

न्यायमूर्ति (सेवानिवृत्त) आर.एम. लोढा समिति
Justice (Retd.) R. M. Lodha Committee
(पीएसीएल लि. के मामले से संबंधित / in the matter of PACL Ltd.)

संदर्भ सं. जेआरएमएलसी/पीएसीएल/
Ref. No. JRMLC/PACL/

Order on the Objection filed by
Shri Chokkar & Ors.
SEBI/PACL/OBJ/AR/00030/2024

BEFORE THE RECOVERY OFFICER, SEBI
ATTACHED TO
JUSTICE (RETD.) R.M. LODHA COMMITTEE
(IN THE MATTER OF PACL LTD.)

File No.	SEBI/PACL/OBJ/AR/00030/2024
Name of the Objector(s)	1. Shri Chokkar 2. Shri Azhagarsamy 3. Ms. Pavun 4. Ms. Jeya 5. Ms. Vallikannu 6. Ms. Anjalai
MR No.	8341/19

ORDER

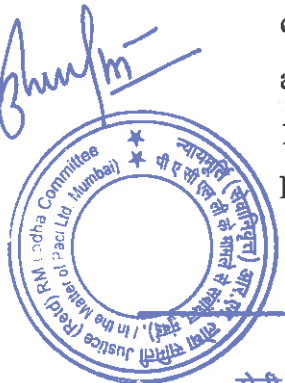
Background:

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") on 22.08.2014 passed an order against the PACL Ltd., its promoters and directors, *inter alia* holding the schemes run by PACL Ltd. as 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 order passed by SEBI was challenged by PACL Ltd. and 4 of its directors by filing appeals before Hon'ble SAT. The said appeals were dismissed by Hon'ble SAT vide its common order dated 12.08.2015, with a direction to the appellants to refund the amounts collected from the investors within three months. Aggrieved by the order dated 12.08.2015 passed by Hon'ble SAT, PACL Ltd. and its directors filed appeals before Hon'ble Supreme Court of India.

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SEBI Bhavan, BKC, Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

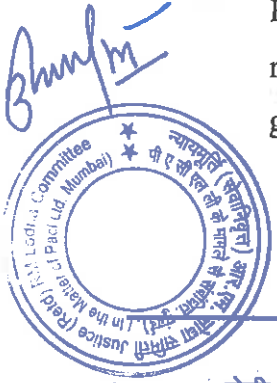


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3. Hon'ble Supreme Court did not grant any stay on the aforesaid impugned order dated 12.08.2015 of Hon'ble SAT, however, PACL Ltd. and its promoters/directors did not refund the money to its investors. Accordingly, SEBI initiated recovery proceedings 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 hearing on the aforesaid civil appeals filed by the PACL Ltd. and its directors (i.e. Civil Appeal No. 13301 of 2015 – Subrata Bhattacharya Vs. SEBI and other connected matters), Hon'ble Supreme Court vide its order dated 02.02.2016, directed SEBI to constitute a committee under the Chairmanship of Hon'ble Mr. Justice R.M. Lodha, the former Chief Justice of India, (hereinafter referred to as “**the Committee**”), for disposing of the land purchased by PACL Ltd. so that the sale proceeds can be paid to the investors, who have invested their funds in PACL Ltd. for purchase of the land. In the said civil appeals, 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.



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6. Also, 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. 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 Mr. R. S. Virk, Retired District Judge.
9. On 30.04.2019, in the recovery proceedings initiated against PACL Ltd. & Ors., the Recovery Officer issued a notice of attachment in respect 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. Vide order dated 08.08.2024, passed in Civil Appeal No. 13301 of 2015 – Subrata Bhattacharya Vs. SEBI and other connected matters, Hon'ble Supreme Court has directed as under:

".....10. Since, we had directed in our order dated 25.07.2024, that no fresh applications or objections shall be filed before or entertained by Shri R.S. Virk, District Judge (Retd.) and that the same shall be filed before the Committee, the Committee may

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Shri R.S. Virk

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*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 08.08.2016 passed by Hon'ble Supreme Court, all objections with respect to properties of PACL Ltd., which were pending before Shri R. S. Virk, Retired District Judge and all new objections, are now to be dealt by the Recovery Officers attached to the Committee.

Present Objections:

12. Present objection has been filed by 1. Chokkar S/o Late Chelliah, 2. Azhagarsamy S/o Late Chelliah, 3. Pavun D/o Late Chelliah, 4. Jeya D/o Late Chelliah, 5. Vallikannu D/o Late Chelliah and 6. Anjalai D/o Late Chelliah, all residing at S. Nanguppatti, Nanguppatti Village, Vilappatti Post, Illuppar Taluk, Padukkottai District, Tamil Nadu – 622504 (hereinafter referred to as “**the Objectors**”), in respect of the land parcel admeasuring 6 Acres, 17 Cents of land comprised in SF No. 224/3D, 392/6G, 393/6, 393/7 & 394/2D situated in Village - Nanguppatti, Taluk – Illuppur, District – Pudukkottai, Tamil Nadu (hereinafter referred to as the “**impugned land**”), covered in MR No. 8341-19. In the Objection petition, the Objectors are praying for cancellation of sale deed dated 31.05.2004 entered into between Gopalkrishna and Hari Singh, bearing no. 467/2004 and registered at SRO, Illuppur. Objectors are also praying for removing of encumbrance.

13. Before dealing with the objection on merit, it is made clear that the scope of present proceedings is only to determine whether the attachment of properties of PACL Ltd., as made by the Committee, is sustainable in view of the objection raised by the Objector. These proceedings are not for providing remedy of cancelation of the

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registered document or any other remedy available to them under the law, which are to be pursued by the Objector elsewhere.

