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.	**72774 of 2024, 72775 of 2024 and 72776 of 2024**
File No.	**SEBI/PACL/OBJ/RG/00725/2026**
Name of the Objector(s)	**Mr. S. Jayakumar**
MR Nos.	**13585-18, 13589-15, 20673-17**

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 लि 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

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………."*

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

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

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. 72774 of 2024, 72775 of 2024 and 72776 of 2024 (hereinafter referred to as the "**I.As.**") have been filed by S. Jayakumar (hereinafter referred to as the "**Objector/Applicant"),** challenging the common order dated 14.07.2023 passed by Shri R. S. Virk, District Judge (Retired) (hereinafter referred to as the "**impugned order**") in File No. 1049, whereby the objection petition seeking delisting of the property admeasuring 15.24 acres in Survey No. 559/1B, situated in Unnankulam Village, Nanguneri Taluk, Tirunelveli District, Tamil Nadu (hereinafter referred to as the "**impugned property**"), covered in MR Nos. MR-13585-18, MR-13589-18 and MR-20673-17, which stands attached by the Committee, was dismissed.

14. The Objector/Applicant had initially filed 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 had sought delisting of the impugned property on the ground that the Applicant is the lawful and registered owner of the impugned property, having purchased it

through registered sale deeds from the original owners, and that PACL or its associates had no right, title or interest over the said property.

15. After hearing the parties, Shri R. S. Virk, District Judge (Retired), *vide* the impugned order dated 14.07.2023, dismissed the objection petition of the Objector/Applicant. The primary grounds for dismissal of the said objection were:

15.1. The land measuring 15.24 acres out of a total of 19.05 acres comprised in survey no. 559/1B *(along with certain other parcels of land not forming the subject matter of the petition in hand)* had been purchased by PGF Ltd. (*an associate company of PACL Ltd.*) through its authorized person viz. Mr. Rajeev Kumar Mishra from one Mr. Atul Bhasin, as GPA holder of Mr. K.S. Mohammed Rasid, Mr. Sameer Rasid and Mr. C.A. Kumar in the year 1998 on the strength of GPA No. 263 dated 02.06.1998 and Agreement to Sell (ATS) Stamp No. 7925.

15.2. The Land measuring 3.81 acres out of a total of 19.05 acres comprised in survey no. 559/1B was thereafter purchased by PGF Ltd. *vide* sale deed no. 664 dated 08.05.2002 in the name of its associate individual viz. Mr. Harjinder Singh son of Mr. Gurdev Singh, resident of Ropar, Punjab from Mr. Atul Bhasin, as GPA holder of Mr. Puttanikkal Ali Haj, Mr. Puttanikkal Abdul Kader, Mr. Chaneth Kunhi Mohd and Mr. Pullakkat Poilchai hereinafter collectively referred to as ***"original owners")*** on the strength of GPA No. 263 dated 02.06.1998 and GPA No. 218 dated 04.05.1998, whereas land measuring 15.24 acres also comprised in same survey no. 559/1B was purchased by PGF Ltd. *vide* another sale deed no. 669 dated 08.05.2002 as executed by Mr. Atul Bhasin, as GPA holder of Mr. Puttanikkal Ali Haj, Mr. Puttanikkal Abdul Kader, Mr. Chaneth Kunhi Mohd and Mr. Pullakkat Poilchai *vide* GPA No. 218 dated 04.05.1998 which were taken into possession from PACL's custody by the CBI *vide* seizure memos dated 28/10/2016 and 03/11/2017.

15.3. The relevant extract of the impugned order is reproduced as under:

102. Upon notice of this petition having been issued to PACL, it filed its reply contending therein that the land comprised in survey no. 559/1B (alongwith certain other parcels of land not forming the subject matter of the petition in hand) had been purchased by its

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

associate company PGF Ltd through its authorized person Rajeev Kumar Mishra from Atul Bhasin as GPA holder of K.S. Mohammed Rasid, Sameer Rasid and C.A. Kumar in the year 1998 on the strength of GPA No. 263/98 dated 02/06/1998 (copy whereof is not appended to its reply) and ATS Stamp No. 7925 (copy whereof is appended to its reply as annexure A).

