PANEL OF RECOVERY OFFICERS
APPOINTED UNDER SECTION 28A OF THE SEBI ACT, 1992
DISCHARING FUNCTIONS IN TERMS OF THE ORDERS PASSED BY THE HON'BLE SUPREME COURT OF INDIA DATED 08.08.2024 AND 19.02.2026
IN THE MATTER OF PACL LTD.

IA Nos.	**112381 of 2023 & 112383 of 2023**
File No.	**SEBI/PACL/OBJ/RG/00723/2026**
Name of the Objector(s)	**M/s Literacy Framework Private Limited**
MR Nos.	**15485/16, 35684/16 & 35511/16**

Background:

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") on 22.08.2014 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. By 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 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 Hon'ble SAT, PACL Ltd. and its directors filed appeals before the Hon'ble Supreme Court of India.

वसूली अधिकारियों का पैनल Panel of Recovery Officers पी ए सी एल के मामले से संबंधित, मुंबई In the matter of PACL Mumbai

पता (केवल पत्राचार हेतु) / Address for correspondence only:
सेबी भवन, प्लॉट सं. सी4-ए, 'जी' ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400051
SEBI Bhavan, BKC, Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

3. The Hon'ble Supreme Court did not grant any stay on the aforesaid Impugned Order dated 12.08.2015 of Hon'ble SAT; however, PACL Ltd. and its promoters/directors did not refund the money to its 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 hearing on the aforesaid civil appeals filed by the PACL Ltd. and its directors (i.e. Civil Appeal No. 13301 of 2015 – Subrata Bhattacharya Vs. SEBI and other connected matters), the Hon'ble Supreme Court vide its order dated 02.02.2016, directed SEBI to constitute a committee under the Chairmanship of Hon'ble 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, the direction for refund and the direction regarding restraint on the PACL Ltd. and its promoters and directors from disposing, alienating or selling the assets of the PACL Ltd., as given in the order, continue 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.

6. Further, 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

वसूली अधिकारियों का पैनल Panel of Recovery Officers
पी ए सी एल लि. के मामले से संबंधित, मुंबई In the matter of Pacl Ltd. Mumbai

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 paragraph 4 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 document purporting to deal with the 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 C. A. No. 13301/2015 and connected matters directed that all the grievances/objections pertaining to properties of PACL Ltd. would be taken up by Shri R. S. Virk, District Judge (Retired).

9. On 30.04.2019, in the recovery proceedings initiated against PACL Ltd. & 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. The Hon'ble Supreme Court vide order dated 08.08.2024, in *Civil Appeal No. 13301 of 2015 – Subrata Bhattacharya Vs. SEBI and other connected matters* 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………."*

पी ए सी एल के मामले से संबंधित, मुंबई वसूली अधिकारियों का पैनल Panel of Recovery Officers in the matter of Pacl Ltd, Mumbai

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, District Judge (Retired) and all new objections, are now to be dealt with by the Recovery Officers attached to the Committee.

12. Subsequently, the Hon'ble Supreme Court, vide order dated 19.02.2026, in the matter of *Subrata Bhattacharya vs. SEBI (Civil Appeal No. 13301 of 2015)* directed, *inter alia*, that all interlocutory applications/Transferred Cases falling under Category B, i.e. 106 sets of Interlocutory Applications, filed against the recommendations of Shri R.S. Virk, District Judge (Retired) dismissing the objections raised by the Applicants, be placed before the Recovery Officers appointed under Section 28A of the SEBI Act, 1992. Accordingly, the set of 106 Interlocutory Applications, including the instant application, is now to be examined by the Recovery Officers appointed under Section 28A of the SEBI Act, 1992, in the matter of PACL Ltd.

Present Interlocutory Applications:

13. The present Interlocutory Application Nos. 112381 of 2023 and 112383 of 2023 (hereinafter referred to as the "**I.As.**") have been filed by Literacy Framework Private Limited (hereinafter referred to as the "**Objector/Applicant**"), challenging the order dated 03.03.2023 passed by Shri R. S. Virk, District Judge (Retired) (hereinafter referred to as the "**impugned order**") in File No. 1007, whereby the objection petition seeking delisting of agricultural lands measuring 47 Acres and 88 Cents comprised in various survey numbers situated in Melselvanur Village, Kadaladi Taluk, Ramanathapuram District, Tamil Nadu (hereinafter collectively referred to as the "**impugned properties**"), covered in MR Nos. 15485/16, 35684/16 & 35511/16, which stands attached by the committee, were dismissed. The details of the impugned properties are as under:

वसूली अधिकारियों का पैनल Panel of Recovery Officers पी ए सी एल के मामले से संबंधित, मुंबई/In the matter of PACL Ltd, Mumbai

