PANEL OF RECOVERY OFFICERS
APPOINTED UNDER SECTION 28A OF THE SEBI ACT, 1992
DISCHARING FUNCTIONS IN TERMS OF THE ORDERS DATED 08.08.2024 AND 19.02.2026 PASSED BY THE HON'BLE SUPREME COURT OF INDIA
IN THE MATTER OF PACL LTD.

I.A. No(s).	**I.A.No.84557 of 2021 & I.A.No.84559 of 2021 in CA No.:13301/2015**
File No.	**745 and 746**
Name of the Applicant(s)/Applicant(s)	1. Mr. C. Ravishankar 2. Ms. Rachita C Ravishankar 3. Ms. Raskshita C Ravishankar 4. Mrs. Suma C Ravishankar
MR No (s).	**4218/15**

Background:

1. Securities and Exchange Board of India (hereinafter referred to as **"SEBI"**) on August 22, 2014 had passed an order against 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. 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 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.

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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, continues 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 4 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 Mr. R.S. Virk, Retired District Judge.

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

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companies of PACL Ltd., which included 25 front companies of PACL Ltd. whose accounts were attached vide order dated April 30, 2019.

10. Vide order dated August 08, 2024 passed in *Civil Appeal No. 13301 of 2015 - Subrata Bhattacharya Vs. SEBI and other connected matters,* the Hon'ble Supreme Court 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, Retired District Judge 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 the order dated February 19, 2026 in the matter of Subrata Bhattacharya vs. SEBI (Civil Appeal No. 13301 of 2015) directing, *inter alia*,

"i. all interlocutory applications/Transferred Case falling under Category B, i.e. 106 sets of applications including the instant application, filed against the recommendations of Shri R.S. Virk, Retired District Judge, be placed before the Recovery Officers appointed under Section 28A of the SEBI Act, 1992.

ii. The Recovery Officers shall adjudicate the claims in accordance with the procedure contemplated under Section 28A of SEBI Act read with Second Schdule to the Income Tax Act, 1961.

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 Ltd. or relatable to its associate entities, subsidiaries or sister concerns and whether the Applicants establish, on the basis of documentary materials & evidence, that the properties are held by them in their independent capacity.

iv. The parties shall be at liberty to adduce necessary evidence in this regard confined to the extend relevant to establish source of the property, which evidence will be let in summary manner. The adjudication shall be confined to documentary evidence. No oral evidence shall be permitted. The

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Recovery Officers may permit filing of additional documents over and above what was filed before Judge Virk & this Court in their IAs.

v. Recommendation of shri R.S Virk (Retd.) shall not be determinative of the issues but may be taken into consideration as one of the factors while adjudicating the claims.

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."

Accordingly, all such applications, including the instant application, are now to be dealt by the Recovery Officers appointed under Section 28A of the SEBI Act, 1992 in the matter of PACL Ltd.

Present Interlocutory Application (I.A.)

13. The instant two Interlocutory Applications Nos. 84557 of 2021 & 84559 of 2021(hereinafter collectively referred as "**the IAs**") have been filed by 1) Mr. C. Ravishankar 2)Ms. Rachita C. Ravishankar 3) Ms. Raskshita C. Ravishankar and 4) Mrs. Suma C. Ravishankar, (hereinafter referred to as the "**Applicants**") residing at No.973, 2nd Main 4th Block, Rajaji Nagar , Bengaluru-560010 Karnataka, challenging the order dated December 08, 2020 (hereinafter referred to as the "**impugned order**") passed by Shri R.S. Virk, Retired District Judge in File No 745 and 746 rejecting Applicants request of releasing attachment in respect of the property in question bearing site No. 5AC 712, Block No.1, Hennur Banaswadi Road Extension, Bengaluru measuring 372.10 square meters (hereinafter referred as the "**impugned property**") attached by the Committee under M R No.4218/15. The Applicants filed review application however the same was dismissed vide Order dated January 27, 2021.

14. It is observed that while dismissing the aforesaid objection petition, Shri R.S. Virk, District Judge, (Retd.) *interalia* stated that

14.1 As per para 10 of the Sale Agreement dated August 28,1995 clearly stipulated that *if the vendor or purchaser fails or neglects to complete the sale after the title being made out, either of parties will be at liberty to enforce specific performance of this agreement.*

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However Mr. C.Ravishankar (Applicant No.1) had not filed any such suit for specific performance of the said agreement.