103. PACL has further averred that land measuring 3.81 acres out of 19.05 acres comprised in survey no. 559/1B was thereafter further purchased by it vide sale deed no. 664/02 dated 08/05/2002 (copy whereof is appended to its reply as annexure B) in the name of its associate individual Harjinder Singh son of Gurdev Singh, resident of Ropar, Punjab from Atul Bhasin as GPA holder of Puttanikkal Ali Haj, Puttanikkal Abdul Kader, Chaneth Kunhi Mohd, Pullakkat Poilchai on the strength of GPA Nos. 263/98 dated 02/06/98 and GPA No. 218/98 dated 04/05/1998 whereas land measuring 15.24 acres also comprised in survey no. 559/1B was purchased by it vide another sale deed no. 669/02 dated 08/05/2002 (copy whereof is appended to its reply as annexure C) as executed by Atul Bhasin as GPA holder of Puttanikkal Ali Haj, Puttanikkal Abdul Kader, Chaneth Kunhi Mohd, Pullakkat Poilchai vide GPA No. 218/98 (copy whereof is not appended to its reply) which were taken into possession from its custody by the CBI vide seizure memos dated 28/10/2016 and 03/11/2017 (copies whereof are appended to its reply as annexure D).

16. The Applicant, being aggrieved by the aforesaid order dated 14.07.2023 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

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

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 property and that the dismissal of the objection petition by Shri R. S. Virk, District Judge (Retired), is based on erroneous findings;

18.2. The Applicant had purchased the impugned property through a registered Sale Deed No. 3049 dated 11.12.2020 from one Mr. V. Gladis, who had purchased the property through registered Sale Deed No. 935 dated 05.09.2017 from Mr. S. Sundaram, who was the GPA holder along with few others of Mr. Darshan Singh, who had purchased the property through registered Sale Deed No. 669 dated 08.05.2002 from the original owners *viz*. Shri Kunhi Mohammed Haji s/o Shri Mohideen Haji, Shri Puttanikkal Ali Haj s/o Shri Kun Ahamedkutty, Shri Puttanikkal Abdul Kader s/o Shri Kunhi Mohammad Haji, Shri Chaneth Kunhi Mohd s/o Shri Kunhalan Kutty and Mr. Pullakkat Poilchai s/o Shri Mohammed Master through their GPA holder Mr. Atul Bhasin;

18.3. The Applicant is a *bona fide* purchaser for value, having paid the entire consideration through banking channels;

18.4. The PACL-related encumbrance was uploaded only on 17.07.2022, more than two years after the Applicant's purchase; and the Applicant has been in possession since 2020 and has made substantial improvements thereon.

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

i. To set aside the Order dated 14.07.2023 passed by Shri R.S. Virk, District Judge (Retd.) in File No. 1049;

ii. To direct the appropriate authorities to release the Survey number 559/1B in Unnankulam village, Nanguneri Tehsil, Tirunelveli District, Tamil Nadu, from the auction list of PACL properties in Tamil Nadu, released by the Hon'ble Supreme Court;

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

iii. Not to create third party rights in respect of the applicants' schedule properties as mentioned in File No. 1049; and

iv. Pass such further order or orders as this Hon'ble Court may deem fit and proper in the facts and circumstances of the case and thus render justice.

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 07.05.2026. 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 property. The AR submitted that the Applicant purchased the said land *vide* registered Sale Deed No. 3049 dated 11.12.2020, and that the total consideration of Rs. 22,80,000/- was paid entirely through banking channels and the same has been acknowledged by the vendor in the sale deed. Copies of the bank statements and pension documents were shown to substantiate the same. It was further submitted that after purchasing the impugned property, the Applicant obtained mutation of the land in his name, obtained Patta No. 2453, constructed a residential house, and invested over Rs. 40 lakhs in land development. The AR submitted that Shri R.S. Virk, District Judge (Retired), erroneously dismissed the Applicant's objection primarily on the ground that PACL had purchased the land through its associate company PGF Ltd. and that the original sale deeds were taken into possession by the CBI from PACL's custody. The AR submitted that the Applicant is an innocent and *bona fide* purchaser, having verified the Encumbrance Certificate ("EC") at the time of purchase, which did not reflect any encumbrance in favour of PACL. Further, it is submitted that the PACL-related encumbrance was uploaded in the EC only on 17.07.2022 i.e. more than two years after the Applicant's purchase.

20. Based on the submissions made and discussions held during the hearing, the AR for the Objector/Applicant was advised to provide clarification connecting the property tax receipts and the door number (2/232) to the subject property (Survey No. 559/1B), clarification on the names appearing in Patta no. 2453, and any other documents supporting the Applicant's claim,

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

along with the additional written submission, if any. Accordingly, the Applicant, *vide* emails dated 11.05.2026 & 19.05.2026, has submitted the requisite documents, which have been taken on record.

