

SEBI/PACL/RO/KW/RD1/ORD/89/2026

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 No.	19983 of 2019, 19984 of 2019 and 19986 of 2019
File No.	SEBI/PACL/IA/KW/00744/2026
Name of the Objector(s)/Applicant	1. Mr. Dinesh Kumar, 2. Ms. Krishna, 3. Ms. Rajwanti.
MR No.	5551/15 and 5549/15

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



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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.

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 drawn on 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



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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 in 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 or 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.



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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 (Retd.) and all new objections, are now to be dealt by the Recovery Officers attached to the Committee.

12. Subsequently, the Hon'ble Supreme Court 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. Mr. Dinesh Kumar S/o Mr. Phool Singh Khatana, residing at Bhelipa, P.O Rithoj, Gurgaon, Haryana - 122102 ("Applicant No. 1"), Ms. Krishna w/o Mr. Om



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Prakash, residing at H.No. 919, FSO, Bijwasan Village ("Applicant No. 2") and Ms. Rajwanti w/o Mr. Pooran Singh, residing at H.No. 919, FSO, Bijwasan Village ("Applicant No. 3") (hereinafter collectively referred to as "Objectors/Applicants") had filed their respective Objection Petitions (File Nos.146/4, 146/5 and 146/6) before Shri R. S. Virk, District Judge (Retd.) *inter alia* seeking release from attachment of the following land parcels (hereinafter referred to as "impugned properties"):

Applicant No.	Impugned Properties
1. Mr. Dinesh Kumar	Araji Mukber No.22 Killa No.24 (7-12), 23/2(5-12) Rakba 13 Kanal 4 Marla, Village Hasanpur Tauru, Tehsil Tauru
2. Ms. Krishna	Araji Mukber No.34 Killa No.11/2 Rakba 4 Kanal 13 Marla, Village Hasanpur Tauru, Tehsil Tauru
3. Ms. Rajwanti	Araji Mukber No.35 Killa No.6 Rakba 8 Kanal, Village Hasanpur Tauru, Tehsil Tauru

The said impugned properties were seized by CBI under MR Nos. 5549-15 and 5551-15 and attached by the Committee.

14. Shri R. S. Virk, District Judge (Retd.) vide common order dated 05.01.2018 dismissed the aforesaid Objection Petitions *inter alia* on the ground that the vendor M/s. Worldwide Township Projects Ltd. (previously known as Worldwide Township Projects Pvt. Ltd.) was described as an associate company of PACL Ltd. at Serial No.594¹ in the list of subsidiaries/associates of PACL and further that no document was placed on record by the Objector/Applicant to establish that the said Vendor was recorded in any revenue record as the owner of the impugned properties.

15. Aggrieved by the aforesaid dismissal, the Applicants had filed Review Applications (File No.593 by Mr. Dinesh Kumar, File No. 594 by Ms. Krishna and File No. 595 by Ms. Rajwanti) before Shri R. S. Virk, District Judge (Retd.) on the

¹ Mentioned as S.No. 595 in order dated 05.01.2018 of Shri R. S. Virk, District Judge (Retd.).



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ground that the previous Advocate of the Applicants did not produce on record, the original documents i.e. copy of registered sale deeds, certified bank statements pertaining to transactions towards payment of sale consideration for purchase of impugned properties, certified copies of Mutation/Jamabandi and pleaded that the same may now be taken into consideration.

16. Thereafter, Shri R. S. Virk, District Judge (Retd.) vide common order dated 15.10.2018 (hereinafter referred to as "Impugned Order") dismissed the review applications on the ground that the documents produced by the Applicants could not be acted upon with retrospective effect by the reading the same into respective Objection Petitions as the same would tantamount to admitting them by way of additional evidence and the same cannot be done by him.

