BEFORE THE PANEL OF RECOVERY OFFICERS APPOINTED UNDER SECTION 28A OF THE SEBI ACT, 1992 DISCHARGING FUNCTIONS IN TERMS OF THE ORDERS OF THE HON'BLE SUPREME COURT DATED 08.08.2024 AND 19.02.2026 IN C.A. No. 13301 OF 2015 IN THE MATTER OF PACL LTD.

Interlocutory Application No.	112369 of 2023 and 112368 of 2023
File No.	SEBI/PACL/IA/KW/00734/2026
Name of the Objector(s)/Applicant	Tryme Tech Solutions Pvt Ltd
MR No.	35684/16 and 35511/16

Background:

1. The Securities and Exchange Board of India (hereinafter referred to as "SEBI") on 22.08.2014 passed an order against Pearls Agrotech Corporation Limited (hereinafter referred to as "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 aforesaid order was challenged by PACL Ltd. and its directors by filing appeals before the Hon'ble Securities Appellate Tribunal (hereinafter referred to as "SAT"). Vide its order dated 12.08.2015, the said appeals were dismissed by Hon'ble SAT, with a direction to the appellants to refund the amounts collected from the investors within three months. Aggrieved by the aforesaid order dated 12.08.2015, PACL Ltd. and its directors filed appeals before the Hon'ble Supreme Court of India.

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

पैनल Panel of Recovery Officers, मुंबई/In the matter of Pacl Ltd. Mumbai initiated recovery proceedings under Section 28A of SEBI Act, 1992 against PACL Ltd. and its promoters/directors vide recovery certificate no. 832 of 2015 dated 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 proceedings dated 11.12.2015.

4. During the course of hearing on the aforesaid civil appeals filed by 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, direction for refund and 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 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.

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7. In the recovery proceedings mentioned in para 3 above, the Recovery Officer initiated attachment proceedings 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 be dealing with transfer of properties by PACL Ltd. and/or the group/associate entities of PACL Ltd. mentioned in the Annexure to the said attachment order, if presented for registration.

8. The Hon'ble Supreme Court vide its order dated 15.11.2017 passed in C.A. No.13301/2015 and connected matters directed that all the grievances or objections pertaining to properties of PACL Ltd. would be taken up by Mr. R. S. Virk, District Judge (Retd.).

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 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 by the Recovery Officers attached to the Committee.

12. Subsequently, the Hon'ble Supreme Court passed an order dated 19.02.2026 in the matter of *Subrata Bhattacharya vs. SEBI (Civil Appeal No. 13301 of 2015)* directing, inter alia, that all Interlocutory Applications/Transferred Case falling under Category B, i.e. 106 sets of applications including the instant application, challenging the recommendations of Shri R. S. Virk, District Judge (Retired), be placed before the Recovery Officers appointed under Section 28A of the SEBI Act, 1992. Accordingly, all such applications, including the instant application, are now to be dealt by the Panel of Recovery Officers appointed under Section 28A of the SEBI Act, 1992 for discharging functions in terms of the Orders of the Hon'ble Supreme Court dated 08.08.2024 and 19.02.2026 in C.A. No. 13301 of 2015 in the matter of PACL Ltd.

<u>Proceedings before Shri R.S. Virk, District Judge (Retd.)</u>

13. M/s. Tryme Tech Solutions Pvt. Ltd. (hereinafter referred to as "**Applicant**") had filed an Objection petition (File No.1015) before Shri R. S. Virk, District Judge (Retired) *inter alia* seeking release from attachment of the total land comprised in Survey Nos. 289/8 (2.17), 241/1 (2.00), 225/2 (2.00), 225/4 (2.00), 304/5 (2.00), 311/2 (2.00) and 281/1 (3.00) admeasuring 15 Acres and 17 Cents situated in Village Melselvanur, Kadaladi Taluk, Ramanthapuram District, Tamil Nadu (hereinafter referred to as "**properties**").