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

21.1. It is noted that the chain of title begins with Sale Deed No. 669 dated 08.05.2002, whereby the original owners, through their GPA holder Mr. Atul Bhasin, had sold the property to one Mr. Darshan Singh. Thereafter, Mr. Darshan Singh had executed GPA No. 193 dated 05.06.2005 nominating 10 members, including Mr. S. Sundaram, as his lawful attorneys. Subsequently, Mr. S. Sundaram, as GPA holder, sold the property to Mr. V. Gladis *vide* Sale Deed No. 935 dated 05.09.2017. Finally, Mr. V. Gladis had sold the property to the Applicant *vide* Sale Deed No. 3049 dated 11.12.2020. The details of the chain of title are as follows:

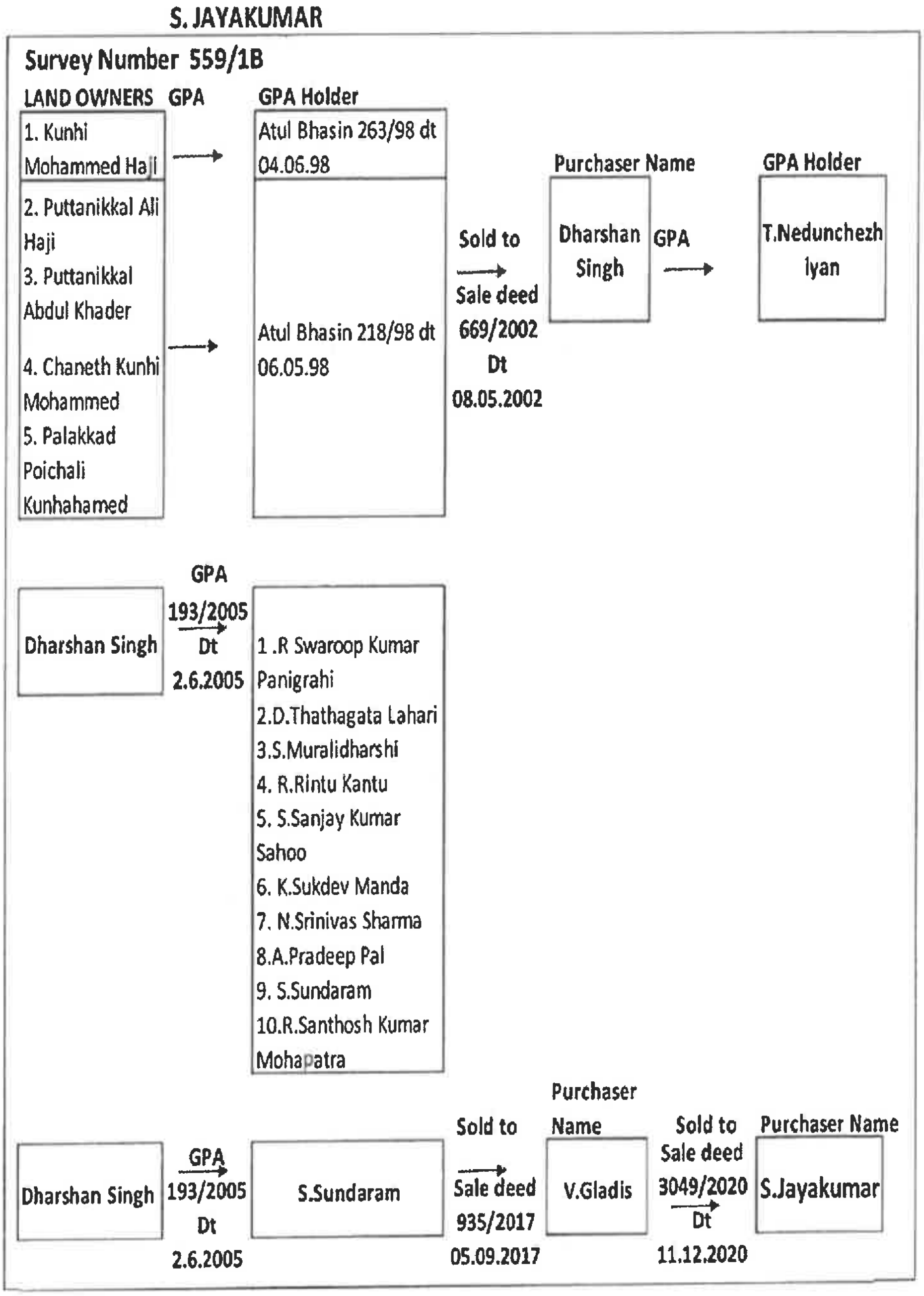
S.No.	Document	Date	Parties
1.	Sale Deed No. 669/2002	08.05.2002	Mr. Puttanikkal Ali Haji & Ors. → Mr. Darshan Singh (*through GPA Mr. Atul Bhasin)*
2.	GPA No. 193/2005	05.06.2005	Mr. Darshan Singh → Mr. S. Sundaram & 9 Others
3.	Sale Deed No. 935/2017	05.09.2017	Mr. S. Sundaram (*GPA of Darshan Singh*) → Mr. V. Gladis
4.	Sale Deed No. 3049/2020	11.12.2020	Mr. V. Gladis → Mr. S. Jayakumar