Present Interlocutory Application (IA)

17. Aggrieved by the dismissal of the Review Applications, the Applicants filed a common Interlocutory Application No. 19983 of 2019 seeking intervention, Interlocutory Application No. 19984 of 2019 seeking directions and Interlocutory Application No. 19986 of 2019 seeking exemption from filing official translation of Annexures (collectively referred to as "IAs") before the Hon'ble Supreme Court in C.A. No. 13301/2015 *Subrata Bhattacharya vs. SEBI* (supra) praying *inter alia* for release of the impugned properties from attachment on the ground that the Applicants have placed on record all original documents, relevant records pertaining to the impugned properties, certified bank statements of accounts along with the Review petitions filed before Shri R. S. Virk, District Judge (Retd.).

18. Thereafter, as stated above, the Hon'ble Supreme Court vide order dated 19.02.2026 in the matter of *Subrata Bhattacharya vs. SEBI* (Civil Appeal No. 13301 of 2015) *inter alia* directed, that all Interlocutory Applications/Transferred Case falling under Category B, i.e. 106 sets of applications including the instant application,



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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.

19. Accordingly, in compliance with the aforesaid order of the Hon'ble Supreme Court, the proceedings in respect of IAs were initiated and the Applicants were granted an opportunity of hearing on 13.04.2026 before the Panel of Recovery Officers.

20. Before the scheduled date of hearing, the Authorised Representative (AR) of Applicants, in terms of paragraph 12(viii) of the Hon'ble Supreme Court's order dated 19.02.2026 (*supra*), submitted written submissions on behalf of the Applicants on 20.03.2026. Thereafter, on the scheduled date of hearing, the AR of the Applicant appeared in person and made submissions on the lines of averments made in the IA. Based on the submissions made during the hearing, the AR of the Applicants was advised to submit *inter alia* the following documents in support of his claim:

- i. Encumbrance Certificate.
- ii. Page Number 115 of the IA that pertains to Agreement to Sell.
- iii. Land Tax Payment receipts up to date.
- iv. Cultivation records of the impugned properties.

Accordingly, vide email dated 22.04.2026, the Applicants submitted the aforesaid documents except Land Tax Payment receipts, which as contended by him, are not given for agricultural lands in Haryana/Gurugram.

21. Other than the documents provided by the AR and those annexed to the IA, the Panel of Recovery Officers also have on record, the documents seized by the CBI under the MR Nos. 5549-15 and 5551-15 from the possession of PACL and thereafter, attached by the Committee which are detailed as under:



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MR No. 5551/15 Registered Sale Deed no. 278/2008 dated 12.05.2008				
Sr. No	Executed by	In favour	Extent	Consideration
1.	Mr. Bir Singh	World Wide Township Projects Ltd. through Authorised Representative Mr. Ashok Mehta	Araji Mukber No.22, Killa Nos. 24 (7-12), 23/2 (5-12) Rakba 13 Kanal 4 Marla	Rs.33,00,000/- (Cheque no. 203689 dated 29.04.2008 UTI Bank Ltd.)
MR No. 5549/15 Registered Sale Deed no. 669/2008 dated 24.06.2008				
Sr. No	Executed by	In favour	Extent	Consideration
2.	Mr. Om Bir Singh and Ms. Nattho	World Wide Township Projects Ltd. through Authorised Representative Shri Ashok Mehta	Araji Mukber No. 34 Killa Nos. 11/2 (4-13), 35, 6 (8-0), 7/2 (1-7), 15 (8-0), 16/1 (2-4) Rakba 24 Kanal 4 Marla	Rs.80,50,004/- (Rs.20 lakhs cash and Rs. 60,50,004 through cheque) (Cheque no. 203692 dated 29.04.2008 Rs. 20,16,668/- Cheque no. 203999 dated 22.05.2008 Rs. 10,08,334/- Cheque no. 203694 dated 29.04.2008 Rs. 20,16,668/- Cheque no. 204000 dated 22.05.2008 Rs. 10,08,334/- UTI Bank Ltd., New Delhi)



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22. Having perused the aforesaid Sale Deeds, MR documents, Annexures in the IA, additional documents and written submissions submitted by the AR, it is noted that the impugned properties were sold by one Mr. Bir Singh and Mr. Om Bir Singh with Ms. Nattho, respectively, to World Wide Township Projects Ltd., which were then further sold to the Applicants as detailed here under:

Sr. No	Documents No.	Executed by	In favour	Extent	Consideration
1.	Sale Deed No. 2715 dated - 18.02.2015 (Registered)	Atul Shukla, Authorized Signatory of World Wide Township Project Pvt. Ltd.	Shri Dinesh Kumar Khatana s/o Phool Singh Khatana	Araji Mukber No.22, Kila no. 24 (7-12), 23/2 (5-12) Rakba 13 Kanal 4 Marla Situated at Village Hasanpur Tauru, Tehsil Tauru	Rs. 82,50,000/- through cheques dated 16.02.2015 (Rs.25,00,000/- through Cheque no.794675) (Rs.25,00,000/- through Cheque no.794676) (Rs.32,50,000/- through Cheque no.794677)
2.	Sale Deed No. 2720 dated 18.02.2015 (Registered)	Atul Shukla, Authorized Signatory of World Wide Township Project Pvt. Ltd.	Smt. Krishna w/o Om Prakash	Araji Mukber No.34, Kila no. 11/2 Rakba 4 Kanal 13 Marla Situated at Village Hasanpur Tauru , Tehsil Tauru	Rs. 27,90,000/- through Cheques dated 16.02.2015 (Rs.13,95,000/- through Cheque no.013971) (Rs. 13,95,000/- through



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Sr. No	Documents No.	Executed by	In favour	Extent	Consideration
					Cheque no.013972)
3.	Sale Deed No. 2718 dated 18.02.2015 (Registered)	Atul Shukla, Authorized Signatory of World Wide Township Project Pvt Ltd.	Smt. Rajwanti w/o Pooran Singh	Araji Mukber No.35 Kila no. 6 Rakba 8 Kanal Situated at Village Hasanpur Tauru , Tehsil Tauru	Rs. 48,00,000/- through two demand drafts nos. 788132 and 788133 both dated 16.02.2015 of Rs. 24,00,000/- each.

23. Upon perusal of the aforesaid Registered Sale Deed No. 2715 dated 18.02.2015, it is ascertained that the impugned property comprised in 'Araji Mukber No.22 Killa No.24 (7-12), 23/2 (5-12) Rakba 13 Kanal 4 Marla, Village Hasanpur Tauru, Tehsil Tauru' was sold by World Wide Township Projects Ltd. through its authorised signatory, Mr. Atul Shukla, to Mr. Dinesh Kumar for a consideration of Rs. 82,50,000/- and the same was paid through cheque nos. 794675, 794676 and 794677 dated 16.02.2015 of Corporation Bank. Further, it is ascertained from the Registered Sale Deed No.2720 dated 18.02.2015 that the impugned property comprised in 'Araji Mukber No.34 Killa No.11/2 Rakba 4 Kanal 13 Marla, Village Hasanpur Tauru, Tehsil Tauru' was sold by World Wide Township Projects Ltd through its authorised signatory, Mr.Shri Atul Shukla, to Ms. Krishna for a consideration of Rs. 27,90,000/- and the same was paid through cheque nos. 013971 and 013972 dated 16.02.2015 of Union Bank of India. Furthermore, it is ascertained from the Registered Sale Deed No.2718 dated 18.02.2015 that the impugned property comprised in 'Araji Mukber No.35 Killa No.6 Rakba 8 Kanal, Village Hasanpur Tauru, Tehsil Tauru' was sold by World Wide Township Projects Ltd. through its authorised signatory, Mr. Atul Shukla, to Ms. Rajwanti for a consideration of Rs. 48,00,000/- and the same was paid through demand draft nos. 788132 and 788133 dated 16.02.2015 of Union Bank of India.



