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.	108477 and 108478 of 2023
File No.	SEBI/PACL/IA/KW/00736/2026
Name of the Objector(s)/Applicant	Christy Quality Foods Pvt. Ltd.
MR Nos.	13087/16 and 14612/16

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.

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.

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5. The Committee has from time to time requested the authorities for registration and revenue of different States to take necessary steps and issue necessary directions to Land Revenue Officers and Sub-Registrar Offices, to not effect registration/mutation/sale/transfer, etc. of properties wherein PACL Ltd. and or its group or its associates have, in any manner right of interest.

6. Further, the Hon'ble Supreme Court vide its order dated 25.07.2016 restrained PACL Ltd. and/or its Directors/Promoters/agents/employees/Group and/or associate companies from in any manner selling/transferring/alienating any of the properties wherein PACL Ltd. has, in any manner, a right/interest situated either within or outside India.

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

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companies of PACL Ltd. Thereafter, on 01.03.2021, the Recovery Officer issued another notice of attachment in respect of 32 associate companies of PACL Ltd., which included 25 front companies of PACL Ltd. whose accounts were attached vide order dated 30.04.2019.

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

    " ..... *10. Since, we had directed in our order dated 25.07.2024, that no fresh applications or objections shall be filed before or entertained by Shri R.S. Virk, District Judge (Retd.) and that the same shall be filed before the Committee, the Committee may deal with such applications/objections, if filed before it, and dispose them of as per the provisions contained under Section-28(A) of the SEBI Act.....*"

11. In compliance with aforesaid order dated 08.08.2024, passed by the Hon'ble Supreme Court, all objections with respect to properties of PACL Ltd. which were pending before Shri R. S. Virk, District Judge (Retired) and all new objections, are now to be dealt by the Recovery Officers attached to the Committee.

12. Subsequently, the Hon'ble Supreme Court passed an order dated 19.02.2026 in the matter of Subrata Bhattacharya vs. SEBI (Civil Appeal No. 13301 of 2015) directing, inter alia, that all Interlocutory Applications/Transferred Case falling under Category B, i.e. 106 sets of applications including the instant application, challenging the recommendations of Shri R.S. Virk, District Judge (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

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

13. The Objector/Applicant, M/s. Christy Quality Foods 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. 253/2 (2.00), 249/7(0.64), 226/2 (2.00), 209/1(2.51), 240/5 (0.89), 230/5, (1.99), 270/2 (1.38), 211/3 (2.49), 266/1 (1.40), 266/4 (1.36), 264/6 (2.00), 228/1(2.00), 320/3 (2.37), 256/4 (2.00), 224/4 (2.49), 254/1 (2.00), 229/3 (2.00), 231/1 (2.00), 227/1 (2.00), 236/4 (2.00), 234/3 (1.94), 238/6 (1.94), 208/1 (2.51), 217/1 (2.51), 212/4 (1.25), 237/3 (2.00), 233/5 (1.99), 241/5 (0.80), 240/2(2.00), 225/5 (2.00), and 218/4 (2.49) Acres total admeasuring 58 acres 95 cents situated in Village Melselvanur, Kadaladi Taluk, Ramnathpuram District, Tamil Nadu which were purchased by the Applicant vide two sale deeds bearing document nos. 351/2014 and 352/2014, both dated 23.05.2014, from Shri Lakshman Kumar Deo and Shri Shibaprasad Bhanja respectively (hereinafter referred to as '**impugned properties**'). The aforesaid property stands attached by the Committee under MR Nos. 13087-16, and 14612-16.

14. Shri R. S. Virk, District Judge (Retd.) vide Order dated 02.03.2023 dismissed the Objection petition *inter alia* on the ground that:

    i. The chain of documents i.e. the sale deed no. 105/2006 dated 03.03.2006 and 228/2006 dated 31.03.2006 were taken into possession from the custody of PACL vide seizure memo dated 13.05.2015 and 15.07.2015;

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ii. The impugned property was purchased by Shri Laxman Kumar Deo and Shri Shibaprasad Bhanja, PACL's representative through sale deed 105/2006 dated 03.03.2006 and 228/2006 dated 31.03.2006 respectively using PACL funds;

iii. Shri Laxman Kumar Deo and Shri Shibaprasad Bhanja had not come forward to claim that the land in question was purchased by them out of their personal funds and not as a representative of PACL.

