

PANEL OF RECOVERY OFFICERS
APPOINTED UNDER SECTION 28A OF THE SEBI ACT, 1992
DISCHARGING 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 No.	92946 of 2024, 92816 of 2024 and 92949 of 2024
File No.	SEBI/PACL/OBJ/PP/00794/2026
Name of the Objector(s)	Smt. S Divya
MR No.	8647/18 & 13583/18

Background:

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) on August 22, 2014 had passed an order against PACL Limited, its promoters and directors, *inter alia*, holding the schemes run by PACL Ltd. as Collective Investment Scheme (“CIS”) and directing them to refund the amounts collected from the investors within three months from the date of the order. Vide the said order, it was also directed that PACL Ltd. and its promoters/ directors shall not alienate or dispose of or sell any of the assets of PACL Ltd. except for the purpose of making refunds as directed in the order.
2. The order passed by SEBI was challenged by PACL Ltd. and four of its directors by filing appeals before the Hon’ble Securities Appellate Tribunal (“SAT”). The said appeals were dismissed by the Hon’ble SAT vide its common order dated August 12, 2015, with a direction to the appellants to refund the amounts collected from the investors within three months. Aggrieved by the order dated August 12, 2015 passed by the Hon’ble SAT, PACL Ltd. and its directors had filed appeals before the Hon’ble Supreme Court of India.
3. The Hon’ble Supreme Court did not grant any stay on the aforementioned impugned order dated August 12, 2015 of the Hon’ble SAT; however, PACL Ltd. and its promoters/ directors did not refund the money to the investors. Accordingly, SEBI initiated recovery



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proceedings under Section 28A of the SEBI Act, 1992 against PACL Ltd. and its promoters/directors vide recovery certificate no. 832 of 2015 drawn on December 11, 2015 and as a consequence thereof, all bank/ demat accounts and folios of mutual funds of PACL Ltd. and its promoters/ directors were attached by the Recovery Officer vide attachment order dated December 11, 2015.

4. During the hearing on the aforesaid civil appeals filed by PACL Ltd. and its directors (Civil Appeal No. 13301 of 2015 – *Subrata Bhattacharya Vs. SEBI* and other connected matters), the Hon'ble Court vide its order dated February 02, 2016 directed SEBI to constitute a committee under the Chairmanship of Hon'ble Mr. Justice R.M. Lodha, the former Chief Justice of India (hereinafter referred to as "the Committee") for disposing of the land purchased by PACL Ltd. so that the sale proceeds can be paid to the investors, who have invested their funds in PACL Ltd. for purchase of the land. In the said civil appeals, the Hon'ble Supreme Court did not grant any stay on the orders passed by SEBI and the Hon'ble SAT. Therefore, directions for refund and direction regarding restraint on the PACL Ltd. and its promoters and directors from disposing, alienating or selling the assets of 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 or interest.
6. Further, the Hon'ble Supreme Court vide its order dated July 25, 2016 restrained PACL Ltd. and/ or its Directors/Promoters/agents/employees/Group and/or associate companies from, in any manner, selling/transferring/alienating any of the properties wherein PACL Ltd. has, in any manner, a right/interest situated either within or outside India.
7. In the recovery proceedings mentioned in para 3 above, the Recovery Officer issued an attachment order dated September 07, 2016 against 640 associate companies of PACL Ltd. In the said order, *inter alia*, the registration authorities of all States and Union Territories were requested not to act upon any documents purporting to be dealing with transfer of



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properties by PACL Ltd. and / or the group/ associate entities of PACL Ltd. mentioned in the Annexure to the said attachment order, if presented for registration.

8. The Hon'ble Supreme Court, vide its order dated November 15, 2017, passed in Civil Appeal No. 13301/2015 and connected matters directed that all the grievances/ objections pertaining to the properties of PACL Ltd. would be taken up by Shri. R.S. Virk, District Judge (Retd.).
9. On April 30, 2019, in the recovery proceedings initiated against PACL Ltd. and Ors., the Recovery Officer issued a notice of attachment in respect of 25 front companies of PACL Ltd. Thereafter, on March 01, 2021, the Recovery Officer issued another notice of attachment in respect of 32 associate companies of PACL Ltd., which included 25 front companies of PACL Ltd. whose accounts were attached vide order dated April 30, 2019.
10. 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 August 08, 2024 passed by the Hon'ble Supreme Court, all objections with respect to properties of PACL Ltd., which were pending before Shri. R.S. Virk, District Judge (Retd.) and all new objections, are now to be dealt by the Recovery Officers attached to the Committee.
12. Subsequently, the Hon'ble Supreme Court, vide order dated February 19, 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 (Retd.) dismissing the objections raised by the Applicants, be placed before the Recovery Officers appointed under Section 28A of the SEBI Act, 1992. Accordingly,



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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 (I.As.):

