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.	244107 of 2024, 244108 of 2024
File No.	SEBI/PACL/IA/KW/00745/2026
Name of the Objector(s)/Applicant	Senthil Agrofarm Pvt Ltd.
MR No.	14345/16, 14346/16, 14347/16

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.

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 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.

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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.

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

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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 (Retired), 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. Senthil Agrofarm Private Limited (hereinafter referred to as "Objector/**Applicant**") had filed an Objection Petition (File No.867) before Justice Shri R. S. Virk, District Judge (Retired) *inter alia* seeking release from attachment of the following lands (hereinafter referred to as "**impugned properties**") situated at Village Sirugudi, Govindamangalam Group, Sevvaipettai Panchayat, Rajasingamangalam Union, Rajasingamangalam Sub Registration District, Tamil Nadu purchased vide seven separate sale deeds detailed hereunder:

S.No.	Sale Deed	Extent of Impugned Property	Survey No.	Vendor
1.	975/2011 dated 22.06.2011	Acres 22 Cents 28	140	Shri SM Thainesh through GPA No.110/2010 dated 11.08.2010 holder Shri Duraipandi.
		Acres 25 Cents 57	141	
2.	978/2011 dated 22.06.2011	Acres 26 Cents 57	141	Shri Kulanthaisamy through GPA No.99/2010 dated 15.07.2010 holder Shri Duraipandi.
		Acres 26 Cents 57		

3.	1009/2011 dated 27.06.2011	Acres 06 Cents 50	141	Shri SM Thainesh through GPA No.1812/2010 dated 22.09.2010 holder Shri Duraipandi.
4.	1010/2010 dated 27.06.2011	Acres 11 Cents 14	140	Shri Duraipandi
5.	1011/2011 dated 27.06.2011	Acres 26 Cents 50	141	Shri R. Kumar
		Acres 20 Cents 70		
6.	1111/2011 dated 27.06.2011	Acres 01 Cents 90	140	Shri Paulsamy, Shri Muneeswaran and Shri Ilaiyaraja through GPA No.4 dated 19.01.2011, GPA No.13 dated 25.02.2011 and GPA No.15 dated 07.03.2011, respectively, holder Shri K.V. Nadarajan.
		Acres 13 Cents 28	141	
		Acres 06 Cents 64		
		Acres 06 Cents 25		
		Acres 13 Cents 29		
		Acres 07 Cents 42		
7.	1874/2011 dated 04.11.2011	Acres 19 Cents 21	141	Shri Annathurai, Shri Suresh, Shri Nagasamy through GPA No.115 dated 20.07.2011, GPA No.119 dated 01.08.2011 and GPA No.128 dated 28.09.2011, respectively, holder Shri K.V. Nadarajan.
		Acres 13 Cents 50		
		Acres 03 Cents 71	140	
		Acres 07 Cents 42		

14. Out of the aforesaid impugned properties, the following extent of lands have been attached by CBI vide separate MR nos., as detailed hereunder:

S.No.	Survey No.	Extent in Acres	MR No.
1.	141 part	40 acres	14345/16
2.	141 part	40 acres	14346/16
3.	141 part	40 acres	14347/16
4.	140 part	11.14 out of 22.28 acres	14347/16

It is paramount to note here that all the impugned properties comprised in Survey Nos. 141 and 140 are not demarcated and form undivided portions in the entire land area of 202.17 acres comprised within the aforesaid survey numbers.

15. Shri R. S. Virk, District Judge (Retired) vide Order dated 07.02.2022 (hereinafter referred to as '**impugned order**') dismissed the Objection Petition *inter alia* on the ground that:

i. That the grand total of the land comprised in the impugned properties came out to be 232.54 Acres whereas the Objector claimed that it had purchased a total area of 202.17 acres.

ii. That,

a. Shri S. L. Raviraja, in whose favour land measuring 40 acres comprised in Survey No.141 Part was transferred through Sale Deed no.575/2005 dated 05.07.2005 purportedly executed by Shri Rahumathula Khan as GPA holder of Shri Palanisamy s/o Lakshmana Thevar, Shri Kathiresan s/o Karuppiah Thevar, Shri Naganthan s/o Muniyasamy Thevar and Shri Velu Thevar s/o Thirumeni Thevar;

b. Shri K. Venkatagiri, in whose favour land measuring 40 acres comprised in Survey No.141 Part was transferred through Sale Deed no.576/2005 dated 05.07.2005 purportedly executed by Shri Rahumathula Khan as GPA holder of Ramanathan and

