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 Nos.	112246 and 112247 of 2023
File No.	SEBI/PACL/IA/KW/00735/2026
Name of the Objector(s)/Applicant	Bloom Cuisines Pvt. Ltd.
MR Nos.	13258-16 17649-16 and 17652-16

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 in *Civil Appeal No. 13301 of 2015 – Subrata Bhattacharya Vs. SEBI* and other connected matters.

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

3. The Hon'ble Supreme Court did not grant any stay on the aforesaid impugned order dated 12.08.2015 of Hon'ble SAT, however, PACL Ltd. and its promoters/directors did not refund the money to its investors. Accordingly, SEBI initiated recovery proceedings under Section 28A of 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 order 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.

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

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.

7. In the recovery proceedings mentioned at para 3 above, the Recovery Officer issued an attachment order dated 07.09.2016, against 640 associate companies of PACL Ltd. In the said order, inter alia, the registration authorities of all States and Union Territories were requested not to act upon any document purporting to 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/objections pertaining to properties of PACL Ltd. would be taken up by Shri R. S. Virk, District Judge (Retired).

9. On 30.04.2019, in the recovery proceedings initiated against PACL Ltd. & Ors., the Recovery Officer issued a notice of attachment in respect of 25 front companies of PACL Ltd. Thereafter, on 01.03.2021, the Recovery Officer issued another notice of attachment in respect of 32 associate companies of PACL Ltd., which included 25 front companies of PACL Ltd. whose accounts were attached vide order dated 30.04.2019.

10. The Hon'ble Supreme Court vide order dated 08.08.2024, in Civil Appeal No. 13301 of 2015 – Subrata Bhattacharya Vs. SEBI and other connected matters, has directed as under:

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

" ..... 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 (Retd.), 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.

Proceedings before Shri R.S. Virk, District Judge (Retd.)

13. Bloom Cuisines Pvt. Ltd. (hereinafter referred to as "**Applicant**") had filed an Objection petition before Shri R. S. Virk, District Judge (Retd.) inter alia seeking release from attachment of the land comprised in Survey Nos. 229/5 (1.99), 232/1 (2.00), 226/1 (2.00), 229/2 (2.00), 229/4 (2.00), 236/2 (0.30), 236/5 (2.00),

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

240/1 (1.99), 240/3 (2.00), 229/1 (2.00), 275/6(1.03), 275/5 (1.03), 255/4 (2.00), 295/4 (1.24), 274/1 (1.03), 280/6 (1.52), 295/6 (2.48), 292/3 (2.06), 301/3 (1.16), 297/2 (1.49), 239/5 (1.70), 237/1 (2.00), 231/2 (2.00), 255/2 (2.00), 259/7 (2.95), 286/3 (1.28), 227/4 (2.00) and 296/1 (1.15) acres admeasuring total 48 acres 40 cents situated in Village Melselvanur, Kandaladi Taluk, Ramnathpuram District, Tamil Nadu, which is claimed to have been purchased by the Applicant vide sale deed bearing document no. 684/2014 dated 06.11.2014 from M/s. Christy Agrotech Pvt. Ltd. The aforesaid property was attached by the Committee under MR Nos. 13258-16, 17649-16 and 17652-16.

14. Shri R. S. Virk, District Judge (Retd.), vide Order dated 02.03.2023, has partially allowed the release of land in question comprised in survey nos. 259/7, 237/1, 286/3, 231/2 and 255/2 (forming subject matter of GPA No. 565/06 dated 17/11/2006 under MR No. 17649/16) as also the land comprised in survey nos. 255/4, 296/1, 295/4, 274/1, 280/6, 295/6, 292/3, 301/3 and 297/2 (forming subject matter of GPA no. 566/06 dated 17/11/2006 under MR No. 17652/16) in favour of the Objector / Applicant. Vide separate order dated 20.04.2023, survey nos. 275/5 and 275/6 forming part of GPA no. 566/06 dated 17.11.2006 were also released by Shri R. S. Virk, District Judge (Retd.) in favour of the Applicant as the same were stated to have been inadvertently left out due to a clerical mistake. As far as the remaining land comprised in survey nos. 239/5, 229/5, 232/1, 226/1, 229/2, 229/4, 236/2, 236/5, 240/1, 240/3, 227/4 and 229/1, total admeasuring 21 acres 98 cents is concerned, the objection filed by the Applicant was dismissed vide order dated 02.03.2023, *inter alia*, on the ground that:

i. One of the chain of documents i.e. the sale deed bearing document no. 102/06 dated 03.03.2006 through which Shri Madhu Hembram had purchased the impugned property from Shri Tamilarasu was taken into