13. The present I.As. have been filed by Smt. S. Divya (referred to as 'S Dhivya' in proceedings before Shri. R.S. Virk, District Judge (Retd.) and in revenue records), wife of Mr. D. Shanmugapriyan (hereinafter referred to as the "Objector/Applicant"), residing at No. 41A, A. Mandambam College Road, C. Mutlur Post, Chidambaram Taluk, Tamil Nadu, challenging the common order dated July 14, 2023 passed by Shri. R.S. Virk, District Judge (Retd.) in File No. 1037 (along with connected File Nos. 1036 to 1052) (hereinafter referred to as the "impugned order"). The impugned order dismissed the objection filed by the Objector/Applicant seeking release of her land from the attachment by the Committee. The property in question comprises land admeasuring 8.29 acres, comprised in Survey Nos. 517, situated at Unnankulam Village, Nanguneri Taluk, Tirunelveli District, Tamil Nadu (hereinafter referred to as the "impugned property"), and covered under MR Nos. 8647/18 & 13583/18.
14. It is the case of the Objector/Applicant, as submitted, that the land comprised in the impugned survey number was originally owned by Mr. Balavesa Thevar and ten others, whose interests, on the death of some among them, devolved upon their respective legal heirs, and who executed nineteen General Powers of Attorney ("GPA") in favour of Mr. Basant and one GPA (Doc. No. 9/1993) in favour of Mr. Venkatasalam. Acting under the said authorities, seven registered sale deeds were executed by Mr. Basant during the year 1993 and one registered sale deed dated May 03, 1993 was executed by Mr. Venkatasalam, whereby 8.29 acres comprised in Survey No. 517 came to vest absolutely in Mr. Kunhi Mohamed Haji, Mr. Ali Haji, Mr. Abdul Kader, Mr. Kunhi Mohamed and Mr. Kunhi Ahamed. The said persons thereafter executed GPA No. 218/1998 dated May 04, 1998 (executed by Ali Haji, Abdul Kadhar, Kunhi Ahamed, Kunhi Mohammad) and GPA No. 263/1998 dated June 02, 1998 (executed by Kuni Mohammad Haji) in favour of Mr. Atul



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Bhasin. Acting under the said GPAs, Mr. Atul Bhasin executed registered Sale Deed No. 661/2002 dated May 08, 2002 in favour of Mr. Bhajan Singh, son of Mr. Baswa Singh, resident of V & PO Barodi, Taluka Kharar, District Ropar, Punjab, represented by his attorney Mr. T. Nedunchezhiyan. Mr. Bhajan Singh thereafter executed registered GPA No. 165/2018 dated February 12, 2018 in favour of Mr. G. Melvin, and the Objector/Applicant purchased the impugned property from Mr. G. Melvin, acting under that registered authority, under registered Sale Deed No. 1097/2019 dated March 19, 2019 registered at the office of the Sub-Registrar, Pettai, Tirunelveli District, for a consideration of Rs. 5,00,000/-, and she has been in continuous and uninterrupted possession of the property since the year 2019. However, the impugned property has been wrongly attached under MR Nos. 8647/18 & 13583/18 and listed by the Committee under the misbelief that it is the property of PACL Ltd. It is further the case of the Objector/Applicant that she is a *bona fide* purchaser for value, having no connection whatsoever with PACL Ltd.

15. Upon finding out about the attachment of the impugned property, the Objector/Applicant filed an objection, registered as File No. 1037, before Shri. R.S. Virk, District Judge (Retd.), *inter alia* seeking release and de-listing of the impugned property from the attachment. Upon receiving the objection, a notice was issued to PACL Ltd. by Shri. R.S. Virk, District Judge (Retd.). PACL Ltd., in its reply dated February 06, 2023, *inter alia* contended that the land comprised in Survey No. 517 had been purchased by it in the name of its associate company M/s PGF Ltd., through its authorised person Mr. Rajeev Kumar Mishra, from Mr. Atul Bhasin in his capacity as the GPA holder of Mr. Kunhi Mohamed Haji, Mr. Ali Haji, Mr. Abdul Kader, Mr. Kunhi Mohamed and Mr. Kunhi Ahamed, on the strength of an Agreement to Sell ("ATS") on Stamp Paper No. 4619 read with GPA No. 218/1998; that M/s PGF Ltd. had handed over to PACL Ltd. the original ATS No. 4619 together with a xerox copy of GPA No. 218/1998, which documents were taken into possession from PACL's custody by the Central Bureau of Investigation ("CBI"); that thereafter the said survey number was purchased by PACL Ltd. in the name of its authorised person Mr. Bhajan Singh, son of Mr. Baswa Singh, under Sale Deed No. 661/2002 dated May 08, 2002; that the property was purchased out of the funds of PACL Ltd./ its associate companies; and that the sale in favour of the Objector/Applicant was effected in the year 2019, i.e. after the orders passed by the Hon'ble Supreme Court in the year 2016. Thereafter, a rejoinder



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was filed on behalf of the objectors wherein it was, *inter alia*, submitted that the ATS furnished by PACL Ltd. is fabricated and “illegal and null and void” and that the ATS and the GPA do not confer title or any interest in favour of PACL Ltd. in respect of the impugned property, and that the assertion of PACL Ltd. that Mr. Bhajan Singh was its authorised person is a bald statement which cannot be borne out by a perusal of the document.

