

**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.**

|                                   |                                 |
|-----------------------------------|---------------------------------|
| IA Nos.                           | 115854 of 2021 & 115849 of 2021 |
| Name of the Objector(s)/applicant | Kishan Reddy K                  |
| MR No.                            | 5970/16 and 5977/16             |

**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 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. It was also directed vide the said order 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.
3. The order passed by SEBI was challenged by PACL Ltd. and four of its directors by filing appeals before the Hon'ble Securities Appellate Tribunal (SAT). The said



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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.

4. 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.
5. 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), the Hon'ble Supreme Court vide its order dated 02.02.2016, directed SEBI to constitute a committee under the Chairmanship of Hon'ble Justice R.M. Lodha, the former Chief Justice of India, (hereinafter referred to as “**the Committee**”), for disposing of the land purchased by PACL Ltd. so that the sale proceeds can be paid to the investors, who have invested their funds in PACL Ltd. for purchase of the land. In the said civil appeals, the Hon'ble Supreme Court did not grant any stay on the orders passed by SEBI and the Hon'ble SAT. Therefore, direction for refund and direction regarding restraint on the PACL Ltd. and its promoters and directors from disposing, alienating or selling the assets of the PACL Ltd., as given in the order continue till date.



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6. 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.
7. 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.
8. In the recovery proceedings mentioned in para 4 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.
9. The Hon'ble Supreme Court vide its order dated 15.11.2017 passed in C. A. No. 13301/2015 and connected matters directed that all the grievances/objections pertaining to properties of PACL Ltd. would be taken up by Mr. R. S. Virk, District Judge (Retired).



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10. 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.

11. 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.....”*

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

13. Subsequently, the Hon'ble Supreme Court passed the 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



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recommendations of Shri R.S. Virk (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 Recovery Officers attached to the Committee.

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

14. An objection was filed before Shri R.S. Virk, District Judge (Retd.) by Kishan Reddy K, S/o Malla Reddy, the applicant residing at 6-2-151, Near Ram Mandir Lane, Subash Nagar, Nizamabad, Telangana – 503002 (“applicant”), *inter alia*, objecting to the attachment of property i.e. land under survey nos. 137 and 100 at Pipri Village, Nirmal Distt. (Old Adilabad), Telangana, (hereinafter referred to as “impugned property”). The impugned property had been attached by the Committee as properties covered in MR Nos. 5970-16 and 5977-16. Shri R.S. Virk, District Judge (Retd.) dismissed the Objection vide Order dated 10.08.2021 (“impugned order”), *inter alia*, on the grounds that the entries in land revenue records in favour of the applicant’s vendor cannot supersede the prior transfer of title in the impugned property in favour of Pearls Colonisers Pvt. Ltd.

**The IA filed before the Hon’ble Supreme Court**

15. The applicant, therefore, had filed the IA Nos. 115854 of 2021 and 115849 of 2021 before the Hon’ble Supreme Court, against the Order dated 10.08.2021 passed by Shri R.S. Virk, District Judge (Retd.), in the matter of Subrata Bhattacharya vs. SEBI (*Supra*). Thereafter, the Hon’ble Supreme Court passed the order dated 19.02.2026 directing, *inter alia*, that all interlocutory applications/Transferred Cases 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 (Retd.), shall be placed before the Recovery Officers appointed under Section 28A of the SEBI Act, 1992.

16. In compliance with the directions of the Hon'ble Supreme Court, the applicant was granted an opportunity of hearing on 22.04.2026. During the hearing, the applicants were represented by an authorised representative ('AR'). During the hearing, the AR made submissions on the lines of averments made in the IA and submitted as under:

- a) The AR submitted that the applicant was a *bona fide* purchaser for value without notice who purchased survey nos. 137 and 100 at Pipri Village, Nirmal Distt., Telangana, registered sale deeds Sale Deeds Doc Nos. 2380/2017 dated 08.05.2017 and 4397/2017 dated 28.12.2017. The AR submitted that even though these sale deeds were executed post-2016, the applicant was not aware of any PACL interest, as the Encumbrance Certificate ('EC') for the period of 2010-2017 did not reflect any such attachment or prior sale, and the revenue records/mutation records did not reflect any title in favour of PACL.
- b) In respect of Survey No. 100, AR submitted that the title claimed by PACL (through its associate, Pearls Colonisers Pvt. Ltd.) is fundamentally defective as the vendor, Smt. Kondru Raju Bai, the wife of late Kandru Chinna Bhojanna, lacked the legal capacity to confer valid title. While the AR's vendor (Kondra Chinnakka) is the daughter and legitimate heir of the original owner, Kandru Chinna Bhojanna, Sale Deed No. 864/06 dated 16.03.2006 in the MR documents relies on a transfer to PACL associate from the wife of late Kandru Chinna Bhojanna who did not hold exclusive ownership.