पी ए सी एल लि. के मामले से संबंधित, मुंबई/In the matter of Pacl Ltd. Mumbai वसूली अधिकारियों का पैनल Panel of Recovery Officers possession by CBI from the custody of PACL vide seizure memos dated 20.05.2015;

ii. The impugned property was purchased by Shri Madhu Hembram, PACL's representative, vide sale deed no. 102/06 dated 03.03.2006, using PACL funds;

iii. The vendor, Shri Madhu Hembram had not come forward to claim that the land in question was purchased by him out of his personal funds and not as a representative of PACL.

Present Interlocutory Application (IA)

15. The Applicant has filed Interlocutory Application Nos. 112246 of 2023 (for intervention) and 112247 of 2023 (for directions) (hereinafter referred to **"IAs"**) before the Hon'ble Supreme Court in the matter of *Subrata Bhattacharya vs. SEBI (supra)* challenging the aforementioned order/recommendations dated 02.03.2023 passed by Shri R. S. Virk District Judge (Retd.) to the extent of land comprised in survey nos. 239/5, 229/5, 232/1, 226/1, 229/2, 229/4, 236/2, 236/5, 240/1, 240/3, 227/4, 229/1 admeasuring total of 21 acres 98 cents (hereinafter referred to as **"impugned property"**) *inter alia* contending as under:

i. The Applicant is a *bona fide* purchaser who had purchased a total of 48.40 acres of land situated at Melselvanur Vilage of Kadaladi Taluk, Ramnathpuram District, Tamil Nadu through Sale deed No. 684/2014 dated 06.11.2014 much prior to the order dated 02.02.2016 passed by the Hon'ble Supreme Court directing sale of PACL's land and therefore, the attachment of the impugned property of the Applicant was prima facie erroneous.

ii. PACL has failed to produce a single document to indicate that Shri Madhu Hembram was its 'authorised person' or that the said entity was in any relationship with PACL.

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

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

iv. The Applicant is in continuous possession of the impugned property since 2014.

v. That the impugned property cannot continue to be categorised as "PACL lands" as there is no document establishing that the impugned property is or was PACL land(s) at any point of time.

vi. Shri R. S. Virk, District Judge (Retd.) has erroneously dismissed the objection petition to the extent of impugned property without appreciating the facts on record and *bona fide* purchase of the Applicant as owner of the said property.

In view of the above, the Applicant has prayed for setting aside the order/recommendation dated 02.03.2023 passed by Ld. District Judge (Retd.) in File No.1014 and grant an ad-interim stay on the auction of impugned property.

16. In compliance with order dated 19.02.2026 passed by the Hon'ble Supreme Court in *Subrata Bhattacharya vs SEBI* (supra), the Authorised Representative (**"AR"**) of the Applicant submitted certain additional documents vide letter dated 19.03.2026. Thereafter, pursuant to the aforesaid order of the Hon'ble Supreme Court, the proceedings in respect of IAs were initiated by the Panel of Recovery Officers and the Applicant was granted an opportunity of hearing on 20.04.2026. On the said date, the AR of the Applicant appeared virtually and made submission on the lines of averments made in the said IA. It was inter-alia submitted by the AR that:

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

ii. the property was purchased by the Applicant before passing of order of the Hon'ble Supreme Court's order dated 02.02.2016.

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

iii. the judgment of the Hon'ble Supreme Court in *Valliammal (D) by Lrs vs Subramanium & Ors.* 2004 (7) SCC 233 favoured the case of the Applicant.

