# 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.

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| **IA No.** | 93388 of 2024, 93390 of 2024 and 93177 of 2024 |
| **File No.** | SEBI/PACL/OBJ/PP/00794/2026 |
| **Name of the Objector(s)** | Ms. M. Sonia |
| **MR No.** | 13588/18 & 8643/18 |

## 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.

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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 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.

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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 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, 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 Ms. M. Sonia, wife of Mr. G. Devavijayan (hereinafter referred to as the "**Objector/Applicant**"), residing at No. 215, Middle Street, Kamarajapuram, Agastheeswaram Taluk, Nagar Kovil, Kanyakumari District (referred as 'D Sonia' in proceedings before Shri. R.S. Virk, District Judge (Retd.)), Tamil Nadu, challenging the common order dated July 14, 2023 passed by Shri. R.S. Virk, District Judge (Retd.) in File No. 1042 (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 9.08 acres, comprised in Survey Nos. 539/2, situated at Unnankulam Village, Nanguneri Taluk, Tirunelveli District, Tamil Nadu (hereinafter referred to as the "**impugned property**"), and covered under MR Nos. 13588/18 & 8643/18.

14. It is the case of the Objector/Applicant, as submitted, that the land comprised in the impugned survey number, having devolved through the registered conveyances of the years 1993–1994, became the absolute property of Mr. Mohammad Sha, Mr. Mohammad Ali and Mr. Hasan Kutty, who, on May 08, 1995, executed the General Power of Attorney (**GPA**) No. 204/1995 in

favour of Mr. Sanjay Rasheed authorising him, *inter alia*, to sell the said land. Acting under the said GPA, Mr. Sanjay Rasheed executed the registered Sale Deed No. 224/1998 dated April 06, 1998, thereby conveying the impugned property to Mr. KS Mohammad Rashid, Mr. MR Sameer Rashid and Mr. CA Kumar. Thereafter, Mr. KS Mohammad Rashid, Mr. MR Sameer Rashid and Mr. CA Kumar, acting through their GPA holder Mr. Atul Bhasin, sold the property to Mr. C.L. Sharma vide Sale Deed No. 667/2002 dated May 8, 2002. Subsequently, the Objector/Applicant purchased the impugned property under registered Sale Deed No. 1068/2018 dated August 23, 2018 from Mr. C.L. Sharma (through his GPA holder Mr. G. Melvin under registered GPA No. 105/2018), for a total consideration of Rs. 4,50,000/- and she has been in continuous and uninterrupted possession of the property since the year 2018. However, the impugned property has been wrongly attached under MR Nos. 13588/18 & 8643/18 and listed by the Committee under the misbelief that they are 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. 1042, 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 by Shri. R.S. Virk, District Judge (Retd.). PACL Ltd., in its reply dated February 13, 2023, *inter alia* contended that the impugned property (along with certain other parcels of land not forming the subject matter of the objection) 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 (the GPA holder of Mr. K.S. Mohammed Rasid, Mr. Sameer Rasid and Mr. C.A. Kumar), on the strength of GPA No. 172/1998, Agreement to Sell (**ATS**) No. 7951 dated March 20, 1998 and Sale Deed No. 667/2002 dated May 08, 2002 in the name of its associate individual Mr. C.L. Sharma, son of M.R. Sharma, resident of Ropar, Punjab from Mr. Atul Bhasin as GPA holder of Mr. K.S. Mohammed Rashid and others; that the said properties were purchased out of funds of PACL Ltd./ associate companies; the title deeds were taken into possession from PACL's custody by

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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 2002 sale deeds, including Mr. C.L. Sharma, were residents of Ropar (Punjab), New Delhi and Panchkula (Haryana) whereas the lands lie in Tirunelveli District, Tamil Nadu, and that this circumstance, read with SEBI's order dated August 22, 2014 recording PACL's own admission that it held most of its lands through GPAs/ATSs and through associate companies "controlled by its friends and nears and dears of the management of PACL", indicated that the acquisitions were made by PACL through its associates; (ii) that the recovery of the original Sale Deed No. 667/2002 by the CBI from the custody of PACL 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 Objector/Applicant 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 the sale deeds relied upon by the objectors, including Sale Deed No. 1068/2018, 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; (v) that pattas and encumbrance certificates do not confer or establish title; and (vi) that the Objector/Applicant could derive no solace from the belated uploading of the Supreme Court's order by the Tamil Nadu Registration

Department on July 17, 2022, the orders dated February 02, 2016 and July 25, 2016 being binding on whosoever sought to deal with any property in which PACL Ltd. had an interest.