Further, the screenshot of the flow chart of history of ownership and transaction of the impugned property is as follows:

पैनल Panel of Recovery Officers
In the matter of Pacl Ltd. Mumbai

The detailed history of ownership and transactions of subject land is given below

FLOW CHART



21.2. It is noted that the Applicant has paid the sale consideration through banking channels. In support of the same, the Applicant has placed on record bank statements of SBI Account No. xxxxxxx5542 held in his name for the period from 01.01.2020 to 31.12.2020. On examining the entries in the said statement, it is noted that the bank statement reflects credits from the Treasury Department towards pension on retirement of the Applicant/Objector through NEFT/RTGS, and further debit entries showing payments made to the vendor *(Mrs. Densily G.V., wife of V. Gladis)*. It is clarified that while the objection petition before the Virk Committee stated that the payment was made by cash, the Applicant has now placed on record documentary evidence in the form of bank statements which conclusively establish that the payment was made through banking channels. The details of the same are tabulated below:

Date	**Description**	**Credit (Rs.)**	**Debit (Rs.)**
23.01.2020	NEFT from Treasury Department	9,92,500.00	-
24.01.2020	RTGS Transfer	5,00,000.00	-
27.01.2020	Cheque Transfer to Mrs. Densily G.V.	-	15,00,000.00
06.08.2020	Cheque Transfer to Mrs. Densily G.V.	-	3,00,000.00
10.08.2020	Cash Cheque Withdrawal	-	1,05,000.00
16.12.2020	Cheque Transfer to Mrs. Densily G.V.	-	3,65,000.00

21.3. It is noted that the Applicant has demonstrated the source of funds for the purchase. The Applicant has also placed on record a Pension Payment Order (*PPO No. 111824075)* showing monthly pension of Rs. 31,950/-, Retirement Gratuity of Rs. 12,12,503/-, and Verification Report from the Accountant General showing service of 33 years. On perusal of the said documents, it is noted that the Applicant is a retired Field Officer of the Veterinary Department, Government of Kerala, who served there for a period of 33 years starting from 01.01.1990 to 31.10.2018. It is noted that the purchase consideration was sourced from his pension and retirement benefits.

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

21.4. The Applicant has further placed on record Patta No. 2453 dated 05.11.2021 issued by Tahsildar, Nanguneri wherein the Applicant's name has been mutated in the revenue records as the owner of the property.

21.5. On examining the property tax receipt dated 23.03.2026 issued by Unnangulam Panchayat placed on record by the Applicant, it is noted that the Applicant has been duly paying the property tax for the property and is recorded as the owner of the property in the corporation records.

21.6. Further, the Applicant has placed on record an EC dated 13.11.2022 issued by the Tamil Nadu Registration Department. Upon perusal of the same, it is noted that at the time of purchase of the impugned property *(March 2020),* there was no encumbrance in favour of PACL. The EC shows entries for a period from 01.01.2002 to 10.07.2022. The PACL-related encumbrance appears in the EC as *"CBI LETTER NO.2000 RC BDI /2014 /E/0004/CBI/BS 7FC/NEW DELHI DATED 14.05.2018 and Inspector General of Registration letter number 45129/03/201, dated 26.11.2018."* This entry appears to have been made on or after 17.07.2022.