Based on the submissions made during the hearing, the AR was advised to submit Balance Sheet of the company for the relevant period and bank statement showing the transaction towards payment of sale consideration. Accordingly, the AR, vide email dated 27.04.2026 submitted Balance Sheets for FY 2014-15, FY 2015-16 and FY 2024-25, copy of registered Sale Deed no. 133/2014 dated 19.02.2014 and Land Tax receipts for Patta nos. 7267 and 7278 for various years. Vide email dated 21.06.2026, AR has also submitted a copy Adangal for Patta nos. 7278 and 7267 and Statement of Account of Indian Bank of Shri T. S. Kumarasamy reflecting the sale consideration of impugned property.

17. To support the contention of the Applicant, the AR of the Applicant has submitted documents viz., Possession Certificate issued by the Village Administrative Officer at Kadaladi Taluk; Patta No.1388 issued by Zonal Deputy Tehsildar at Kadaladi in the name of previous owner Shri Tamilarasu; Land Tax receipts upto date for Patta nos. 7267 and 7268 reflecting name of the Applicant; Affidavit dated 16.03.2026 of Shri Madhu Hembram; and a copy of registered sale deed dated 19.02.2014 bearing doc. No. 133 of 2014. In addition to the aforesaid documents, the Panel has also taken note of the documents filed along with the IA viz., Encumbrance Certificates dated 17.09.2022 for the search period 01.01.1984 to 16.09.2022 of the impugned property, Sale Deed no. 684/2014 dated 06.11.2014, Sale deed no. 102/2006 dated 03.03.2006, GPA nos. 565 and 566 of 2006 and Copy of Patta Nos.7267 and 7278 issued by Dept. of Revenue of Govt. of Tamil Nadu.

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

18. From the documents available on record, submissions of AR and the IAs, it is observed that the genesis of transactions in respect of the impugned property is as under:

Sr. no	Document No.	Executed by	In Favour of	Extent in acres	Consideration (Rs.)
1.	Sale Deed no. 102/2006 dated 03.03.2006 (Registered)	Shri Tamilarasu	Madhu Hembram (Through Power agent Swaroop Kumar Panigrahi vide registered General Power of Attorney Doc. No. 63/2006 dated 23.02.2006)	21 acres 98 cents	3,29,700/- Cash
2.	Sale Deed no. 133/2014 dated 19.02.2014 (Registered)	Shri Madhu Hembram	M/s. Christy Agro Tech Pvt. Ltd.	21 acres 98 cents	6,59,400/- Cash
3.	Sale Deed no. 684/14 Dated - 06.11.2014 (Registered)	M/s. Christy Agro Tech Pvt. Ltd.	M/s. Bloom Cuisines Pvt. Ltd.	48 Acres 40 cents (out of which 21 acres 98 cents is impugned property)	51,35,400/- Cash

19. From the perusal of the above sale deeds, it is noted that Shri Tamilarasu had purchased the following properties, including impugned property, through 11 registered sale deeds which are detailed hereunder:

SRO, Kadaladi			
Sr. no.	**Survey Nos.**	**Registered Document no.**	**Dated**
1.	239/5	Sale Deed no. 67/2006, Book-1	22.02.2006
2.	229/5	Sale Deed no. 68/2006, Book-1	22.02.2006
3.	232/1	Sale Deed no. 69/2006, Book-1	22.02.2006
4.	226/1	Sale Deed no. 70/2006, Book-1	22.02.2006
5.	229/2	Sale Deed no. 71/2006, Book-1	22.02.2006

पीएसीएल लि के मामले में वसूली अधिकारियों का पैनल संबंधित, मुंबई/Panel of Recovery Officers In the matter of Pacl Ltd. Mumbai

SRO, Kadaladi			
Sr. no.	**Survey Nos.**	**Registered Document no.**	**Dated**
6.	229/4	Sale Deed no. 72/2006, Book-1	22.02.2006
7.	236/2 & 236/5	Sale Deed no. 73/2006, Book-1	22.02.2006
8.	240/1	Sale Deed no. 74/2006, Book-1	22.02.2006
9.	240/3	Sale Deed no. 75/2006, Book-1	22.02.2006
10.	227/4	Sale Deed no. 76/2006, Book-1	22.02.2006
11.	229/1	Sale Deed no. 77/2006, Book-1	22.02.2006