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- c) The AR relies on revenue records, which confirms that as of 2001, the ownership vested solely in the name of Kondra Chinnakka/K. Bhojanna, the vendor of the applicant and daughter of late Kandru Chinna Bhojanna. Consequently, any transfer executed by the wife in 2006 without a recorded inheritance or title in her favor is *void ab initio*, rendering PACL's subsequent attachment under the aforementioned MR documents legally infirm.
- d) In respect of the land under Survey No. 137, AR submitted that the applicant had purchased from the B. Gangadhar, son of Sayanna who inherited the land from his mother, Gangu Bai ("real Gangu Bai"). The AR made submissions that raise a significant identity dispute about Gangu Bai, i.e. the Vendor in Sale Deeds dated 16.03.2006 executed in favour of Pearls Colonisers Pvt. Ltd., an associate of PACL. The AR submitted that the Gangu Bai ("imposter Gangu Bai") who purportedly executed these sale deeds in 2006 was a different person not the true owner of the property. AR submitted that the verification of historical fingerprints and photographs on the MR documents i.e. is critical to decide the PACL's claim on the said land as these deeds may have been obtained by impersonation.
- e) The AR submitted that the consideration for both the sale deeds by way of cash. The AR submitted that the payment of consideration is acknowledged in the covenants of the sale deeds.

17. Subsequently, the applicant vide email dated 06.05.2026 enclosing the additional submissions dated 05.05.2026 along with the following additional documents:



- a) Family Member Certificate dated 18.04.2012 issued by the Office of Tahsildar showing the inheritance from Kondru Chinna Bhojanna, in favour of the Vendor of the Applicant i.e. Kondru Chinnakka, his daughter. Additionally, it records the date of death of Kondru Chinna Bhojanna as 10.04.2009 and it also evidences that Kondru Chinnakka is the sole surviving legal heir to Kondru Chinna Bhojanna.
- b) the Death Certificates of Kondru Rajubai and Kondru Chinna Bhojanna issued by the concerned Village Panchayat Secretary
- c) Family Member Certificate issued by the Tahsildar dated 03.04.2012, which shows that B. Gangadhar inherited the Schedule-A land through intestate succession from Gangu Bai, wife of Sayanna.
- d) Death Certificates of the actual owner Gangu Bai (died on 16.06.2011) and the “imposter” Gangu Bai (died on 20.05.2025) issued by concerned Gram Panchayat
- e) the copies of Pattedar Passbooks for Patta No. 25 issued by the state government in respect of of the actual owner (prior to her son B. Gangadhar) wherein the photograph of the original Gangubai is captured alongwith their black and white photographs in one sheet for comparison.
- f) Aadhar Card of the “imposter” Gangubai along with the copy of her notarised affidavit dated 11.07.2021.



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18. The applicant requested for a further opportunity of hearing vide email dated 06.05.2026, for explaining the contents of the aforesaid documents. Thus, a hearing was scheduled on 20.05.2026. During the course of the hearing, applicant reiterated his additional submissions based on the aforementioned documents. In the course of the hearing, the applicant submitted that they shall make further submissions in the matter. Thereafter, the applicant filed the said additional submissions vide email dated 26.05.2026. The applicant submitted account statement of his bank account in State Bank of India showing the following transactions:

| <b>Sale Deed No. 4397/2017 dated 28.12.2017 – Kondra Chinnakka, Vendor (Rs. 5,23,500 consideration)</b> |                  |                   |                                                                               |                            |                        |
|---------------------------------------------------------------------------------------------------------|------------------|-------------------|-------------------------------------------------------------------------------|----------------------------|------------------------|
| <b>S. No.</b>                                                                                           | <b>Txn. Date</b> | <b>Value Date</b> | <b>Description</b>                                                            | <b>Ref.No/Cheque.No</b>    | <b>Amount (in Rs.)</b> |
| 1                                                                                                       | 29.09.2017       | 29.09.2017        | CHQ TRANSFERNEFT<br>UTR NO:<br>SBIN7172729234905963<br>56-KONDRA<br>CHINNAKKA | 596356-KONDRA<br>CHINNAKKA | 2,00,017               |
| 2                                                                                                       | 03.10.2017       | 03.10.2017        | CHQ TRANSFERNEFT<br>UTR NO:<br>SBINS172767463725963<br>57-KONDRA<br>CHINNAKKA | 596357<br>CHINNAKKA        | 2,00,000               |
|                                                                                                         |                  |                   |                                                                               | Cash paid                  | 1,22,983               |
|                                                                                                         |                  |                   |                                                                               | Total                      | 4,00,017               |
| <b>Sale Deed No. 2380/2017 dated 08.05.2017 - B. Gangadhar, Vendor (Rs. 5,12,500 consideration)</b>     |                  |                   |                                                                               |                            |                        |
| <b>S. No.</b>                                                                                           | <b>Txn Date</b>  | <b>Value Date</b> | <b>Description</b>                                                            | <b>Ref.No/Cheque No.</b>   | <b>Amount</b>          |
| 1                                                                                                       | 27.02.2017       | 27.02.2017        | CASH CHEQUE-CASH<br>WITHDRWAL BY<br>CHEQUE 506243                             | 596243                     | 50000                  |
| 2                                                                                                       | 23.03.2017       | 23.03.2017        | CASH CHEQUE-<br>CASH WITHDRWAL<br>BY CHEQUE- 103821                           | 103821                     | 90,000                 |



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*Order on the Interlocutory Application filed by Kishan Reddy K  
SEBI/PACL/RO/BKM/RD-3/ORD/72/2026*

|   |            |            |                                                    |           |          |
|---|------------|------------|----------------------------------------------------|-----------|----------|
| 3 | 05.05.2017 | 05.05.2017 | CASH CHEQUE-CASH<br>WITHDRWAL<br>BY CHEQUE- 103827 | 103827    | 50,000   |
| 4 | 05.05.2017 | 05.05.2017 | CASH CHEQUE-CASH<br>WITHDRWAL BY<br>CHEQUE- 103826 | 103826    | 1,50,000 |
|   |            |            |                                                    | Cash paid | 1,72,500 |
|   |            |            |                                                    | Total     | 3,40,000 |

19. In order to decide the IA, the Panel of Recovery Officers ("Panel") perused the documents i.e., copies of registered Sale Deeds covered under MR Nos. 5970-16 and 5977-16 seized by the Committee, details whereof are as under:

| MR NO.  | SALE DEED                                      | BUYER/PURCHASER                                    | SELLER/<br>VENDOR                                    | AMOUNT<br>(Rs.) | AREA                     | SURVEY<br>NUMBER                                                                                                                    |
|---------|------------------------------------------------|----------------------------------------------------|------------------------------------------------------|-----------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| 5970/16 | Sale Deed<br>No. 871/06<br>dated<br>16.03.2006 | Pearls Colonisers Pvt.<br>Ltd. (Associate of PACL) | Smt. Gangu<br>Bai w/o<br>Sayanna                     | 1,38,500        | Acres 5-<br>05<br>Guntas | 137 at Pipri<br>Village,<br>Nirmal Distt.<br>(Old<br>Adilabad),<br>Telangana.                                                       |
| 5977/16 | Sale Deed<br>No. 864/06<br>dated<br>16.03.2006 | Pearls Colonisers Pvt.<br>Ltd. (Associate of PACL) | Smt.<br>Kondru<br>Raju Bai<br>w/o Chinna<br>Bhojanna | 1,41,500        | Acres 5-<br>09<br>Guntas | 100 (Acres<br>2-36 Gts)<br>and 136<br>(Acres 2-13<br>Gts) at Pipri<br>Village,<br>Nirmal Distt.<br>(Old<br>Adilabad),<br>Telangana. |

20. As per the documents seized by CBI under the aforesaid MR numbers, two registered sale deeds were executed in the year 2006. Sale Deed No. 871/06, was executed on 16.03.2006, by Smt. Gangu Bai (wife of Sayanna), transferring 5 Acres 05 Guntas



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of land under Survey No. 137 situated at Pipri Village to PACL's associate company, M/s Pearls Colonisers Pvt. Ltd. Concurrently, Sale Deed No. 864/06 was also executed on 16.03.2006, by Smt. Kondru Rajubai (wife of Chinna Bhojanna) transferring two parcels of land admeasuring 5 Acres 09 Guntas which encompasses Survey No. 100 (measuring 2 Acres 36 Guntas) and Survey No. 136 (measuring 2 Acres 13 Guntas) within the aforementioned village. It is noted that these registered sale deeds dated 16.03.2006 were found to be recorded in the EC, on a perusal of the same as available on the State Government website (<https://registration.telangana.gov.in/EncumbranceSearch.htm#!>).