21.7. The Applicant has placed on record FMB Sketch for Survey No. 559/1B issued by the Survey and Settlement Department, Tamil Nadu. Upon perusal of the same, it is noted that the FMB Sketch shows the boundaries of the property. The sketch shows sub-division 1B adjacent to 1A and Survey No. 560.

21.8. Furthermore, the Applicant has placed on record a Consent Deed dated 23.12.2020 and on examining the same, it is noted that consent was given by Mr. V. Gladis to the Applicant to change the Door No. 2/232, 2/245A situated in Unnangkulam Panchayat and change the Electric Service connection 024-011-1112 in favour of the Applicant.

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

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

22.1 MR No. 13585-18 consists of Sale Deed No. 664 dated 08.05.2002 executed by Mr. Atul Bhasin, as GPA holder for the original owners, in favour of Mr. Harjinder Singh for an extent of 3.81 acres in Survey No. 559/1B. The consideration for this sale deed was Rs.4,37,859/-.

22.2 MR No. 13589-18 consists of Sale Deed No. 669 dated 08.05.2002 executed by Mr. Atul Bhasin, as GPA holder for the original owners, in favour of Mr. Darshan Singh for an extent of 15.24 acres in Survey No. 559/1B. The consideration for this sale deed was Rs.4,34,699/-.

22.3 MR No. 20673-17 consists of an Agreement to Sell ("ATS") dated 11.03.1998 executed between Mr. Atul Bhasin and PGF Ltd *(associate company of PACL)* through its authorized person Mr. Rajeev Kumar Mishra. The documents also consist of GPA No. 218 dated 02.06.1998 executed by the original owners in favour of Mr. Atul Bhasin.

23. Thus, it is noted that the PACL's claim is based on the following documents:

i. ATS dated 11.03.1998,

ii. Sale Deed No. 664 dated 08.05.2002 (*for 3.81 acres*), and

iii. Sale Deed No. 669 dated 08.05.2002 (*for 15.24 acres*).

24. Now coming to the ATS dated 11.03.1998 executed between Mr. Atul Bhasin and PGF Ltd *(associate company of PACL)* through its authorized person Mr. Rajeev Kumar Mishra. Upon perusal of the ATS, it is noted that the ATS does not specify the survey numbers or the property to which it pertains. It is also noted that the schedule of property in the ATS does not mention Survey No. 559/1B, which is the Applicant's impugned property. Therefore, the ATS does not even pertain to the Applicant's property. The screenshot of the schedule is reproduced as under:

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

SCHEDULE OF PROPERTIES

SURVEY NO	EXTENT IN ACRES
549/1	1.88
559/1A	1.69
560/1A1	3.25
560/1A2	4.56
560/1A3	4.21
560/1B	1.06
TOTAL	16.65

25. Further, even if the ATS was pertaining to the impugned property then also ATS does not convey any title in the immovable property covered thereunder, in favour of the purchaser. Thus, regarding the transfer of title through ATS, reference may be made to the judgment passed by the Hon'ble Supreme Court in the case of ***Suraj Lamp & Industries Pvt. Ltd. v. State of Haryana (2012) 1 SCC 656***, wherein the Court expressly discouraged the practice of transferring an immovable property by way of executing a GPA / Agreement to Sell / Will by observing as under:

"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. They cannot be recognized 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."

26. Further, reference may also be made to section 54 of the Transfer of Property Act, 1882 (TPA) which states what constitutes a valid 'sale'. In terms of Section 54 of the TPA, a "sale" is defined as a transfer of ownership in exchange for a price paid or promised or part-paid or part-promised. '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. Para 2 of Section 54 of TPA, however, provides that for tangible 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. Section 54 of the said Act reads as under:

"54. "Sale" defined. — "Sale" is a transfer of ownership in exchange for a price paid or promised or part-paid and part-promised.

Sale how made — Such transfer, in the case of tangible immoveable property of the value of one hundred rupees and upwards, or in the case of a reversion or other intangible thing, can be made only by a registered instrument.

In the case of tangible immoveable property of a value less than one hundred rupees, such transfer may be made either by a registered instrument or by delivery of the property.

Delivery of tangible immoveable property takes place when the seller places the buyer, or such person as he directs, in possession of the property.

Contract for sale. — A contract for the sale of immoveable property is a contract that a sale of such property shall take place on terms settled between the parties. It does not, of itself, create any interest in or charge on such property."