Thereafter, vide Sale Deed no. 102/2006, Shri Madhu Hembram vide power of attorney registered as Doc. No. 63/2006 dated 27.02.2006, in Book no.4, in the name of Shri Swaroop Kumar Panigrahi purchased the impugned property from Shri Tamilarasu. Further, vide sale deed no. 133/2014, the impugned property was sold to by Shri Madhu Hembram to M/s. Christy Agro Tech Pvt. Ltd. who in turn sold the impugned property along with other properties to the Applicant vide sale deed no. 684/2014 dated 06.11.2014.

20. On perusal of the various documents submitted by the AR, it is observed that the Possession Certificate issued by the Village Administrative Officer, Kadaladi Taluk mentions that the Applicant is in possession of 48 acres 40 cents in various survey nos. including the impugned property under Patta nos. 7267 and 7278. Further, the Patta No. 1388 in the name of previous owner Shri Tamialrasu contains the survey numbers of the impugned property evidencing that the said impugned property was owned by him. It is further observed that the Land Tax Payment receipts provided by the Applicant for the Fasali years 1427-1434 (dated 15.3.2018, 27.05.2019, 05.06.2020, 16.06.2021, 23.03.2022, 20.04.2023, etc.) reflect that the land tax has been paid by the Applicant for the impugned property comprised in Patta Nos. 7267 and 7278.

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

21. On perusal of the original sale deed no. 684/2014 dated 06.11.2014, it is noted that the Applicant has purchased the impugned property from the vendor, M/s. Christy Agro Tech Private Limited for an amount of Rs.51,35,400/- by way of cheque no. 352823 dated 03.11.2014 and the said cheque was given by the Applicant to vendor M/s. Christy Agro Tech Private Limited in the presence of Sub Registrar at Kadaladi, the receipt of which has also been acknowledged by the vendor, M/s. Christy Agro Tech Private Limited in the sale deed. Further, the AR has submitted that the payment for purchase of impugned property was made by Shri T.S. Kumarasamy, proprietor of Christy Freidgram Industry on behalf of Bloom Cuisines Pvt. Ltd. The AR has submitted bank statement of Shri T.S. Kumarasamy reflecting the realisation of the said cheque for the said amount. Furthermore, at page no. 48 of the aforesaid sale deed, it is certified by the Collector / Sub Registrar Office at Kadaladi that the stamp duty of Rs.3,49,800/- under section 41 of Stamp Act has been collected from the Applicant and that a fee of Rs.52,070/- has been paid on 06.11.2014 evidencing that the sale deed is duly stamped and registered. The Panel has also perused the Balance Sheets for the FY 2014-15 and FY 2015-16 wherein the purchase of impugned property has been accounted under the head Fixed Assets.

22. It is noted that Shri Madhu Hembram, in his affidavit dated 16.03.2026, has, *inter alia* stated that the impugned property was purchased by him from Shri Tamilarasu out of his own saving funds. It is also stated that he being the absolute owner of the impugned property had engaged in preliminary discussions with potential buyers including discussions with representatives of PACL for sale of the same. However, the sale did not materialise. Subsequently, in 2014, the impugned property was sold to the M/s. Christy Agro Tech Private Ltd. through registered sale deed no. 133/2014 dated 19.02.2014 for consideration of Rs.6,59,400/-. In this regard, reference is drawn

पीएसीएल लि. के मामले से संबंधित, मुंबई/In the matter of Pacl Ltd, Mumbai वसूली अधिकारियों का पैनल Panel of Recovery Officers to order dated 02.03.2023 of Shri R. S. Virk District Judge (Retd.), wherein the objection petition filed by the Applicant was inter alia dismissed on the ground that Shri Madhu Hembram never came forward to claim that the land in question was purchased by him from one Shri Tamilarasu out of his personal funds and not as an authorised representative of PACL. It appears that in order to counter the said observation, the AR of the Applicant has placed on record the aforesaid affidavit of Shri Madhu Hembram which states that the impugned property was purchased by him out of his own saving funds. Since no additional documentary evidence has been placed on record to substantiate the said claim, the affidavit of Shri Madhu Hembram cannot be taken as having strong evidentiary value in respect of the aforesaid contention.

