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.	77176 of 2024 and 77248 of 2024
File No.	SEBI/PACL/OBJ/PP/00805/2026
Name of the Objector(s)	Omkara Assets Reconstruction Pvt. Ltd.
MR No.	32604/16

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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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 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 Application (I.As.):

13. The present I.As. have been filed by Omkara Assets Reconstruction Pvt. Ltd. (hereinafter referred to as the "**Objector/Applicant**"), a company registered with the Reserve Bank of India as an asset reconstruction company under Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**"), challenging the order/recommendations dated December 29, 2023 passed by Shri R.S. Virk, District Judge (Retd.) in File No. 1187 (hereinafter referred to as the "**impugned order**"). The impugned order dismissed the objection seeking release of the Flat No. 1302, admeasuring 1051.43 sq. ft. carpet area, on the 13th floor of "Shivshakti Apartment", Plot No. A-24, Sundervan Complex, Shastri Nagar, Lokhandwala Complex, Andheri (West), Mumbai, covered under MR No. 32604/16 (hereinafter referred to as the "**impugned property**") from the attachment by the Committee.

14. It is the case of the Objector/Applicant, as submitted, that the building "Shivshakti Apartment" was constructed by M/s Surgical Metal Industries (the "**builder**"), a registered partnership firm and PACL Ltd. purchased the impugned property from them for Rs. 1,00,22,500/- vide registered Agreement for Sale dated May 28, 2010, a part of the consideration being funded by M/s Suburban Cooling Towers Pvt. Ltd. Thereafter, PACL Ltd. (through Mr. Ankur Tyagi), as Transferor, together with M/s Suburban Cooling Towers Pvt. Ltd. as Confirming Party, sold the impugned property to Mr. Amit Kanungo and Mrs. Usha Ashok Kanungo (hereinafter referred to as the "**purchasers**") vide registered Agreement for Sale dated January 21, 2013 for a total consideration of Rs. 2,63,64,000/-, of which Rs. 1,84,64,000/- was payable to PACL and Rs. 79,00,000/- to the Confirming Party.

15. The purchasers financed the acquisition of the impugned property through Reliance Home Finance Ltd., which sanctioned Rs. 2,47,50,000/-, vide sanction letter dated November 1, 2012, for the purchase and took the impugned property as security. The builder, by letter dated January 24, 2013, confirmed the sale to PACL, the onward sale to the purchasers, and its consent to the mortgage. Thereafter, in 2017, the purchasers availed banking facilities/housing loan from the Bharat Co-operative Bank (Mumbai)

Ltd. (the "**Erstwhile Lender**"), namely, a Griha Samriddhi housing loan of Rs. 70,00,000/- (which took over the Reliance Home Finance loan) and, as directors and joint borrowers of Vyva Apparels (India) Pvt. Ltd. (wherein the purchasers are directors), an enhanced cash credit facility of Rs. 20,50,00,000/-, secured by two registered mortgages over the impugned property dated August 09, 2017.

16. On the borrowers/purchasers' default and classification of the accounts as non-performing on February 28, 2019, the Erstwhile Lender issued two demand notices under Section 13(2) of the SARFAESI Act and took symbolic possession of the property. By a registered Assignment Agreement dated August 14, 2019, the Erstwhile Lender assigned the loan accounts, together with the underlying security and the original title deeds, to the Objector/Applicant, which thereby became a secured creditor within the meaning of Section 2(zd) of the SARFAESI Act. The Objector/Applicant obtained orders under Section 14 of the SARFAESI Act from the Chief Metropolitan Magistrate (**CMM**), Esplanade, on January 03, 2020 and took physical possession on April 05, 2022.

17. In the meanwhile, the purchasers challenged the enforcement measures before the Debts Recovery Tribunal-II (**DRT**), Mumbai by way of Securitization Application bearing S.A. No. 38 of 2022 (with I.A. No. 423 of 2022), which came to be rejected on February 25, 2022. Subsequently, in appeal, the Debts Recovery Appellate Tribunal (**DRAT**) by its order dated April 04, 2022 declined waiver and directed the purchasers to deposit 50% of the amount demanded under the Section 13(2) notice, in default whereof the appeal (Miscellaneous Appeal No. 12 of 2022) was dismissed on April 19, 2022. The Objector/Applicant thereafter put the impugned property to sale; the e-auctions held on July 01, 2022 and September 09, 2022 failed for want of bids, and though a sale was confirmed on the auction held on October 28, 2022, the Committee, by its letter dated December 01, 2022, objected to the sale in view of the orders of the Hon'ble Supreme Court.