27. In view of section 54 of TPA and the law laid down by the Hon'ble Supreme Court in ***Suraj Lamp (Supra),*** ATS does not convey any title in the immovable property covered thereunder, in favour of the purchaser and cannot be regarded as a valid mode of conveyance of any immovable property.

28. Now coming to the Sale Deed No. 664 dated 08.05.2002 executed by Mr. Atul Bhasin as GPA holder for the original owners in favour of Mr. Harjinder Singh for an extent of 3.81 acres in Survey No. 559/1B. It is noted that the purchaser in this sale deed is Mr. Harjinder Singh, who is a different individual and not a party from whom the Applicant has purchased the property. The Applicant's chain of title is through Mr. Darshan Singh, who had purchased the impugned property *vide* Sale Deed No. 669 dated 08.05.2002, and subsequently through Mr. S. Sundaram, Mr. V. Gladis, and finally to the Applicant (*reference drawn on the flow chart at para 21.1 above*). Thus, it is observed that there is no link between Mr. Harjinder Singh and the Applicant's chain of title. The extent of land in the sale deed no. 664 dated 08.05.2002 vide which Mr. Harjinder Singh appears to have acquired a portion of 3.81 acres appearsto be a different portion of land in Survey No. 559/1B. The Applicant's claimed impugned property is admeasuring 15.24 acres out of the total of 19.05 acres in Survey No. 559/1B. The area of 3.81 acres seems to be a portion of the total 19.05 acres in Survey No. 559/1B, and the Applicant's property of 15.24 acres is a separate and distinct portion. Thus, it is noted that the Applicant is not claiming ownership of the 3.81 acres but another portion in the same survey no. i.e. 15.24 acres. The said portion of 15.24 acres claimed by the Applicant is observed to be covered in a separate sale deed viz. Sale Deed No. 669 dated 08.05.2002 wherein the acquirer is one Mr. Darshan Singh. Therefore, Sale Deed No. 664 pertains to a different extent of land and a different purchaser, and does not form part of the Applicant's chain of title.

29. Further, with respect to the Sale Deed No. 669 dated 08.05.2002 executed by Mr. Atul Bhasin, as GPA holder for the original owners in favour of Mr. Darshan Singh for an extent of 15.24 acres in Survey No. 559/1B, it is noted that this is the very same sale deed that forms the first document in the Applicant's chain of title. The sale deed was executed between Mr. Atul Bhasin (*as GPA holder for the original owners)* and Mr. Darshan Singh (*as purchaser*). It is the case of the Applicant that Mr. Darshan Singh had purchased the property in his individual capacity and that there is no reference of PACL or any of its associate companies in this sale deed. The sale deed does not mention that Mr. Darshan Singh was purchasing the property on behalf of PACL.

30. 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)

31. 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, 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)

32. In view of the above and considering the fact that the Sale Deed of predecessors in title covering the impugned property was seized by CBI from the possession of PACL Ltd., it is inferred that the purchaser in the said sale deed, namely Mr. Darshan Singh, may have purchased the property 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, assuming that Mr. Darshan Singh was an agent of PACL, the fact that he has further transferred the impugned property to other entities which finally was purchased by the Applicant for consideration, cannot be ignored.

33. 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."

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

34. 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.

35. Assuming without admitting that the transfer made by the predecessors in title *(i.e., Mr. Kunhi Mohammed Haji, Mr. Puttanikkal Ali Haji, Mr. Puttanikkal Abdul Kader, Mr. Chaneth Kunhi Mohammed, and Mr. Palakkat Poichali Kunhahamed through their GPA holder Mr. Atul Bhasin)* in favour of Mr. Darshan Singh and subsequently, to the Applicant attracts Section 41 of the TPA and thus, prohibits even the Committee, even then, under the said provision 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 property was purchased after conducting due diligence, including verification of parent documents and obtaining an Encumbrance Certificate, which did not reflect any encumbrance in favour of PACL and/or any of its associate companies.

36. As noted in the above paragraphs and considering that the Sale Deed covering the impugned property seized from the custody of PACL under the MR was executed in the individual name of Mr. Darshan Singh 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 property and PACL. The Applicant, having verified the chain of title, mutation entries and revenue records in respect of the aforesaid impugned property prior to purchase, can be said to have exercised due diligence, taken reasonable care and acted in good faith while acquiring the impugned property. Also, on examining the EC placed on record, it is seen that the encumbrance in the name of PACL was recorded only on 17.07.2022, whereas the Applicant had purchased the property vide sale deed no. 3049/2020 dated 11.12.2020 i.e. much prior to the marking of encumbrance by the revenue authority. Accordingly, it is established that the Applicant's purchase falls squarely within the protection afforded under Section 41 of the TPA.