14.2 The power of attorney dated October 05,1995 could not be cancelled as it was not duly served on Shri L. C Krishna.

14.3 The Applicant no.1 was left with no authority to transfer the impugned property in question in view of aforesaid agreement of sale dated August 28,1995, the suffering of decree dated November 03,1997 by him in partition suit no. O.S No. 4168/1995 before the City Civil Court, Bangalore, in favor of his daughters, then minors (Applicant No.2 and 3), through his wife (Applicant No.4). Further transfer thereof by Applicant No.2 to the extent of one third share of the schedule property each in favor of her sister (Applicant No.3) and mother (Applicant No.4) vide gift deed dated August 18, 2016 is incapable of being acted upon. Similarly, creation of any further lease deed qua this property is inconsequential.

15. Aggrieved by the above order, the Applicants, therefore, had filed the IA Nos. 84557/2021 and 84559/2021 before the Hon'ble Supreme Court in the matter of Subrata Bhattacharya vs. SEBI (*Supra*). Thereafter, the Hon'ble Supreme Court passed the order dated February 19, 2026 directing, *inter alia*, that all interlocutory applications/transferred cases falling under Category B, i.e. 106 sets of applications including the instant applications, challenging the recommendations of Shri R.S. Virk (Retd.), shall be placed before the Recovery Officers appointed under Section 28A of the SEBI Act, 1992.

16. In compliance with the directions of the Hon'ble Supreme Court, the applicants were granted an opportunity of hearing on April 22, 2026 before the Panel of Recovery Officers (hereinafter referred to as the "The Panel"). During the hearing, the applicants were represented by an authorized representative ('AR') who made submissions on the lines of averments made in the IAs, additional submission/documents dated March 19, 2026 and prayed to set aside the impugned order dated December 08, 2020 and review Order dated January 27, 2021 passed by Hon'ble Virk (Retd. District Judge) in Objection Petition Nos 745 and 746. Further, it is requested to delist and release impugned property attached under MR No.4218/15 from PACL assets and auction process. Based on the submissions made and discussions held during the hearing, the AR for the Applicants sought one-week time for making written submission alongwith the necessary additional documents. Subsequently, the Applicants/Applicants submitted written submission dated April 27, 2026.

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17. The Panel perused all the material available on record, in order to decide the objection and brief facts are noted as under:

17.1 The Bangalore Development Authority (hereinafter referred to as the "BDA") vide lease-cum-sale agreement dated March 26,1986 allotted the impugned property to Applicant No.1 Mr. C. Ravishankar on lease for a period of 10 years or in the event of the lease being determined earlier till the date of such termination.

17.2 Applicant No.1 had entered into an Agreement to Sale dated August 28, 1995 with Shri L.C. Krishna, authorized representative of M/s. Pearl Green Forests Ltd (hereinafter referred as "PGFL"), residing at No.50/1, Gupta Towers, Residency Road, Bengaluru-560 025, agreeing to sell the impugned property to him for a total sale consideration of Rs.15,20,000/-. (Rupees Fifteen Lakh Twenty Thousand Only).

17.3 Applicant No. 1 had executed unregistered General Power of Attorney dated October 05, 1995 in favour of Mr. L.C.Krishna, PGFL, Bangalore-560025.

17.4 Applicant No. 1 and Applicant No.4 were jointly and severally executed an Indemnity Bond dated October 05, 1995 for a period of 13 years in favour of PGFL represented by Mr. L. C. Krishna. Applicant No. 1 had also executed Will dated October 05, 1995 purporting to bequeath the impugned property in favour of PGFL

17.5 Applicant No.1 under an affidavit dated October 05, 1995 acknowledged the receipt of Rs.14,44,000/- being a 95% of the agreed sale value from Mr. L.C. Krishna as agreed vide Agreement to Sale dated August 28, 1995 and remaining Rs. 76,000/- will be paid by Mr. L.C. Krishna at the time of registration of sale deed before the Sub-Registrar. As per averment of Applicants, neither sale deed was executed or registered by Mr. L. C. Krishna nor Rs. 76,000/- was paid to Applicant No.1.

17.6 Meanwhile, BDA vide registered Absolute Sale Deed No. 2569/96-97 dated November 15, 1996 sold the impugned property to Applicant No.1 for Rs.75,038,/-(Rupees Seventy Five Thousand Thirty Eight Only).