18. Upon learning that the impugned property had been included in the auction list, the Objector/Applicant filed its objection (registered as File No. 1187) before Shri R.S. Virk, District Judge (Retd.), seeking release and de-listing of the impugned property from attachment.

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19. Upon receiving the objection, a notice was issued to PACL by Shri R.S. Virk, District Judge (Retd.). PACL, in its reply dated August 31, 2023, *inter alia*, contended that the impugned property was purchased from its funds, that the originals were seized by the CBI, and that "as per records available PACL Limited has not sold the land in question to anyone.". Further, it has also submitted that the Civil Court has no power to entertain any matter pertaining to PACL and that the CMM has no power to issue any directions.

20. The said objection was heard by Shri R.S. Virk, District Judge (Retd.), and the impugned order dated December 29, 2023 was passed, dismissing the objection. The impugned order proceeded, *inter alia*, on the reasoning that: (i) the Assignment Agreement dated August 14, 2019 was registered in violation of the letter dated September 07, 2016 issued by the DGM-cum-Recovery Officer, NRO-SEBI; (ii) no no-objection certificate was obtained from the competent Court/CBI; (iii) the Agreement for Sale dated January 21, 2013 was "doubtful" as no board resolution of PACL was appended and the executant was not named; (iv) PACL held the impugned property as a trustee for its investors and was not an "ostensible owner" under Section 41 of the Transfer of Property Act, 1882, the transfer being hit by Section 53 thereof; (v) no exemption could be carved out for PACL properties passing to purchasers and lenders; and (vi) possession taken through the CMM was inconsequential in view of the restraint order dated July 25, 2016.

21. Aggrieved by the impugned order, the Objector/Applicant filed the present Interlocutory Applications before the Hon'ble Supreme Court in Civil Appeal No. 13301 of 2015. The Hon'ble Supreme Court, vide order dated February 19, 2026, directed that Category B applications, being 106 applications filed against the recommendations of Shri R.S. Virk, District Judge (Retd.) dismissing the objections, be placed before the Recovery Officers appointed under Section 28A of the SEBI Act, 1992, for examination.

22. Upon perusal of the I.A. seeking directions filed by the Objector/Applicant and the documents annexed thereto, it is noted that the Objector/Applicant has, *inter alia*, contended as under:

    i. That the source of funds used by PACL Ltd. to purchase the property from M/s Surgical Metal Industries is uncertain, as PACL Ltd. did not purchase it alone, M/s Suburban Cooling Towers Pvt. Ltd. having part-funded the acquisition and an amount of the sale consideration having also been paid to it; and it cannot therefore be said that the impugned property is an asset of the investors of PACL alone;

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ii. That, in any event, the investor funds, if any, stand repaid to PACL by the purchasers under the Agreement for Sale dated January 21, 2013, PACL having received Rs. 1,84,64,000/- thereunder, which is substantially more than the Rs. 1,00,22,500/- it had itself paid to acquire the property in 2010;

iii. That Mr. Amit Kanungo and Mrs. Usha Ashok Kanungo are *bona fide* purchasers for value and absolute owners of the impugned property; and that the Objector/Applicant, in whose favour the mortgage created by the said owners now rests under the Assignment Agreement, is accordingly a *bona fide* mortgagee without notice, entitled to enforce the mortgage;

iv. That upon conclusion of the sale to the purchasers in 2013 for valuable consideration, the impugned property ceased to be the property of PACL, and therefore falls outside the purview of the order dated February 02, 2016 and the subsequent proceedings for repayment to the investors of PACL;

v. That the act of the Court ought not to prejudice an innocent *bona fide* purchaser or the mortgagee claiming through him, in accordance with the maxim *actus curiae neminem gravabit*, reliance being placed on *A.R. Antulay v. R.S. Nayak*, (1988) 2 SCC 602; and reliance being further placed on *Suraj Lamp & Industries (P) Ltd. v. State of Haryana*, (2012) 1 SCC 656 and *Narandas Karsondas v. S.A. Kamtam*, (1977) 3 SCC 247 for the proposition that registration furnishes proof of a concluded transaction and that ownership passes upon execution of the conveyance;

vi. That the impugned property is similarly placed to other flats in respect of which objections were allowed by Shri R.S. Virk, District Judge (Retd.) by orders dated February 26, 2018 to March 15, 2018, which stand deleted from the auction list; and

vii. That the measures adopted by the Objector/Applicant under the SARFAESI Act are in exercise of statutory power for the recovery of public money, there being no infirmity in the loan transactions between the Objector/Applicant, the purchasers and Vyva Apparels (India) Pvt. Ltd., and ought not to be interfered with.