S.No.	Survey No.	Area (in Acres)
1	224/2	2.49
2	228/5	1.99
3	228/2	2
4	211/1	2.51
5	298/1	1.88
6	315/5	2
7	295/1	1.85
8	314/5	1.54
9	320/1	1.98
10	299/3	2.28
11	300/2	1.98
12	280/4	1.49
13	311/1	2.01
14	311/5	1.44
15	318/2	1.99
16	278/6	1.67
17	281/2	1.36
18	280/7	2.68
19	237/4	2
20	259/5	2
21	280/2	1.75
22	280/5	1.49 (1/2)
23	259/4	2
24	282/7	1.49 (1/2)
25	259/3	2
Total		**47.87**

14. It is noted that the Objector/Applicant had initially filed an objection before the Justice R.M. Lodha Committee, which was subsequently placed before Shri R. S. Virk, District Judge (Retired) in compliance with the order dated 15.11.2017 passed by the Hon'ble Supreme Court. The Objector/Applicant sought delisting of the abovementioned impugned properties on the ground that the Applicant is the lawful and registered owner of the said properties, having purchased them in 2014 through registered sale deeds from the original owners, and that PACL or its associates had no right, title or interest over the said properties.

वसूली अधिकारियों का पैनल Panel of Recovery Officers
पी ए सी एल लि के मामले से संबंधित, मुंबई In the matter of Pacl Ltd. Mumbai

15. After hearing the parties, Shri R. S. Virk, District Judge (Retired), *vide* the impugned order dated 03.03.2023, dismissed the objection petition of the Objector/Applicant primarily on the following grounds:

15.1. That the original sale deeds (bearing nos. 229/2006, 387/2006 and 388/2006) through which the Applicant's vendors (Mr. Rabindranath Tudu, Mr. Hemant Dhal and Mr. Dasharath Dhal) claimed title, were seized from the custody of PACL by the CBI during investigation;

15.2. That PACL in its reply contended that Mr. Rabindranath Tudu, Mr. Hemant Dhal and Mr. Dasharath Dhal were its own authorized persons in whose names the land was purchased *vide* the said sale deeds;

15.3. That the said vendors never came forward to claim that the land was purchased by them out of their personal funds and not as authorized persons on behalf of PACL;

15.4. That the vendors were not shown to have possessed the respective amounts of sale consideration paid by them in the year 2006, and mere execution of sale deeds in their names cannot *ipso facto* mean that they were the actual owners;

15.5. That the recovery of original sale deeds from PACL's custody has legal consequences in view of the observations of the Hon'ble Supreme Court in ***Valliammal (D) By LRs v. Subramaniam (2004) 7 SCC 233***; and

15.6. That the contention put forth by PACL cannot be brushed aside in the face of the seizure of documents from PACL's custody.

16. The Applicant, being aggrieved by the aforesaid order dated 03.03.2023 passed by Shri R. S. Virk, District Judge (Retired), has filed the present I.As. before the Hon'ble Supreme Court in the matter of *Subrata Bhattacharya vs. SEBI* (Supra), challenging the same.

17. The Hon'ble Supreme Court, *vide* order dated 19.02.2026, while taking note of the segregation of the interlocutory applications (I.As) into five distinct categories, i.e. Category A to E, observed that the issues arising in the identified 106 I.As, including the present I.As, require a detailed scrutiny of documentary material to determine the true nature and ownership of the properties in question and thus, directed that such matters ("Category B" applications, i.e., applications challenging dismissal of objections by Shri R. S. Virk, District Judge (Retired)) be placed before Recovery Officers appointed under Section 28A of the SEBI Act, 1992, for examination. Accordingly, the said I.As are now being dealt by the Panel of Recovery Officers.

18. Upon perusal of the I.As. filed by the Objector/Applicant, it is noted that the Objector/Applicant has, *inter alia*, contended as under:

18.1. The Applicant is the actual and rightful owner of the impugned properties.

18.2. The Applicant had purchased the impugned properties in 2014 through three registered sale deeds:

(i) Sale Deed No. 350/2014 dated 23.05.2014 from Mr. Rabindranath Tudu for land comprised in Survey Nos. 224/2, 228/5, 228/2 and 211/1 total measuring 8.99 acres.

(ii) Sale Deed No. 272/2014 dated 28.04.2014 from Mr. Hemant Dhal for land comprised in Survey Nos. 298/1, 315/5, 295/1, 314/5, 320/1, 299/3, 300/2, 280/4, 311/1, 311/5 and 318/2 total measuring 20.45 acres.

(iii) Sale Deed No. 273/2014 dated 28.04.2014 from Mr. Dasharath Dhal for land comprised in Survey Nos. 278/6, 281/2, 280/7, 237/4, 259/5, 280/2, 280/5, 259/4, 282/7 and 259/3 total measuring 18.45 acres.

18.3. The Applicant conducted due diligence prior to purchase, including verification of Encumbrance Certificates (ECs), Pattas and other revenue records, which showed no encumbrance in favour of PACL at the time of purchase. After purchase, Pattas were issued in the Applicant's name, and land taxes have been paid regularly.