14. Shri R. S. Virk, District Judge (Retd.), vide Order dated 03.03.2023, partially allowed the Objection Petition only in respect of the properties comprised in Survey Nos. 289/8 (2.17), 241/1 (2.00), 225/2 (2.00), 225/4 (2.00), 304/5 (2.00) and rejected the same for properties comprised in Survey Numbers 311/2 (2.00) and 281/1 (3.00) (hereinafter referred to as "**impugned properties**"), *inter alia*, on the ground that:

i. The impugned properties comprised in Survey numbers 311/2 (2.00) Acres and 281/1 (3.00) Acres were purchased by PACL in the name of its authorized persons viz. Shri Hemant Dhal and Shri Dashrath Dhal vide Sale Deed nos. 388/2006 and 387/2006, both dated 22.05.2006, respectively.

ii. The aforesaid Sale Deed nos. 388/2006 (MR No.35684/16) and 387/2006 (MR No. 35511/16), both dated 22.05.2006, were seized by the CBI from the custody of PACL vide seizure memos dated 19.08.2016 and 16.08.2016, respectively.

iii. Neither Shri Hemant Dhal nor Shri Dashrath Dhal had come forward to claim that the impugned properties were purchased by them out of their personal funds and not as representatives of PACL.

Present Interlocutory Application (IA)

15. Aggrieved by the said order, the Applicant filed an Interlocutory Application No.112368 of 2023 seeking intervention and Interlocutory Application No.112369 of 2023 seeking directions (collectively referred to as "**IAs**") before the Hon'ble Supreme Court in C.A. No. 13301/2015 *Subrata Bhattacharya vs. SEBI* (supra). The Applicant prayed for setting aside of Order/Recommendation dated 03.03.2023 of Shri R. S. Virk, District Judge (Retd.) and an *ad-interim* stay on the auction of impugned properties. In the said IA, it was *inter alia* contended by the Applicant:

i. that the Applicant is a *bona fide* purchaser who bought the impugned properties before passing of order dated 22.08.2014 by the WTM, SEBI and order dated 02.02.2016 by the Hon'ble Supreme Court in C.A. No. 13301/2015 and therefore, the attachment of the impugned property of the Applicant was *prima facie* erroneous;

ii. that PACL has failed to produce any evidence to indicate that Shri Hemant Dhal and Shri Dashrath Dhal were its 'authorised persons' and its own funds were used to purchase the impugned properties;

iii. that the Applicant had carried out due diligence of title documents and revenue records prior to purchase of the impugned properties and the same were not in the name of PACL at the relevant point of time;

iv. that the Applicant has been in continuous possession of the impugned properties since 2016-17;

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v. that the impugned property cannot continue to be categorised as "PACL lands" as there is no document establishing that the impugned properties are or were PACL lands at any point of time.

16. Thereafter, as stated above, 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) inter alia* directed, that all Interlocutory Applications/Transferred Case falling under Category B, i.e. 106 sets of applications, including the instant application, challenging the recommendations of Shri R. S. Virk, District Judge (Retd.), be placed before the Recovery Officers appointed under Section 28A of the SEBI Act, 1992.

17. In compliance with the aforesaid order of the Hon'ble Supreme Court, the proceedings in respect of the IAs were initiated by the Panel of Recovery Officers and accordingly, the Applicant was granted an opportunity of hearing on 20.04.2026. Before the scheduled date of hearing, the Authorised Representative (AR) of the Applicant, in terms of paragraph 12(viii) of the Hon'ble Supreme Court's order dated 19.02.2026 (*supra*), *inter alia* submitted the following additional documents on 19.03.2026 on behalf of the Applicant:

i. Possession Certificate issued by the Village Administrative Officer, Melaselvanur Group, Kadaladi Taluk.
ii. Patta No.1398 dated 03.10.2017 in the name of previous owner Shri Ramu.
iii. Patta No.1396 dated 03.10.2017 in the name of previous owner Shri Vava Buhardeen.
iv. Affidavits dated 16.03.2026 of Shri Hemant Dhal and Shri Dashrath Dhal.