Present Interlocutory Application (IA)

15. Aggrieved by the said order, the Applicant has filed an Interlocutory Application Nos. 108477 of 2023 (for intervention) and 108478 of 2023 (for direction) before the Hon'ble Supreme Court in the matter of *Subrata Bhattacharya vs. SEBI* (supra) (hereinafter referred to as **'IAs'**) seeking directions for setting aside the recommendations of Shri R. S. Virk District Judge (Retd.) dated 02.03.2023 to the extent of land comprised in impugned properties and grant an *ad-interim* stay on the auction of impugned properties. The Applicant has *interalia* raised the following contentions that -

i. the Applicant is a bonafied purchaser who had purchased the impugned properties in May 2014 from the respective owners much prior to the order of Hon'ble Supreme Court directing sale of PACL's land;

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

iii. Shri R. S. Virk, District Judge (Retd.) erroneously rejected the Applicant's objection on the ground that the said impugned properties were purchased by Shri Shibaprasad Bhanja and Shri Lakshman Kumar Deo, PACL's own

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representatives, through sale deed nos. 228/2006 and 105/2006 both dated 03.05.2006 respectively using PACL funds;

iv. PACL has failed to produce a single document to indicate that Shri Laxman Kumar Deo and Shri Shibaprasad Bhanja were PACL's authorised representative;

v. PACL has failed to produce any evidence which would suggest that its own funds were used to purchase the impugned properties;

vi. the Applicant has been in unencumbrered and peaceful possession of the impugned properties since 2014;

vii. the sale deeds through which the vendors purchased the impugned properties dates to year 2006 which is well before 02.02.2016.

16. In compliance with Order dated 19.02.2026 passed by the Hon'ble Supreme Court in *Subrata Bhattacharya vs. SEBI (supra)*, the proceedings in respect of IAs were initiated by the Panel of Recovery Officers and accordingly the Applicant was granted an opportunity of hearing on 27.04.2026 before the Panel of Recovery Officers. Before the scheduled date of hearing, the Authorised Representative (AR) of Applicant, in terms of paragraph 12(viii) of the Hon'ble Supreme Court's order dated 19.02.2026 (*supra*), submitted the following additional documents on 19.03.2026 on behalf of the Applicant:

i. Possession Certificate issued by the Village Administrative Officer, Melaselvanur Group, Kadaladi Taluk.

ii. Patta No.1395 dated 26.11.2013 issued by Zonal Deputy Tehsildar, Kadaladi in the name of previous owner Shri Dhanasekaran.

iii. Patta No.1391 dated 30.01.2014 issued by Zonal Deputy Tehsildar, Kadaladi in the name of previous owner Shri Perriyakaruppan.

iv. Affidavit dated 16.03.2026 of Shri Bharatenadu Bhanj S/o Late Shri Shibaprasad Bhanja.

v. Affidavit dated 16.03.2026 of Shri Lakshman Kumar Deo.

17. On the scheduled date of hearing, the AR of the Applicant appeared virtually and made submission on the lines of averments made in the said IA. Based on the submissions made during the hearing, the AR was inter alia advised to submit certain document(s) viz., corrected copies of Encumbrance Certificate reflecting the name of the Applicant along with its english translation and Bank statements reflecting relevant transactions. Accordingly, the AR of the Applicant vide email dated 05.05.2026, *interalia* submitted the copies of Encumbrance certificates dated 27.04.2026 for the period 15.09.1980 to 26.04.2026 pertaining to the impugned property and Land tax receipts for year fasli year 1424 to 1434 for patta no. 7236 and 7237.

18. In addition to the above, inter alia the following documents have been annexed in the IA filed by the Applicant:

a. Encumbrance Certificates dated 17.09.2022 for the search period 01.01.1984 to 16.09.2022 of the impugned property.

b. Copy of Patta No.7236 and 7237 issued by Dept. of Revenue of Govt. of Tamil Nadu.

c. Sale deed nos. 352 of 2014 and 351 of 2014 both dated 23.05.2014.

d. Sale deed nos. 228 of 2006 dated 31.03.2006 and 105 of 2006 dated 03.03 2006.