37. Here, it is also 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 bona fide purchaser for value having actually paid the amounts through banking channels.

…….."

38. 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 even though at one point in time the said properties were owned by PACL or its associated entities. Thus, in other words, the claim made by an entity on the impugned property, if found to be valid; the entity being a *bonafide* purchaser for value, would not be denied only because it was owned by PACL and/or its associate companies in the past. In the instant case, it is already established that the Applicant, by way of registered sale deed, has acquired the title to the impugned property. Further, with respect to the payment of consideration, as mentioned in the paragraph nos. 21.2 and 21.3, the Applicant has placed on record bank statements evidencing payment of the sale consideration through banking channels. The bank statements of the Applicant for the period 01.01.2020 to 31.12.2020 corroborates the debit entries corresponding to these payments, establishing conclusively that the full consideration was paid through legitimate banking channels. Thus, the genuineness of the transaction in respect of the impugned property stands established through multiple layers of documentary evidences: (i) registered sale deed no. 3049 dated 11.12.2020; (ii) payment of the entire sale consideration through banking channels; (iii) acknowledgment by the vendors of receipt of the full sale consideration in their statements before the registering authority at the time of registration; (iv) Patta No. 2453 showing mutation in the name of the Applicant; (v) property tax receipts evidencing possession; (vi) Encumbrance Certificate showing no encumbrance at the time of purchase; (vii) continuous possession and peaceful enjoyment of the property by the Applicant since 2020, (viii) the ATS does not pertain to the Applicant's property, (ix) Sale Deed No. 664 pertains to a different extent of land *(3.81 acres)* and not the Applicant's impugned property (*15.24 acres*), and (x) Sale Deed No. 669, which pertains to the Applicant's property, was executed in favour of an individual, Mr. Darshan Singh, and not in favour of PACL.

39. In light of the foregoing and on the basis of the documentary evidence placed on record, the Objector/Applicant is found to be a *bona fide* purchaser for value of the impugned property. In view thereof, the impugned property, comprised in Survey No. 559/1B, Unnankulam Village, Nanguneri Taluk, Tirunelveli District, Tamil Nadu, to the extent of 15.24 acres out

पी ए सी एल लि. के मामले से संबंधित, वसूली अधिकारियों का पैनल, मुंबई / Panel of Recovery Officers, In the matter of Pacl Ltd, Mumbai of the total extent of 19.05 acres, is hereby held to be the property of the Applicant. Further, the Panel is of the view that the observations made by Shri R.S. Virk, District Judge (Retd.) in the impugned order cannot be sustained in light of the findings recorded above by this Panel. Accordingly, the order dated 14.07.2023 passed by Shri R.S. Virk, District Judge (Retd.) is liable to be set aside.

ORDER

40. Given the above findings, the I.A. Nos. 72774 of 2024, 72775 of 2024 and 72776 of 2024 filed by the Objector/Applicant *viz.* S. Jayakumar are liable to be allowed and are hereby allowed. Accordingly, the impugned order dated 14.07.2023 passed by Shri R.S. Virk, District Judge (Retd.) in File No. 1049 is hereby set aside.

41. The I.A. Nos. 72774 of 2024, 72775 of 2024 and 72776 of 2024, accordingly, stand disposed of.

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

Place: Mumbai

Date: August 14, 2026

14.08.2026

MS. RESHMA GOEL
RECOVERY OFFICER

रेशमा गोयल / RESHMA GOEL
उप महाप्रबंधक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer
(पी ए सी एल ली के मामले से संबंधित. मुंबई)/(In the matter of PACL Ltd. Mumbai)

14.08.2026

MR. BAL KISHOR MANDAL
RECOVERY OFFICER

बाल किशोर मंडल / BAL KISHOR MANDAL
उप महाप्रबंधक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer
(पी ए सी एल ली के मामले से संबंधित) [In the matter of PACL Ltd.]

14.08.2026

MS. PREETI PATEL
RECOVERY OFFICER

प्रीति पटेल /PREETI PATEL
उप महाप्रबंधक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer
(पी ए सी एल ली के मामले से संबंधित, मुंबई)/(In the Matter of PACL Ltd. Mumbai)