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. 1068/2018, after payment of consideration and the requisite stamp duty and registration fees, and after verification of the chain of registered title documents and the revenue records, which at the material time disclosed no restriction or claim of PACL Ltd.;

    ii. That PACL Ltd. is relying on an unregistered ATS allegedly executed by Mr. Atul Bhasin with respect to the subject property; that the said document does not bear any date of execution and does not mention any mode of payment; and that no registered sale deed executed by Mr. Atul Bhasin in favour of PACL Ltd. is available on record;

    iii. That the assertion of PACL Ltd. that Mr. C.L. Sharma, in whose favour Sale Deed No. 667/2002 stands, was its "associate individual" is a bald assertion unsupported by the document itself or by any other material; and that the impugned order has not placed reliance on the chain of title and government records produced by her;

iv. That at the time of her purchase, the Encumbrance Certificate disclosed no PACL-related restriction or Supreme Court-linked encumbrance in respect of the subject survey number, the restriction having come 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 and undertaken substantial agricultural development; and

v. That she conducted due diligence, including verification of the mother deeds, the chain of registered title documents and the revenue records, and that the Government itself permitted registration of her sale deed, accepted stamp duty and registration fees, effected mutation and issued Patta in her name.

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. 539/2 measuring 9.08 acres 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. 539/2 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 Adangal/Patta/Encumbrance certificates, copy of subsidy details,

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Tax receipts, Bank Statements and Translator Certificate. Originals of certain documents, including Sale Deed No. 1068/2018, 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 certified copy of the Sale Deed No. 667/2002, which was submitted vide email dated May 23, 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 Deeds No. 132/1994, 133/1994, 139/1994, 140/1994, 141/1994, 142/1994 dated 05.02.1994 and Sale Deed No. 1672/1994 dated 26.10.1994 | Mr. Basant (on behalf of Mr. R. Kumarasamy Reddiar and 10 others- original owners) | Mohammad Sha Mohammad Ali Hasan Kutty |
| 3 | Sale Deed No. 356/1993 dated 01.04.1993 | Mr. Basant (on behalf of Mr. R. Kumarasamy Reddiar and 10 others- original owners) | Mr. George Isac |
| 4 | Sale Deed No. 134/1994 dated 05.02.1994 | Mr. Basant (on behalf of George Isac) | Mohammad Sha Mohammad Ali Hasan Kutty |
| 5 | Sale Deed No. 224/1998 dated 06.04.1998 | Mr. Sanjay Rasheed (on behalf of Mohammad Sha Mohammad Ali Hasan Kutty) | KS Mohammad Rashid, MR Sameer Rashid and CA Kumar |
| 6 | GPA No. 172/1998 dated 06.04.1998 | KS Mohammad Rashid, Mr. Sameer Rashid and CA Kumar | Mr. Atul Bhasin |

| Sr. No. | Particulars | Executed by | In favour of |
|---|---|---|---|
| 7 | Sale Deed No. 667/2002 dated 08.05.2002 | Mr. Atul Bhasin (on behalf of KS Mohammad Rashid, Mr. Sameer Rashid and CA Kumar) | CL Sharma (represented by T. Nedunchaziyan) |
| 8 | GPA No. 105/2018 dated 30.01.2018 | Mr. Guruwinder Singh & CL Sharma | Mr. G Melvin |
| 9 | Sale Deed No. 1068/2018 dated 23.08.2018 | Mr. G Melvin (on behalf of CL Sharma) | Mrs. M Sonia (Objector/Applicant) |
| 10 | Patta No. 2520, Adangal and Tax Receipt | Revenue Department, Government of Tamil Nadu | Mrs. M Sonia (Objector/Applicant) |
| 11 | Subsidy Particulars dated 03.10.2019 | Government of Tamil Nadu | Mrs. M Sonia (Objector/Applicant) |
| 12 | Statement of Account, State Bank of India, Nagercoil, 01.04.2018 to 31.12.2018 | State Bank of India | Mr. G. Devavijayan (husband of the Applicant) |