18. On the scheduled date of hearing, the AR of the Applicant appeared virtually before the Panel of Recovery Officers and made submissions on the lines of averments made in the said IA. It was *inter-alia* submitted by the AR that:

i. the Applicant was a *bona fide* purchaser;
ii. the burden of proof to claim ownership of properties was upon PACL;

iii. the property from which refunds have to be made must be PACL properties.

19. Based on the submissions made during the hearing, the AR of the Applicant was *inter alia* advised to submit:

i. Sale Deed No.387/2006 in respect of Survey No. 281/1;

ii. Complete Encumbrance Certificate, in respect of Survey No. 281/1;

iii. Bank statements as proof of withdrawal;

iv. Land Tax Payment receipts up to date;

v. Copy of the Balance Sheet of the Applicant for the relevant period reflecting the purchase of property in dispute.

20. Accordingly, the following documents *inter alia* were submitted vide email dated 27.04.2026 by the AR of the Applicant:

i. Copy of Registered Sale Deed no. 387/2006 dated 22.05.2006 .

ii. Copy of Encumbrance Certificate for Survey No. 281/1 for a period from 15.09.1980 to 20.04.2026.

iii. Copy of Patta in the name of previous owner viz. Shri Vava Buhardeen

iv. Bank statement from 01.10.2017 to 31.12.2017.

v. Copy of Balance Sheets for the FY 2016-17, 2017-18 and 2024-25.

vi. Copy of Land Tax Payment receipts for the Fasali years 1433 and 1434 in respect of Patta no. 7386 and 7388.

21. In addition to the above, the copies of following documents *inter alia* have also been annexed in the IA filed by the Applicant:

i. Copy of Encumbrance Certificates dated 23.09.2022 for the search period from 01.01.1984 to 18.09.2022 of the impugned properties.

ii. Copy of Registered Sale Deed nos. 383/2017 and 384/2017, both dated 05.10.2017.

iii. Copy of Patta Nos. 7386 and 7388 issued by Dept. of Revenue of Govt. of Tamil Nadu.

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22. Other than the documents provided by the AR and those annexed to the IA, the Panel of Recovery Officers also have on record, the documents seized by the CBI under the MR. Nos. 35684/16 and 35511/16 from the possession of PACL and thereafter, attached by the Committee. The details of the documents seized are as under:

MR No. – 35684/16					
Sr. No.	**Document No.**	**Executed by**	**In Favour of**	**Extent**	**Consideration**
1.	Sale Deed No. 388/2006 dated 22.05.2006 (Registered)	Shri Ramu	Shri Hemant Dhal	Survey Nos. 298/1, 315/5, 311/2, 295/1, 314/5, 320/1, 299/3, 300/2, 280/4, 311/1, 311/5 and 318/2 admeasuring 22.44 Acres	Rs. 3,36,600/- (Cash)
MR No. – 35511/16					
Sr. No.	**Document No.**	**Executed by**	**In Favour of**	**Extent**	**Consideration**
1.	Sale Deed No. 387/2006 dated 22.05.2006 (Registered)	Shri Vava Buhardheen	Shri Dashrath Dhal	Survey Nos. 259/3, 278/6, 281/2, 280/7, 237/4, 259/5, 280/2, 280/5, 259/4, 281/1 and 282/7 admeasuring 21.44 Acres	Rs. 3,21,600/- (Cash)

23. On perusal of the sale deed nos. 388/2006 and 387/2006, both dated 22.05.2006, it is observed that Shri Ramu and Shri Vava Buhardheen, respectively, had purchased the impugned properties, through the following sale deeds which are detailed hereunder:

Sale Deed No. – 388/2006			
Sr. no.	**Survey Nos.**	**Registered Document no.**	**Dated**
1.	298/1	Sale Deed no. 243/2006, Book -1	12.04.2006
2.	315/5	Sale Deed no. 244/2006, Book -1	12.04.2006