19. The Panel has perused the aforesaid documents placed on record including the IAs and their annexures. From the submissions of the AR, and the said documents, the genesis of transactions in respect of the impugned properties are as under:

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Sr. no	Document No.	Executed by	In Favour of	Extent in acres	Consideration (Rs.)
1.	Sale Deed no. 351/2014 dated – 23.05.2014 (Registered)	Shri Lakshman Kumar Deo	M/s. Christy Quality Foods (India) Pvt. Ltd.	S. no. – 208/1 (Hec. 1.01.5, Ac 2 Cts 51) S. no. – 212/4 (Hec. 0.50.5, Ac 1 Cts 25) S. no. – 217/1 (Hec. 1.01.5, Ac 2 Cts 51) S. no. – 218/4 (Hec. 1.01.0, Ac 2 Cts 49) S. no. – 225/5 (Hec. 0.81.0, Ac 2) S. no. – 227/1 (Hec. 0.81.0, Ac 2) S. no. – 231/1 (Hec. 0.81.0, Ac 2) S. no. – 233/5 (Hec. 0.80.5, Ac 1 Cts 99) S. no. – 234/3 (Hec. 0.78.0, Ac 1 Cts 94) S. no. – 236/4 (Hec. 0.81.0, Ac 2) S. no. – 237/3 (Hec. 0.81.0, Ac 2) S. no. – 238/6 (Hec. 0.78.5, Ac 1 Cts 94) S. no. – 240/2 (Hec. 0.81.0, Ac 2) S. no. – 241/5 (Hec. 0.32.5, Cts 80) 27 Acres 43 cents	9,32,620/- Cash
2.	Sale Deed no. 105/06 dated 03.03.2006 (Registered)	Shri Periyakarupan	Lakshaman Kumar Deo (Through Power of Attorney Swaroop Kumar Panigrahi)	S.no – 208/2 (Ac. 2.49 Cts, 1.01.0 Hec.) S.no.–231/1 (Ac. 2.00 Cts, 0.81.0 Hec.) S.no.–227/1 (Ac. 2.00 Cts, 0.81.0 Hec.)	4,48,800/- Cash

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Sr. no	Document No.	Executed by	In Favour of	Extent in acres	Consideration (Rs.)
				S. no – 236/4 (Ac. 2.00 Cts, 0.81.0 Hec.) S. no. – 234/3 – (Ac. 1.94 Cts, 0.78.5 Hec) S. no. – 238/6 (Ac. 1.94 Cts, 0.78.5 Hec) S. no. – 208/1 (Ac. 2.51 Cts, 1.01.5 Hec) S. no. – 217/1 (Ac. 2.51 Cts, 1.01.5 Hec) S. no. – 212/4 (Ac. 1.25 Cts, 0.50.0 Hec) S. no. – 237/3 (Ac. 2.00 Cts, 0.81.0 Hec) S. no. – 233/5 (Ac. 1.99 Cts, 0.80.5 Hec) S. no. – 241/5 (Ac. 0.80 Cts, 0.32.5 Hec) S. no. – 240/2 (Ac. 2.00 Cts, 0.81.0 Hec) S. no. – 225/5 (Ac. 2.00 Cts, 0.81.0 Hec) S. no – 218/4 (Ac. 2.49 Cts, 1.01.0 Hec) 29 Acres 92 cents	

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Sr. no	Document No.	Executed by	In Favour of	Extent in acres	Consideration (Rs.)
3.	Sale Deed no. **352/2014** dated 23.05.2014 (Registered)	Shri Shibaprasad Bhanja	M/s. Christy Quality Foods Pvt. Ltd.	S. no. 209/1 (Hec 1.01.5, Ac. 2 Cts 51) S. no. 211/3 (Hec 1.01.5, Ac. 2 Cts 49) S. no. 224/4 (Hec 1.01.5, Ac. 2 Cts 49) S. no. 226/2 (Hec 0.81.0, Ac. 2) S. no. 228/1 (Hec 0.81.0, Ac. 2) S. no. 229/3 (Hec 0.81.0, Ac. 2) S. no. 230/5 (Hec 0.80.5, Ac. 1 Cts 99) S. no. 240/5 (Hec 0.36.0, Cts 89) S. no. 249/7 (Hec 0.26.0, Cts 64) S. no. 253/2 (Hec 0.81.0, Ac. 2) S. no. 254/1 (Hec 0.81.0, Ac. 2) S. no. 256/4 (Hec 0.81.0, Ac. 2) S. no. 264/6 (Hec 0.81.0, Ac. 2) S. no. 266/1 (Hec 0.56.5, Ac. 1 Cts 40) S. no. 266/4 (Hec 0.55.0, Ac. 1 Cts 36) S. no. 270/2 (Hec 0.56.0, Ac. 1 Cts 38) S. no. 320/3 (Hec 0.96.0, Ac. 2 Cts 37) 31 acres 53 cents	10,72,020/- Cash