23. By the present Interlocutory Applications, the Objector/Applicant has, *inter alia*, prayed:

i. to set aside the order/recommendations dated December 29, 2023 passed by Shri R.S. Virk, District Judge (Retd.) in File No. 1187 rejecting the objections of the Applicant;

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ii. to release the impugned property from the list of PACL properties available for auction;

iii. to allow the applicant to pursue the legal remedies as may be available for recovery of loan amounts granted to the borrowers; and

iv. to allow the Applicant to pursue its remedies with respect to the mortgaged property/impugned property.

24. 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 the Panel of Recovery Officers ("**Panel**") on April 24, 2026. During the hearing, the authorised representative (**AR**) of the Objector/Applicant reiterated the averments in the I.As. and was called upon to place on record the documents relating to the Reliance Home Finance loan facility together with brief written submissions.

25. Pursuant thereto, the Objector/Applicant filed its Written Submissions dated May 01, 2026 along with the Reliance Home Finance loan facility documents by e-mail dated July 22, 2026, and, in response to the Panel's clarification query regarding the documents evidencing (a) the ownership of the purchasers over the impugned property, including payment proofs and the possession recital; (b) the documents relied upon before sanction of the mortgages; and (c) the documents assigned along with the loan accounts under the Assignment Agreement dated August 14, 2019, an Additional Compilation of Documents was submitted by e-mail dated July 29, 2026.

26. In order to decide the objection, the Panel has perused the following documents placed on record by the Objector/Applicant:

Sr.	**Document**	**Executed by**	**In favour of**
1	Registered Agreement for Sale dated May 28, 2010	M/s Surgical Metal Industries	PACL Ltd.
2	Registered Agreement for Sale dated January 21, 2013	PACL Ltd. (through Mr. Ankur Tyagi) and Suburban Cooling Towers Pvt. Ltd. (Confirming Party)	Mr. Amit Kanungo and Mrs. Usha Ashok Kanungo (purchasers)
3	Share Certificate No. 049 of Shivshakti Apartments CHS Ltd.	Shivshakti Apartments CHS Ltd.	PACL Ltd.

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Sr.	Document	Executed by	In favour of
4	Receipt appended to the Agreement for Sale dated January 21, 2013 (Rs. 50,00,000/- by HDFC Bank pay order no. 001034 dated January 31, 2013)	Mr. Amit Kanungo and Mrs. Usha Ashok Kanungo	PACL Ltd.
5	Memorandum of Transfer on Share Certificate No. 049 dated January 21, 2013	PACL Ltd.	Mr. Amit Kanungo and Mrs. Usha Ashok Kanungo
6	Sanction letter dated November 01, 2012 for Rs. 2,47,50,000/-	Reliance Home Finance Ltd.	Mr. Amit Kanungo
7	Builder's permission-to-mortgage letter dated January 24, 2013	M/s Surgical Metal Industries	Reliance Home Finance Ltd.
8	Sanction letter dated August 08, 2017 (Griha Samriddhi Loan, Rs. 70,00,000/-)	The Bharat Co-operative Bank (Mumbai) Ltd.	Mr. Amit Kanungo and Mrs. Usha Ashok Kanungo
9	Sanction letter dated August 08, 2017 (Cash Credit, Rs. 20,50,00,000/-)	The Bharat Co-operative Bank (Mumbai) Ltd.	Vyva Apparels (India) Pvt. Ltd.
10	Registered Mortgage Deeds dated August 09, 2017 (Serial Nos. 8886 of 2017 and 6351 of 2017)	Mr. Amit Kanungo, Mrs. Usha Ashok Kanungo and Vyva Apparels (India) Pvt. Ltd.	The Bharat Co-operative Bank (Mumbai) Ltd.
11	No Dues Certificate dated August 16, 2017	Reliance Home Finance Ltd.	Mr. Amit Kanungo
12	Registered Assignment Agreement dated August 14, 2019	The Bharat Co-operative Bank (Mumbai) Ltd.	Omkara Assets Reconstruction Pvt. Ltd. (Applicant)
13	Demand notices dated April 24, 2019	The Bharat Co-operative Bank (Mumbai) Ltd.	Mr. Amit Kanungo and Mrs. Usha Ashok Kanungo; Vyva Apparels (India) Pvt. Ltd.