23. The Panel has carefully perused the documents placed on record, including the I.As. together with its annexures and the payment records, the impugned order of Shri. R.S. Virk, District Judge (Retd.) dated July 14, 2023 in File No. 1042, the objection petition, the registered Sale Deeds in the chain of title, MR documents, revenue records, subsidy particulars and the submissions made during the hearing 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 the unregistered ATS and the GPA, and that it was thereafter further purchased in the name of its associate individual Mr. C.L. Sharma under Sale Deed No. 667/2002, 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 properties stand attached under the said MR Numbers are as under:

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| MR No. | Description of Document | Buyer | Seller | Property as per Schedule | Consideration (Rs.) |
|---|---|---|---|---|---|
| 8643/18 | ATS Stamp Paper No. 7951 with copy of GPA No. 172/98 | PGF Ltd. through authorised person Rajeev Kumar Mishra | Atul Bhasin s/o Y.R. Bhasin | Survey No. 539 (9.10 acres) among other land | 3,68,183/- |
| 13588/18 | Sale Deed No. 667/02 dated 08.05.2002 | CL Sharma (represented by T. Nedunchaziyan) | KS Mohammad Rashid (GPA- Atul Bhasin) | 539 (19.17 acres) among other land | 4,11,034/- |

25. In the present matter case, it is noted that on the strength of GPA No. 172/1998 dated April 06, 1998, Mr. Atul Bhasin purportedly dealt with the very same land twice, i.e., firstly, by way of an unregistered ATS (Stamp Paper No. 7951) 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. 667/2002 dated May 08, 2002 in favour of Mr. C.L. Sharma. Thereafter, Mr. C.L. Sharma (through his GPA holder Mr. G. Melvin) sold the impugned property to the Objector/Applicant vide registered Sale Deed No. No. 1068/2018 dated August 23, 2018.

26. The panel has carefully perused the documents attached under MR Nos. 8643/18 and 13588/18. Upon perusal of the MR No. 8643/18, it is noted that the document on which that attachment rests is an ATS No. 7951 (Stamp Paper dated March 20, 1998), 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 instrument is undated (no date of execution), it is an unregistered ATS and no mode of payment is disclosed in the ATS.

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*:

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*"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. 8643/18, resting as it does solely upon an undated, unregistered ATS made by a person then without title or authority, and accompanied by a power of attorney that came into existence afterwards, cannot be sustained.

29. The position with respect to MR No. 13588/18 stands on a different footing and requires separate consideration. The attachment under this MR Number rests upon registered Sale Deed No. 667/2002 dated May 08, 2002, executed for a consideration of Rs. 4,11,034/-, whose Schedule comprises Survey Nos. 538/5 (4.42 acres), 548 (1.23 acres), 539 (19.17 acres), 543/3C (14.03 acres) and 546/1C (4.07 acres), aggregating 42.92 acres. 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. C.L. Sharma son of Mr. M.R. Sharma, resident of No. 358, Phase-9, SAS Nagar, Mohali, District Ropar, Punjab, in his own name and individual capacity, executed through his attorney Mr. T.

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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. C.L. Sharma held the property for and on behalf of PACL Ltd. as its associate individual.

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. C.L. Sharma, 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:

> *"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 properties were purchased by PACL Ltd. or are relatable to its associate entities, but equally to determining whether the Objector/Applicant establishes, on the basis of documentary material and evidence, that the properties are held by her in her independent

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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 | Survey No. |
|---|---|---|---|---|
| 1 | Registered Sale Deeds No. 132/1994, 133/1994, 139/1994, 140/1994, 141/1994 and 142/1994, all dated 05.02.1994, and No. 1672/1994 dated 26.10.1994 | Mr. Basant (on behalf of Mr. R. Kumarasamy Reddiar and 10 others- original owners)) | Mohammad Sha Mohammad Ali Hasan Kutty | 7.12 acres in Survey No. 539 among other land |
| 2 | Registered Sale Deed No. 356/1993 dated 01.04.1993 | Mr. Basant (on behalf of Mr. R. Kumarasamy Reddiar and 10 others- original owners) | Mr. George Isac | 6.43 acres in Survey No. 539 among other land |
| 3 | Registered Sale Deed No. 134/1994 dated 05.02.1994 | Mr. Basant (on behalf of Mr. George Isac) | Mr. Mohammad Sha, Mr. Mohammad Ali and Mr. Hasan Kutty | 1.98 acres in Survey No. 539 among other land |
| 4 | GPA No. 204/1995 dated 08.05.1995 | Mr. Mohammad Sha, Mr. Mohammad Ali and Mr. Hasan Kutty | Mr. Sanjay Rasheed | 9.10 acres in Survey No. 539 among other land |