18.4. The impugned order passed by Shri R. S. Virk, District Judge (Retired) relied on the fact that Sale Deed Nos. 229/06 dated 31.03.2006, 387/06 dated 22.05.2006 and 388/06 dated 22.05.2006 were seized from PACL's custody. However, the said sale deeds were executed in the names of Mr. Rabindranath Tudu, Mr. Hemant Dhal and

Mr. Dasharath Dhal as purchasers, with no reference to PACL. The said sale deeds form part of the chain of title provided by the Applicant.

18.5. The burden of proof was wrongly placed on the Applicant. The law presumes that the person named in the sale deed is the owner, and the burden of proving a benami transaction lies on the person alleging it (*i.e., PACL*). PACL made only a bald assertion that the lands were purchased through its "authorised persons" using PACL funds, but produced no documents to substantiate this claim.

18.6. The Applicant is a *bona fide* purchaser for value, having paid the entire consideration and being in possession of the impugned properties.

18.7. The Applicant has, thus, sought the following reliefs:

i. Set aside the "Recommendation" *vide* Order dated 03.03.2023 passed by the Ld. District Judge (Retd.) in File No. 1007,

ii. Pass such other/further orders in favour of the Applicant as this Hon'ble Court may deem fit and proper.

19. In compliance with the order dated 19.02.2026 passed by the Hon'ble Supreme Court, the Applicant was granted an opportunity of hearing before the Panel of Recovery Officers on 30.04.2026. During the hearing, the Applicant was represented by its Authorized Representative (AR), who reiterated the averments made in the I.As. and submitted that the Applicant is the *bona fide* purchaser of the impugned properties. The impugned properties were purchased in 2014 through three registered sale deeds, much prior to the Supreme Court order dated 02.02.2016 constituting the Lodha Committee. The AR submitted that prior to purchase, the Applicant conducted due diligence, including verification of Encumbrance Certificates (ECs), Pattas, and revenue records. It was submitted that the ECs showed no encumbrance in favour of PACL or any associate company at the time of purchase. After the purchase of the impugned properties, Pattas were issued in the Applicant's name, a Possession Certificate was obtained from the Village Administrative Officer, and land taxes have been paid regularly. The AR submitted that the Applicant therefore holds a valid, subsisting title over the properties. Relying on the Supreme Court judgment in ***Valliammal***

वसूली अधिकारियों का पैनल Panel of Recovery Officers पी ए सी एल लि. के मामले से संबंधित, मुंबई In the matter of PACL Ltd. Mumbai

(Supra), the AR submitted that the presumption in law is that the person named in the sale deed is the owner, and the burden of proving a benami transaction lies on the person alleging it (*i.e., PACL*). The AR submitted that Shri R. S. Virk, District Judge (Retired), erroneously reversed this burden and placed it on the Applicant. The AR pointed out that PACL made only a bald assertion that the lands were purchased through its "authorized persons" using PACL funds, but produced no documents, no board resolution, no power of attorney, no authority letter, and no financial records. The AR submitted that despite the burden not being on the Applicant, it has now discharged it by producing affidavits of the intermediate vendors and a Chartered Accountant's (CA) certificate. The AR submitted that the mandate of the Lodha Committee is to dispose of lands "purchased by PACL", and since the Applicant became the owner in 2014, much prior to these orders, the subject properties cannot be pulled into the process of attachment and auction for refunding PACL's investors. Further, the AR submitted that the Applicant had filed an application seeking directions to PACL to disclose its funds and produce authorisation documents, but the same was dismissed, and the burden was wrongly placed on the Applicant.

20. Based on the submissions made and discussions held during the hearing, the AR for the Objector/Applicant was advised to furnish additional documents, including Encumbrance Certificates, Pattas, Land Tax receipts, books of accounts (*including ledger extracts*) duly certified by a Chartered Accountant, and any other documents supporting its claim within a period of 1 week from the date of hearing *(i.e.30.04.2026)*. Accordingly, the Applicant, *vide* its email dated 06.05.2026, has submitted the requisite documents, which have been taken on record. Further, *vide* email dated 19.06.2026, the AR for the Objector/Applicant was advised to provide Financial Statements for the Financial Years 2014-15, 2015-16, and 2025-26 to verify the CA certificate regarding the purchase of impugned properties. In response, the AR *vide* email dated 22.06.2026, has submitted the requisite documents. Subsequently, *vide* email dated 23.06.2026, the AR for the Objector/Applicant was advised to provide the accompanying notes forming part of the financial statements for the relevant periods. Accordingly, the Applicant, *vide* its email dated 24.06.2026, has forwarded the

वसूली अधिकारियों का पैनल Panel of Recovery Officers
पी ए सी एल के मामले से संबंधित, मुंबई In the matter of Pacl Ltd. Mumbai

respective Notes forming part of the financial statement which have also been taken on record.