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Sr. no	Document No.	Executed by	In Favour of	Extent in acres	Consideration (Rs.)
4.	Sale Deed no. 228/06 dated 31.03.2006 (Registered)	Shri Dhanasekar	Shri Shibaprasad Bhanja (through Power of Attorney Ththagata Lahiri)	S. no. – 253/2 (Ac. 2.00 Cts, 0.81.0 Hec.) S. no. – 249/7 (Ac. 0.64 Cts, 0.26.0 Hec.) S. no. – 226/2 (Ac. 2.00 Cts, 1.01.5 Hec.) S. no. – 209/1 (Ac. 2.51 Cts, 1.01.5 Hec.) S. no. – 240/5 (Ac. 0.89 Cts, 0.36.0 Hec.) S. no. – 230/5 (Ac. 1.99 Cts, 0.80.5 Hec) S. no. – 270/2 (Ac. 1.38 Cts, 0.56.0 Hec) S. no. – 211/3 (Ac. 2.49 Cts, 1.01.0 Hec) 31 acres 52 cents	4,48,800/- Cash

20. From the perusal of the above sale deeds, it is noted that vide sale deed no. 351/2014 and 352/2014 both dated 23.05.2014, Shri Lakshman Kumar Deo and Shri Shibaprasad Bhanja sold the impugned properties to the Applicant. Further, from the chain of sale deeds, it is noted that Shri Periyakarupan the Vendor of Shri Laxman Kumar Deo had purchased the impugned properties through 14 different sale deeds and Shri Dhanasekar, Vendor of Shri Shibaprasad Bhanja purchased the impugned properties through 16 different sale deeds, details of which are as under:

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Sale deed 105/2006 Periyakaruppan to Lakshman Kumar Deo			
Sr. no.	**Survey Nos.**	**Registered Document no.**	**Dated**
1.	208/1	Sale Deed no. 84/2006, Book-1	22.02.2006
2.	212/4	Sale Deed no. 86/2006, Book-1	22.02.2006
3.	217/1	Sale Deed no. 85/2006, Book-1	22.02.2006
4.	218/4	Sale Deed no. 92/2006, Book-1	22.02.2006
5.	225/5	Sale Deed no. 91/2006, Book-1	22.02.2006
6.	227/1	Sale Deed no. 80/2006, Book-1	22.02.2006
7.	231/1	Sale Deed no. 79/2006, Book-1	22.02.2006
8.	233/5	Sale Deed no. 88/2006, Book-1	22.02.2006
9.	234/3	Sale Deed no. 82/2006, Book-1	22.02.2006
10.	236/4	Sale Deed no. 81/2006, Book-1	22.02.2006
11.	237/3	Sale Deed no. 87/2006, Book-1	22.02.2006
12.	238/6	Sale Deed no. 83/2006, Book-1	22.02.2006
13	240/2	Sale Deed no. 90/2006, Book-1	22.02.2006
14.	241/5	Sale Deed no. 89/2006, Book-1	22.02.2006

Sale Deed 228/2006 Mr. Dhanasekar to Shibaprasad Bhanja			
Sr. no.	**Survey Nos.**	**Registered Document no.**	**Dated**
1.	209/1	Sale Deed no. 121/2006, Book-1	08.03.2006
2.	211/3	Sale Deed no. 125/2006, Book-1	08.03.2006
3.	224/4	Sale Deed no. 131/2006, Book-1	08.03.2006
4.	226/2	Sale Deed no. 120/2006, Book-1	08.03.2006
5.	228/1	Sale Deed no. 128/2006, Book-1	08.03.2006
6.	229/3	Sale Deed no. 133/2006, Book-1	08.03.2006
7.	230/5	Sale Deed no. 123/2006, Book-1	08.03.2006
8.	240/5	Sale Deed no. 122/2006, Book-1	08.03.2006
9.	249/7	Sale Deed no. 119/2006, Book-1	08.03.2006

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10.	253/2	Sale Deed no. 118/2006, Book-1	08.03.2006
11.	254/1	Sale Deed no. 132/2006, Book-1	08.03.2006
12.	256/4	Sale Deed no. 130/2006, Book-1	08.03.2006
13	264/6	Sale Deed no. 127/2006, Book-1	08.03.2006
14.	266/1 & 266/4	Sale Deed no. 126/2006, Book-1	08.03.2006
15	270/2	Sale Deed no. 124/2006, Book-1	08.03.2006
16	320/3	Sale Deed no. 129/2006, Book-1	08.03.2006