17.7 Prior to execution of the said sale deed dated November 15, 1996, the partition suit filed by Applicant Nos.2 and 3(daughters of Applicant No.1) being minor represented by their mother (Applicant No.4) against the Applicant No.1 (Original suit No.4168/1995 dated 28/06/1995) before the City Civil Court, Bangalore City seeking partition and separate possession of the joint

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family properties. Said suit was compromised by way of Final decree dated November 03, 1997 and the impugned property was allotted/transferred to Mrs. Rachita C. Ravishankar (Applicant No.2). The Khatha came to be entered in the name of Applicant No.2 Ms. Rachita C. Ravishankar on July 27, 2005.

17.8 Applicant No.1 sent a letter dated December 16, 2008 to Mr. L. C. Krishna informing the a) Cancellation of the Sale Agreement dated August 28,1995 in respect of the impugned property; b)Termination of the Power of Attorney dated October 05, 1995 granted in favour of Shri L.C. Krishna; c) Termination of the Indemnity Bond dated October 05, 1995 executed in favour of PGFL; d) Revocation of the Will dated October 05, 1995 purporting to bequeath the Schedule property in favour of PGFL. Applicant had also enclosed Cheque of Rs.14,40,000 (Cheque No.263797 dated December 31,2008 drawn on Citibank, M.G. Road, Bangalore) in favor of Mr. L C Krishna towards full refund. However, the said letter returned undelivered with remark "Left/Returned Sender". The Applicant No.1 submitted that he did not place the case as one of the concluded legal service against the addressee, but rather as the evidence of a bona fide and contemporaneous attempt by him to refund the amount.

17.9 Applicant No.2, constructed the commercial building of about 17,000 Square feet on impugned property in the year 2012. Further She executed Registered Gift Deed dated August 18, 2016 in favour of Ms. Rakshita C. Ravishankar (Applicant No.3) and Mrs. Suma Ravishankar (Applicant No.4) to the extent of one-third undivided share each in impugned property. Accordingly, joint Khatha dated March 21, 2017 stood in the names of Applicant Nos. 2 to 4 and are the joint owners in full possession, enjoyment and occupation of the impugned property as on date.

17.10 During hearing, AR submitted that no registered sale deed was ever executed in favour of L.C. Krishna, M/s. Pearl Green Forests Ltd, PACL, or any nominee. Further, the balance amount of Rs.76,000/- was contemplated to be paid before the concerned Sub-Registrar at the time of registration, which itself shows that the contemplated transfer was incomplete and contingent upon execution and registration of the final conveyance. Further, merely Applicant No.1 giving a power of attorney dated October 05, 1995 to Mr. L.C. Krishna does not lead to the conclusion that Mr. L. C. Krishna acquired any title to the impugned property and reliance was placed on the law laid down by the Hon'ble Supreme Court in **Suraj Lamp & Industries (P) Ltd. Vs. State of Haryana (2012) 1 SCC 656**, and stated that the GPA and ATS available in MR document cannot be considered as valid document for transfer of title in respect of the impugned property.

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17.11 The Panel also noted proposal of applicants made during hearing and in their additional written submission dated April 27, 2026 wherein applicant no.1 submitted his willingness to refund the amount of Rs.14,44,000/- admittedly received as advanced subject to the panel recording that such refund is accepted in full and final settlement of any claim referable to the said unregistered transaction and that the property thereupon stands excluded from the attachment / sale proceeding relating to PACL Ltd. and its affiliated entities

17.12 The Applicants further submitted that an attachment directed against PACL assets ought not to continue against a property for which PACL or its alleged intermediary never obtained a registered deed of transfer or became the lawful owner thereof.