16. The said objection was heard by Shri. R.S. Virk, District Judge (Retd.) and the impugned common order dated July 14, 2023 was passed dismissing the objection (along with the connected objections in File Nos. 1036 to 1052), *inter alia* on the following grounds: (i) that the buyers under the sale deeds of the year 2002, namely Mr. Sukhdev Singh, Mr. Bhajan Singh, Mr. Harkit Singh, Mr. Gurvinder Singh, Mr. C.L. Sharma and Mr. Darshan Singh, were residents of District Ropar in Punjab, Mr. Chander Mohan Bhalla and Mr. Subrata Bhattacharya (a director of PACL Ltd.) were residents of New Delhi and Mr. Hemraj was a resident of District Panchkula in Haryana, whereas the lands lie in Tirunelveli District, Tamil Nadu, and that this circumstance indicates that the acquisitions were made by PACL Ltd. through its agents and associates, to whom commissions were paid; (ii) that the recovery of the original sale deeds of the year 2002, including Sale Deed No. 661/2002, by the CBI from the custody of PACL Ltd. assumed “great significance” when tested against the six benami criteria laid down in *Valliammal (D) by LRs v. Subramaniam*, (2004) 7 SCC 233; (iii) that the objectors could not claim the benefit of Section 41 of the Transfer of Property Act, 1882 as the “free and intelligent consent” of the real owners, i.e. the investors of PACL Ltd. whose monies funded the acquisitions, was absent; (iv) that various land parcels were purchased by M/s PGF Ltd., an associate company, and were thereafter purchased by PACL Ltd. through various sale deeds; (v) that the sale deeds relied upon by the objectors, including Sale Deed No. 1097/2019, having all been executed during the years 2018 to 2020, were violative of the Hon’ble Supreme Court’s restraint order dated July 25, 2016 and could not be acted upon; (vi) that the objectors could derive no solace from the fact that the orders of the Hon’ble Supreme Court came to be uploaded by the Tamil Nadu Registration Department only on July 17, 2022; and (vii) that title to property cannot be established through revenue records such as pattas and encumbrance certificates.



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17. Aggrieved by the impugned order, the Objector/Applicant filed the present I.As. before the Hon'ble Supreme Court in Civil Appeal No. 13301 of 2015. The Hon'ble Supreme Court, vide order dated February 19, 2026, while taking note of the segregation of the interlocutory applications into five distinct categories, i.e. Category A to E, directed that Category B applications, being 106 applications filed against the recommendations/orders of Shri. R.S. Virk, District Judge (Retd.), be placed before the Recovery Officers appointed under Section 28A of the SEBI Act, 1992, for examination.
18. Upon perusal of the I.As. and the documents annexed thereto, it is noted that the Objector/Applicant has, *inter alia*, contended as under:
- i. That she is a *bona fide* purchaser for value of the impugned property, having purchased the same by registered Sale Deed No. 1097/2019, after payment of consideration and the requisite stamp duty and registration fees, and after verification of the documents, which at the material time disclosed no restriction or claim of PACL Ltd.;
 - ii. That there is no registered sale deed executed by Mr. Atul Bhasin in favour of PACL Ltd. or M/s PGF Ltd. at all; that the company produced before Shri R.S. Virk, District Judge (Retd.) only an unregistered ATS which is undated and no payment mode is disclosed;
 - iii. That the assertion of PACL Ltd. that Mr. Bhajan Singh, in whose favour Sale Deed No. 661/2002 stands, was its authorised person or associate is a bald assertion; that there is no recital, document or other material to establish that he was an associate of PACL Ltd. or that he held any post or position in PACL Ltd. or M/s PGF Ltd.; and that the impugned order has not placed reliance on the chain of title and government records produced by her;
 - iv. That PACL Ltd. has taken mutually contradictory stands, claiming on the one hand to have purchased Survey Nos. 515/8 and 517 in the year 1998 through the ATS, and on the other hand to have purchased Survey No. 517 over again in the year 2002 under Sale Deed No. 661/2002 in the name of Mr. Bhajan Singh; and



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- v. That the Objector/Applicant was unaware of the proceedings against PACL Ltd. and of the interim orders passed therein; that the Encumbrance Certificate for Survey No. 517 discloses no document registered on the date of the alleged ATS and no transaction whatsoever in favour of M/s PGF Ltd., PACL Ltd. or any related entity; and that the restriction came to be reflected in the encumbrance records only on July 17, 2022, i.e. long after her purchase and after she had entered into possession.

19. The Objector/Applicant has thus, *inter alia*, prayed:

- i. To reject the order/recommendation dated July 14, 2023 and exclude the land in Survey No. 517 measuring 3.35.50 hectares at Unnankulam Village, Nanguneri Taluk, Tirunelveli District, Tamil Nadu from the list of PACL properties in Tamil Nadu; and
- ii. To direct and release the land in in Survey No. 517 from the list of properties mentioned in the SEBI portal related to the present case.