c. Shri Ramakrishnan, in whose favour land measuring 40 acres comprised in Survey No.141 Part and another parcel of land measuring 11 acres and 14 cents comprised in Survey No.140 Part was transferred through Sale Deed no.574/2005 dated 05.07.2005 purportedly executed by Shri Rahumathula Khan as GPA holder of Shri Jeevantham s/o Durairaj Thevar and Shri Rajendran s/o Kannuchamy Thevar

had respectively executed GPA no.555, 554 and 551 all dated 18.07.2005, in favour of Shri Sukhdev Singh s/o Ranbir Singh, authorised representative of PACL and thereafter the Sale Deed Nos. 575/2005, 576/2005 and 574/2005 were cancelled by mutual consent between the parties as aforesaid, vide Cancellation Deed nos. 266 dated 17.02.2012, 950 dated 11.07.2008 and 949 dated 11.07.2008, respectively. However, the said cancellations purportedly nullifying the sale deeds could not be acted upon as all the aforesaid GPAs were executed prior in time before such cancellation took place and also no document was produced to evidence cancellation of GPAs between the parties.

iii. That the GPAs were executed much prior in time before judgment of Hon'ble Supreme Court in *Suraj lamp & industries Pvt Ltd vs State of Haryana & Anr* 2012 (1) SCC 656 and merely because the revenue records did not reflect the name of PACL which also defaulted to get regular deeds of conveyance executed on the basis of aforesaid GPAs, the same did not confer the right of ownership of the impugned properties on the Objector.

Present Interlocutory Application (IA)

16. Aggrieved by the said order, the Applicant filed an Interlocutory Application No.244107 of 2024 seeking directions and Interlocutory Application No.244108 of 2024 seeking exemption from filing official translation (collectively referred to as "**IAs**") before the Hon'ble Supreme Court in C.A. No. 13301/2015 *Subrata Bhattacharya vs. SEBI* (supra). The Applicant prayed for setting aside of Order/Recommendation dated 07.02.2022 of Shri R. S. Virk, District Judge (Retired) and exclusion of impugned properties from list of auction maintained by the Committee. In the said IA, it was *inter alia* contended by the Applicant:

i. That the Agreements of Sale alleged to have been executed by Shri S.L. Raviraja, Shri K. Venkatgiri and Shri Ramakrishnan in favour of Shri Sukhdev Singh do not bear any signatures and therefore, are invalid documents.

ii. That the transfer of land through Shri S.L. Raviraja, Shri K. Venkatgiri and Shri Ramakrishnan vide their respective GPAs was invalid as the corresponding Sale Deeds, which formed the basis of these GPAs, were cancelled by the parties.

iii. That the Encumbrance Certificate issued by Registration Department, Government of Tamil Nadu reflected the name of the Applicant as the owner of impugned properties.

iv. That the Applicant is a *bona fide* purchaser having paid the sale consideration to the original and lawful owners of the property in question.

17. 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, challenging the recommendations of Shri R. S. Virk, District Judge (Retired), be placed before the Recovery Officers appointed under Section 28A of the SEBI Act, 1992.

18. In compliance with the aforesaid order of the Hon'ble Supreme Court, 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 06.04.2026. On the scheduled date of hearing, the AR of the Applicant appeared virtually and requested for an adjournment which was granted by the Panel and the hearing was rescheduled to 20.04.2026. Meanwhile, the AR was advised to submit the following documents:

i. Clarification on the area of land in Survey Nos.140 and 141
ii. Clarification on the subsequent cancellation of GPA made in favour of PACL.
iii. A chart on survey numbers containing the details of documents, persons in whose favour the deed is executed, the extent of area sold and the consideration paid for the same
iv. Search Report of HDFC Bank in respect of the loan taken by the Applicant.

19. Thereafter, on 20.04.2026, the AR of the Applicant appeared physically before the Panel of Recovery Officers and made submissions on the lines of averments in the said IA and also submitted a copy of its written arguments and response to the queries made in the earlier hearing held on 06.04.2026. Based on the submissions made during the hearing, the AR of the Applicant was *inter alia* advised to submit:

i. Patta, up to date of the impugned property;
ii. Relevant supporting documents to justify the transactions made in cash by the Applicant;
iii. Books of Accounts reflecting the purchase of impugned properties by the Applicant.

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iv. Encumbrance Certificate.

The AR of the Applicant submitted the aforesaid documents vide email dated 07.05.2026.