Sale Deed No. – 388/2006			
Sr. no.	**Survey Nos.**	**Registered Document no.**	**Dated**
3.	311/2	Sale Deed no. 245/2006, Book -1	12.04.2006
4.	295/1	Sale Deed no. 246/2006, Book -1	12.04.2006
5.	314/5	Sale Deed no. 247/2006, Book -1	12.04.2006
6.	320/1	Sale Deed no. 248/2006, Book -1	12.04.2006
7.	299/3	Sale Deed no. 249/2006, Book -1	12.04.2006
8.	300/2	Sale Deed no. 250/2006, Book -1	12.04.2006
9.	280/4	Sale Deed no. 251/2006, Book -1	12.04.2006
10.	311/1	Sale Deed no. 252/2006, Book -1	12.04.2006
11.	311/5	Sale Deed no. 253/2006, Book -1	12.04.2006
12.	318/2	Sale Deed no. 254/2006, Book -1	12.04.2006
Sale Deed No. – 387/2006			
Sr. no.	**Survey Nos.**	**Registered Document no.**	**Dated**
1.	259/3	Sale Deed no. 232/2006, Book -1	12.04.2006
2.	278/6	Sale Deed no. 233/2006, Book -1	12.04.2006
3.	281/2	Sale Deed no. 234/2006, Book -1	12.04.2006
4.	280/7	Sale Deed no. 235/2006, Book -1	12.04.2006
5.	237/4	Sale Deed no. 236/2006, Book -1	12.04.2006
6.	259/5	Sale Deed no. 237/2006, Book -1	12.04.2006
7.	280/2	Sale Deed no. 238/2006, Book -1	12.04.2006
8.	280/5	Sale Deed no. 239/2006, Book -1	12.04.2006
9.	259/4	Sale Deed no. 240/2006, Book -1	12.04.2006
10.	281/1	Sale Deed no. 241/2006, Book -1	12.04.2006
11.	282/7	Sale Deed no. 242/2006, Book -1	12.04.2006

24. Having perused the aforesaid documents, it is observed that the impugned property comprised in Survey No. 311/2 (2.00) Acres was purchased by Shri Ramu through a registered Sale Deed No.245/2006 dated 12.04.2006 and sold to Shri Hemant Dhal vide Sale Deed No.388/2006 dated 22.05.2006. Thereafter, the said impugned property was sold vide Sale Deed No. 383/2017 dated 05.10.2017 by Shri Hemant Dhal to the Applicant for a consideration of Rs.90,000/- wherein Rs.71,000/-

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was paid through Demand Draft of Indian Bank, Tiruchengodu Branch and Rs.19,000/- was paid in cash. Similarly, the impugned property comprised in Survey No. 281/1 (3.00) Acres was purchased by Shri Vava Buhardheen through a registered Sale Deed No.241/2006 dated 12.04.2006 and sold to Shri Dashrath Dhal vide Sale Deed No.387/2006 dated 22.05.2006. Thereafter, the said impugned property was sold vide Sale Deed No.384/2017 dated 05.10.2017 by Shri Dashrath Dhal to the Applicant for a consideration of Rs.1,35,000/- wherein Rs.1,16,000/- was paid by Demand Draft of Indian Bank, Tiruchengodu Branch and Rs.19,000/- was paid in cash. In support, the AR of the Applicant has submitted bank statement of Indian Bank, Tiruchengode Branch which reflects a debit entry of Rs.1,87,536/- which appears to have been made in pursuance of payment of sale consideration through demand draft of Rs.71,000/- in Sale Deed No. 383/2017 and of Rs.1,16,000/- in Sale Deed No. 384/2017, respectively.