23. From the perusal of the Encumbrance Certificate(s) dated 17.09.2022 annexed to the IA for directions by the Applicant in respect of the impugned property it is evident that the impugned property was sold vide sale deed no.102/06 dated 03.03.2006 by one Shri Tamilarasu to Shri Madhu Hembram and thereafter vide sale deed no.133/2014 dated 19.02.2014 by Madhu Hembram to M/s. Christy Agro Tech Private Limited and thereafter by M/s Christy Agro Tech Private Limited to the Applicant vide sale deed 684/2014. Further, the Patta No.7267 and 7278 also records the name of the Applicant as the owner of the impugned property.

24. The Panel of Recovery Officers have also perused the documents seized by the CBI under the MR. No. 13258/16 from the possession of PACL and thereafter attached by the Committee. Details of the documents seized are as under:

MR No. – 13258/16					
Sr. no.	**Document**	**Executed by**	**In favor of**	**Extent**	**Consideration Rs.**
1.	Sale Deed no. 102/2006	Mr. Tamilarasu	Swarupkumar Panigrahi Power of Attorney holder	S. no. - 239/5 - Acres 1.70 cents, (0.69.0 Hec), 229/5 - Acres	3,29,700/-

MR No. – 13258/16					
Sr. no.	**Document**	**Executed by**	**In favor of**	**Extent**	**Consideration Rs.**
	Dated – 03/03/2006 Registered		GPA no. 63/2006, Book no.4 dated 27.02.2006) on behalf of Shri Madhu Hembram	1.99 cents, (0.80.5 Hec), 231/1 - Acres 2.00 cents, (0.81.0 Hec), 226/1 - Acres 2.00 cents, (0.81.0 Hec), 229/2 - Acres 2.00 cents, (0.81.0 Hec), 229/4 - Acres 2.00 cents, (0.81.0 Hec), 236/2 - Acres 2.00 cents, (0.81.0 Hec), 236/5 - Acres 2.00 cents, (0.81.0 Hec), 240/1 - Acres 1.99 cents, (0.80.5 Hec), 240/3 - Acres 1.99 cents, (0.80.5 Hec), 227/4 - Acres 1.99 cents, (0.80.5 Hec), 229/1 - Acres 1.99 cents, (0.80.5 Hec) **Total – Acres 21 Cents 98 Patta no. – 1388**	

25. At the cost of repetition, it is reiterated that the impugned property was purchased by Shri Tamilarasu through 11 registered sale deeds as mentioned in para 19 above, who sold it to Shri Madhu Hembram vide registered sale deed no. 102/2006 dated 03.03.2006. Even though the sale deed no.102/2006 was seized from the custody of PACL, the said document depicts the chain of title

पी ए सी एल लिमिटेड के मामले में वसूली अधिकारियों का पैनल Panel of Recovery Officers In the matter of Pacl Ltd. Mumbai of the impugned property wherein no reference is made to any title/claim/interest in favour of PACL or its associates. It is pertinent to note that the above document forms part of the chain of title documents provided by the Applicant in the matter.

26. At this juncture, reference can be made to the order dated 22.08.2014, passed by SEBI, wherein observations with respect to the *modus operandi* adopted by PACL Ltd. have been made which are as under:

> *"...........At this stage, I note from the details submitted during the course of investigation that PACL had mobilized funds from its customers to the tune of ₹ 44,736 crores till March 31, 2012. Further by its own admission, it has collected ₹ 4364,78,08,345 from 39,97,357 customers during the period of February 26, 2013 to June 15, 2014. The total amount mobilized comes to a 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*

पैनल Panel of Recovery Officers वसूली अधिकारियों का पैनल पीएसीएल के मामले से संबंधित, मुंबई/In the matter of Pacl Ltd Mumbai