20. In compliance with the order dated February 19, 2026 of the Hon'ble Supreme Court, the Objector/Applicant was granted an opportunity of hearing before this Panel of Recovery Officers ("Panel") on April 20, 2026 and May 12, 2026. The hearing was attended by the Authorised Representatives ("ARs") of the Objector/Applicant, who reiterated the averments made in the I.As., in the objection filed before Shri. R.S. Virk, District Judge (Retd.), and in the written submissions.

21. During the hearing dated April 20, 2026, a short written submission along with bank statements were submitted before the panel. Additionally, on May 12, 2026, the Objector/Applicant produced and relied upon documents including original as well as certified copies/photo copies of sale deeds/GPAs, copies of Patta/Encumbrance certificates, copy of subsidy details, Village Map, Bank Statements and Translator Certificate. Originals of certain documents, including Sale Deed No. 1097/2019, as were available, were produced for verification and the copies placed on record were compared with the originals. Further, based on the submissions made, the Objector/Applicant was advised to furnish, *inter alia*, the copy of Adangal in her name, which was submitted on May 12, 2026 by the Objector/Applicant.



22. In order to decide the objection, the Panel has perused the documents placed on record, the particulars whereof are tabulated below:

Sr. No.	Particulars	Executed by	In favour of
1	Encumbrance Certificate and 'A' Register and Chitta	Registration Department, Government of Tamil Nadu	—
2	Sale Deed No. 379/1993, 475/1993, 480/1993, 745/1993, 1022/1993, 1632/1993) (1633/1993 is not placed on record in the instant I.A.)	Mr. Basant, GPA holder (on behalf of Mr. Balavesa Thevar and 10 ors.)	Mr. Ali Haji, Mr. Abdul Kadhar, Mr. Kunhi Ahamed, Mr. Kunhi Mohamed and Mr. Kunhi Mohamed Haji
3	Sale Deed No. 477/1993 dated 03.05.1993	Mr. M.S Venkatasalam, GPA holder (on behalf of Mr. Balavesa Thevar and 10 ors.)	Ali Haji, Abdul Kadhar, Kunhi Ahamed, Kunhi Mohammad, Kuni Mohammad Haji
4	GPA No. 218/1998 dated 04.05.1998	Ali Haji, Abdul Kadhar, Kunhi Ahamed, Kunhi Mohammad, Kuni Mohammad Haji	Mr. Atul Bhasin
5	GPA No. 263/1998 dated 02.06.1998	Kunni Mohammad Haji	Mr. Atul Bhasin
6	Registered Sale Deed No. 661/2002 dated 08.05.2002	Mr. Atul Bhasin (on behalf of Mr. Kunhi Mohamed Haji and others)	Mr. Bhajan Singh (represented by T. Nedunchazian)
7	GPA No. 165/2018 dated 12.02.2018	Mr. Bhajan Singh (represented by T. Nedunchazian)	Mr. G Melvin
8	Sale Deed No. 1097/2019 dated 19.03.2019	Mr. G Melvin (on behalf of Mr. Bhajan Singh)	Mrs. Divya (Objector/Applicant)
9	Patta No. 2598 and Adangal	Revenue Department, Government of Tamil Nadu	Mrs. Divya (Objector/Applicant)
10	Statement of Accounts	State Bank of India	Mr. Shanmugapriyan (Husband of the Applicant) and Late Mr. Devanathan



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Sr. No.	Particulars	Executed by	In favour of
			(Father in law of the Applicant)

23. The Panel has carefully perused the documents placed on record, including the I.As. together with their annexures and the payment records, the impugned order of Shri. R.S. Virk, District Judge (Retd.) dated July 14, 2023 in File No. 1037, the objection petition, the reply of PACL Ltd. dated February 06, 2023, the registered Sale Deeds in the chain of title, the MR documents, the revenue records and the submissions made during the hearings along with the additional documents filed thereafter.

24. In the present case, PACL Ltd. asserts that the impugned property was acquired in 1998 in the name of its associate company M/s PGF Ltd. through its authorised person, on the strength of an unregistered ATS read with a photocopy of the GPA, and that it was thereafter purchased over again in the name of its authorised person Mr. Bhajan Singh under Sale Deed No. 661/2002, and that the original documents were seized by the CBI from PACL's custody. The particulars of the documents on the strength of which the impugned property stands attached under the said MR Numbers are as under:

MR No.	Description of Document	Buyer	Seller	Property as per Schedule	Consideration (Rs.)
8647/18	ATS Stamp Paper No. 4619 with copy of GPA No. 218/98	PGF Ltd. r/o Paschim Vihar, New Delhi, through authorised person Rajeev Kumar Mishra	Atul Bhasin s/o Y.R. Bhasin r/o Palayamkottai, T.N	517 (8.29 acres) among other land	3,70,077
13583/18	Sale Deed No. 661/02 dated 08.05.2002	Bhajan Singh s/o Baswa Singh r/o Ropar, Punjab, Authorised person T. Neduncheziyan s/o M. Thangavel	Kunhi Mohamed Haji s/o Mohideen Haji & others r/o Malappuram Distt., Kerala GPA Holder, Atul Bhasin	517 (8.29 acres) among other land	3,00,043