25. Having stated as above, the Panel of Recovery Officers have considered the documents submitted by the AR of the Applicant as well as those annexed in the IA. From perusal of the said documents, it is observed that the Possession Certificate issued by the Village Administrative Officer, Melaselvanur Group, Kadaladi Taluk mentions that the Applicant is in possession of the impugned properties under Patta Nos. 7386 and 7388. The Patta nos. 1398 and 1396 issued by the Department of Revenue, Government of Tamil Nadu reflect the name of the Shri Ramu and Shri Vava Buhardheen as the previous owners of impugned properties comprised in Survey Nos. 311/2 and 281/1, respectively. The Land Tax Payment receipts provided by the AR of the Applicant for the Fasali years 1433-1434 reflect that the land tax has been paid by the Applicant for the impugned property comprised in Patta Nos. 7388 and 7386. It is noted that the Balance Sheets of FY 2017-18 and 2018-19 provided by the Applicant reflect the purchase of impugned properties under the head 'Fixed Assets'.

26. The AR of the Applicant has also submitted the affidavits dated 16.03.2026 of Shri Hemant Dhal and Shri Dashrath Dhal which *inter alia* state that they were the

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27. In this regard, it is pertinent to refer to the observation of Shri R. S. Virk, District Judge (Retd.) in para 14(a) of his order dated 03.03.2023 wherein the objection petition filed by the Applicant was *inter alia* dismissed on the ground that neither Shri Hemant Dhal nor Shri Dashrath Dhal came forward to claim that the land in question was purchased by him out of his personal funds and not as authorized persons of PACL. It appears that in order to counter the said observation, the AR of Applicant has placed before us the aforesaid affidavits of Shri Hemant Dhal and Shri Dashrath Dhal. However, as no supporting documentary evidence have been annexed to the affidavit or otherwise has been placed on record to substantiate the said claim, the affidavits of Shri Hemant Dhal and Shri Dashrath Dhal alone cannot be treated as having strong evidentiary value in respect of the aforesaid contentions.

28. Further, the AR of the Applicant has submitted the encumbrance certificates for both survey nos. 281/1 and 311/2 for the period from 01.01.1984 to 22.09.2022. On perusal of encumbrance certificate dated 23.09.2022 in respect of the impugned property comprised in Survey No.281/1, it is noted that Shri Vava Buhardheen has transferred the said impugned property in favour of Shri Dashrath Dhal who in turn has transferred the same to the Applicant vide sale deed no. 384/2017. Further, the recitals of the sale deed also state that the said impugned property has been purchased by Shri Vava Buhardheen through registered sale deed no. 241/2006 dated 12.04.2006 which reflects a clear chain of title.

29. In respect of impugned property comprised in Survey No.311/2, it is observed from perusal of Entry 1 of the Encumbrance Certificate that the impugned property in Survey No.311/2 was transferred by one Shri Kannan to Shri Bhoominathan vide

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Sale Deed No.599/2002. However, Entry 2 reflects the property to have been transferred by one Shri C. Gurusamy to Shri V. Ramu vide Sale Deed No.245/2006. Since there was no clear chain of transfer of impugned property between Shri Bhoominathan and Shri C. Gurusamy, the right of Shri C. Gurusamy to further transfer the impugned property became questionable and therefore, clarification was sought from the Applicant vide emails dated 13.07.2026 and 15.07.2026. For further clarity in the matter, a hearing was also scheduled on 24.07.2026 wherein the AR of the Applicant appeared and made submissions in response to the queries raised by the Panel. Thereafter, vide email dated 28.07.2026, it was *inter alia* submitted by the AR that as per Sale Deed No.599/2002, the vendor/executant has described himself as Shri Kannan s/o Shri Seenivasa Iyengar whereas the UDR records mention the name Shri A. Seenivasan as the original owner of impugned property. Accordingly, it was submitted by the AR that the Sale Deed No. 599/2002 never formed the flow of title in respect of the impugned property. It was further submitted that the impugned property was sold by Shri C. Gurusamy to Shri V. Ramu vide registered Sale Deed No.245/2006 wherein Shri C. Gurusamy is mentioned as son of Late Shri Seenivsan which was consistent with the UDR of the original owner, Shri A. Seenivasan.