21. On perusal of the various documents submitted by the AR as mentioned in above para, it is found that:

i. the Possession Certificate issued by the Village Administrative Officer, Melaselvanur Group, Kadaladi Taluk states that the Applicant is in possession of 58 Acres 95 cents in various survey nos. under Patta nos. 7236 and 7237.

ii. the Patta Nos. 1391 and 1395 in the name of previous owners namely Shri Laxman Kumar Deo and Shri Shibaprasad Bhanja respectively, contains the survey numbers of the impugned properties evidencing that the said impugned properties were owned in the name of previous owners namely, Shri Periyakaruppan and Shri Dhanasekar respectively who thereafter sold the same to Shri Laxman Kumar Deo and Shri Shibaprasad Bhanja respectively, the vendors of the Applicant.

iii. the Land Tax Payment receipts dated 10.02.2016, 15.03.2018, 27.05.2019, 05.06.2020, 06.06.2021 25.03.2022, 24.04.2023 and 14.05.2024 provided by the Applicant for the Fasali years 1424-1434 reflect that the land tax has been paid by the Applicant for the impugned properties.

iv. The Patta no. 7236 and 7237 are issued by the Dept.of Revenue, Govt. of Tamil Nadu refect the name of the Applicant as the owner of the impugned properties.

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v. The AR of the Applicant has submitted separate Affidavits by Shri Lakshaman Kumar Deo and Shri Shibaprasad Bhanja both dated 16.03.2026. Shri Laxman Kumar Deo in his affidavit has stated that the impugned properties comprising 29 acres and 92 cents was purchased by him using his own personal savings. He further stated that while preliminary discussions for the sale of the impugned properties were held with various potential buyers, including representatives of PACL, the same did not materialize. Subsequently, the property was sold to M/s. Christy Quality Foods Pvt. Ltd. via registered sale deed no. 351/2014 dated 19.02.2014, for a consideration of Rs.9,32,620/-. Similarly, in the affidavit submitted by Shri Bharatendu Bhanja (S/o Late Shri Shibaprasad Bhanja), it is stated that the impugned properties were purchased by his father, Late Shri Shibaprasad Bhanja, out of his own saving funds. It is further stated that Late Shri Shibaprasad Bhanja, as the absolute owner, had engaged in preliminary discussions with potential buyers, including representatives of PACL, but the sale did not materialize. The said property was later sold to M/s. Christy Quality Foods Pvt. Ltd. via registered sale deed no. 352/2014 dated 19.02.2014, for a consideration of ₹10,72,020/-.

vi. In this regard, reference is drawn to the Order dated 02.03.2023 passed by Shri R. S. Virk, District Judge (Retd.), wherein the objection petition filed by the Applicant was dismissed. One of the grounds for the dismissal was the observation that neither Shri Lakshman Kumar Deo nor Shri Shibaprasad Bhanja had previously come forward to claim that the land in question was purchased using personal funds and not as authorized persons of PACL. It appears that in order to counter the said observation, the AR of Applicant has subsequently placed the aforesaid affidavit of Shri

Lakshman Kumar Deo and Shri Bharatendu Bhanja (S/o Late Shri Shibaprasad Bhanja). However, as no supporting documentary evidence annexed to both the affidavits or otherwise has been placed on record to substantiate the said claim, the affidavits of Shri Lakshman Kumar Deo and Shri Bharatendu Bhanja (S/o Late Shibaprasad Bhanja) alone cannot be treated as having strong evidentiary value in respect of the aforesaid contentions.