18. Upon perusal of documents covered under M R Number 4218/15 seized by the Committee in the present IAs, Written submissions, additional written submission, documentary evidence adduced by Applicants and other relevant records in the present IAs, The Panel observed as under:

18.1 The panel perused Lease-cum-Sale Agreement dated March 26, 1986 executed between BDA and Applicant No.1 and noted under:

clause 1 of said agreement stated "*1. The lessee/ purchaser is hereby put in possession of property and the lesser/ purchaser occupy the property as a tenant there for a period of 10 year from the date of taking possession or in the event of the lease being determined earlier till the date of such termination. The amount deposited by the lessee/purchaser towards the value of the property shall during the period of tenancy, be held by the lessor/vendor as a security deposit for the due performance of the terms and conditions of these presents.*"

clause 12 of said agreement stated "*12. If the lessee/purchaser has performed all the conditions mentioned herein and committed no breach thereof the lessor/vendor shall, at the end of ten years referred to in clause 1, sell the property to the lessee/purchaser ...*"

18.2 BDA vide registered Absolute Sale Deed No. 2569/96-97 dated November 15, 1996 sold the impugned property to Applicant No.1 for Rs.75,038,/-(Rupees Seventy Five Thousand Thirty Eight Only).

From above, it is clear that Applicant No.1 was in possession of impugned property from March 26,1986 to November 15, 1996 as a ***tenant*** and he cannot legally sell/transfer the impugned property/enter in to Sale Agreement prior to November 15, 1996. However, Applicant No.1 had entered into a Sale Agreement dated August 28, 1995 with Mr. L.C. Krishna, agreeing to sell the

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impugned property to him for a total sale consideration of Rs.15,20,000/- (Rupees Fifteen Lakh Twenty Thousand Only) and admittedly received Rs.14,44,000/- from Mr. L.C. Krishna (Rs.8,94,000 through DD/Cheque and Rs.5,50,000/- in cash).

Para 3 of the said Sale Agreement *interalia* states that "*Agreement as hereunder appearing, the purchase shall be completed on or before 26-5-1996 and the relevant conveyance shall be executed before the Sub Registrar or Registrar.*"

Para 7 of the said Sale Agreement *interalia* states that "The *conveyance shall be prepared by the purchaser at his own costs and expenses and the vendor agreed to execute sale deed, before the Sub-Registrar or the Registrar. The vendor shall execute the conveyance of the schedule property……. in favour of purchaser or his nominee.*"

Para10 of the said Agreement, *interalia,* states that "*If the vendor or purchaser fails or neglects to complete the sale after title being made out, either parties will be at liberty to enforce specific performance of this agreement.*"

However, from the perusal of terms mentioned in Sale Agreement, the panel observed that there is nothing on record to show that vendor i.e Applicant No.1 executed any sale deed before the Sub-Registrar or the Registrar. Further the Panel also noted that there is non-compliance of terms and conditions agreed upon in Sale Agreement dated August 28, 1995 by both parties.

18.3 The panel also observed that the para 8 of affidavit dated October 05, 1995 executed by Applicant No1 Mr. C. Ravishankar, *interalia,* states

" *8 . I have also executed an indemnity bond in favour of M/s Pearls Green Forests Ltd., No.50/1, Gupta Towers, Residency Road, Bangalore-25, sufficiently indemnifying to make good of the damages of whatsoever nature, loss or in the event of deprivation of schedule property for a period of 13 years from the date hereof and further states and undertake to return the entire 95% of sale consideration of Rs.14,44,000/- paid to me together with compounding interest of 18% per annum from the date hereof to the date of realization by the purchaser or their nominees.*"

However, the panel observed that there is nothing on record showing the compliance of this condition by Applicant No.1.

18.4 Further, Applicant No.1 C. Ravishankar being a *tenant* had no authority to sell impugned property and the said fact was nowhere recorded in Sale Agreement dated August 28, 1995.

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Further the impugned property was transferred by way of Final Decree dated November 03, 1997 by Applicant No.1 him in favour of his daughter viz. Applicant No.2 in partition suit no. O.S. 4168/1995 filed on June 28, 1995 before the City Civil Judge, Bangalore. There is no evidence on record showing that Applicant No.1 had communicated to Mr. L. C. Krishna about his inability to complete the sale because of the aforesaid facts and refund of Rs.14,44,000 along with compounding interest of 18% per annum as per the terms and condition mentioned in the Sale Agreement dated August 28, 1995 immediately.

18.5 The Panel observed that Applicant No. 1 made an averment in IA that he had informed Mr. L.C Krishna on several occasion that he is not in position to complete the sale of the property and in response Mr. L.C Krishna agreed to forgo the sale subject to return the payment made to Applicant No.1. However there is no evidence produced by the Applicant to substantiate his averment.