30. Be that as it may, from the perusal of the documents submitted viz., UDR and the aforesaid sale deeds, it is observed that the relevant Encumbrance Certificate neither mentions the name of Shri A. Seenivasan as the first owner of the impugned property nor any document has been submitted by the AR to prove devolution of the impugned property from Shri A. Seenivasan to Shri C. Gurusamy. Further, from the documents, it is not clear whether Shri A. Seenivasan and Shri Seenivasa Iyengar were same or different persons. Apart from this, the extent of the impugned property in Survey No.311/2 also comes into question as the same is shown as 1.42 acres in the Encumbrance Certificate whereas the Sale Deed No. 388/2006 states it to be 2.00 Acres. The aforesaid extent becomes even more questionable on perusal of Sale Deed No.599/2002, where it is stated that '1.42 Acres out of 2.00 Acres was sold by Shri Kannan to Shri Bhoominathan'. In view of the aforesaid factors, the chain of title and

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extent in respect of impugned property in Survey No.311/2 appears doubtful and defective. Therefore, the Panel of Recovery Officers shall now deal with the claims made by the Applicant only w.r.t impugned property in Survey No.281/1.

31. Having stated above, the Panel considers it necessary that in order to adjudicate the claims made by the Applicant, it would be pertinent to first understand the *modus operandi* adopted by PACL which has been enunciated in the order dated 22.08.2014 passed by SEBI, wherein it is observed 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 whooping 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)

32. Further, it is pertinent to refer to the admission made by PACL in the aforesaid order wherein it had admitted that for the purpose of its business, it was buying lands through its agents. The relevant paragraph is reproduced hereunder:

"………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 agents/ 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)

33. In view of the aforesaid admission of PACL and considering the fact that sale deed no. 387/2006 dated 22.05.2006 *(under MR. No. 35511/16)* was seized by the CBI from the possession of PACL, it is inferred that the purchaser in the said sale deed namely, Shri Dashrath Dhal had purchased the impugned property mentioned therein on behalf of PACL as its agent/employee/associate, as PACL was unable to own lands in its own name beyond certain limits due to the land laws of the country. The said inference also gains strength in view of the statement made by Shri Dashrath Dhal in his affidavit dated 16.03.2026, wherein he has admitted of having preliminary

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discussions with potential buyers including representatives of PACL for sale of the impugned properties. Therefore, it becomes certain that Shri Dashrath Dhal and PACL were known to each other. Hence, it can be concluded that the actual beneficial owner of the impugned property was none other than PACL.

34. However, even if it is assumed that Shri Dashrath Dhal was an agent of PACL, the fact that he has further transferred the impugned property to the Applicant for consideration, cannot be ignored as the same has resulted in creation of third party rights which are protected under Section 41 of the Transfer of Property Act, 1882 ("**TPA**") that states 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.*

35. Reference herein may also be made to the observation of the Hon'ble Supreme Court in para 12 (vi) of its order dated 19.02.2026 wherein it stated that:

> *"12. In view of the fact that the said appeals are pending for a long time, we accordingly direct:*
>
> *(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."*

36. Referring to the above provision of Section 41 and para 12(vi) of the Hon'ble Supreme Court, even if Shri Dashrath Dhal was an agent of PACL who, as alleged

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37. It can be argued that by virtue of the aforesaid provision, PACL as well as the Committee cannot question the transfer made in favour of the Applicant. In terms of the order dated 02.02.2016, passed by the Hon'ble Supreme Court, the Committee has been authorized for selling the properties of PACL and for making 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.

38. Assuming without admitting that the transfer of impugned property by Shri Dashrath 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 authority of the transferor to make the transfer, the Applicant has submitted that the impugned property in Survey No.281/1 was purchased through a registered sale deed after conducting due diligence, including verification of the mutation entries and revenue records reflecting the name of previous owner.

