taluk.
- (iv) MR. No. 24727/16, is a registered irrevocable GPA dated December 01, 2010 bearing no. 306/2010-11 executed by Mr. Balappa in favor of NSB, represented by Mr. Narasimha Murthy P. s/o Mr. Puttappa Pasupati, with respect to land admeasuring 36 Guntas in Survey No. 133 situated at Kumbena Agrahara Village, Bidarhalli Hobli, Bangalore East Taluk.
- (v) MR. No. 24807/16, is a registered irrevocable GPA dated December 01, 2010 bearing no. 321/2010-11 executed by Mr. Nagaraja in favor of NSB, represented by Mr. Narasimha Murthy P. s/o Mr. Puttappa Pasupati, with respect to land admeasuring 36 Guntas in Survey No. 133 situated at Kumbena Agrahara Village, Bidarhalli Hobli, Bangalore East Taluk.



Page 9 of 16

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- (vi) MR. No. 24732/16, is a registered irrevocable GPA dated December 18, 2010 bearing no. 345/2010-11 executed by Mr. Chandrashekararadhya in favor of NSB, represented by Mr. Narasimha Murthy P. s/o Mr. Puttappa Pasupati, with respect to land admeasuring 10 Guntas in Survey No. 35 situated at Doddabanahalli Village, Bidarhalli Hobli, Bangalore East Taluk.

19. It is noteworthy to mention here that the abovementioned irrevocable GPAs entered by the Objectors with NSB have been 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:

".....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

Page 10 of 16



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Sh. C.

न्यायमूर्ति (सेवानिवृत्त) आर.एम. लोढा समिति
Justice (Retd.) R. M. Lodha Committee
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संदर्भ सं. जेआरएमएलसी/पीएसीएल/
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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)

20. Thus, from the above, it can be inferred that PACL Ltd. through its associates viz. NSB, was transacting in the impugned lands 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 beneficiaries of the abovementioned irrevocable GPAs in the said impugned lands was PACL Ltd.
21. As noted above, all these documents under the MR. Nos. are registered irrevocable GPAs. Regarding the legality of the GPAs/ATs/Wills 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*, has observed as under:

".....15. Therefore, a SA/GPA/WILL transactions does not convey any title nor create any interest in an immovable property. The observations by the Delhi High Court, in Asha M. Jain v. Canara Bank MANU/DE/1304/2001:94(2001) DLT 841 that the concept of power of attorney sales have been recognized as a mode of transaction" when dealing with transactions by way of SA/GPA/WILL are unwarranted and not justified, unintended misleading the general public into thinking that SA/GPA/WILL transactions are some kind of recognized or accepted mode of transfer and that it can be a valid substitute for a sale deed. Such decisions

Page 11 of 16



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to the extent they recognize or accept SA/GPA/WILL transactions as concluded transfers, as contrasted from an agreement to transfer, are not good law.

..... 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 immoveable 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....."

22. In view of the legal position laid down in the aforesaid judgment, the GPAs executed by the Objectors herein did not convey any title in favor of NSB. Thus, the title to the property concerned, in such cases, remained with the Objectors. Accordingly, there is no need to go into the other contention of the Objectors that they had revoked/cancelled their respective GPAs.

23. The Objectors herein in their respective petition as well as during the personal hearing granted to them, have admitted that they had accepted consideration for entering into respective GPAs. Aforesaid discussions show that NSB does not have any title over the impugned lands, as the GPAs did not convey any title to it. In the SEBI order dated August 22, 2014, passed against PACL Ltd. and its directors, the following observations have also been made:

".....Land holding of PACL: PACL is not the registered owner of all the plots sold to its customers as the seller of the plots in majority of the cases are entities other than PACL. In this regard, Mr. Sukhdev Singh in his statement dated May 14, 2013 submitted that 'The land stated in the balance sheet is owned by the

Page 12 of 16



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SEBI/PACL/OBJ/NS/00151/2024*

PACL, through registered sale deed/ General Power of Attorney/ agreement to Sale and associates of the company with whom the company has entered into MoU, for which the company is also paying the custodian charges for holding the land by those companies in favor of PACL.'