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24. In this regard, the AR of the Applicant has submitted the bank statements of the Applicants reflecting payment of sale consideration towards the purchase of impugned properties. Upon perusal of the same, it is noted that in the bank statements produced by Mr. Dinesh Kumar and Ms. Krishna, the corresponding debit entries match with those mentioned in the recitals of their respective sale deeds. However, in the bank statement of Ms. Rajwanti, there is only one debit entry of Rs.24,00,000/- whereas the recitals of Sale Deed no. 2718 dated 18.02.2015 provide that the payment of Rs.48,00,000/- was made in two transactions of Rs.24,00,000/- each by demand draft nos. 788132 and 788133 dated 16.02.2015, respectively. In this regard, the bank statement of Mr. Pooran Singh, husband of Ms. Rajwanti, has been submitted by the AR in the written submissions, which reflects a debit entry of Rs.24,00,000/- to have been made on 16.02.2015 via demand draft. Since, both payments of Rs.24,00,000/- have been made by Ms. Rajwanti and her husband Mr. Pooran Singh on the same date i.e. 16.02.2015, it can be concluded that the aforesaid payments by Ms. Rajwanti and her husband Mr. Pooran Singh were made towards the purchase of the impugned property.

25. Further, the Jamabandis/Encumbrance Certificates for the years 1992-93, 1997-98, 2002-03 and 2007-08, reflect that the impugned properties were earlier owned by Mr. Bir Singh and Mr. Om Bir Singh along with Ms. Nattho. In Jamabandi/Encumbrance Certificates for the years 2012-13, the impugned properties were shown to have been owned by World Wide Township Projects Ltd. and in the Jamabandi/Encumbrance Certificate for the year 2017-18 and 2022-23, the Applicants are reflected as owners of the impugned properties. It is pertinent to note that in one of Jamabandi/Encumbrance Certificate, the transfer of impugned properties to the Applicants has also been reflected. The Girdawari/Cultivation Records for the year 2022-23 reflect that cultivation of certain crops were being done on the impugned properties by the Applicants.



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26. In this regard, it is pertinent to refer to the observation in para 3 of Shri R. S. Virk, District Judge (Retd.)'s common order dated 05.01.2018 wherein one of the grounds for dismissal of the Objection petition was that no document was placed on record to establish that World Wide Township Projects Ltd. was recorded as the owner of the lands sold by it in any of the revenue records. Considering that the Jamabandis/Encumbrance Certificates produced by the Applicant reflect World Wide Township Projects Ltd. as the purchaser of the impugned properties from Mr. Bir Singh and Mr. Om Bir Singh along with Ms. Nattho, the aforesaid observation of Shri R. S. Virk, District Judge (Retd.) stands nullified.

27. Having stated as above, in order to adjudicate the claim made by the Applicants, it would be pertinent to first understand the *modus operandi* adopted by PACL which has been enunciated in the order dated 22.08.2014 passed by SEBI, wherein it is observed 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 whopping 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)



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".....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)

28. Further, it is pertinent to refer to the admission made by PACL in the aforesaid order wherein it had admitted that for the purpose of its business, it was buying lands through its agents. The relevant paragraph is reproduced hereunder:

".....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)



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29. In view of the aforesaid admission of PACL and considering the fact that Sale Deed Nos. 278/2008 dated 12.05.2008 and 669/2008 dated 24.06.2008, (under MR Nos. 5551-15 and 5549-15, respectively) were seized by the CBI from the possession of PACL and further, that the vendor viz., Worldwide Township Projects Ltd. was also an associate company of PACL, there remains no doubt that Worldwide Township Projects Ltd. had purchased the impugned properties on behalf of PACL as it was unable to own lands in its own name beyond certain limits due to ceiling limits under the land laws of the respective states. Hence, it can be concluded that the actual beneficial owner of the impugned properties was none other than PACL.

30. However, even if Worldwide Township Projects Ltd had purchased the impugned properties on behalf of PACL, the fact that it has further transferred the impugned properties to the Applicants for consideration, cannot be ignored as the same has resulted in creation of third party rights which are protected under Section 41 of the Transfer of Property Act, 1882 ("TPA") and the said provision 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.

31. Reference herein is drawn to the observation of the Hon'ble Supreme Court in para 12 (vi) of its order dated 19.02.2026 wherein it has specifically stated that:

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

(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



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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."