vii. From the Encumbrance Certificate(s) dated 17.09.2022 from the period from 01.01.1984 to 16.09.2022 annexed to the IA by the Applicant, it is evident that the impugned properties were sold vide two different sale deeds, namely, Sale deed no.105/2006 dated 03.03.2006 by one person namely Shri Periyakaruppan to Shri Lakshman Kumar Deo and vide Sale no. 228/2006 dated 31.03.2006 by Shri Dhanasekar to Shri Shibaprasad Bhanja. Thereafter, Shri Lakshman Kumar Deo and Late Shri Shibaprasad Bhanja sold the impugned property vide sale deed nos. 351/2014 and 352/2014 respectively, both dated 23.05.2014 to the Applicant. In this regard, it is noted that the name of the claimant in the encumbrance certificate is appearing as 'Pageshankumar' instead of Mr. Lakshman Kumar Deo in respect of sale deed no. 351/2014 bearing survey nos. 231/1, 227/1, 236/4, 234/3, 238/6, 208/1, 217/1, 212/4, 237/3, 233/5, 241/5, 240/2, 225/5, 218/4. Further, it is noted that survey no. 234/3 has been wrongly mentioned as 233/3 in the encumbrance certificate. In view of the discrepencies noted in the encumbrance certificate, the AR of the Applicant was advised to get a clarification from the concerned Sub Registrar. The Panel has noted that the Applicant had made an application dated for rectification of the said survey no. 234/3 and change of the name of the

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viii. Further, on perusal of the Patta Nos.7236 and 7237, it is noted that the same records the name of the Applicant as the owner of the impugned property.

22. 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. – 13087/16					
Sr. no.	**Document**	**Executed by**	**In Favor of**	**Extent**	**Consideration**
1.	Sale Deed no. 105/2006 Dated – 03/03/2006 Registered	Shri Periyakaruppan	Shri.Laxman Kumar Deo GPA Holder Swarup Kumar Panigrahi	Total – Acres 21 Cents 98 Patta no. – 1388 Survey Nos. 208/2, 231/1, 227/1, 236/4, 234/3, 238/6, 208/1, 217/1, 212/4, 237/3, 233/5, 241/5, 240/2, 225/5 and 218/4	Rs. 4,48,800/-

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MR No. – 14612/16					
Sr. no.	**Document**	**Executed by**	**In Favor of**	**Extent**	**Consideration**
2	Sale Deed no. 228/2006 Dated – 31.03.2006 Registered	Mr. Dhanasekar	Shri Shibaprasad Bhanja Through GPA holder Ththagata Lahiri	Total – Acres 31 Cents 52 Survey nos. 253/2, 249/7, 226/2, 209/1, 240/5, 230/5, 270/2, 211/3, 266/1, 266/4, 264/6, 228/1, 320/3, 256/4, 224/4, 254/1 and 229/3	Rs. 4,48,800/-

23. The Panel has noted that the survey no. 208/2 forms part of sale deed no. 105/2006, however the said property does not form part of the instant matter and has not been claimed by the Applicant and hence the same is not dealt with in the order. At the cost of repetition, it is reiterated that the impugned property was purchased by Shri Laxman Kumar Deo and Shibaprasad Bhanja vide registered sale deed no. 105/2006 dated 03.03.2006 and 228/2006 dated 31.03.2006 respectively. Even though the aforesaid sale deeds were seized from the custody of PACL, the said documents depicts the chain of title of the impugned property wherein no reference is made to any title/claim/interest in favour of PACL or its associates.

24. At this juncture, reference is 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:

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"...........At this stage, I note from the details submitted during the course of investigation that PACL had mobilized funds from its customers to the tune of ₹ 44,736 crores till March 31, 2012. Further by its own admission, it has collected ₹ 4364,78,08,345 from 39,97,357 customers during the period of February 26, 2013 to June 15, 2014. The total amount mobilized comes to a whooping 49,100 crore. This figure could have been even more if PACL would have provided the details of the funds mobilized during the period of April 01, 2012 to February 25, 2013. The collection of such huge funds suggests that PACL has many more customers than the stated 1.22 crore. In this regard, I also refer to the proposal of PACL and its directors as forwarded to SEBI through their advocates and note that it has 4,63,13,342 customers to whom the land has not yet been allotted. Thus, a quick calculation of the total number of the customer of PACL comes to around 5.85 crore which includes the customers who said to have been allotted land and who are yet to be allotted the land......" (at pp. 71-72)

"......From the above, it is noted that PACL has very limited stock of lands in its name and that most of the lands are held through General Power of Attorney/through Agreement to Sale/through associate companies. PACL in its reply has informed that the said associate companies are controlled by its friends and nears and dears of the management of PACL. I observe that PACL enters into an MoU with the associate companies for the purchase of land. The MoU inter-alia, states that as PACL is unable to purchase the land in its own name beyond certain limits due to the land laws and other applicable laws of the land in different States of the country, PACL has nominated the associate company to purchase the land for PACL and get the sale deed executed in the name of associate company.........." (at p. 80)

25. 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

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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)

26. In view of the above and considering the fact that the sale deed nos.105/2006 and 228/2006 *(under MR. No. 13258/2016 and MR no. 14612/16)* were in possession of PACL Ltd., it is inferred that the purchasers in the said sale deed namely, Shri Laxman Kumar Deo and Shri Shibaprasad Bhanja 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 Laxman Kumar Deo and Shri Bharatendu Bhanj S/o Late Shri Shibaprasad Bhanja in their respective affidavits both dated 16.03.2026, wherein they have admitted that he had preliminary discussions with potential buyers including representatives of PACL for sale of the impugned property.

