

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 the objection filed by Mr. K. Krishnappa & 2 others
SEBI/PACL/OBJ/NS/00149/2024*

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

File No.	SEBI/PACL/OBJ/NS/00149/2024
Name of the Objector(s)	(1) Mr. K. Krishnappa (2) Mr. K. Dasappa, (3) Mrs. Aluvelamma alias Alumelamma
MR No.	24731/16

Background:

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) on 22.08.2014 had passed an order against PACL Ltd., 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.



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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.



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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.
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



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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:

".....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 Officers attached to the Committee.

Present Objection:

12. The instant objection has been filed by (i) Mr. K. Krishnappa, residing at No. 4764, 13th B Main, 11th Cross, Indiranagar, HAL II Stage, Bangalore-560008, Karnataka, (ii) Mr. K. Dasappa, residing at No. 515/1, TCH College Road, Nagavara, Bangalore-560045, Karnataka and (iii) Mrs. Aluvelamma alias Alumelamma, residing at Chikkabanahalli Village, Kannamangala, Bengaluru-560067, Karnataka (hereinafter referred to as the



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पता (केवल पत्राचार हेतु) / Address for correspondence only:
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SEBI Bhavan, BKC, Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

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“Objectors”), through M/s Nuli & Nuli, Advocates (hereinafter referred to as “Authorised Representative” or “AR”), objecting the attachment of land to the extent of 0.25 Acres (10 Guntas) in Survey No. 36 situated at Doddabanahalli Village, Bidarahalli Hobli, Bangalore East Taluk, Bangalore, Karnataka (hereinafter referred as the “impugned property”) due to attachment of the property covered in MR No. 24731/16, which stands attached by the Committee. The Objectors have filed the present petition seeking issuance of a No Objection Certificate and release of the impugned properties from the attachment.

13. The case of the Objectors is that the impugned property, in so far as it relates to land admeasuring 10.5 Guntas in Survey No. 36/1 is concerned, was granted to Mr. Kenchappa s/o Mr. Dasappa (*Father of Objector 1 & 2 and father-in-law of Objector 3*) by the Land Tribunal, Hosakote Taluk under the provisions of Karnataka Land Reform Act, 1961 (hereinafter referred as the “Karnataka Act, 1961”). Thereafter, he was registered as the occupant of the said property by the Tahsildar, Hosakote Taluk by issuing Form 10 Certificate dated July 30, 1982 in terms of Section 55(1) of the Karnataka Act, 1961. Mr. Kenchappa and his wife Mrs. Gowramma passed away on April 01, 1979 and May 01, 1988, respectively. They had three sons, i.e., Objector no. 1, Objector no. 2 and husband of Objector no. 3. It is also submitted that a family partition took place amongst the Objectors vide three relinquishment deeds all dated March 23, 2023, whereby, land in the impugned property was partitioned. It is submitted that the Objectors are the absolute owners of the impugned property and PACL Ltd. or any of its associates are not having any right title or interest in the same.

14. A hearing before the undersigned was granted to the Objectors on October 09, 2025. The AR appeared on behalf of the Objectors and submitted that the present objection is squarely

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covered by, and is factually similar to, an objection already disposed of by another Recovery Officer, PACL Committee vide order dated May 29, 2025. The AR further contended that the MR. No. 24701/16, dealt with in the said order, also pertains to the Survey No. which forms part of the present objection, and therefore, both objections ought to have been dealt together. However, as the documents were listed separately in the PACL property list, distinct MR. Nos. were allocated, resulting in separate objections being filed. The AR placed reliance on the facts mentioned in the said order dated May 29, 2025. Since MR. No. 24731/16 submitted in the present objection involved a transaction undertaken by one Mr. Yellappa with Ms/ N.S.B Real Estates P. Ltd (PACL associate company), the AR was advised to clarify if the Objectors are in any way related to Mr. Yellappa and make additional submission, if any, by October 17, 2025. In response, the AR vide email dated October 16, 2025, informed that the land parcel in Survey No. 36/1 originally comprised of 21 Guntas, of which 10.5 Guntas belonged to Mr. Yellappa and the remaining 10.5 Guntas belonged to the Objectors. It was, however, clarified that the Objectors were in no way related to Mr. Yellappa or his family members.

15. The order dated May 29, 2025 along with MR. No. 24701/16 dealt with therein has been perused. It is observed that MR. No. 24701/16 comprised of three Irrevocable General Power of Attorney (IGPA) executed in respect of properties having (i) Survey No. 35 admeasuring 0-16 guntas, Survey No. 36/2 admeasuring 01 Acre 06 guntas and Survey No. 51 admeasuring 01 Acre 23 guntas, all situated at Doddabanahalli Village, Bidarahalli Hobli, Bangalore East Taluk and (ii) Survey No. 73 admeasuring 09 guntas, situated at Kumbena Agrahara, Bidarahalli Hobli, Bangalore East Taluk, which are properties other than the impugned property in the present case. Consequently, the AR's claim that MR.



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No. 24701/16 also relates to the impugned property is found to be factually incorrect and unsustainable for the present objection.

16. Further, upon examination of documents contained in MR. No. 24731/16, it is observed that it contains an IGPA dated November 20, 2010 bearing no. 247/10-11 executed by one Mr. Yellappa in favor of M/s. N.S.B Real Estates Pvt. Ltd (NSB Group), as GPA holder in respect of land parcel in Survey No. 36 admeasuring 10 Guntas situated in Dommasandra Village, Bidarahalli Hobli, Bangalore East Taluk. Considering the AR's clarification that land parcel in Survey No. 36/1 originally comprised of 21 Guntas out of which 10.5 Guntas belonged to Mr. Yellappa, it can be inferred that the said IGPA was executed by Mr. Yellappa in respect of his share of land parcel in Survey No. 36/1. It is further noted that the property address in the said IGPA is situated at 'Dommasandra Village' whereas the impugned property claimed by the Objectors is stated to be situated in 'Doddabanahalli Village', indicating that these are two separate land parcels located at either adjacent or neighboring villages which have been dealt with separately by the land owners. Moreover, as confirmed by the AR, the Objectors have no relation with Mr. Yellappa or his family members which further establishes that the land owners for the land parcel claimed by the Objectors and the one present in the MR No. 24731/16 are different entities. In view of the foregoing, the MR. No. 24731/16 stated to be the one assigned to the impugned property is found to be not related to the impugned property but some other property which has been dealt by one Mr. Yellappa with M/s N.S.B Real Estate P. Ltd (PACL associate company) and therefore, is not the relevant MR No. for which the present objection has been filed.

17. Considering that the MR No. relied upon by the Objectors to substantiate their claim on the attachment of the impugned property by the Committee has been found to be not related



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to the said property, the question of its release from attachment does not arise. In view thereof, the objection in respect of the impugned property is liable to be disposed of.

ORDER:


18. Given the above facts, the objection raised by the Objector is disposed of without any direction.

Place: Mumbai


Date: November 03, 2025



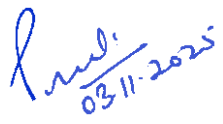
For and on behalf of
Justice (Retd.) R.M. Lodha Committee
(In The Matter of PACL Limited)


Ms. Reshma Goel
Recovery Officer

रेश्मा गोयल / RESHMA GOEL
उप महाप्रबन्धक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer
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Mr. Bal Kishor Mandal
Recovery Officer

बाल किशोर मंडल / BAL KISHOR MANDAL
उप महाप्रबन्धक एवं वसूली अधिकारी
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Ms. Preeti Patel
Recovery Officer

प्रीति पटेल / PREETI PATEL
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