18.6 The Panel has further observed that almost after 13 years from the date of sale agreement, Applicant No.1 sent letter dated December 16, 2008 to Mr. L. C. Krishna informing the a) Cancellation of the Sale Agreement dated August 28,1995 in respect of the impugned property; b) Termination of the Power of Attorney dated October 05, 1995 granted in favour of Shri L.C. Krishna; c) Termination of the Indemnity Bond dated October 05, 1995 executed in favour of PGFL; d) Revocation of the Will dated October 05, 1995. Applicant had also enclosed Cheque of Rs.14,40,000/- towards full refund of all the amounts paid to him as consideration for the impugned property. However, the said letter returned undelivered with postal endorsement remark dated December 20, 2008 ."Left/Returned Sender". At this juncture, attention is drawn to the judgment passed by the Hon'ble Supreme Court in C. C. Alvai Haji V/s Palapetty Muhammed and anr. (AIR 2007 SC (Supp) 1705, where in paragraph No.14 it has been observed that

"Para 14: *when a notice is sent by registered post and is returned with a postal endorsement "refused" or "not available in the house" or "house locked" or "shop closed" or "addressee not in station", due service has to be presumed.*"

However, in the present case as noted above, the notice has been returned with the remark "Left/Returned Sender" and not with the remarks referred to in the aforesaid decision of the Hon'ble Supreme Court and therefore, submission made by Applicants regarding valid service of letter dated December 16, 2008 of would not lend any assistance to Applicants.

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Further, except for one such attempt, no further attempt was shown/made by Applicants to ensure the refund of the amount of Rs.14,40,000/- alongwith the agreed compounding interest of 18% per annum to Mr. L. C. Krishna in any manner. Reference is drawn to Section 4 of the Indian Contract Act, 1872 which states that "The communication of a revocation is complete, —as against the person who makes it, when it is put into a course of transmission to the person to whom it is made, so as to be out of the power of the person who makes it; as against the person to whom it is made, when it comes to his knowledge." In the instant case, the communication of the revocation never came to the knowledge of the associate of PACL Ltd.

19. Notwithstanding the above, it is important to mention here that the Sale Agreement dated August 28,1995, General Power of Attorney dated October 05, 1995, Indemnity Bond dated October 05, 1995, Will dated October 05, 1995 between Mr. C. Ravishankar and Mr. L. C. Krishna were seized from the possession of PACL Ltd. and the impugned property has been thereafter, attached by the Committee. The very fact that the said documents were in possession of PACL Ltd. gives rise to a presumption that Mr. L. C. Krishna, authorized representative of PGFL had intended to purchase the said impugned property on behalf of PACL Ltd. and the actual beneficial owner of the said impugned property was no other than PACL Ltd. In this regard, reference can be made to the order dated August 22, 2014 passed by SEBI, wherein it has been observed that,

"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 Page.71-72)

"….From the above, it is noted that PACL has very Ltd. stock of lands in its name and that most of the lands are held through General Power of Attorney/ through Agreement to Sale/ through associate companies. PACL in its reply has informed that the said associate companies are

controlled by its friends and nears and dears of the management of PACL. I observe that PACL enters into an MoU with the associate companies for the purchase of land. The MoU, inter-alia, states that as PACL is unable to purchase the land in its own name beyond certain limits due to the land laws and other applicable laws of the land in different States of the country, PACL has nominated the associate company to purchase the land for PACL and get the sale deed executed in the name of associate company……." (at Page 80).

It is worthy to note that the PACL Committee was constituted by the Hon'ble Supreme Court with the very purpose and object of refunding the investors who have lost their hard earned monies to the scam instituted by PACL Ltd. PACL Committee therefore is empowered to restore such monies and refund them back to the investors/customers.

20. It is noted that Sale Agreement dated August 28, 1995 executed between Applicant No 1 and Mr. L. C. Krishna being an unregistered document, cannot by itself create any interest in or charge on such property and makes the agreement void. It may be noted that the provisions of Section 65 of the Indian Contract Act, 1872would be attracted. The said provision reads as under:

"65. ***Obligation of person who has received advantage under void agreement, or contract that becomes void.— When an agreement is discovered to be void, or when a contract becomes void, any person who has received any advantage under such agreement or contract is bound to restore it, or to make compensation for it to the person from whom he received it.***"

In view of the said provision, it mandates restitution, meaning thereby that the person who has received the advantage must either restore it or compensate the other party for it which ensures fairness and prevents unjust enrichment.