32. Referring to the above provision of Section 41 and para 12(vi) of the Hon'ble Supreme Court, even if PACL was the beneficial owner of the impugned properties, the rights of the Applicant as a *bona fide* purchaser are protected under law. It can be argued that by virtue of the aforesaid provision, PACL as well as the Committee cannot question the transfer made in favour of the Applicant. In terms of the order dated 02.02.2016 passed by the Hon'ble Supreme Court, the Committee has been authorized for selling the properties of PACL 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 of impugned properties made by Worldwide Township Projects Ltd. in favour of the Applicants 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" on the part 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.

34. Having considered the above, it is noted that even though the Sale Deed Nos. 278/2008 dated 12.05.2008 and 669/2008 dated 24.06.2008 were seized from the custody of PACL, the said documents depicted the chain of title of the impugned



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properties wherein no reference was made to any title/claim/interest in favour of PACL and therefore, the Applicants could not have reasonably known or expected to have known of any alleged link between the impugned properties and PACL. Accordingly, the Applicant's purchase falls squarely within the protection afforded under Section 41 of the TPA.

35. At this juncture, it is pertinent to recall the observation of the Hon'ble Supreme Court in paragraph 12 (vi) of its order dated 19.02.2026 wherein payment through banking channels has been stated as an indicator of *bona fide* purchase. Since, in the present case, the Applicants have made payments only through banking channels for purchase of impugned properties, the requirement under paragraph 12 (vi) of the Hon'ble Supreme Court's order dated 19.02.2026 also stands fulfilled. Further, there is nothing on record to show any dispute/complaint/ongoing litigation challenging the non-receipt of sale consideration between the Applicants and the Vendor. In view thereof, the Panel is of the view that the claims of the Applicants w.r.t the impugned properties deserve to be allowed.

36. In the light of the foregoing and the documentary evidence placed on record, the Panel is of the considered view that the Applicants have satisfactorily established that:

- i. the impugned properties are held by them in their independent capacity, within the meaning of para 12(iii) of the order dated 19.02.2026 of the Hon'ble Supreme Court;
- ii. they are *bona fide* purchasers for value having acquired the impugned properties vide registered sale deeds and payment of entire consideration was made through banking channels to their vendor viz., World Wide Township Projects Ltd;

37. Considering the aforesaid facts, circumstances and directions in the Hon'ble Supreme Court's order dated 19.02.2026, this Panel of Recovery Officers are satisfied



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that the Applicants have established their status as *bona fide* purchasers for value holding the respective impugned properties in their independent capacity. Accordingly, the claims made by the Applicants cannot be rejected merely on the ground that the impugned properties were owned, at an earlier point of time, by PACL or its related entities.

ORDER:

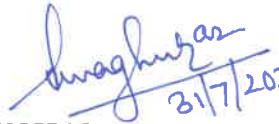
38. For the reasons enumerated above, the Interlocutory Applications filed by the Applicant are liable to be allowed in respect of the impugned properties comprised in:

- Araji Mukber No.22 Killa No.24 (7-12), 23/2(5-12) Rakba 13 Kanal 4 Marla, Village Hasanpur Tauru, Tehsil Tauru.
- Araji Mukber No.34 Killa No.11/2 Rakba 4 Kanal 13 Marla, Village Hasanpur Tauru, Tehsil Tauru.
- Araji Mukber No.35 Killa No.6 Rakba 8 Kanal, Village Hasanpur Tauru, Tehsil Tauru.

The order dated 15.10.2018 passed by Shri R. S. Virk, District Judge (Retd.) is liable to be set aside.

Place: Mumbai

Date: 31.07.2026


31/7/2026

KSHAMA P. WAGHERKAR
Recovery Officer


31.07.2026

RESHMA GOEL
Recovery Officer


31.7.26

SAROJ KUMAR SAHU
Recovery Officer



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

रेशमा गोयल / RESHMA GOEL
उप महाप्रबंधक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer
(श्री ए सी एल टी के मामले से संबंधित, मुंबई)/(In the matter of PACL Ltd. Mumbai)

सरोज कुमार साहु / SAROJ KUMAR SAHU
उप महाप्रबंधक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer
(श्री ए सी एल टी के मामले से संबंधित, मुंबई)/(In the matter of PACL Ltd. Mumbai)