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Thus, it is not in dispute that Shri Shibaprasad Bhanja and Shri Laxman Kumar Deo and PACL were known to each other. Hence, it can be reasonably concluded that the actual beneficial owner of the said properties was none other than PACL.

27. Assuming that Shri Laxman Kumar Deo and Shri Shibaprasad Bhanja were agents of PACL, the fact that they have further transferred the impugned property to the Applicant, for consideration, cannot be ignored. The sale of impugned property by Shri Laxman Kumar Deo and Shri Shibaprasad Bhanja to the Applicant has created third party rights which are protected under Section 41 of the Transfer of Property Act, 1882 ("TPA") which reads 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.*

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

> *"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."*

29. Referring to the above provision of Section 41 and para 12(vi) of the Hon'ble Supreme Court, even if it is assumed that Shri Laxman Kumar Deo and Late Shri Shibaprasad Bhanja were agents of PACL, the sale of the impugned property by Shri Laxman Kumar Deo and Shri Shibaprasad Bhanja to the Applicant has created third party rights of a *bona fide* purchaser which are be protected under law.

30. 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. 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.

31. Assuming without admitting that the transfer made by Shri Laxman Kumar Deo and Shri Shibaprasad Bhanja in favour of the Applicant attracts Section 41 of the TPA and thus, prohibits even the Committee, even then, under the said provisions itself a transfer made by an ostensible owner, in order to attract Section 41 of the TPA, has to satisfy the test of "reasonable care" and "good faith" of the transferee as stated in the proviso to Section 41. In terms of the proviso, the transferee should have acted in good faith and taken reasonable care to ascertain that the transferor had the power to make the transfer, in order to take benefit of Section 41 of the TPA. To demonstrate that the Applicant had acted in good faith

and taken reasonable care to ascertain authority of the transferor to make the transfer, the Applicant has submitted that impugned properties were purchased after conducting due diligence, including verification of the mutation entries, Pattas and Adangal etc., reflecting the name of previous owner.

32. 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 properties 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 properties and that the said properties were purchased much before the order of SEBI and Hon'ble Supreme Court and moreover he is in actual possession of the same.

33. As noted in the above paras, considering that sale deeds no.105/2006 and 228/2006 seized from the custody of PACL under MR No. 13087/16 and 14612/16 were executed in the individual name of Shri Laxman Kumar Deo and Shri Shibaprasad Bhanja 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 impugned properties. Accordingly, the Applicant's purchase falls squarely within the protection afforded under Section 41 of the TPA.

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34. Apart from the above, it is also noted that the payment of sale consideration of Rs.9,32,620/- for purchase of impugned properties in respect of sale deed no. 351/2014 and payment of sale consideration of Rs. 10,72,020 /- for purchase of impugned properties in respect of sale deed no. 352/2014 was made by the Applicant by way of cash. In this regard, reference is drawn to para 12 (vi) of the order of Hon'ble Supreme Court dated 19.02.2026, wherein Apex Court has directed that claims over a property are liable to be protected where it is evident that the claimant is a *bona fide* purchaser for value who has actually paid the consideration through legitimate means such as banking channels. Though the Hon'ble Supreme Court has referred to transactions through banking channels as an indicator of *bona fide* purchase, the said observation cannot be read as excluding genuine transactions undertaken prior to the statutory restrictions on cash dealings, particularly where the transfer is evidenced through registered sale deeds, corresponding revenue records viz., Patta, Land tax receipts, encumbrance certificate etc., and actual possession of the impugned property with the Applicant. In the instant case, the genuineness of the transaction in respect of the impugned properties stands established through the existence of a registered instrument i.e. sale deed no. 351/2014 and sale deed no. 352/2014 both dated 23.05.2014, payment of sale consideration and proof of possession. It is noted from the recitals of the sale deed that the vendor has expressly acknowledged receipt of the entire sale consideration in cash before the registering authority at the time of registration of the sale deed. Further, there is nothing on record to show any dispute or claim being made by the vendors of the applicant Shri Laxman Kumar Deo and Shri Shibaprasad Bhanja for non-receipt of the sale consideration. In fact, the aforesaid vendors have expressly acknowledged the receipt of the entire sale consideration in the recitals of the Sale Deed and also in the affidavit placed on record before the Panel. Merely