21. The applicant submitted that the applicant was a bona fide purchaser for value without notice who purchased survey nos. 137 and 100 at Pipri Village, Nirmal Distt., Telangana, registered sale deeds Sale Deeds Nos. 2380/2017 dated 08.05.2017 and 4397/2017 dated 28.12.2017. The AR submitted that even though these sale deeds were executed post-2016, the applicant was not aware of any PACL interest, as the EC for the period of 2010-17 did not reflect any such attachment or prior sale, and the revenue records/mutation records did not reflect any title in favour of PACL. The details concerning the sale deeds are stated as under:

| SALE DEED                                | BUYER/PURCHASER                                                                                         | SELLER/VENDOR                                                                        | AMOUNT (Rs.)                   | AREA              | SURVEY NUMBER                                                  |
|------------------------------------------|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------|-------------------|----------------------------------------------------------------|
| Sale Deed No. 2380/2017 dated 08.05.2017 | Kishan Reddy K., S/o Malla Reddy, R/o 6-2-151, Near Ram Mandir Lane, Subash Nagar, Nizamabad, Telangana | B. Gangadhar, S/o. Sayanna, R/o H. No. 3-11, Pipri Village, Nirmal Distt., Telangana | 5,12,500 (Paid partly in cash) | Acres 5-05 Guntas | 137 at Pipri Village, Nirmal Distt. (Old Adilabad), Telangana. |
| Sale Deed No. 4397/2017                  | Kishan Reddy K., R/o 6-2-151, Near Ram Mandir Lane, Subash                                              | Kondra Chinnakka, W/o Sayanna, R/o H. No. 2-103, Pipri                               | 5,23,000 (Paid partly in cash) | Acres 5-09 Guntas | 100 (Acres 2-36 Gts) and 136                                   |



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| SALE DEED           | BUYER/PURCHASER                | SELLER/VENDOR                        | AMOUNT<br>(Rs.) | AREA | SURVEY<br>NUMBER                                                                                 |
|---------------------|--------------------------------|--------------------------------------|-----------------|------|--------------------------------------------------------------------------------------------------|
| dated<br>28.12.2017 | Nagar, Nizamabad,<br>Telangana | Village, Nirmal<br>Distt., Telangana |                 |      | (Acres 2-13<br>Gts) at<br>Pipri<br>Village,<br>Nirmal<br>Distt. (Old<br>Adilabad),<br>Telangana. |

22. The applicant submitted that under Sale Deed No. 4397/2017 dated 28.12.2017, out of total sale consideration of Rs. 5,23,000 an amount of Rs. 4,00,017/- was paid vide two cheques through banking channels on 29.09.2017 and 03.10.2017, the details of which are more fully reproduced in the earlier part of this order. The applicant submits that the balance sale consideration of Rs. 1,22,983/- was paid to the Vendor i.e. Kondru Chinnakka in cash. The applicant submitted that under Sale Deed No. 2380/2017 dated 08.05.2017, Rs. 3,40,000/- was withdrawn by him from his bank account on 27.02.2017, 23.03.2017 and 05.05.2017, as per details reproduced in the earlier part of this order, and this cash amount was paid to his Vendor i.e. B. Gangadhar. Further, the balance amount of Rs. 1,72,500/- was paid by the applicant to his Vendor i.e. B. Gangadhar in cash from other sources. Regarding the fact that parts of the consideration were paid through cash, it is noteworthy to refer to a recent judgment dated September 01, 2025 passed by the Hon'ble Supreme Court in **Georgekutty Chacko vs. M.N. Saji** (Civil Appeal No.11309 of 2025) wherein it was ruled 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*



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*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.*” Thus, the cash payment for the aforesaid 2017 transactions cannot be deemed suspicious as the applicant has been able to provide sufficient documentary proof showing that the consideration amount was withdrawn from his bank account.