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|---|---|---|---|---|
| 5 | Registered Sale Deed No. 224/1998 dated 06.04.1998 | Mr. Sanjay Rasheed (on behalf of Mohammad Sha Mohammad Ali Hasan Kutty) | Mr. KS Mohammad Rashid, Mr. MR Sameer Rashid and Mr. CA Kumar | 9.10 acres in Survey No. 539 among other land |
| 6 | GPA No. 172/1998 dated 06.04.1998 | Mr. KS Mohammad Rashid, Mr. MR Sameer Rashid and Mr. CA Kumar | Mr. Atul Bhasin | 9.10 acres in Survey No. 539 among other land |
| 7 | Registered Sale Deed No. 667/2002 dated 08.05.2002; consideration Rs. 4,11,034/- | Mr. Atul Bhasin (on behalf of KS Mohammad Rashid, Mr. Sameer Rashid and CA Kumar) | Mr. C.L. Sharma s/o Mr. M.R. Sharma, (through his attorney Mr. T. Nedunchezhiyan) | 19.17 acres in Survey No. 539 among other land |
| 8 | GPA No. 105/2018, executed 30.01.2018 and registered 01.02.2018 | Mr. Guruwinder Singh and Mr. C.L. Sharma | Mr. G. Melvin | Old Survey No. 539 (19.17 acres), i.e. New Survey Nos. 539/1A, 539/1B and 539/2, among other land |
| 9 | Registered Sale Deed No. 1068/2018; consideration Rs. 4,50,000/- | Mr. G. Melvin (GPA holder of Mr. C.L. Sharma) | Mrs. M. Sonia (Objector/Applicant) | 9.08 acres in Survey No. 539/2 |

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 from the original land-owners of Unnankulam Village down to the Objector/Applicant. It is noted that the land comprised in Survey No. 539 (total 29.24 acres) was originally owned by Mr. R. Kumarasamy Reddiar and ten others, who executed twenty-three GPAs in favour of Mr. Basant. That she is a subsequent purchaser in that chain of title, and that she has no privity, dealing or connection of any kind, whether direct or indirect, with PACL Ltd. or M/s PGF Ltd. The registered GPA No. 105/2018, executed on January 30, 2018 by Mr. Guruwinder Singh and Mr. C.L. Sharma jointly in favour

of Mr. G. Melvin, recites in terms that the properties were acquired by Mr. C.L. Sharma by way of sale deed dated May 08, 2002. It is also mentioned in the schedule about the sub-division of the Survey No. 539 (total 19.17 acres). The impugned property is therefore the sub-divided portion, Survey No. 539/2 admeasuring 9.08 acres, of the very parcel comprised in Sale Deed No. 667/2002, 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. 539/2 for the period 1975 to 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. 539/2 as on the date on which the Objector/Applicant took her conveyance. It is further noted that the Sub-Registrar concerned admitted the Objector/Applicant's Sale Deed to registration 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. 2520 standing in her name in respect of Survey No. 539/2 admeasuring 3.67.50 hectares (9.08 acres), together with the 'A' Register / Adangal and the Chitta maintained by the revenue authorities. The Patta records the mutation in favour of the Objector/Applicant on November 15, 2018. The mutation, the Patta and the revenue 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 2018.

36. 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 and has developed what was dry and barren land for organic and inorganic cultivation. In support of the claim, the Objector/Applicant has placed on record Land revenue tax receipts issued by the Village Administrative Officer in her name and Subsidy particulars, which include a Work

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Order issued under the micro-irrigation scheme of the Department of Horticulture, Government of Tamil Nadu in the name of Ms. Sonia for a drip irrigation system over an area of 3.650 hectares in Survey No. 539, Sub-division 2. The grant of a Government horticultural subsidy in her own name together with the unbroken series of land revenue receipts in her name from January 2019 onwards, strongly corroborates the Objector/Applicant's assertion of actual and continuous possession.