21. The applicants have neither proved any contractual right to retain the said amount nor established any loss justifying such retention as contemplated under Section 74 of the Indian Contract Act, 1872. The principle embodied in Section 65 of the Act also requires restoration of the advantage received where its retention would be inequitable.

22. The Hon'ble Supreme Court of India held in Fateh Chand v. Balkishan Das [(1964) 1 SCR 515], "*section 74 of Indian contract Act 1872 undoubtedly says that the aggrieved party is entitled to receive compensation from the party who has broken the contract, whether or not actual damage or loss is proved to have been caused by the breach.*"

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23. From the para 19 above, it can be inferred that PACL Ltd. through its associate company viz. PGFL, which was controlled by its friends and nears and dears of the management of PACL Ltd., was transacting in the impugned properties as it was unable to own lands in its own name beyond certain limits due to the land laws of the country and if, the conveyance deed would have been executed and registered between the parties for the said impugned properties, the actual beneficial owner of the said impugned properties would have been PACL Ltd. However, as mentioned above, in the absence of a registered sale deed, the Purchaser would not have any ownership rights in the impugned properties. Thus, it can be said that the applicants still continue to be the owner of the impugned properties. However, the Purchaser, Mr. L. C. Krishna, authorized representative of PGFL being an associate company of PACL Ltd. had paid an amount of Rs.14,44,000/- towards part consideration at the time of execution of the Sale Agreement August 28, 1995 to Applicant No.1. Further, it is noted that the said amount of Rs.14,44,000/- has not been refunded by applicant No.1 to Shri L.C. Krishna. It is pertinent to state here that M/s PACL Limited had raised monies from around 5.85 crore investors and the monies were utilized towards the payment for purchase of lands. In view thereof, considering that the applicant no.1 has received amount of Rs.14,44,000/- from Shri L.C. Krishna which is nothing but monies collected from investors at large, we find that in order to protect the interests of investors, refund of such monies so received by the Applicant no.1 would meet the end of justice and equity. The said direction would also impart the applicants of unjust enrichment made and enjoyed over the years by keeping both monies and possession of impugned property The applicants must return the benefit taken under the said sale agreement.

24. In view of the forgoing paras, in lines with the powers conferred upon the Recovery Officers under section 28A of the SEBI Act, 1992 read with Second Schedule of the Income Tax Act, 1961, the applicants (jointly and severally) are liable for a direction to refund the Rs.14,44,000/- received along with simple interest at the rate of 1% per month or part thereof from the date of receipt of said amount i.e October 05, 1995 till the date of actual payment, to the PACL Committee.

Order

25. Given the above, the I.A.Nos.84557 of 2021 & 84559 of 2021 filed by Applicants having impugned property marked under MR No.4218/15 are allowed subject to the payment of Rs.14,44,000/- along with simple interest at the rate of 1% per month or part thereof from date of receipt of the said amount i.e. October 05, 1995 till the date of actual payment by the applicants (jointly and severally) to the PACL Committee, within period of 30 day from the date of receipt of this order. The bank details for remitting the payment is as under:

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Account Name	Securities and Exchange Board of India
Account No.	0172101101304
Bank	Canara Bank
Branch	BKC, Mid Corporate branch, Mumbai
IFSC	CNRB0006643

26. In case of failure to make the payment as directed in paragraph no. 25 above, the attachment on the impugned property marked under MR No.4218/15 shall continue without being affected by observations made in this Order. Further, if the Applicants fails to pay the amount, as aforesaid, PACL Committee shall be free to proceed with sale/auction of the impugned properties in accordance with law for realizing the aforesaid amount.

27. In view thereof, the impugned order dated December 08, 2020 passed by Shri R.S. Virk, Retired District Judge in File No 745 and 746, is hereby set aside subject to the fulfillment of conditions mentioned above.

28. The I.A.Nos.84557 of 2021 & 84559 of 2021 in CA No.:13301/2015 are accordingly, stands disposed of in terms of this order.

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In the matter of PACL Ltd.

Place: Mumbai
Date: July 29, 2026

29.07.2026
BAL KISHOR MANDAL
Recovery Officer

29/7/2026
KSHAMA WAGHERKAR
Recovery Officer

29/7/2026
PREETI PATEL
Recovery Officer

बाल किशोर मंडल / BAL KISHOR MANDAL
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.]

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)

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)