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Sr.	Document	Executed by	In favour of
14	Publication regarding possession dated July 12, 2019 in Free Press Journal	The Bharat Co-operative Bank (Mumbai) Ltd.	Mr. Amit Kanungo and Mrs. Usha Ashok Kanungo; Vyva Apparels (India) Pvt. Ltd.
15	Orders of the Chief Metropolitan Magistrate (CMM), Esplanade, Mumbai dated January 03, 2020	CMM, Esplanade, Mumbai	Omkara Assets Reconstruction Pvt. Ltd. (Applicant)
16	Orders of the Debts Recovery Tribunal (DRT) dated February 25, 2022 and the Debts Recovery Appellate Tribunal (DRAT) dated April 04 and 19, 2022	DRT-II / DRAT, Mumbai	—
17	Possession notice dated April 07, 2022	Omkara Assets Reconstruction Pvt. Ltd. (Applicant)	Mr. Amit Kanungo and Mrs. Usha Ashok Kanungo

27. The Panel has carefully perused the documents placed on record, including the I.As. together with their annexures, the written submissions and the Additional Compilation, the reply of PACL, the impugned order and the submissions made during the hearing on April 24, 2026 along with the documents filed thereafter.

28. The impugned property has been attached and included by the Committee in the list of properties available for auction under MR No. 32604/16, on the strength of the registered Agreement for Sale dated May 28, 2010 (registered on June 30, 2010, Serial No. 7060 of 2010) executed by M/s Surgical Metal Industries in favour of PACL India Ltd., under which PACL India Ltd. acquired the impugned property, the original whereof was seized by the Central Bureau of Investigation ("CBI") from the custody of PACL Ltd.

29. The chain of title, as borne out by the documents placed on record, is set out in the table below:

Sr.	Sale / Settlement Deed	Executed by	In favour of	Consideration (Rs.)
1	Registered Agreement for Sale dated May 28, 2010	M/s Surgical Metal Industries	PACL Ltd.	Impugned property; 1,00,22,500 (part-funded by Suburban Cooling Towers Pvt. Ltd.)
2	Registered Agreement for Sale dated January 21, 2013	PACL Ltd. (+ Confirming Party)	Mr. Amit Kanungo & Mrs. Usha Ashok Kanungo (purchasers)	Impugned property; 2,63,64,000 (Rs. 1,84,64,000 to PACL; Rs. 79,00,000 to Confirming Party)
3	Registered Mortgage Deeds dated August 09, 2017	The purchasers & Vyva Apparels	The Bharat Co-operative Bank (Mumbai) Ltd.	Impugned property; Security for Rs. 70,00,000 and Rs. 20,50,00,000
4	Registered Assignment Agreement dated August 14, 2019	The Bharat Co-operative Bank (Mumbai) Ltd.	Omkara Assets Reconstruction Pvt. Ltd. (Applicant)	Impugned property; Assignment of financial assets with security

30. As a preliminary matter, the Panel notes that the impugned property was, at one point of time, relatable to PACL Ltd., inasmuch as PACL acquired it under the registered Agreement for Sale dated May 28, 2010. That circumstance, however, is by itself no ground to reject the claim of the Objector/Applicant, as per 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, it was 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 dated February 19, 2026, the inquiry shifts from the origin of the property to the nature of the title through which the Objector/Applicant claims, and the question is whether the Objector/Applicant has established, on documentary evidence, that the impugned property is held by it in its independent capacity, being derived from *bona fide* purchasers for value who actually paid the amounts through banking channels. The Panel proceeds to examine, contention by contention, the case set up by the Objector/Applicant, the documents placed on record in support thereof, and its findings thereon.