39. In this regard, the Panel of Recovery Officers have also taken note of the contention of AR that the Applicant had carried out due diligence of the title

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documents and revenue records prior to purchasing the impugned property in Survey No.281/1 which was not in the name of PACL at the relevant point in time. The Applicant has *inter alia* asserted that he is the *bona fide* purchaser of the impugned property and the same was purchased much prior to the order of SEBI and Hon'ble Supreme Court. It has been further asserted that the Applicant has been in actual possession of the impugned property since 2016-17 when the same was purchased by the Applicant from its respective owner.

40. However, for the reasons mentioned in preceding para nos. 29 and 30, with respect to Survey no. 311/2, the Applicant should have been more vigilant in verifying the chain of transactions mentioned in the Encumbrance Certificate. The entries pertaining to chain of transfer of title from Shri Bhoominathan onwards to Shri V. Ramu should have raised an apprehension in the mind of the Applicant regarding the authority of the vendors / transferors to transfer the property and call for further inquiry regarding clear title of the impugned property.

41. In this regard, reference is drawn to the judgement of the Hon'ble Supreme Court in *Vadiyala Prabhakar Rao vs. Government of Andhra Pradesh & Ors.* (Judgement dated May 06, 2026 in Special Leave Petition (Civil) No. 27590 of 2025) wherein it was held that, "*Let us summarise the precedents on Revenue Entries and their legal effect on the question of title: Entries in Revenue Records or Jamabandi serve only a "fiscal purpose". Their primary function is to enable the person whose name is mutated in the records to pay the land revenue in question…A Revenue Record is not a document of title and does not confer any ownership or title upon the person whose name appears in it. Further, mutation does not create or extinguish title and has absolutely no presumptive value regarding title…The law is well settled that, through Revenue entries, the claim to title is not proved.*" Thus, the Panel is of the view that the Applicant failed to exercise reasonable care and due diligence before entering into the transactions with respect to Survey no. 311/2 and hence, for the reasons stated in aforesaid paras 29 and 30 of the order, the claim of Applicant is liable to be rejected.

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42. Having considered the above, it is noted that even though the sale deed no. 387/2006 dated 22.05.2006 was seized from the custody of PACL, the said document depicted the chain of title of the impugned property in Survey No 281/1 wherein no reference was made to any title/claim/interest in favour of PACL or its associates and therefore 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 in Survey no. 281/1 prior to purchase, can be said to have exercised due diligence, taken reasonable care and acted in good faith while acquiring the said impugned property through registered sale deed. Accordingly, the Applicant's purchase falls squarely within the protection afforded under Section 41 of the TPA in case of impugned property in Survey No. 281/1.

43. However, at this juncture, it pertinent to recall the observation of the Hon'ble Supreme Court in paragraph 12 (vi) of its order dated 19.02.2026 wherein payment through banking channels has been stated as an indicator of *bona fide* purchase. In this regard, it is noted that the part payment of Rs.19,000/- to Shri Dashrath Dhal in respect of Sale Deed no. 384/2017, has been stated to have been made in cash by the Applicant.

44. In this regard, reference is drawn to para 12 (vi) of the order of Hon'ble Supreme Court dated 19.02.2026, wherein Apex Court has 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 such as banking channels. 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, Land tax receipts, encumbrance certificate etc., and proof of possession of the impugned property with the Applicant.

