

**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 K. Gokul*  
*SEBI/PACL/OBJ/AR/00066/2024*

**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/00066/2024
Name of the Objector(s)	Shri K. Gokul
MR No.	1079-18, 8564-18, 8563-18

**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 mnattachment 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:





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*".....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 08.08.2016 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 Objection:**

12. Present objection has been filed by Shri K. Gokul (hereinafter referred to as "**the Objector**") in respect of the land parcel situated at Naduvankurichi Minor Village, Thenkasi, Veerasegamani sub registration office, Viruthunagar District, in survey nos. 39, 168/7A, 168/7B, 168/7C, 55/1 & 55/2, 55/1A and 60 (hereinafter referred to as the "**impugned land**"), covered in MR Nos. 1079-2018 8563-2018 and 8564-2018.
13. The Objector has submitted that he has purchased the impugned land along with other lands from M/s. Sri Jayajothi & Company Private Limited and the same was registered vide sale deed document no. 1287/2018 dated 01.06.2018 at Veera Segamani SRO. It is submitted that M/s. Sri Jayajothi & Company Private Limited purchased the said lands from one R. Gurusamy, and the same was registered vide sale deed document no. 139/2018 dated 18.01.2018 and subsequently, M/s. Sri Jayajothi & Company Private Limited further purchased another parcel of land from one V. Veluchamy and the same



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was registered vide sale deed document no. 141/2018 dated 18.01.2018, at Veera Segamani SRO. It has been submitted that out of the total large parcel of land purchased by the Objector, only a portion of land is falling in the aforesaid Survey numbers which forms part of the MR numbers mentioned above. Further, that Objector had purchased the land in the year 2018 whereas the notification has been issued by the PACL Committee to Inspector General of Registration, Chennai on 21.06.2019 *inter alia* directing not to register any properties shown as properties of PACL Ltd.

14. The Objector was given a personal hearing before the Recovery Officer on 14.01.2025 wherein authorised representative (AR) of the Objector appeared and made the following submissions:

- (i) The documents seized under the MR Nos. 1079-18, 8564-18, 8563/2018 and 14266-18 are mere agreements to sell (ATS) and General Power of Attorney (GPA) whereas the Objector is claiming the impugned land through registered sale deeds.
- (ii) The impugned land parcel is situated in state of Tamil Nadu whereas ATSS are registered in Delhi which is in contravention of Section 28 of The Registration Act, 1908 and are hence, null and void.
- (iii) In all the ATS, consideration paid is partial and not full.
- (iv) ATS were entered in favour of PGFL (an associate company of PACL Ltd.) in the year 2002 and no sale deed has been executed till date and no suit for specific performance has been filed by PGFL within 3 years of date of execution of these ATSS, therefore, availing of any legal recourse by PGFL is barred by limitation.



*Shri K. Gokul*

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- (v) It is settled law by Hon'ble Supreme Court and by virtue of Section 54 of Transfer of Property Act, 1882 that ATS & GPA do not by themselves confer any title or interest in the property. In this regard, reliance was placed on the judgment of Hon'ble Supreme Court in *Suraj Lamp and Industries Pvt Ltd. Vs. State of Haryana & Anr.* reported in (2012) 1 SCC 656.
15. After the hearing, as requested by the AR, time of 15 days was given for submitting the further documents. On 03.02.2025, AR has submitted the further documents and has also filed written submissions which reiterates the submissions made during the personal hearing.
16. I have perused the documents relied upon by the Objector. As per these documents, the Objector has purchased the land parcel from M/s. Sri Jayajothi and Company Pvt. Ltd. vide registered sale deed dated 01.06.2018 for a consideration of Rs. 34,00,000/-. The Objector has also submitted a receipt issued by M/s. Sri Jayajothi and Company Pvt. Ltd. regarding receipt of consideration of Rs. 34,00,000/- from the Objector. As per the chain of title documents submitted by the Objector, M/s. Sri Jayajothi and Company Pvt. Ltd. had purchased these lands from R. Gurusamy vide sale deed dated 18.01.2008 and from Veluchamy vide sale deed dated 18.01.2018. Besides, the Objector has also submitted 21 sale deeds showing the chain of title documents, as to how these lands were purchased by the R. Gurusamy and Veluchamy and their vendors. It is worth to mention here that in the chain of documents produced by the Objector, the name of K. V. Ramakrishnan S/o K. N. Pokkan, who has given GPA to Avtaar Singh in respect of certain land parcels including the impugned land, does not come up.