32. It is contended by the Objector/Applicant that PACL's interest in the impugned property came to an end on January 21, 2013, when, through the registered Agreement for Sale of that date, PACL sold the impugned property to the purchasers for a total consideration of Rs. 2,63,64,000/- (of which Rs. 1,84,64,000/- was payable to PACL). Upon completion and registration of the sale, PACL's right, title and interest in the impugned property stood extinguished. It is further contended that the sale was effected at a time when no order of SEBI or of the Hon'ble Supreme Court restrained PACL from dealing with its properties, the same being anterior to the SEBI order dated August 22, 2014 by about nineteen months, and that in any event the sum received by PACL exceeded what it had itself paid to acquire the property in 2010, so that the investor funds, if any, stood returned to PACL.

33. In support of this contention, the Objector/Applicant has placed on record (i) the registered Agreement for Sale dated May 28, 2010 evidencing PACL's acquisition for Rs. 1,00,22,500/-; and (ii) the registered Agreement for Sale dated January 21, 2013 evidencing the onward sale to the purchasers for Rs. 2,63,64,000/-, where Rs. 1,84,64,000/- was paid to PACL and Rs. 79,00,000/- to the Confirming Party.

34. On a perusal of the aforesaid documents, the Panel finds that the ownership of PACL over the impugned property was transferred to the purchasers on January 21, 2013 under a duly registered instrument. The sale predates the SEBI order dated August 22, 2014

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35. It is further contended by the Objector/Applicant that Mr. Amit Kanungo and Mrs. Usha Ashok Kanungo are *bona fide* purchasers for value and absolute owners of the impugned property; that the registered Agreement for Sale, coupled with payment of the consideration, shows the intention of the parties to pass ownership and title to the purchasers with effect from the date of its execution; and that registration is *prima facie* proof both of the intention to transfer and of a concluded transaction, reliance being placed on *Suraj Lamp & Industries (P) Ltd. v. State of Haryana*, (2012) 1 SCC 656 and *Narandas Karsondas v. S.A. Kamtam*, (1977) 3 SCC 247.

36. In support of this contention, the Objector/Applicant has placed on record the registered Agreement for Sale dated January 21, 2013 executed by PACL through Mr. Ankur Tyagi; the Share Certificate No. 049 of the Shivshakti Apartments CHS Ltd. together with the Memorandum of Transfer endorsed thereon recording the transfer of the impugned property from PACL Ltd. to the purchasers on the very date of sale; the sanction letter dated November 01, 2012 of Reliance Home Finance Ltd. sanctioning Rs. 2,47,50,000/- for the purchase against security of the impugned property; and the builder's letter dated January 24, 2013 confirming the sale to PACL, the onward sale to the purchasers, and its consent to the mortgage.

37. On a perusal of the aforesaid documents, the Panel finds that the claim of the purchasers to the impugned property is supported by the registered Agreement for Sale dated January 21, 2013, the transfer recorded on Share Certificate No. 049 of Shivshakti Apartments CHS Ltd. and the Memorandum of Transfer endorsed thereon. The claim is further corroborated by the sanction letter dated November 01, 2012 issued by Reliance Home Finance Ltd. for financing the purchase against the security of the impugned property and by the builder's letter dated January 24, 2013 confirming the sale to PACL, the sale from PACL to the purchasers and its consent to the mortgage. These documents, read together, support the contention that the purchasers acquired the impugned property from

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PACL for valuable consideration and that the transfer was duly recognised by the housing society. The fact that the financing extended by a regulated housing finance company, which sanctioned the loan and accepted the impugned property as security after its own verification of title cannot be ignored. The interest of a member in a flat held in a cooperative housing society is held through the shares of the society and the right of occupancy, and the transfer of such a flat is completed by a registered agreement of transfer read with the transfer of the society's shares and the society's recognition of the transferee as its member, each of which elements is present in the matter. The rationale of the decision in *Suraj Lamp* is directed against unregistered agreements entered to avoid registration, and it affirms the reliability that attach to a registered instrument.

38. As regards the observation in the impugned order that no board resolution was appended and that the executant was not named, the Panel notes; (i) that the registered Agreement for Sale records on its face that it was executed for the Transferor by Mr. Ankur Tyagi; (ii) that PACL executed the said registered conveyance, received the consideration thereunder and permitted the society to record the transfer; and (iii) PACL did not, prior to the proceedings before Shri R.S. Virk, District Judge (Retd.), produce any material on record demonstrating that the registered transaction had been cancelled or otherwise set aside.