20. Other than the documents provided by the AR and those annexed to the IA, the Panel of Recovery Officers have perused the documents seized by the CBI under the MR Nos. 14345/16, 14346/16, 14347/16 from the possession of PACL and thereafter, attached by the Committee which are detailed as under:

MR No.14345/16					
Sr. No	**Document**	**Executed by**	**In Favour of**	**Extent in acres and Survey Nos.**	**Consideration**
1.	ATS dated 02.06.2004 Unregistered	S.L Ravi Raja	PACL through its authorised signatory Rajeev Kumar Mishra	S. No. 141 area 39.99 acres situated at Village Sirugdi, Taluk Thiruvadanai, District Rajasingamangalam	Rs.12,06,098/-
2.	GPA No. 555/2005 dated 18.07.2025 (Regd.)	S.L Ravi Raja	Sukhdev Singh	S. No. 141 part (Undivided) – acres 40.00 cents out of acres 179.82 cents (72.80.0 Hec) Patta no. 1244	NIL
MR No.14346/16					
Sr. No	**Document**	**Executed by**	**In Favour of**	**Extent in acres and Survey Nos.**	**Consideration**
1.	ATS dated 02.06.2004 Unregistered	K. Venkatagiri	PACL through its authorised signatory Rajiv Kumar Mishra	S. No. 141 area 39.99 acres situated at Village Sirugdi, Taluk Thiruvadanai, District Rajasingamangalam	Rs.12,06,098/-

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2.	Sale Deed No.576/2005 dated 05.07.2005 (Regd.)	Ramanathan through POA holder Rahumathulla Khan	K. Venkatagiri	S. No. 141 part (Undivided) – acres 40.00 cents out of acres 179.82 cents (72.80.0 Hec) Patta no. 1244 Sirugdi situated at Village Sirugdi, Taluk Thiruvadanai, District Rajasingamanga lam	Rs.2,20,000/-
3.	GPA No.554/2005 dated 18.07.2005	K. Venkatgiri	Sukhdev Singh	S. No. 141 part (Undivided) – acres 40.00 cents out of acres 179.82 cents (72.80.0 hec) Patta no. 1244 situated at Village Sirugdi, Taluk Thiruvadanai, District Rajasingamanga lam	NIL
MR No.14347/16					
Sr. No	**Document**	**Executed by**	**In Favour of**	**Extent in acres and Survey Nos.**	**Consideration**
1.	ATS dated 02.06.2004	Ramakrishnan	PACL through its authorised signatory Rajiv Kumar Sharma	S. no. 140 area acre 11.13 and S. no. 141 area acre 39.99 Village Gov Sirgudi, Taluk Thiruvadanai District Rajasignamanga lam	Rs.15,41,780/-
2.	GPA No. 551/2005 dated 18.07.2005	Ramakrishnan	Sukhdev Singh	S. no. 140 part (Undivided) acres 11.14. cents out of acres	NIL

				22.28 cents (9.02.0 Hec) Patta no. 997 S. No. 141 Part (Undivided) acres 40.00 cents out of acres 179.82 cents (72.80.0 Hec) Patta No.1244	

21. Having perused the aforesaid MR documents, it is observed that the Shri S.L Raviraja, Shri K Venkatgiri and Shri Ramanathan had, vide separate unregistered Agreements to Sell (hereinafter referred to as '**ATS**'), all dated 02.06.2004, transferred certain portions of land comprised in Survey Nos.140 and 141 to PACL through its authorized signatory Shri Rajiv Kumar Sharma. As observed in para 12 of the impugned order, all these ATS did not bear any signatures of the aforesaid persons rendering them invalid and on perusal of these documents it is also ascertained by the Panel that these ATS only contain the signatures of Shri Rajiv Kumar Sharma, who was an authorized representative of PACL. From the same, it becomes evident that these ATS were fake documents made by PACL itself and are, therefore, not required to be taken into consideration. Further, as regards the legality of treating ATS and GPA as a conveyance deed is concerned, the Hon'ble Supreme Court in ***Suraj Lamp and Industries Pvt Ltd. Vs. State of Haryana & Anr reported in (2012) 1 SCC 656***, has observed as under:

> *"18. It is thus clear that a transfer of immovable property by way of sale can only be by a deed of conveyance (sale deed). In the absence of a deed of conveyance (duly stamped and registered as required by law), no right, title or interest in an immovable property can be transferred.*
>
> *"19. Any contract of sale (agreement to sell) which is not a registered deed of conveyance (deed of sale) would fall short of the requirements of Sections 54 and 55 of the TP Act and will not confer any title nor transfer any interest in an immovable property (except to the limited right granted under Section 53-*

A of the TP Act). According to the TP Act, an agreement of sale, whether with possession or without possession, is not a conveyance. Section 54 of the TP Act enacts that sale of immovable property can be made only by a registered instrument and an agreement of sale does not create any interest or charge on its subject-matter."