Year-wise details of the land purchased by PACL, holding through registered sale deed, general power of attorney, agreement to sale and through its associate companies with whom it has entered into Memorandum of Understanding (MoU) are as under:

Table – I

(Area in acres)

Year	Direct holding through Sale Deed (A)	Holding through General Power of Attorney/ agreement to sale (B)	Holding through Associate Companies (C)	% of direct holding by PACL to the total land purchased (A/A+B+C x 100)
2005-06	243.8436	13733.8874	-	1.74
2006-07	37776.9900	18286.1744	-	67.38
2007-08	2615.4976	11668.3945	744.3532	17.4
2008-09	10058.0998	47816.2024	13286.7797	14.13
2009-10	1327.1698	50156.3718	4528.8882	2.3
2010-11	704.7548	44426.3894	13618.1568	1.19
2011-12	1164.33	28851.76	3314.13	3.49

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 a 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

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SEBI/PACL/OBJ/NS/00151/2024*

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.

Mr. Gurmeet Singh, Executive Director, Finance of PACL, in his statement dated May 15, 2013 has said that "We do not hold some of the land in our name due to land ceiling laws of different states. The purchase consideration of the land is paid by PACL directly to the seller/ vendor and the associate companies are holding the title of the land on behalf of PACL under custodian agreement and the land is in the possession of PACL that is why the same is shown as stock in trade. The associate companies are controlled by the friends and nears and dears of the management of PACL. The land which is held by these companies is protected by custodian agreement and the custodian charges are paid to these companies. In the event of any dispute, this custodian agreement will be the support for PACL to claim the land or money from the associate companies. Money goes directly to the seller from PACL and not to the associate companies. There are around 250 associate companies."....."

24. From the aforesaid observations in the SEBI order, it is clear that PACL used to purchase land parcels in the name of its associate companies for which consideration was paid directly by the PACL Ltd. to the vendors. NSB was one such associate company of the PACL Ltd. Thus, in the case of the Objectors also, consideration amount would have been paid by the PACL Ltd. to the Objectors, out of the monies collected by it from the investors. In such a scenario, it is just and equitable that these Objectors be directed to pay the Committee respective consideration amount/s received by them along with the applicable interest, before the impugned lands, as claimed by them, can be released from the attachment. The following table shows the consideration amounts received by the respective Objectors from NSB for executing the GPAs:

Page 14 of 16

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Dr. C

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SEBI/PACL/OBJ/NS/00151/2024*

S.No.	Name of the Objector	Date of receipt of consideration	Consideration amount received (in Rs.)
(i)	Mr. Govindaraju	December 16, 2010	12,00,000/-
(ii)	Mr. Ramakrishnappa	December 13, 2010	15,00,000/-
(iii)	Ms. Gayathri	Cheque dated December 23, 2010 Cheque dated January 18, 2011 (full payment)	6,00,000/-

25. Given all the above, the objections (MR. Nos. 24709/16, 24711/16, 24727/16, 24807/16, 24732/16 & 24733/16 are already allowed vide order dated June 20, 2025) made by the Objectors are allowed subject to payment of respective amounts, as mentioned in paragraph 24 above, by the respective Objectors, along with interest at the rate of 1% per month or any part thereof from the dates as mentioned in the said table at paragraph 24, till the date of actual payment, to the PACL Committee within a period of 30 days from the date of receipt of this order. The bank details for remitting the payment is as under:

Account Name	Securities and Exchange Board of India
Account No.	0172101101304
Bank	Canara bank
Branch	BKC, Mid Corporate branch, Mumbai
IFSC	CNRB0006643



Page 15 of 16

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SEBI/PACL/OBJ/NS/00143/2024, SEBI/PACL/OBJ/NS/00145/2024,
SEBI/PACL/OBJ/NS/00151/2024*


26. In case of failure to make the payment as directed in paragraph no. 25 above, the attachment on the impugned lands shall continue without being affected by any observations made in this Order and the Committee shall be at liberty to auction the said lands.

Place: Mumbai
Date: December 02, 2025



For and on behalf of
Justice (Retd.) R.M. Lodha Committee
(in the matter of PACL Ltd.)


MS. RESHMA GOEL
RECOVERY OFFICER


MR. BAL KISHORE MANDAL
RECOVERY OFFICER


MS. PREETI PATEL
RECOVERY OFFICER

रेशमा गोयल / RESHMA GOEL
उप महाप्रबन्धक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer
न्यायमूर्ति (सेवानिवृत्त) आर.एम. लोढा समिति
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बाल किशोर मंडल / BAL KISHOR MANDAL
उप महाप्रबन्धक एवं वसूली अधिकारी
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