25. In the present matter, it is noted that Mr. Atul Bhasin purportedly dealt with the very same land twice, i.e., firstly, by way of an unregistered ATS No. 4619 in favour of M/s PGF Ltd. (said to be an associate company of PACL Ltd.) through its authorised person Mr. Rajeev Kumar Mishra, and secondly, by way of registered Sale Deed No. 661/2002 dated May 08, 2002 in favour of Mr. Bhajan Singh. Thereafter, Mr. Bhajan Singh (through his GPA holder Mr. G. Melvin) sold the impugned property to the Objector/Applicant. In view of the same, the Panel has carefully perused the documents attached under MR Nos. 8647/18 & 13583/18.
26. Upon perusal of the record under MR No. 8647/18, it is noted that the document on which that attachment rests is an ATS on a stamp paper No. 4619, between Mr. Atul Bhasin, son of Mr. Y.R. Bhasin and M/s P.G.F. Ltd, represented by Mr. Rajeev Kumar Mishra. Upon a scrutiny of that document, it is noted that the ATS is unregistered without any date of execution and no mode of payment is disclosed.
27. Independently of the above, here it is also pertinent to mention the findings of the Hon'ble Supreme Court in its order dated October 11, 2011 in the matter of *Suraj Lamp and Industries Private Limited (2) through Director v. State of Haryana and Another*, reported at (2012) 1 SCC 656:

"18. It is thus clear that a transfer of immovable property by way of sale can only be by a deed of conveyance (sale deed). In the absence of a deed of conveyance (duly stamped and registered as required by law), no right, title or interest in an immovable property can be transferred.

19. Any contract of sale (agreement to sell) which is not a registered deed of conveyance (deed of sale) would fall short of the requirements of Sections 54 and 55 of the TP Act and will not confer any title nor transfer any interest in an immovable property (except to the limited right granted under Section 53-A of the TP Act). According to the TP Act, an agreement of sale, whether with possession or without possession, is not a conveyance. Section 54 of the TP Act enacts that sale of immovable property can be made only by a registered instrument and an agreement of sale does not create any interest or charge on its subject-matter."



28. Applying the findings of the Hon'ble Supreme Court in the matter mentioned above, it may be recorded that any transfer through an unregistered ATS does not confer any right, title or interest on any party and that, in order to transfer any property validly, the document/deed of conveyance needs to be registered. The attachment under MR No. 8647/18, resting as it does solely upon an undated, unregistered ATS, cannot be sustained.
29. The position with respect to MR No. 13583/18 stands on a different footing and requires separate consideration. The attachment under this MR Number rests upon registered Sale Deed No. 661/2002, executed on May 08, 2002 at Moolaikaraipatti, for a consideration of Rs. 3,00,043/-, whose Schedule comprises Survey Nos. 516 (19.69 acres), 517 (8.29 acres) and 519/3 (3.36 acres), aggregating 31.34 acres. Of these, only Survey No. 517 (8.29 acres) forms the subject matter of the present I.As. The said deed, however, is not a conveyance in favour of PACL Ltd. or M/s PGF Ltd. It is a conveyance in favour of Mr. Bhajan Singh, son of Mr. Baswa Singh, resident of V & PO Barodi, Taluka Kharar, District Ropar, Punjab, in his own name and individual capacity, executed through his attorney Mr. T. Nedunchezhiyan. PACL Ltd.'s claim to the impugned property under this MR Number is therefore not founded upon any instrument of title in its own favour, but upon its assertion that Mr. Bhajan Singh held the property for and on behalf of PACL Ltd. as its authorised person. Sale Deed No. 661/2002 contains no recital of any agency, trust, nomination or benami arrangement; it conveys to Mr. Bhajan Singh absolutely and in his own right. No board resolution, no letter of authority, no power of attorney in favour of PACL Ltd. or M/s PGF Ltd., and no contemporaneous record of payment of the consideration by PACL Ltd. or M/s PGF Ltd. has been placed on record. The assertion that Mr. Bhajan Singh held the property for PACL Ltd. therefore rests, on this record, upon the assertion alone.
30. Even proceeding on the footing most favourable to PACL Ltd., namely that the impugned property was at one point of time relatable to PACL Ltd. through Mr. Bhajan Singh, that circumstance does not by itself disentitle the Objector/Applicant, for the reasons set out hereinafter. Here, it is important to refer to the order dated February 19, 2026 passed by the Hon'ble Supreme Court wherein, while directing that the Category B applications be dealt with by the Recovery Officers appointed under Section 28A of the SEBI Act, 1992, the Hon'ble Supreme Court has specifically stated as under:



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“12. In view of the fact that the said applications are pending for a long 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 relatable 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.”