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45. In the instant case, the genuineness of the transaction in respect of the impugned properties stands established through the existence of a registered instrument i.e. Sale Deed No. 384/2017 and payment of sale consideration and proof of possession. It is noted from the recitals of the sale deed that the vendor has expressly acknowledged receipt of the entire sale consideration in cash before the registering authority at the time of registration of the sale deed. Further, there is nothing on record to show any dispute or claim being made by the vendor Shri Dashrath Dhal for non-receipt of sale consideration. In fact, the vendor Shri Dasrath Dhal has expressly acknowledged the receipt of the entire sale consideration in the recitals of the respective sale deed and also in his affidavit placed on record before the Panel. Merely because the sale consideration was partly paid in cash by the Applicant cannot *ipso facto* make the transaction non-genuine or invalid as observed by the Hon'ble Supreme Court in its judgment dated 01.09.2025 passed in Civil Appeal No. 11309 of 2025 *Georgekutty Chacko vs M.N Saji* wherein it is stated that

> *"….. 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.*

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46. As observed by the Hon'ble Supreme Court in the above judgement, the absence of a bank transaction does not disprove a transaction when a categorical statement is made by the parties. However, in the present case, the sale consideration has been paid partly through banking channels and partly through cash.

47. Reference is drawn to paragraph 12 of order of Hon'ble Supreme Court dated 19.02.2026 wherein it is stated that:

> *"12. In view of the fact that the said appeals 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.*
>
> *(iv) The parties shall be at liberty to adduce necessary evidence in this regard confined to the extent relevant to establish source of the property, which evidence will be led in a summary manner. The adjudication shall be confined to documentary evidence. No oral evidence shall be permitted. The Recovery Officers may permit filing of additional documents over and above what was filed before Judge Virk & this Court in their IAs.*

48. In the light of the foregoing and the documentary evidence placed on record, it is observed that the Applicant had purchased the impugned property in Survey No. 281/1 (3.00) acres via registered sale deeds which are evident from the relevant revenue records submitted by him namely encumbrance certificate, Pattas, Possession Certificate and the land tax receipts. The mutation entries in the Encumbrance Certificate are also in the name of the Applicant. Thus, the aforesaid documents evidence that the Applicant as a *bona fide* purchaser owned the impugned

property in Survey No. 281/1 (3.00) acres in an independent capacity. In view of the same, the order dated 03.03.2023 passed by Shri R. S. Virk, District Judge (Retired) is liable to be set aside in respect of the impugned property in Survey No.281/1 (3.00) acres. Further, in view of the observations made in para 29 and 30 above with respect to the impugned property comprised in Survey Number 311/2 (2.00) acres wherein the chain of title is found to be defective, the claim made by the Applicant is liable to be rejected.

ORDER:

49. For the reasons enumerated above,

i. the Interlocutory Applications filed by the Applicant in respect of the impugned property comprised in Survey Nos. 281/1 (3.00) acres situated at Village Melselvanur, Kadaladi Taluk, Ramanthapuram District, Tamil Nadu are hereby allowed.

ii. the Interlocutory Applications filed by the Applicant in respect of the impugned property comprised in Survey Nos. 311/2 (2.00) acres situated at Village Melselvanur, Kadaladi Taluk, Ramanthapuram District, Tamil Nadu are hereby dismissed.

50. The IAs are disposed of in terms of the aforesaid Order.

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Place: Mumbai

Date: 11.08.2026

11/8/2026 11.08.2026 11.8.26

KSHAMA WAGHERKAR	**RESHMA GOEL**	**SAROJ KUMAR SAHU**
Recovery Officer	**Recovery Officer**	**Recovery Officer**
क्षमा प्र. वाघेरकर / KSHAMA P. WAGHERKAR	रेशमा गोयल / RESHMA GOEL	सरोज कुमार साहु / SAROJ KUMAR SAHU
महाप्रबंधक एवं वसूली अधिकारी	उप महाप्रबंधक एवं वसूली अधिकारी	उप महाप्रबंधक एवं वसूली अधिकारी
General Manager & Recovery Officer	Deputy General Manager & Recovery Officer	Deputy General Manager & Recovery Officer
(पि ए सी एल ली के मामले से संबंधित, मुंबई)(In the matter of PACL Ltd. Mumbai)	(पि ए सी एल ली के मामले से संबंधित, मुंबई)(In the matter of PACL Ltd. Mumbai)	(पि ए सी एल ली के मामले से संबंधित)/(In the matter of PACL Ltd.)