22. In view of the aforesaid settled position of law, it is apparent that no right or interest in the impugned properties could have been transferred, in the absence of a registered sale deed, by Shri S.L Raviraja, Shri K Venkatgiri and Shri Ramanathan in favour of PACL through its authorized signatories, Shri Rajiv Kumar Sharma and Shri Sukhdev Singh, vide the aforesaid ATS and GPAs, respectively.

23. Having stated above, it is reiterated at the cost of repetition with reference to para 15(ii) above that Shri S.L Raviraja, Shri K Venkatgiri and Shri Ramanathan had executed GPA Nos. 555/2005, 554/2005 and 551/2005, respectively in favour of Shri Sukhdev Singh, authorized signatory of PACL. The aforesaid GPA Nos. 555/2005, 554/2005 and 551/2005 were executed on the basis of Sale Deed Nos. 575/2005, 576/2005 and 574/2005 all dated 05.07.2005, respectively which were later cancelled vide Cancellation Deed Nos. 266 dated 17.02.2012, 950 dated 11.07.2008 and 949 dated 11.07.2008, respectively.

24. Since the aforesaid Sale Deed Nos. 575/2005, 576/2005 and 574/2005 all dated 05.07.2005 were cancelled between the respective parties as aforesaid, the same had the effect of nullifying the GPA Nos. 555/2005, 554/2005 and 551/2005 being contrary to the well settled principle embodied in the Latin maxim, *nemo dat quod non habet*, which postulates that *'no person can convey a better title than which he himself possesses'*. The cancellation of the aforesaid sale deeds deprived Shri S.L Raviraja, Shri K Venkatgiri and Shri Ramanathan from the ownership of the properties purchased by them and in view of the settled principle embodied in the Latin maxim *accessorium non ducit sed sequitur suum principale* which postulates that 'an accessory does not draw but follows its principal', the right of Shri Sukhdev Singh as a GPA holder also stood revoked. Even otherwise, as stated above, the Hon'ble Supreme Court in the case of

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Suraj Lamp (supra) has declared sale through 'power of attorney' as an invalid mode of property transfer and therefore, the aforesaid GPAs stand nullified.

25. Having determined as above, it is noted by the Panel that the Sale Deeds as mentioned in para 13 above are registered documents and the Applicant had paid sale consideration through banking channels in all the said Sale Deeds except Sale Deed No. 1874/2011. Further, the Applicant has produced the local revenue records namely *Patta* and *Chitta*, as applicable in the State of Tamil Nadu, that evidence Applicant's ownership over the impugned properties. The Applicant has also submitted three Title Search Reports all dated 24.04.2017 of HDFC Bank pertaining to a cumulative land area of 99.34 Acres comprised in Survey No.141 which state the Applicant as the absolute owner and in possession and enjoyment of the said land area.

26. With respect to the discrepancy in the total area of impugned properties as observed in para 10(a) of the impugned order, it is submitted by the Applicant that the total area of land in Survey No. 141 and 140 is 180 Acres and 22 Acres 28 Cents, respectively however on perusal of the all the seven sale deeds, the physical extent of land comprised in Survey No. 141 and 140 comes out to 204 Acres 58 Cents and 27 Acres 96 Cents which an excess of 24.58 Acres in Survey No. 141 and 5.68 Acres in Survey No. 141 and the same is due to oversights, mistakes and abundant caution committed by the parties while executing the sale deeds. The Applicant has explained that the excess of 25 Acres 58 Cents in Survey No. 141 is due to a double entry of the same portion of land in Sale Deed No.978/2011 and the excess of 5 Acres 68 Cents in Survey No. 140 is due to a mistaken subsequent sale of the same property in Sale Deed No.975/2011 that was already sold to the Applicant earlier vide Sale Deed No.1874/2011. In this regard, the Panel has perused the aforesaid sale deeds and found the explanation provided by the Applicant satisfactory.