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17. I have also perused the documents which have been seized under MR Nos. 1079-18, 8564-18, 8563/2018 and 14266-18. I note that MR Nos. 1079-18, 8564-18 & 8563/2018, contains 3 ATS which were all executed in October, 2002. In all these 3 ATS, Avtaar Singh S/o Baswa Singh R/o Village & Post Barodi, Tehsil & District – Ropar, Punjab had agreed to sell certain land parcels situated at Village - Naduvakurichi Minor, Taluk – Sankarankoil, District – Tirunelveli, to PGFL, an associate of PACL Ltd.
18. MR No. 14266-18 contains a GPA dated 23.04.2004, whereby one K. V. Ramakrishnan S/o K. N. Pokkan 81(5/66) 3, Kanhangad Municipality, Hosdurg District, Kerala, has constituted Avtaar Singh S/o Baswa Singh R/o Village & Post Barodi, Tehsil & District – Ropar, Punjab, as his attorney *inter alia* to transfer by way of sale, gift, lease, mortgage, exchange or otherwise the land parcels situated at Villages – Pattadaikatti & Naduvakurichi Minor, Taluk – Sankarankovil, District - Tirunelveli.
19. It is noteworthy that under the said GPA, said Avtaar Singh got rights over the land parcels, on 23.04.2004, which he had already agreed to transfer to PGFL vide 3 ATSS dated 16.10.2002 (MR no. 1079/2018), 30.10.2002 (MR no. 8563/2018) and 30.10.2002 (MR no. 8564/2018). All these 3 ATSS are unregistered. In the recitals to all these 3 ATSS, it has been mentioned that Avtaar Singh is having rights of purchase of agricultural dry lands by virtue of agreements/understandings with the land holders.
20. As can be noted from the aforesaid paragraphs, 3 ATSS are unregistered. As per Section 54 of Transfer of Property Act, 1882 (TPA), a contract for the sale of immovable property is a contract that a sale of such property shall take place on terms settled between the parties. It does not, of itself, create any interest in or charge on such property. However, these 3 ATAs being agreement for sale of immovable property,

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gives right to the parties concerned to seek specific performance of such agreement. In terms of Article 54 of the Schedule to the Limitation Act, 1963, limitation period for seeking specific performance of a contract is 3 years from the date fixed for the performance of the contracts. A perusal of the ATSS reveals that remaining consideration was to be paid by the purchaser within 60 days of the signing of the ATSS and possession of the land sold was to be taken over by the purchaser on the date of the payment of the remaining consideration. As mentioned above, all these ATSS were signed in October, 2002, thus, period of 60 days fixed for the performance of these ATSS got expired by the end of December, 2002. Therefore, suit for seeking specific performance of these ATSS is now barred by limitation.

21. In this regard, Hon'ble Supreme Court in *Suraj Lamp's Case (Supra)*, as relied upon by the Objector, observed as under:

*".....16. We therefore reiterate that immovable property can be legally and lawfully transferred/conveyed only by a registered deed of conveyance. Transactions of the nature of 'GPA sales' or 'SA/GPA/WILL transfers' do not convey title and do not amount to transfer, nor can they be recognized or valid mode of transfer of immoveable property. The courts will not treat such transactions as completed or concluded transfers or as conveyances as they neither convey title nor create any interest in an immovable property. They cannot be recognized as deeds of title, except to the limited extent of Section 53A of the Transfer of Property Act. Such transactions cannot be relied upon or made the basis for mutations in Municipal or Revenue Records. What is stated above will apply not only to deeds of conveyance in regard to freehold property but also to transfer of leasehold property. A lease can be validly transferred only under a registered Assignment of Lease. It is time that an end is put to the pernicious practice of SA/GPA/WILL transactions known as GPA sales....."*





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22. Regarding applicability of Section 53A of TPA, it is noted that firstly, Objector has stated that he is in possession of the impugned land. Therefore, there is no question of PACL Ltd. or its agent/employee being in possession of said land which can be protected under Section 53A of TPA. Therefore, Section 53A of TPA is not attracted *qua* the 3 ATAs. Secondly, it is noted that after the amendments made to Section 53A on 24.09.2001, unregistered agreement to sell is not protected under Section 53A of TPA.
23. Given all the above, the objections raised by the Objector is liable to be allowed and is accordingly allowed.

Place: Mumbai

Date: February 12, 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 वसुली अधिकारी  
Deputy General Manager & Recovery Officer  
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