21. Upon examination of the facts mentioned in the I.As. and the documents placed on record by the Applicant, the Panel of Recovery Officers observe as under:

21.1. The Objector/Applicant has placed on record documents showing the chain of title for the impugned properties. It is noted that the Encumbrance Certificates dated 17.09.2022 submitted by the Applicant for the period 01.01.1984 to 16.09.2022 show that the impugned properties were sold *vide* various sale deeds. The details of the same are as under:

S. No.	**Vendor**	**Purchaser**	**Sale Deed No.**	**Date**	**Survey No.**	**Area (in Acres)**
1.	Mr. Mangaleshwari	Mr. Pandiyarajan	134/2006	08.03.2006	224/2	2.49
2.	Mr. Vilangaar	Mr. P. Tamilrasu	136/2006	08.03.2006	228/5	1.99
3.	Mr. Sathaiyayadav	Mr. Pandiyarajan	135/2006	08.03.2006	228/2	2
4.	Mr. Rajendran	P. Kalaiyarasu	137/2006	08.03.2006	211/1	2.51
5.	Mr. T. Sigappi	Mr. V. Ramu	243/2006	12.04.2006	298/1	1.88
6.	Mr. T. Nallan (a) Nallalu	Mr. V Ramu	244/2006	12.04.2006	315/5	2.00
7.	Mr. K. Pitchandy	Mr. V. Ramu	246/2006	12.04.2006	295/1	1.85
8.	Mr. C. Murugesan	Mr. V. Ramu	247/2006	12.04.2006	314/5	1.54
9.	Mr. M Ganeshan	Mr. V. Ramu	248/2006	12.04.2006	320/1	1.98
10.	Mr. S. Muthuramalingam	Mr. V. Ramu	249/2006	12.04.2006	299/3	2.28
11.	Mr. K. Karungammal	Mr. V. Ramu	250/2006	12.04.2006	300/2	1.98

12.	Mr. M. Velli	Mr. V. Ramu	251/2006	12.04.2006	280/4	1.49
13.	Mr. K. Nattar	Mr. V. Ramu	252/2006	12.04.2006	311/1	2.01
14.	Mr. R. Shanmugam (a) Shanmugavel	Mr. V. Ramu	253/2006	12.04.2006	311/5	1.44
15.	Mr. P. Vairavasamy	Mr. V. Ramu	254/2006	12.04.2006	318/2	1.99
16.	Mr. Muniyaswamy	Mr. Vavapugardeen	233/2006	12.04.2006	278/6	1.67
17.	Mr. Dhavasi	Mr. Vavapugardeen	234/2006	12.04.2006	281/2	1.36
18.	Mr. Arumugam	Mr. Vavapugardeen	235/2006	12.04.2006	280/7	2.68
19.	Mr. U. karuthaiya	Mr. Vavapugardeen	236/2006	12.04.2006	237/4	2.00
20.	Mr. Kathiresan	Mr. Vavapugardeen	237/2006	12.04.2006	259/5	2.00
21.	Mr. Kathiresan	Mr. Vavapugardeen	238/2006	12.04.2006	280/2	1.75
22.	Mr. M. Mookandy (a) Mookan	Mr. Vavapugardeen	239/2006	12.04.2006	280/5	1.49
23.	Mr. Kathiresan	Mr. Vavapugardeen	240/2006	12.04.2006	259/4	2.00
24.	Mr. V. Udaiyakkal	Mr. Vavapugardeen	242/2006	12.04.2006	282/7	1.49
25.	Mr. M.S. Detchanamoorthy	Mr. Vavapugardeen	232/2006	12.04.2006	259/3	2.00
TOTAL						**47.87**

21.2. Further, it is noted that, in the year 2006, the impugned properties comprised in various survey numbers were purchased by three individuals viz. Mr. Rabindranath Tudu, Mr. Hemant Dhal and Mr. Dasharath Dhal through registered sale deeds from the original owners. The details of the same are as under:

वसूली अधिकारियों का पैनल Panel of Recovery Officers पीएसीएल लि. के मामले से संबंधित, मुंबई/In the matter of Pacl Ltd. Mumbai

S. No.	Vendor	Purchaser	Sale Deed No.	Date	Survey No.	Area (in Acres)	Consideration (Rs.)
1.	Mr. Pandiyarajan & Ors.	Mr. Rabindranath Tudu	229/2006	31.03.2006	224/2, 228/2, 228/5, 211/1	8.99 acres	1,34,850
2.	Mr. Ramu	Mr. Hemant Dhal	388/2006	22.05.2006	298/1, 315/5, 311/2, 295/1, 314/5, 320/1, 299/3, 300/2, 280/4, 311/1, 311/5, 318/2	22.44 acres	3,36,600
3.	Mr. Vava Buhardeen	Mr. Dasharath Dhal	387/2006		259/3, 278/6, 281/2, 280/7, 237/4, 259/5, 280/2, 280/5, 259/4, 281/1, 282/7	21.44 acres	2,80,200
				Total		**52.87**	**7,51,650**

21.3. Thereafter, in 2014, the said properties were sold by Mr. Rabindranath Tudu, Mr. Hemant Dhal and Mr. Dasharath Dhal to the Applicant/Objector through three separate registered sale deeds. The details of the same are as under:

S. No.	Vendor	Purchaser	Sale Deed No.	Date	Survey No.	Area (in Acres)	Consideration (Rs.)
1.	Mr. Rabindranath Tudu	M/s. Literacy Frame	350/2014	23.05.2014	224/2, 228/2, 228/5, 211/1	8.99 acres	3,05,660 (Cash)

2.	Mr. Hemant Dhal	work Pvt. Ltd	272/2014	28.04. 2014	298/1, 315/5, 295/1, 314/5, 320/1, 299/3, 300/2, 280/4, 311/1, 311/5, 318/2	20.45 acres	6,13,500 (Cash)
3.	Mr. Dasharath Dhal		273/2014		259/3, 278/6, 281/2, 280/7, 237/4, 259/5, 280/2, 280/5, 259/4, 282/7	18.45 acres	5,53,500 (Cash)
					Total	**47.89**	**14,72,660**

21.4. It is noted that the instant matter pertains only to 25 Survey Numbers listed in paragraph no. 13 above. On examining the original chain of title in 2006, it is observed that the same involves 27 Survey Numbers, *i.e.*, additional two Survey Numbers which are Survey Nos. 311/2 measuring 2 acres and 281/1 measuring 3 acres, which are covered under MR Nos. 35684/16 and 35511/16, respectively. Further, it is noted that the said additional Survey Nos. 311/2 and 281/1 were not sold by the respective second purchasers to the Applicant and are consequently not the subject matter of the present IAs, however form part of the attached MR Documents.

21.5. It is noted that the Encumbrance Certificates dated 17.09.2022 submitted by the Applicant for the period 01.01.1984 to 16.09.2022 do not reflect any transaction in favour of PACL or its associates. It is also noted that the Certificate dated 06.03.2026 issued by the Chartered Accountant states that the payment for the impugned properties was made by one of the directors, *viz.* Mr. T.S. Kumaraswamy on behalf of the Applicant/Objector to the Vendors and the same was recorded in the Balance Sheet as on 31.03.2015 and 31.03.2016.

21.6. It is noted that the Possession Certificate dated 26.11.2013 issued by the Village Administrative Officer, Melaselvanur Group, Kadaladi Taluk, Ramanathapuram

District, states that the Applicant/Objector company is in possession of the impugned properties.

21.7. Upon perusal of Patta Nos. 7283, 7235 and 7244 for the impugned properties, it is noted that the same have been issued by the Revenue and Disaster Management Department, Government of Tamil Nadu in the name of the Applicant, evidencing that the Applicant is recorded as the owner of the impugned properties in the revenue records.

21.8. It is noted that the Land Tax Payment receipts for the Fasali years 1424-1434 reflect that the land tax has been paid by the Applicant for the impugned properties comprised in Patta Nos. 7283, 7244 and 7235.

21.9. It is noted that the Applicant/Objector has produced on record affidavits sworn and signed by the predecessor in title to the Applicant/Objector i.e. Mr. Rabindranath Tudu, Mr. Hemant Dhal and Mr. Dasharath Dhal dated 16.03.2026, wherein, the predecessors in title to the Applicant have *inter alia* stated that the impugned properties were purchased by them from their own savings funds. It is also stated that they, being the absolute owners of the impugned properties, had engaged in preliminary discussions with potential buyers, including discussions with representatives of PACL for the sale of the same. However, the sale did not materialise. Subsequently, in 2014, the impugned properties were sold to the Applicant through registered Sale Deeds for consideration. In this regard, it is pertinent to refer to the observation of Justice Virk in his order dated 03.03.2023 wherein the objection petition filed by the Applicant was *inter alia* dismissed on the ground that Mr. Rabindranath Tudu, Mr. Hemant Dhal and Mr. Dasharath Dhal never came forward to claim that the land in question was purchased by them out of their personal funds and not as authorized persons of PACL. It appears that in order to counter the said observation, the AR of Applicant has, now, placed on record before this Panel the aforesaid affidavits of Mr. Rabindranath Tudu, Mr. Hemant Dhal and Mr. Dasharath Dhal. However, in absence of any further supporting documentary evidence being made available to substantiate the said claim, the affidavit of Mr. Rabindranath Tudu, Mr. Hemant Dhal and Mr. Dasharath Dhal alone cannot be treated as having strong evidentiary value in respect of the aforesaid contentions.