31. In terms of para 12(iii) of the order stated above, the remit of this Panel extends not merely to determining whether the property was purchased by PACL Ltd. or is relatable to its associate entities, but equally to determining whether the Objector/Applicant establishes, on the basis of documentary material and evidence, that the property is held by her in her independent capacity as a bona fide purchaser for value. Further, in terms of para 12(vi), a party is not to be denied a claim over a property solely because the property was, at one point of time, owned by or relatable to PACL Ltd. or its associate entities, if it is otherwise established that the party is a bona fide purchaser for value who has actually paid the consideration.

32. With regard to ownership, the Objector/Applicant has placed on record, the following chain of title:

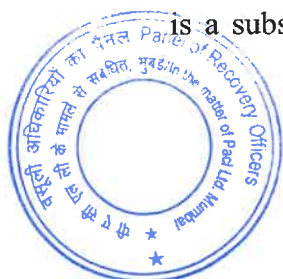
Sr.	Instrument & Date	Executed by	In favour of	Extent in Survey No. 517
1	Nineteen GPAs of the year 1993 and GPA No. 9/1993	Mr. Balavesa Thevar and ten others, the parent holders of the impugned land, and the legal heirs of the deceased among them	Mr. Basant (nineteen GPAs) and Mr. Venkatasalam (one GPA)	—



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Sr.	Instrument & Date	Executed by	In favour of	Extent in Survey No. 517
2	Registered Sale Deeds Nos. 379/1993, 475/1993, 480/1993, 745/1993, 1022/1993, 1632/1993 and 1633/1993	Mr. Basant, GPA holder (on behalf of Mr. Rakkamuthu Thevar and fifteen others and their legal heirs)	Mr. Ali Haji, Mr. Abdul Kadhar, Mr. Kunhi Ahamed, Mr. Kunhi Mohamed and Mr. Kunhi Mohamed Haji	Respective shares in Survey No. 517
3	Registered Sale Deed No. 477/1993 dated 03.05.1993	Mr. Venkatasalam (on behalf of Mr. Rakkamuthu Thevar and fifteen others and their legal heirs)	Mr. Ali Haji, Mr. Abdul Kadhar, Mr. Kunhi Ahamed, Mr. Kunhi Mohamed and Mr. Kunhi Mohamed Haji	1.04 acres
4	GPA No. 218/1998 dated 04.05.1998 and GPA No. 263/1998 dated 02.06.1998	Mr. Ali Haji, Mr. Abdul Kadhar, Mr. Kunhi Ahamed and Mr. Kunhi Mohamed (218/1998); Mr. Kunhi Mohamed Haji (263/1998)	Mr. Atul Bhasin	Survey No. 517 (8.29 acres) among other land
5	Registered Sale Deed No. 661/2002 dated 08.05.2002	Mr. Atul Bhasin (on behalf of Mr. Kunhi Mohamed Haji and others)	Mr. Bhajan Singh s/o Mr. Baswa Singh (through his attorney Mr. T. Neduncheziyan)	Survey No. 517 (8.29 acres) among other land
6	GPA No. 165/2018 dated 12.02.2018	Mr. Bhajan Singh and Mr. Gurpreet Singh	Mr. G. Melvin	Survey No. 517 (8.29 acres) among other land
7	Registered Sale Deed No. 1097/2019 dated 19.03.2019	Mr. G. Melvin (on behalf of Mr. Bhajan Singh)	Smt. S. Divya (Objector/Applicant)	Survey No. 517 (8.29 acres) among other land

33. With regard to the independent title, it is submitted by the Objector/Applicant that the record discloses an unbroken chain of registered conveyances running down to her, that she is a subsequent purchaser in that chain of title, and that she has no privity, dealing or



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connection of any kind, whether direct or indirect, with PACL Ltd. or M/s PGF Ltd. The registered GPA No. 165/2018 dated February 12, 2018, executed by Mr. Bhajan Singh and Mr. Gurpreet Singh in favour of Mr. G. Melvin, recites in terms that the scheduled property belongs to the principals under Sale Deeds No. 661/2002 and 662/2002, and its schedule lists Survey Nos. 516 (19.69 acres), 517 (8.29 acres) and 519/3 (3.36 acres) as held under Doc. No. 661/2002. Registered Sale Deed No. 1097/2019 likewise recites Document No. 661/2002 dated May 08, 2002 of the Sub-Registrar, Moolaikaraipatti as the parent document for the scheduled property. The impugned property is therefore the very parcel comprised in Sale Deed No. 661/2002, and it was from Mr. G. Melvin, acting under that registered authority, that the Objector/Applicant took her conveyance.