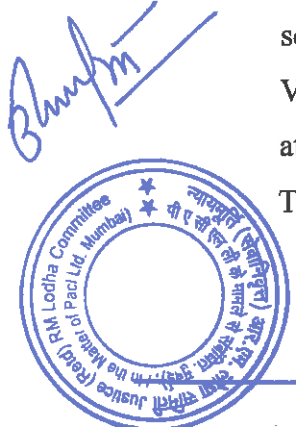
14. The Objectors have submitted that impugned land belongs to them. They are 6 children of their parents and that their parents have never adopted anybody as their son. However, one Gopalkrishna S/o Periyasamy claiming to adopted son of their parents through his power of attorney holder P. Ealappan S/o Late Packiam sold the impugned land to Hari Singh S/o Thaker Singh R/o Village - Kandhola, Post – Katlour, District-Ropar, Punjab through his power of attorney holder Lalit Sharma S/o Ramgopal Sharma, R/o House No. 20, Beech Patti, Pilukhuwa, Ghaziabad, U.P, through a sale deed dated 31.05.2004. It has been contended by the Objectors that on coming to know of this fraudulent act, they had also filed complaint before Pudukkottai District Crime Branch Police Station and the Police registered crime no. 181/2004 dated 14.08.2004 under Sections 120B, 419, 420, 465, 467, 468, 471 readwith 109 of IPC against 6 persons including Gopalakrishnan S/o Periyasamy. A chargesheet has been filed in the case and case is pending as C.C. No. 343/2019 before District Munsif cum Judicial Magistrate, Illupur which now stands converted to C.C. No. 59/2023 before JM-2 Puddukkottai. It has been submitted that the mother of the Objectors, i.e. Periyakkal died on 16.01.2022 whereas sale deed dated 31.05.2004 shows her as deceased as on the date of the sale deed.

15. I have also perused document seized under MR no. 8341-19 which is a registered sale deed dated 31.05.2004 wherein Gopalkrishnan S/o Periasamy and stated to be adopted son of Late Chellaiah & Late Periakkal R/o S. Nangupatti, Nangupatti Village, Vilappatti Post, Illuppur Taluk, Padhukottai District, Tamil Nadu, through his power of attorney holder P. Ealappan S/o Late Packiam, Door No. 17B, Mela ratha Veethi, Thiruppuvanam Town & Post, Manmadurai Taluk, Sivagangai District Tamil Nadu,

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sold impugned land to Hari Singh S/o Thaker Singh R/o Village - Kandhola, Post – Katlour, District – Ropar, Punjab, for a consideration of Rs. 61,700/-.

16. On perusal of the sale deed dated 31.05.2004, it is noted that Gopalkrishna, the seller and son of Periasamy (natural father) is declared as adopted son of Late Chellaiah and Late Periakkal. Meaning thereby, as per sale deed, Ms. Periakkal, so called adopting mother of Gopalkrishna was deceased at the time of sale deed, i.e. 31.05.2004. It is further noted that as per the recitals in the sale deed, Gopalkrishna got ownership to the subject matter of the sale deed, i.e. impugned land, by way of inheritance from his adopting mother. This also means that Ms. Periyakkal was deceased at the time of sale deed. It is noted that as per the details obtained from e-registry of the Tamil Nadu Government accessible through website <https://eservices.tn.gov.in>. having reference number 22/14/039/00264/100982, Patta no. 264, comprising Survey nos. 152/1 (.18 Hec.), 224/3D (0.94 Hec.), 392/6G (0.8 Hec.), 392/7A (0.47 Hec.), 392/7B (0.2 Hec.), 393/6 (0.29 Hec.), 393/7 (0.30 Hec.), 394/2D (0.415 Hec.) and 397/1 (0.85 Hec.) is in the name Periyakkal W/o Chellaiya. Out of which, 224/3D (0.94 Hec.), 392/6G (0.8 Hec.), 392/7A (0.47 Hec.), 393/6 (0.29 Hec.), 393/7 (0.30 Hec.), 394/2D (0.415 Hec.) forms part of the sale deed dated 31.05.2004. From this, it is clear that land parcel which forms part of the sale deed dated 31.05.2004 belonged to and continued to so belong to Periyakkal W/o Chellaiya, till her death on 16.01.2022. As per death certificate dated 10.03.2022, issued by Registrar (Birth & Death), Nanguppatti Village Panchayat, Taluk – Illiupur, District – Pudukkottai, Tamil Nadu, Periyakkal W/o Chellaiya died on 16.01.2022. Thus, at the time of entering into sale deed dated 31.05.2004, Gopalkrishna could not have inherited the impugned land from Periyakkal W/o Chellaiya, as she was alive at that time. Therefore, Gopalkrishna did not possess any title in the impugned land, as falsely stated in the recitals to the sale deed dated 31.05.2004. It shows that Gopalkrishna did not possess any authority to transfer the impugned land through sale

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deed dated 31.05.2004 and such transfer was bad in law. Consequently, sale deed dated 31.05.2004 did not convey any title in the impugned land, in favour of the purchaser.

17. Given the above, the objection raised by the Objectors, in so far as it seeks release of their property from attachment by the Committee, is allowed.

Place: Mumbai
Date: April 08, 2025



ANUBHAV ROY

RECOVERY OFFICER

For and on behalf of Justice (Retd.) R.M. Lodha
Committee (in the matter of PACL Ltd.)



अनुभव रॉय / ANUBHAV ROY
उप महाप्रबन्धक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer
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