22. In order to further examine the present application with respect to the impugned properties, the Panel perused the MR Document seized by CBI from the possession of PACL Ltd. basis which the impugned properties have been attached by the Committee. It is observed that the MR documents consist of three registered sale deeds of predecessors in title of the impugned properties, the details of which are as follows:

22.1MR No. 15485/16 consists of Sale Deed No. 229 dated 31.03.2006 executed by Mr. Pandiarajan, Mr. Tamilarasu and Mr. Kalaiarasu in favour of Mr. Rabindranath Tudu (*claimed by PACL as its authorized person*) through his Power of Attorney holder Mr. Ththagata Lahiri, covering 8.99 Acres comprised in Survey Nos. 224/2 (2.49), 228/2 (2.00), 228/5 (1.99) and 211/1 (2.51);

22.2 MR No. 35511/16 consists of Sale Deed No. 387 dated 22.05.2006 executed by Mr. Vava Buhardheen in favour of Mr. Dasharath Dhal *(claimed by PACL as its authorized person)* through his Power of Attorney holder Mr. Swarup Kumar Panigrahi, covering 21.44 Acres comprised in Survey Nos. 259/3 (2.00), 278/6 (1.67), 281/2 (1.36), 280/7 (2.68), 237/4 (2.00), 259/5 (2.00), 280/2 (1.75), 280/5 (1.49), 259/4 (2.00), 281/1 (3.00) and 282/7 (1.49); and

22.3MR No. 35684/16 consists of Sale Deed No. 388 dated 22.05.2006 executed by Mr. Ramu in favour of Mr. Hemant Dhal (*claimed by PACL as its authorised person*) through his Power of Attorney holder Mr. Swarup Kumar Panigrahi, covering 22.44 Acres comprised in Survey Nos. 298/1 (1.88), 315/5 (2.00), 311/2 (2.00), 295/1 (1.85), 314/5 (1.54), 320/1 (1.98), 299/3 (2.28), 300/2 (1.98), 280/4 (1.49), 311/1 (2.01), 311/5 (1.44) and 318/2 (1.99).

वसूली अधिकारियों का पैनल Panel of Recovery Officers पी ए सी एल के मामले से संबंधित, मुंबई In the matter of Pacl Ltd.

23. At this juncture, reference can be made to the order dated 22.08.2014 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 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)*

24. Further, reference can also be made to the aforementioned SEBI order dated 22.08.2014 wherein PACL Ltd. itself, during the proceeding before the Whole Time Member, SEBI,

वसूली अधिकारियों का पैनल Panel of Recovery Officers पी ए सी एल लि के मामले से संबंधित, मुंबई In the matter of PACL Ltd Mumbai had admitted that for the purpose of its business, it was buying lands through its agents. The same is reproduced as under:

> *"……… 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 agent's/ 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)*

25. In view of the above and considering the fact that the Sale Deed Nos. 229/06 dated 31.03.2006, 387/06 dated 22.05.2006 and 388/06 dated 22.05.2006 were in possession of PACL Ltd., it is inferred that the purchasers in the said sale deeds, namely Mr. Rabindranath Tudu, Mr. Hemant Dhal and Mr. Dasharath Dhal, may have purchased the properties on behalf of PACL as its agents/employees/associates, as PACL was unable to own lands in its own name beyond certain limits due to the land laws of the country. However, even assuming without admitting that Mr. Rabindranath Tudu, Mr. Hemant Dhal and Mr. Dasharath Dhal were agents of PACL, the fact that they have further transferred the impugned properties to the Applicant for consideration and third party rights were created in the said impugned properties, cannot be ignored.

26. Notwithstanding the above, it is pertinent to refer to the provision contained in Section 41 of the Transfer of Property Act, 1882 (TPA), which reads as under:

"41. Transfer by ostensible owner. – Where, with the consent, express or implied, of the persons interested in immoveable property, a person is the ostensible owner of such property and transfers the same for consideration, the transfer shall not be voidable on the ground that the transferor was not authorised to make it:

Provided that the transferee, after taking reasonable care to ascertain that the transferor had power to make the transfer, has acted in good faith."

27. It can be argued that by virtue of the aforesaid provisions, PACL Ltd. as well as the Committee cannot question the transfer made in favour of the Applicant. In terms of the order dated February 02, 2016, passed by the Hon'ble Supreme Court, the Committee has been authorised to sell the properties of PACL Ltd. and to make a refund to its investors. Thus, the prohibition created by Section 41 of the TPA on questioning the authority of ostensible owner by the real owner, would not restrict the Committee in discharge of its mandate given to it by the Hon'ble Supreme Court, and can always question the authority of the ostensible owner in making the transfer and *bona fides* of the transferee, without being bound by or without any reference to Section 41 of TPA.

28. Assuming without admitting that the transfer made by the vendors Mr. Rabindranath Tudu, Mr. Hemant Dhal and Mr. Dasharath Dhal in favour of the Applicant attracts Section 41 of the TPA and thus, prohibits even the Committee, even then, under the said provisions itself a transfer made by an ostensible owner, in order to attract Section 41 of the TPA, has to satisfy the test of "*reasonable care*" and "*good faith*" of the transferee as stated in the proviso to Section 41. In terms of the proviso, the transferee should have acted in good faith and taken reasonable care to ascertain that the transferor had the power to make the transfer, in order to take benefit of Section 41 of the TPA. To demonstrate that the Applicant had acted in *good faith* and taken *reasonable care* to ascertain the authority of the transferor to make the transfer, the Applicant has submitted that the impugned properties were purchased after conducting due diligence, including verification of the Land revenue records, Pattas and Adangal, etc., reflecting the name of the previous owners.