34. In support of her claim, the Objector/Applicant has placed on record the Encumbrance Certificate for Survey No. 517 for the period January 01, 1975 to July 01, 2022, issued by the Registration Department, Government of Tamil Nadu. On a scrutiny of the said certificate, it is noted that no registered conveyance in favour of, and no restriction or restraint relatable to, PACL Ltd. or M/s PGF Ltd. stood reflected against Survey No. 517 as on the date on which the Objector/Applicant took her conveyance. It is further noted that the Sub-Registrar, Pettai admitted the Objector/Applicant's Sale Deed to registration on March 19, 2019 and accepted the stamp duty and registration fees payable thereon.

35. The Objector/Applicant has also placed on record the Patta issued by the Revenue Department, Government of Tamil Nadu, bearing Patta No. 2598 standing in her name in respect of Survey No. 517 admeasuring 3.35.50 hectares (8.29 acres) of punja land, the mutation in her favour having been effected on June 15, 2019. She has further placed on record the Chitta and the Adangal in respect of Survey No. 517, which records her name as the land owner and person in possession against Patta No. 2598, the land being classified as dry land, duly certified by the Village Administrative Officer, Unnankulam Village. The mutation, the Patta, the Chitta and the Adangal entries are relied upon not as the source of title but as corroboration of it, and as evidence of the open and continuous assertion of ownership by the Objector/Applicant since 2019. As regards possession and beneficial use, the Objector/Applicant has stated that she has been in continuous and uninterrupted possession of the impugned property since her purchase, that the land was dry and barren when purchased, and that she had spent approximately Rs. 10,00,000/- on the sinking of a



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bore well, the erection of motors and the levelling of the land with the aid of earth-moving equipment.

36. As regards due diligence, it is submitted by the Objector/Applicant, and is borne out by the position of the encumbrance records noticed above, that she verified the mother deeds, the chain of registered title documents and the revenue records before her purchase, at which time there was no reflection of any PACL-related restriction or claim in respect of the impugned survey number. The Sub-Registrar's office at Pettai itself permitted the registration of her Sale Deed, accepted the stamp duty and registration fees, and the revenue authorities thereafter effected mutation and issued the Patta in her name.

37. It is further submitted by the Objector/Applicant that she is a *bona fide* purchaser for value. Registered Sale Deed No. 1097/2019 recites a sale consideration of Rs. 5,00,000/- and sets out the payment of that consideration instalment by instalment, as follows:

Sr.	Date	Amount (Rs.)
1	20.09.2018	1,00,000
2	11.10.2018	1,50,000
3	10.01.2019	1,00,000
4	19.03.2019	1,50,000
Total		5,00,000

38. In support of the source of the said consideration, the Objector/Applicant has placed on record the statements of the bank accounts of her husband Mr. Shanmugapriyan, maintained with the State Bank of India, Cuddalore, and of her father-in-law Late Mr. Devanathan, maintained with the State Bank of India, C. Mutlur, Chidambaram Taluk, out of whose funds the purchase was made. It has been stated on her behalf that the purchase was made out of funds of her husband, the balance having been provided by her father-in-law (Late Mr. Devanathan). The withdrawals relied upon as proof of availability of funds are summarised below:



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Sr.	Account holder and bank	Withdrawals relied upon	Aggregate (Rs.)
1	Late Mr. Devanathan (father-in-law of the Objector/Applicant) — State Bank of India, C. Mutlur, Chidambaram Taluk,	Withdrawals between 11.07.2018 and 20.02.2019	17,95,000
2	Mr. Shanmugapriyan (husband of the Objector/Applicant) — State Bank of India, Cuddalore	Withdrawals between 01.06.2018 and 09.01.2019	2,04,500

39. It is relevant to record that the same withdrawals from the account of late Mr. Devanathan (father in law of the Objector/Applicant) have also been relied upon in the connected I.As. filed by Shri D. Shanmugapriyan and Ors (legal heirs of Mr. Devanathan), in respect of his purchase of Survey No. 516 of the same village under registered Sale Deed No. 1098/2019 dated March 19, 2019, for a consideration of Rs. 6,00,000/-. The two purchases were made on the same day, from the attorney holding under the same registered GPA No. 165/2018, and are said to have been funded out of the same account.

40. In this regard, it is appropriate to refer to the judgment dated September 01, 2025 of the Hon'ble Supreme Court in Georgekutty Chacko v. M.N. Saji (Civil Appeal No. 11309 of 2025), wherein the Court 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... A person who gives cash obviously would not be having any documentary proof per se..."

41. Applying the aforesaid principle, the fact that the consideration is recited as having been paid in cash, by itself, cannot be treated as sufficient to disbelieve the transaction, particularly when the bank statement evidences substantial cash withdrawal shortly before the execution of Sale deed. Here, the Objector/Applicant has placed on record the bank



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statements of her husband as well as father-in-law reflecting cash withdrawals for payment of consideration of the Sale deed. While the bank statements do not independently establish the handing over of cash consideration, they constitute corroborative material supporting the Objector/Applicant's explanation regarding availability of funds.