> *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)*

27. Further, reference can also be made to the aforementioned SEBI order dated 22.08.2014 wherein PACL Ltd. itself, during the proceeding before the Whole Time Member, SEBI, had admitted that for the purpose of its business, it was buying lands through its agents. The same is reproduced as under:

> *"………PACL uses agents to carry out its business. Depending on the years of experience, the agents are entitled to various designations. The agent in turn engages field associates who interact with the potential customers and explain the plans for purchase of land. As the business of PACL is propelled through word-of-mouth, it is important to incentivize the agents and field associates appropriately by way of commission. In the process, PACL often makes payment to the field associates directly as per the understanding with the agent in order to ensure that the field associates are not deprived of their commission, after deducting the requisite amount from the commission paid to the relevant agents. The large amount of commission, reflected in the balance sheet not only constitutes the commissions paid to the 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)*

28. In view of the above and considering the fact that the sale deed no.102/2006 *(under MR. No. 13258/2016)* was in possession of PACL Ltd., it is inferred that the purchaser in the said sale deed namely, Shri Madhu Hembram, had

purchased the properties 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 Madhu Hembram in its affidavit dated 16.03.2026, wherein he has admitted that he had preliminary discussions with potential buyers including representatives of PACL for sale of the impugned property. Thus, it is not in dispute that Shri Madhu Hembram and PACL were known to each other. Hence, it can be reasonably concluded that the actual beneficial owner of the said impugned property was none other than PACL.

29. However, even if Shri Madhu Hembram was an agent of PACL, the fact that he has further transferred the impugned property to M/s. Christy Agro Tech Private Limited, vendor of the Applicant, for consideration, cannot be ignored. The sale of impugned property by Shri Madhu Hembram to M/s. Christy Agro Tech Private Limited, the vendor of the Applicant has created 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.*

30. Further reference is drawn to para 12 (vi) of the order of Hon'ble Supreme Court which states as under:

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

> *"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."*

31. Referring to the above provision of Section 41 and para 12(vi) of the order of Hon'ble Supreme Court, even if Shri Madhu Hembram was an agent of PACL, the sale of the impugned property by Shri Madhu Hembram to M/s. Christy Agro Tech Private Limited, the vendor of the Applicant has created third party rights of a *bona fide* purchaser which are be protected under law.

32. It can be argued that by virtue of the aforesaid provision, PACL Ltd. as well as the Committee cannot question the transfer made in favour of the vendor of the Applicant, M/s. Christy Agro Tech Private Limited. In terms of the order dated February 02, 2016 passed by the Hon'ble Supreme Court, the Committee has been authorized for selling the properties of PACL Ltd. 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.

33. Assuming without admitting that the transfer made by Shri Madhu Hembram in favour of the vendor of the Applicant, M/s. Christy Agro Tech Private Limited and further sale in favour of the Applicant attracts Section 41 of the TPA and thus, prohibits even the Committee from rejecting the same, even then, under the said provisions itself a transfer made by an ostensible owner, in order

वसूली अधिकारियों का पैनल Panel of Recovery Officers पी ए सी एल के मामले से संबंधित, मुंबई/In the matter of Pacl Ltd. Mumbai to attract Section 41 of the TPA, has to satisfy the test of "reasonable care" and "good faith" on the part of the transferee as stated in the proviso to Section 41. In terms of the proviso, the transferee/applicant who purchased the impugned property from M/s. Christy Agro Tech Private Limited, 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 impugned property was purchased after conducting due diligence, including verification of the mutation entries, Pattas, etc., reflecting the name of previous owner.

34. 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 documents and revenue records prior to purchasing the impugned property which were 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 that the said property is purchased much before the order of SEBI and Hon'ble Supreme Court and moreover he is in actual possession of the same.

35. As noted in the above paras, considering that sale deed no.102/2006 seized from the custody of PACL under MR No. 13258/16 was executed in the individual name of Shri Madhu Hembram with no indication of any title/claim/interest in favour of PACL or any of its associates, the Applicant could not have reasonably known or expected to have known of any alleged link between the impugned properties and PACL. The Applicant having verified the chain of title, mutation entries and revenue records in respect of the aforesaid impugned properties prior to purchase, can be said to have exercised due diligence, taken reasonable care and acted in good faith while acquiring the

पैनल Panel of Recovery Officers
पीएसीएल लिमिटेड के मामले से संबंधित, मुंबई/In the matter of Pacl Ltd Mumbai

impugned properties. Accordingly, the Applicant's purchase falls squarely within the protection afforded under Section 41 of the TPA.