29. As noted in the above paragraphs, considering that the that Sale Deed Nos. 229/06 dated 31.03.2006, 387/06 dated 22.05.2006 and 388/06 dated 22.05.2006 seized from the custody of PACL under the MRs were executed in the individual names of Mr. Rabindranath Tudu, Mr. Hemant Dhal and Mr. Dasharath Dhal with no indication of any title/claim/interest in favour of PACL or any of its associates, the Applicant could not have reasonably known or expected to have known of any alleged link between the impugned properties and PACL. The Applicant, having verified the chain of title, mutation entries and revenue records in respect of the aforesaid impugned properties prior to purchase, can be said to have exercised due diligence, taken *reasonable care* and acted in *good faith* while acquiring the impugned properties. Accordingly, the Applicant's purchase falls squarely within the protection afforded under Section 41 of the TPA.

30. It is noted that Shri R.S Virk, Ld. District Judge (Retd.), in his Order dated 03.03.2023, placed significant reliance on the MR documents to conclude that PACL had a *prima facie* claim over the lands in question, holding that the recovery of these sale deeds from PACL's possession had legal consequences in view of the observations of the Hon'ble Supreme Court in ***Valliammal (Supra)***. However, it is the Applicant's contention that the mere seizure of these documents by CBI does not confer any title or ownership on PACL, as PACL has failed to produce any evidence to prove that the individuals named in these sale deeds were its authorized representatives or that PACL funds were used for the purchase, and that these documents do not invalidate the Applicant's registered sale deeds of 2014.

31. Here, it is pertinent to refer to the order dated 19.02.2026 passed by the Hon'ble Supreme Court wherein, while directing that the Category B applications i.e. the 106 applications filed against the order/recommendation passed by Shri R.S. Virk, Retired District Judge be dealt with by the Recovery Officers appointed under Section 28A of the SEBI Act, 1992, the Hon'ble Supreme Court specifically has stated as under:

"12. In view of the fact that the said applications are pending for a lone time, we accordingly direct:

…………

(iii) The remit of the Recovery Officers shall be confined to determining whether the properties subject matter of such applications were in fact purchased by PACL Limited or related to its associate entities, subsidiaries or sister concerns and whether the Applicants establish, on the basis of documentary materials & evidence, that the properties are held by them in their independent capacity.

………

(vi) A party will not be denied a claim over a property solely for the reason, that at one point and time the property was owned by PACL or its associated entities and it is not clear as to what were the source of funds used by PACL & its sister entities, as the case may be, to purchase the properties, if otherwise it is clear that the party is a bonafide purchaser for value having actually paid the amounts through banking channels.

…….."

32. The Hon'ble Supreme Court, in the abovementioned order dated 19.02.2026, has thus, directed that claims over a property are liable to be protected where it is evident that the claimant is a *bona fide* purchaser for value, who has actually paid the consideration through legitimate means like banking channels. In the present case, it is noted that the payment of sale consideration of Rs. 14,72,660/- was made by the Applicant by way of cash as mentioned in the sale deeds. However, it is noted that though the Hon'ble Supreme Court has referred to transactions through banking channels as an indicator of *bona fide* purchase, the said observation cannot be read as excluding genuine transactions undertaken prior to the statutory restrictions on cash dealings, particularly where the transfer is evidenced through registered sale deeds, corresponding revenue records *viz.,* Patta, Adangal, Land tax receipts, encumbrance certificate etc., and actual possession of the impugned properties with the Applicant.

33. In the instant case, the genuineness of the transaction in respect of the impugned properties stands established through the existence of registered instruments, i.e. Sale Deed Nos. 350/2014 dated 23.05.2014, 272/2014 dated 28.04.2014 and 273/2014 dated 28.04.2014, payment of sale consideration and proof of possession. It is noted from the recitals of the

वसूली अधिकारियों का पैनल Panel of Recovery Officers पी ए सी एल के मामले से संबंधित, मुंबई In the matter of Pacl Ltd. Mumbai

पता (केवल पत्राचार हेतु) / Address for correspondence only:
सेबी भवन, प्लॉट सं. सी4-ए, 'जी' ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400051
SEBI Bhavan, BKC, Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

sale deeds that the vendors have expressly acknowledged receipt of the entire sale consideration in cash before the registering authority at the time of registration of the sale deeds and also by way of an affidavit placed on record. Further, there is nothing on record to show any dispute or claim being made by the vendors for non-receipt of the sale consideration. Further, the Objector/Applicant has demonstrated continuous and peaceful possession over the properties since year 2014 through the Possession Certificate (Adangal), Pattas and the land tax receipts.