42. Having examined the documentary record, the Panel now proceeds to consider the remaining reasoning adopted in the impugned order. As regards the ground that the Objector/Applicant cannot claim the benefit of Section 41 of the Transfer of Property Act, 1882 for want of the "free and intelligent consent" of the real owners, i.e. the investors of PACL Ltd., it is to be noticed that the Objector/Applicant does not rest her case upon Section 41 alone. Section 41 protects a transferee who takes from an ostensible owner. Here, Mr. Bhajan Singh was not merely the ostensible owner; he was the holder of a registered deed of conveyance in his own name, and no registered instrument was ever brought on the register by PACL Ltd. or M/s PGF Ltd. In any event, the enquiry which this Panel is now required to make is the enquiry mandated by paras 12(iii) and 12(vi) of the order dated February 19, 2026 of the Hon'ble Supreme Court, which enquiry is directed to whether the Applicant is a *bona fide* purchaser for value holding the property in her independent capacity, and which expressly forbids the denial of a claim solely on the ground that the property was at one point of time owned by or relatable to PACL Ltd.

43. As regards the ground that the pattas and encumbrance certificates relied upon by the Objector/Applicant do not confer title, the Objector/Applicant does not rest her title upon the Encumbrance Certificate or the Patta. Her title rests upon the registered Sale Deed No. 1097 of 2019, supported by the antecedent chain of registered conveyances running back to the year 1993. The Encumbrance Certificate, the Patta, the Chitta, the Adangal and the mutation are relied upon not as the source of title but as corroboration of it, and, in particular, the Encumbrance Certificate is relied upon to establish the negative fact that no registered conveyance to, and no restriction relatable to, PACL Ltd. or M/s PGF Ltd. was reflected against the impugned survey number on the date of the Objector/Applicant's purchase.

44. As regards the ground that the Objector/Applicant's Sale Deed, having been executed in the year 2019, is violative of the restraint order dated July 25, 2016 and cannot be acted



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upon, the material on record does not establish a legally enforceable title or registered proprietary interest of PACL in the impugned property and the Objector/Applicant independently established her subsequent title.

45. As regards the ground that the Objector/Applicant can derive no solace from the belated uploading of the orders of the Hon'ble Supreme Court by the Tamil Nadu Registration Department on July 17, 2022, this Panel respectfully observes that the belated reflection of the restraint is relevant not as an excuse for the vendor's conduct but as a fact bearing upon the *bona fides* and the due diligence of the purchaser.
46. It is also pertinent that, on the material placed before this Panel, there is nothing whatsoever to suggest any nexus between the Objector/Applicant and PACL Ltd. The Objector/Applicant is not shown to be a shareholder, director, employee, agent, nominee or associate of PACL Ltd. or of any of its associate entities, nor to have had any dealing, directly or indirectly, with PACL Ltd. The absence of any such nexus reinforces the conclusion that the Objector/Applicant holds the impugned property in her independent capacity.
47. Having regard to the totality of the evidence on record, this Panel is of the considered view that the Objector/Applicant has established that she is a *bona fide* purchaser for value; the impugned properties are held by her in her independent capacity, within the meaning of para 12(iii) of the order dated February 19, 2026 of the Hon'ble Supreme Court.

ORDER:

48. In view of the foregoing, the objection raised by the Objector/Applicant, Smt. S Divya, with respect to the Survey No. 517 (8.29 acres) situated at Unnankulam Village, Nanguneri Taluk, Tirunelveli District, Tamil Nadu, purchased under registered Sale Deed No. 1097 of 2019 dated March 19, 2019 and covered under MR Nos. 8647/18 and 13583/18, is hereby allowed, and the impugned property is directed to be released from attachment.
49. In view thereof, the impugned order dated July 14, 2023 in File No. 1037 passed by Shri. R.S. Virk, District Judge (Retd.), to the extent of the aforementioned Survey No. and area, is hereby set aside.



50. It is clarified that the release granted hereunder is confined to the survey number and extent claimed by the Objector/Applicant and comprised in the said registered Sale Deed No. 1097 of 2019, as set out in the I.As., and that the attachment in respect of the balance of the lands covered by MR Nos. 8647/18 and 13583/18, which does not form the subject matter of the present I.As., shall continue to stand.

51. The I.A. No. 92946 of 2024, 92816 of 2024 and I.A. No. 92949 of 2024 in Civil Appeal No. 13301 of 2015 are accordingly disposed of in terms of this order.

Place: Mumbai

Date: September 07, 2026



[Signature]
07.9.2026

PREETI PATEL
RECOVERY OFFICER

[Signature]
7/9/2026

KSHAMA WAGHERKAR
RECOVERY OFFICER

[Signature]
7.9.26

SAROJ KUMAR SAHU
RECOVERY OFFICER

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

क्षमा प्र. वाघेरकर / KSHAMA P. WAGHERKAR
महाप्रबंधक एवं वसूली अधिकारी
General Manager & Recovery Officer
(पै ए सी एल ली के मामले से संबंधित, मुंबई) / (In the matter of PACL Ltd. Mumbai)

सरोज कुमार साहु / SAROJ KUMAR SAHU
उप महाप्रबंधक एवं वसूली अधिकारी
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