36. Apart from the above, it is also noted that the payment of sale consideration of Rs.51,35,400/- was made by the Applicant by way of cheque as mentioned in the sale deed no.684/2014 dated 06.11.2014. In this regard, reference is again 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. In the instant case the transfer of the impugned property is evidenced through registered sale deed/s, corresponding revenue records viz., Patta, Land tax receipts, encumbrance certificates, possession certificate, etc. and actual possession of the impugned property with the Applicant. 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.684/2014 dated 06.11.2014, payment of sale consideration and proof of possession. It is noted from the recitals of the sale deed that the vendor, Christy Agro Tech Private Limited has expressly acknowledged receipt of the entire sale consideration before the registering authority at the time of registration of the sale deed. Further, there is nothing on record to show any dispute/ complaint/ongoing litigation challenging the non-receipt of the sale consideration. Also reference is drawn to the Balance sheet for the FY 2014-15 (as on 31.03.2015) of the Applicant wherein the purchase of the impugned property has been accounted under the heading "Fixed Asset" which shows that the Applicant is a bona fide purchaser of the said property. In view of the same, the Panel is of the view that the Applicant's claim with respect to the impugned property deserves to be allowed.

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

37. In the light of the foregoing and the documentary evidence placed on record, it is established that the Applicant had purchased the impugned property via a registered sale deed and the relevant revenue records submitted by him namely Encumbrance Certificates, Pattas, Possession Certificate and the Land Tax receipts reflect its name as the owner. Thus, the aforesaid documents evidence that the Applicant is a *bona fide* purchaser of the impugned property in an independent capacity. Accordingly, the order dated 02.03.2023 passed by Shri R.S. Virk, District Judge (Retd.) is liable to be set aside.

ORDER:

38. In view of the aforesaid facts, the Interlocutory Application Nos.112246 of 2023 and 112247 of 2023 filed by the Applicant for the impugned property comprised in survey nos. 239/5 -Acres 1.70 cents, (0.69.0 Hec), 229/5 - Acres 1.99 cents, (0.80.5 Hec), 231/1 - Acres 2.00 cents, (0.81.0 Hec), 226/1 - Acres 2.00 cents, (0.81.0 Hec), 229/2 - Acres 2.00 cents, (0.81.0 Hec), 229/4 - Acres 2.00 cents, (0.81.0 Hec), 236/2 - Acres 2.00 cents, (0.81.0 Hec), 236/5 - Acres 2.00 cents, (0.81.0 Hec), 240/1 - Acres 1.99 cents, (0.80.5 Hec), 240/3 - Acres 1.99 cents, (0.80.5 Hec), 227/4 - Acres 1.99 cents, (0.80.5 Hec), 229/1 - Acres 1.99 cents, (0.80.5 Hec) total admeasuring 21 Acres and 98 Cents situated at Village Melselvanur, Kadaladi Taluk, Ramanthapuram District, Tamil Nadu is disposed of as allowed.

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: 30.06.2026

30/6/2026   30.06.2026   30.6.26

KSHAMA P. WAGHERKAR	**RESHMA GOEL**	**SAROJ KUMAR SAHU**
RECOVERY OFFICER	**RECOVERY OFFICER**	**RECOVERY OFFICER**
क्षमा प्र. वाघेरकर / KSHAMA P. WAGHERKAR	रेशमा गोयल / RESHMA GOEL	सरोज कुमार साहू / 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
(पी ए सी एल ली के मामले से संबंधित, मुंबई)/(In the matter of PACL Ltd. Mumbai)	(पी ए सी एल ली के मामले से संबंधित, मुंबई)/(In the matter of PACL Ltd. Mumbai)	(पी ए सी एल ली के मामले से संबंधित)/(In the matter of PACL Ltd.)