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because the sale consideration was paid in cash by the Applicant cannot *ipso facto* make the transaction non-genuine or invalid as observed by the Hon'ble Supreme Court in its judgment dated 01.09.2025 passed in Civil Appeal No. 11309 of 2025 *Georgekutty Chacko vs M.N Saji* wherein it is observed that

> *"..... it is not uncommon that in money transactions, there is a component of cash also involved and just because a person is not able to prove the transfer through official modes i.e., through any negotiable instrument or bank transaction, would not lead to the conclusion that such amount was not paid through cash, especially when there was a categorical statement to this effect by the appellant before the Court concerned. Moreover, the initial presumption of legally enforceable debt comes from the Negotiable Instruments Act, 1881 also and thus the onus is on the respondent to prove that no such amount was given. Only because documentary proof was not available, we find such view taken to be erroneous. A person who gives cash obviously would not be having any documentary proof per se. Sometimes there may be an occasion where even for a cash transaction, a receipt is taken, but absence of the same would not negate and disprove the stand that the cash transaction also took place between the parties."*

35. As observed by the Hon'ble Supreme Court in the above judgement, the absence of a bank transaction does not disprove a transaction when a categorical statement is made by the parties. Further, there is nothing on record to show any dispute/ complaint/ongoing litigation challenging the non-receipt of the sale consideration. In view of the same, the Panel is of the view that the claim of the Applicant with respect to the impugned properties are to be allowed.

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

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

(iii) The remit of the Recovery Officers shall be confined to determining whether the properties subject matter of such applications, were in fact purchased by PACL Limited or relatable to its associate entities, subsidiaries or sister concerns and whether the Applicants establish, on the basis of documentary materials & evidence, that the properties are held by them in their independent capacity.

37. In the light of the foregoing and the documentary evidence placed on record, it is established that the Applicant had purchased the impugned properties via registered sale deeds which have been examined along with the orther chain of title documents brought on record. The same is evident from the relevant revenue records submitted by it namely encumbrance certificates, Pattas, Possession Certificate and the land tax receipts. The mutation entries in the encumbrance certificates are also in the name of the Applicant. Thus, the aforesaid documents evidence that the Applicant is a *bona fide* purchaser and is in ownership 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 foregoing, the Interlocutory Application nos. filed by the Applicant for release of survey nos 253/2 (2.00), 249/7(0.64), 226/2 (2.00), 209/1(2.51), 240/5 (0.89), 230/5 (1.99), 270/2 (1.38), 211/3 (2.49), 266/1 (1.40), 266/4 (1.36), 264/6 (2.00), 228/1(2.00), 320/3 (2.37), 256/4 (2.00), 224/4 (2.49), 254/1 (2.00), 229/3 (2.00), 231/1 (2.00), 227/1 (2.00), 236/4 (2.00), 234/3 (1.94), 238/6 (1.94), 208/1 (2.51), 217/1 (2.51), 212/4 (1.25), 237/3 (2.00), 233/5 (1.99), 241/5 (0.80), 240/2(2.00), 225/5 (2.00), and 218/4 (2.49) admeasuring total

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58 acres 95 cents situated at Village Melselvanur, Kadaladi Taluk, Ramanthapuram District, Tamil Nadu is liable to be allowed and are accordingly hereby allowed.

39. In view thereof, the order dated 02.03.2023 passed by Shri R.S. Virk, District Judge (Retd.) is hereby set aside.

40. The IAs are accordingly disposed of as allowed in terms of this order.

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Place: Mumbai

Date: 20.08.2026

20/8/2026	20.08.2026	20.8.26
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 साहु / SAROJ KUMAR SAHU
महाप्रबंधक एवं वसूली अधिकारी	उप महाप्रबंधक एवं वसूली अधिकारी	उप महाप्रबंधक एवं वसूली अधिकारी
General Manager & Recovery Officer	Deputy General Manager & Recovery Officer	Deputy General Manager & Recovery Officer
(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.)