27. Having considered the aforesaid documents, the Panel considers it necessary that in order to adjudicate the claims made by the Applicant, 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:

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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........" (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)*

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*

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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)

29. In view of the aforesaid admission of PACL and considering the fact that the ATS and GPAs, as aforesaid (*under MR Nos. 14345/16, 14346/16, 14347/16*) were seized by the CBI from the possession of PACL, it is evident that Shri Sukhdev Singh had purchased the impugned properties on behalf of PACL which was unable to own lands in its own name beyond certain limits due to ceiling limits under the land laws of the respective states. Therefore, it becomes certain that the actual beneficial owner of the impugned properties was none other than PACL.

30. However, in view of the reasons enumerated in para 24 above, since the GPAs executed in favour of Shri Sukhdev Singh stand nullified, the purchase of the impugned properties for lawful consideration via registered sale deeds by the Applicant attains finality. In the above context, it is pertinent to refer to the observation of the Hon'ble Supreme Court in para 12 (vi) of its order dated 19.02.2026 wherein it is 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 entities, as the case may be, to purchase the properties, if otherwise it is clear that the party is a bona fide purchaser for value having actually paid the amounts through banking channels."

31. Referring to the above para, even if it is inferred that PACL was beneficial owner of the impugned properties, the rights of the Applicant as a *bona fide* purchaser

वसूली अधिकारियों का पैनल पी ए सी एल के मामले से संबंधित, मुंबई/Panel of Recovery Officers In the matter of Pacl Ltd. Mumbai are protected under law. Further, in the aforesaid para, the Hon'ble Supreme Court has observed payment through banking channels as an indicator of *bona fide* purchase. Since, in the present case, the Applicant has made payment of sale consideration through cheques of Indian Overseas Bank in all sale deeds except Sale Deed No.1874/2011, the requirement under paragraph 12 (vi) of Hon'ble Supreme Court's order dated 19.02.2026 also stands satisfied except for impugned properties transferred vide Sale Deed No.1874/2011.

32. In respect of Sale Deed No.1874/2011, it is ascertained from its original copy (annexed to the IA) that payment of consideration was made in cash by the Applicant. In this regard, it is noted that though Hon'ble Supreme Court in para 12 (vi) of its order dated 19.02.2026 has referred to transactions through banking channels as an indicator of *bona fide* purchase and 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 and Chitta, Title Search Reports of HDFC Bank and proof of possession of the impugned properties with the Applicant. In respect of impugned properties transferred through Sale Deed No.1874/2011, it is noted from the recitals of the said deed that the vendor therein 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 vendor therein for non-receipt of sale consideration. Merely 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 stated 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.

33. In the light of the foregoing and the documentary evidence placed on record, the Panel is of the considered view that the Applicant has satisfactorily established that:

i. the impugned properties are held by the Applicant in its independent capacity, within the meaning of para 12(iii) of the order dated 19.02.2026 of the Hon'ble Supreme Court which states that '*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*'.

ii. it is a *bona fide* purchaser who acquired the impugned properties vide registered sale deeds for lawful consideration paid through banking channels (except Sale Deed No.1874/2011 wherein cash payment has been made);

34. Considering the aforesaid facts, circumstances and directions in the Hon'ble Supreme Court's order dated 19.02.2026, this Panel is satisfied that the Applicant has established its status as *bona fide* purchaser and his claim over the impugned properties 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. In view

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thereof, the impugned order passed by Shri R. S. Virk, District Judge (Retired) is liable to be set aside.

ORDER:

35. For the reasons enumerated above, the Interlocutory Application Nos. 244107 of 2024 and 244108 of 2024 filed by the Applicant are liable to be allowed and are hereby allowed in respect of the impugned properties attached under MR Nos. 14345/16, 14346/16 and 14347/16 and comprised in Survey Nos. 141 and 140 total admeasuring 131.14 Acres situated at Village Sirugudi, Govindamangalam Group, Sevvaipettai Panchayat, Rajasingamangalam Union, Rajasingamangalam Sub Registration District, Tamil Nadu. In view thereof, the impugned order dated 07.02.2022 passed by Shri R. S. Virk, District Judge (Retired) is hereby set aside.

36. The IAs are accordingly disposed of in terms of the above order.

पैनल Panel of Recovery Officers
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Place: Mumbai

Date: 31.08.2026

31/8/2026	31.08.2026	31.08.26
KSHAMA P. WAGHERKAR	**RESHMA GOEL**	**SAROJ KUMAR SAHU**
Recovery Officer	**Recovery Officer**	**Recovery Officer**

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)

रेशमा गोयल / RESHMA GOEL
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)

सरोज कुमार साहु / SAROJ KUMAR SAHU
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.)