39. The Objector/Applicant further submits that upon conclusion of the sale to the purchasers in 2013 for valuable consideration, the impugned property ceased to be the property of PACL and therefore falls outside the purview of the order dated February 02, 2016 and the subsequent proceedings for repayment to the investors of PACL. Having found that title validly passed to the purchasers in 2013 for value, the Panel is of the view that the reasoning of the impugned order founded on Sections 41 and 53 of the Transfer of Property Act, 1882 does not sustain the attachment. Section 41, which concerns transfers by an ostensible owner, is displaced by para 12(vi) of the order dated February 19, 2026, which directs in terms that a claim is not to be denied solely because the property was at one point of time owned by PACL or its associate entities, or because the source of PACL's funds is unclear, where the claimant is a *bona fide* purchaser for value who has paid through banking channels.

40. As regards Section 53 of the Transfer of Property Act, 1882, the Panel notes that the said provision concerns transfers made with intent to defeat or delay the creditors. In the

present case, the registered Agreement for Sale dated January 21, 2013 was executed prior to the SEBI order dated August 22, 2014 and the subsequent orders of the Hon'ble Supreme Court restraining PACL from dealing with its properties. The transaction was for consideration and the documents placed on record support the transfer of the impugned property to the purchasers for value. There is nothing on record to establish that the said transfer was effected with an intent to defeat or delay any creditor. The protection contemplated under para 12(vi) of the order dated February 19, 2026 of the Hon'ble Supreme Court is also attracted where the claimant establishes that the property was acquired for value and the transaction is otherwise supported by documentary material. The impugned property, having thus passed from PACL prior to the restraints and the purchasers having acquired their interest for value, cannot, on the material before the Panel, be retained in the pool of PACL properties merely on the basis of the subsequent orders of restraint.

41. The Objector/Applicant has also contended in the I.As. that, since the purchasers are *bona fide* purchasers and the absolute owners of the impugned property, and since the mortgage created by them now stands assigned to the Objector/Applicant under the Assignment Agreement, the Objector/Applicant is a *bona fide* mortgagee and is entitled to enforce the mortgage. It is further contended that the steps taken by it under the SARFAESI Act are in exercise of its statutory power to recover public money and should not be interfered with. It is also contended that, going by the maxim a*ctus curiae neminem gravabit* (an act of the Court should prejudice no one), an innocent *bona fide* purchaser, and a mortgagee claiming through such a purchaser, ought not to be made to suffer on account of an order of the Court. In support, reliance has been placed on A.R. Antulay v. R.S. Nayak, (1988) 2 SCC 602.

42. In support of this contention, the Objector/Applicant has placed on record the sanction letters dated August 08, 2017 and the two registered Mortgage Deeds dated August 09, 2017 executed by the purchasers (and Vyva Apparels (India) Pvt. Ltd.) in favour of the Erstwhile Lender; the registered Assignment Agreement dated August 14, 2019 by which the Erstwhile Lender assigned the financial assets/housing loan, the underlying security and the original title deeds to the Objector/Applicant; and the title and due-diligence documents relied upon before sanction of the mortgages and before entering into the assignment, being the very chain of registered instruments referred to above. It has been submitted that both the Erstwhile Lender, before sanctioning the facilities and accepting

the mortgage, and the Objector/Applicant, before entering into the assignment, verified the chain of title and the underlying documents pertaining to the impugned property.

43. On the aforesaid, the Panel finds that the purchasers, as absolute owners, created registered mortgages over the impugned property in favour of the Erstwhile Lender to secure genuine advances, a housing loan which refinanced the earlier Reliance Home Finance loan, and an enhanced cash credit facility of their company.

44. That the housing loan availed from the Erstwhile Lender was in fact a takeover of the earlier facility of Reliance Home Finance Ltd. is borne out by the No Dues Certificate dated August 16, 2017 issued by Reliance Home Finance Ltd., recording that the loan account of the purchasers stood repaid in full and closed. This confirms that the acquisition of the impugned property was financed, the purchase consideration discharged and that the security created in favour of the Erstwhile Lender in 2017 was a genuine refinancing of the earlier home loan taken for the very same property.