37. 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 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.

38. It is further submitted by the Objector/Applicant that she is a *bona fide* purchaser for value. Registered Sale Deed No. 1068/2018 recites a sale consideration of Rs. 4,50,000/- as having been paid by way of cash. In support of the source of the said consideration, the Objector/Applicant has placed on record the statement of Savings Bank Account maintained with the State Bank of India, Nagar Kovil, Kanyakumari District, in the name of her husband Mr. G. Devavijayan, for the period April 01, 2018 to December 31, 2018. The statement records the following withdrawals:

| **Sr.** | **Date** | **Particulars** | **Amount (Rs.)** |
|---|---|---|---|
| 1 | 20.08.2018 | Cash withdrawal by cheque No. 525054 | 10,00,000 |
| 2 | 20.08.2018 | Cash withdrawal by cheque No. 525055 | 10,00,000 |
| 3 | 20.08.2018 | Cash withdrawal by cheque No. 525056 | 10,00,000 |
| 4 | 20.08.2018 | Cash withdrawal at counter | 40,000 |
| **Total** | | | **30,40,000** |

39. The said withdrawals and bank statements placed on record reflects that the payment of Rs. 30,40,000/- was withdrawn on August 20, 2018 and the sale deed was executed on August 23, 2018. The consideration of the present Sale deed as per the records is of Rs. 4,50,000/- (excluding the other registration and stamp charges). It is relevant to record that the same withdrawals of August 20, 2018 have also been relied upon in the connected I.As. filed by Mr. G. Devavijayan, husband of the Objector/Applicant, in respect of his purchase of Survey Nos. 537/1A, 537/1C, 538/4B and 538/5 of the same village under registered Sale Deed No. 1069/2018 of even date, for a consideration of Rs. 8,50,000/-. The two purchases were made on the same day, from attorney holding under the same registered GPA No. 105/2018, and were funded out of the same withdrawals from the bank account of the Objector/Applicant's husband. The bank statement is corroborative evidence of availability/ source of funds sufficient to meet that consideration together with the stamp duty and registration fees payable on both deeds.

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 statements of her husband 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. C.L. Sharma 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. 1068 of 2018, supported by the antecedent chain of registered conveyances. The Encumbrance Certificate, the Patta 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 that no registered conveyance to, or restriction relatable to, PACL Ltd./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 2018, is violative of the restraint order dated July 25, 2016 and cannot be acted upon, it is to be noticed that the property was not established to be a property in which PACL/PGF had a legally established title/interest that could attract the restraint 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.; that the acquisition of the impugned property by M/s PGF Ltd. or PACL Ltd. has not been established on the documentary record as a valid acquisition of title or interest in the property.

**ORDER:**

48. In view of the foregoing, the objection raised by the Objector/Applicant, Ms. M. Sonia, with respect to the Survey No. 539/2 (9.08 acres) situated at Unnankulam Village, Nanguneri Taluk,

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

Tirunelveli District, Tamil Nadu, purchased under registered Sale Deed No. 1068 of 2018 dated August 23, 2018 and covered under MR Nos. 8643/18 and 13588/18, 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. 1042 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. 1068 of 2018, as set out in the I.As., and that the attachment in respect of the balance of the lands covered by MR Nos. 8643/18 and 13588/18, which does not form the subject matter of the present I.As., shall continue to stand.

51. The I.A. No. 93388 of 2024, 93390 of 2024 and 93177 of 2024 in Civil Appeal No. 13301 of 2015 are accordingly disposed of in terms of this order.

Panel of Recovery Officers (In the matter of Pacl Ltd. Mumbai)

**Place: Mumbai**

**Date: September 07, 2026**

07.09.2026 | 7/9/2026 | 7.9.26

**PREETI PATEL**
**RECOVERY OFFICER**

**KSHAMA WAGHERKAR**
**RECOVERY OFFICER**

**SAROJ KUMAR SAHU**
**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)

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