34. With respect to the sale consideration being paid in cash, it is noted that merely because the sale consideration was paid in cash by the Applicant cannot *ipso facto* make the transaction non-genuine or invalid. Here, reliance is placed on a judgment passed by the Hon'ble Supreme Court in ***Georgekutty Chacko vs M.N Saji.*** **dated 01.09.2025** ***in Civil Appeal No. 11309 of 2025*** wherein the Court has observed as under:

> *"….. it is not uncommon that in money transactions, there is a component of cash also involved and just because a person is not able to prove the transfer through official modes i.e., through any negotiable instrument or bank transaction, would not lead to the conclusion that such amount was not paid through cash, especially when there was a categorical statement to this effect by the appellant before the Court concerned. Moreover, the initial presumption of legally enforceable debt comes from the Negotiable Instruments Act, 1881 also and thus the onus is on the respondent to prove that no such amount was given....*
>
> *Only because documentary proof was not available, we find such view taken to be erroneous. A person who gives cash obviously would not be having any documentary proof per se. Sometimes there may be an occasion where even for a cash transaction, a receipt is taken, but absence of the same would not negate and disprove the stand that the cash transaction also took place between the parties."*

35. As observed by the Hon'ble Supreme Court in the above judgment, the absence of a bank transaction does not disprove a transaction when a categorical statement is made by the parties. Further, as already stated in paragraph no. 33, there is nothing on record to show any dispute/complaint/ongoing litigation challenging the non-receipt of the sale consideration.

Also, reference is drawn to the Balance Sheet for the FY 2014-15 and FY 2015-16 of the Applicant wherein the purchase of the impugned property has been accounted for under the heading "Fixed Asset". Further, the applicant has also placed on record bank statements which corroborates that cash has been withdrawn from the bank before purchasing the impugned properties.

36. In the light of the foregoing and the documentary evidence placed on record, it is established that the Applicant had purchased the impugned properties *via* registered sale deeds which is evident from the relevant revenue records submitted by it namely encumbrance certificates, Pattas, Adangal, Possession Certificate and the land tax receipts. The mutation entries in the encumbrance certificates are also in the name of the Applicant. Thus, the aforesaid documents evidence that the Applicant as a *bona fide* purchaser of the impugned properties. In view thereof, the impugned properties, comprised in Survey Nos. 224/2, 228/5, 228/2, 211/1, 298/1, 315/5, 295/1, 314/5, 320/1, 299/3, 300/2, 280/4, 311/1, 311/5, 318/2, 278/6, 281/2, 280/7, 237/4, 259/5, 280/2, 280/5, 259/4, 282/7, and 259/3, total measuring 47 Acres and 88 Cents situated in Selvanur Village, Kadaladi Taluk, Ramanathapuram District, Tamil Nadu, are hereby held to be the properties of the Applicant. Accordingly, the order dated 03.03.2023 passed by Shri R.S. Virk, District Judge (Retd.) is liable to be set aside.

37. Further, as already discussed in paragraph no. 21.4, the two Survey Numbers, namely Survey No. 311/2 measuring 2 acres (covered under MR No. 35684/16) and Survey No. 281/1 measuring 3 acres (covered under MR No. 35511/16), which were not sold to the Applicant and are not the subject matter of the present I.As., shall continue to remain under attachment with the Committee.

ORDER

38. Given the above findings, the I.A. Nos. 112381 of 2023 and 112383 of 2023 filed by the Objector/Applicant viz. M/s. Literacy Framework Private Limited, are liable to be allowed

वसूली अधिकारियों का पैनल पी ए सी एल लि के मामले से संबंधित, मुंबई Panel of Recovery Officers in the matter of Pacl Ltd. Mumbai and are hereby allowed. Accordingly, the impugned order dated 03.03.2023 passed by Shri R.S. Virk, District Judge (Retired) in File No. 1007, is hereby set aside.

39. Further, Survey Nos. 311/2 measuring 2 acres and 281/1 measuring 3 acres forming part of the MR Documents under MR Nos. 35684/16 and 35511/16 respectively, shall continue to remain attached with the Committee.

40. The I.A. Nos. 112381 of 2023 and 112383 of 2023, accordingly, stands disposed of.

Place: Mumbai

Date: July 28, 2026

28.07.2026	28.07.2026	28.7.2026
MS. RESHMA GOEL	**MR. BAL KISHOR MANDAL**	**MS. PREETI PATEL**
RECOVERY OFFICER	**RECOVERY OFFICER**	**RECOVERY OFFICER**
रेशमा गोयल / RESHMA GOEL	बाल किशोर मंडल / BAL KISHOR MANDAL	प्रीति पटेल / PREETI PATEL
उप महाप्रबंधक एवं वसूली अधिकारी	उप महाप्रबंधक एवं वसूली अधिकारी	उप महाप्रबंधक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer	Deputy General Manager & Recovery Officer	Deputy General Manager & Recovery Officer
(पी ए सी एल ली के मामले से संबंधित. मुंबई)/(In the matter of PACL Ltd. Mumbai)	(पी ए सी एल ली के मामले से संबंधित) [In the matter of PACL Ltd.]	(पी ए सी एल ली के मामले से संबंधित, मुंबई)/(In the Matter of PACL Ltd. Mumbai)

वसूली अधिकारियों का पैनल Panel of Recovery Officers (पी ए सी एल ली के मामले से संबंधित, मुंबई/In the matter of Pacl Ltd. Mumbai)