45. Upon their default, the Erstwhile Lender assigned the debt and the underlying security to the Objector/Applicant, which holds the original title deeds and is a secured creditor in possession within the meaning of Section 2(zd) of the SARFAESI Act. The material on record bears out that the security was accepted, and the assignment taken, after verification of the chain of title.

46. The Objector/Applicant's interest is therefore that of a *bona fide* mortgagee deriving its security interest from the purchasers, and the measures taken by it under the SARFAESI Act are in enforcement of the mortgage created over the impugned property. The Panel is of the view, that the Objector/Applicant and its assignor, being parties to the transaction subsequent to the acquisition of the property by the purchasers and having acted upon the security created in their favour, ought not to be visited with the consequences of subsequent orders passed in relation to PACL, where the purchaser's title had already been acquired prior to the restraints. Being a party with a direct and subsisting interest in the impugned property, whose interest is affected by its retention in the auction pool, and whose applications stand referred to this Panel by the Hon'ble Supreme Court, the Objector/Applicant is entitled to maintain the present objection.

47. As regards the contention of PACL that the proceedings before the CMM and the DRT were without jurisdiction, being barred by the order dated May 02, 2016, the Panel finds

the same to be without substance. That bar operates upon proceedings relating to PACL properties. The measures taken under the SARFAESI Act, and the proceedings before the CMM, the DRT and the DRAT, were between the Erstwhile Lender, its assignee and the borrowers, in enforcement of the mortgage created by the purchasers in respect of the impugned property, and were not proceedings relating to PACL. The enforcement was therefore lawful, and the possession taken pursuant to the order under Section 14 of the SARFAESI Act was validly taken.

48. As regards the contention that the impugned property is similarly placed to other flats which stand released, the Panel is conscious that certain objections concerning flats in another building were allowed by Shri R.S. Virk, District Judge (Retd.) by his orders dated February 26, 2018 and March 15, 2018, and that other objections concerning flats in the same building were dismissed by the common order dated November 16, 2020. Those orders, having been passed prior to the directions of the Hon'ble Supreme Court dated February 19, 2026, are not determinative of the present objection. The present case is therefore examined in accordance with the specific parameters laid down by the Hon'ble Supreme Court. On applying it to the present case, the Panel finds that the impugned property satisfies para 12(vi), for the reasons that the sale in favour of the purchasers was by a registered conveyance made before any restraint came into force, and the transfer was duly recorded by the housing society. The claim of the Objector/Applicant is accordingly covered by para 12(vi).

49. Having regard to the totality of the evidence on record, this Panel is of the considered view that: (i) although the impugned property was, at one point of time, relatable to PACL Ltd., PACL parted with it for full value under a registered conveyance dated January 21, 2013, anterior to the orders dated February 02, 2016 and July 25, 2016 of the Hon'ble Supreme Court and to the attachment under MR No. 32604/16; (ii) Mr. Amit Kanungo and Mrs. Usha Ashok Kanungo are *bona fide* purchasers for value; and (iii) the Objector/Applicant, claiming as assignee of the mortgage created by those owners, holds the impugned property in its independent capacity as a *bona fide* mortgagee and secured creditor. Accordingly, the claim falls within para 12(vi) of the order dated February 19, 2026 of the Hon'ble Supreme Court, and the objection in respect of the impugned property deserves to be allowed.

ORDER:

50. In view of the foregoing, the objection raised by the Objector/Applicant, Omkara Assets Reconstruction Pvt. Ltd., with respect to the impugned property, Flat No. 1302, 13th floor, Shivshakti Apartment, Plot No. A-24, Sundervan Complex, Shastri Nagar, Lokhandwala Complex, Andheri (West), Mumbai, admeasuring 1051.43 sq. ft. carpet area, covered under MR No. 32604/16, is hereby allowed, and the impugned property is directed to be released from attachment and deleted from the Committee's list of attached properties and from the list of properties available for auction.

51. In view thereof, the impugned order dated December 29, 2023 in File No. 1187 passed by Shri R.S. Virk, District Judge (Retd.) is hereby set aside.

52. The I.A. No. 77176 of 2024 and I.A. No. 77248 of 2024 in Civil Appeal No. 13301 of 2015 are accordingly disposed of in terms of this order.

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

Place: Mumbai

Date: August 27, 2026

27/08/2026 | 27/8/2026 | 27.8.26

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
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