23. The applicant has relied upon the death certificate (issue date: 10.07.2011) issued by Pipri Village Gram Panchayat, Vill. Pipri, Lokeshwaram Mandal which states that Gangu Bai, W/o Sayanna, R/o Pipri, passed away on 16.06.2011. The applicant has contended that the Gangu Bai who passed away in 2011 was the real Gangu Bai who was the mother of B. Gangadhar, the vendor of the applicant in Sale Deed No. 2380/2017 dated 08.05.2017. However, there is no PAN or Aadhaar ID of Gangu Bai, W/o Sayanna, on record. Further, applicant has placed reliance upon the Family Member certificate (issue date: 03.04.2012) issued by Tahsildar, Lokeshwaram Mandal, which states that the said Gangu Bai had passed away on 16.06.2011 leaving behind her son, B. Gangadhar and her daughter, Bhuchavva, who were the surviving members of her family. The applicant further submits that the Gangu Bai mentioned as the vendor in Sale Deed No. 871/06 dated 16.03.2006 was not the real Gangu Bai. The applicant has contended that there were two different persons named “Gangu Bai” who lived in Pipri Village, Nirmal Distt. (Old Adilabad), Telangana. Further, the applicant alleges that the Gangu Bai mentioned as the vendor in Sale Deed No. 871/06 dated 16.03.2006, was an imposter who did not own the land in survey no. 137 at Pipri Village, Nirmal Distt. (Old Adilabad), Telangana. As far as this supposed Gangu Bai is concerned, the applicant has produced an ordinary certificate issued by the Gram Panchayat, Macharla, Aloor, Dist. Nizamabad, which states that



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the supposed Gangu Bai has passed away on 20.05.2025. However, there is no death certificate of the supposed Gangu Bai on record. The applicant has contended that the supposed Gangu Bai has admitted to executing the Sale Deed No. 871/06 dated 16.03.2006 and that she had executed the said sale deed by impersonating the owner of the said land at survey no. 137. In this connection, the applicant has placed reliance upon a notarised affidavit dated 11.07.2021 executed by this supposed Gangu Bai (who had executed Sale Deed No. 871/06 dated 16.03.2006 as per the applicant), wherein the supposed Gangu Bai has stated that she had been misled into executing the sale deed dated 16.03.2006 in favour of Pearls Colonisers Pvt. Ltd. by agents of said company. In the aforementioned affidavit, the supposed Gangu Bai further states that the Gangu Bai who was the owner of said land at survey no. 137 had passed away in 2013. In this regard, the relevant portion of the affidavit (translated version) is as under:

“The land which was allotted to me, the companies of Perils Co. Pvt. Ltd., Delhi was offered to purchase our lands. As such my sister’s land in Sy. No. 63 an extent of Ac. 3.04 gts sold to them and executed a registered sale deed in their favour in Sub Registrar Office, Bhainsa with her own consent.

Later on after 3 years one villager namely Sri Gore John S/o Syed Gayasuddin R/o Pipri came to Macherla (My husband Village) along with Pearls company agent deceived me by saying false words and taken me to the Bhainsa Sub Registrar office obtained my signature... and executed a Regd. Sale Deed Doct No.871/2006 Dtd.16.03.2006 in their company favour for the land in Sy No.137 an extent of Ac. 5.05 gts and they gave me certain amount and was shared by our family members... After 7 years from the date of registration in the year 2013 year the said Gangubai W/o Sayanna died. The said Gangubai having one son namely Sri Bingi Gangadhar 62 years and one daughter Smt Buchamma. The Bingi Gangadhar was at Dubai for some time.



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After knowing the issue, I approached the the Tahsildar Mudhole along with Bingi Gangadhar S/o Late Gundla Ganubai, the legal heir of Gangubai and lodged a application to and explained all the facts and stated that the Sy No.137 an extent of Ac.5.05 gts is actually belongs to Gundla Gangubai W/o Sayanna and giving my consent for the transfer of land on name of Bingi Gangadhar who is the son of Gundla Gangubai W/o Sayanna. According to my consent in the year 2015 the Tahsildar Mudhole issued patta Certificate on the name of Bingi Gangadhar under the succession.

Subsequently the said Bingi Gangadhar sold the said land to one K. Kishan Reddy and executed a registered Sale Deed No. 2380/2017 Dtd. 08.05.2017 and as per the registered document the patta pass book has been issued to them and the land also handover to them and they are in possession.”

24. In reference to the aforesaid affidavit relied upon by the applicant, we observe that the statement that Gangu Bai, W/o Sayanna, had passed away in 2013 directly contradicts the date of death recorded in the relevant death certificate which states that Gangu Bai, W/o Sayanna died on 16.06.2011. As per the said affidavit, the supposed Gangu Bai realised she was misled into executing Sale Deed No. 871/06 dated 16.03.2006, and thereafter, approached the Tahsildar, Mudhole along with B. Gangadhar S/o Late Gangubai W/o Sayanna, and consented to the issuance of patta certificate in the name of B. Gangadhar with respect to the said land at survey no. 137. Further, we find that the Aadhaar ID of supposed Gangu Bai states that her name is “Devolla Gangu”, which is different from the name “Gangu Bai” mentioned in the Sale Deed No. 871/06 dated 16.03.2006 as the vendor. The differences in the names mentioned in the said Aadhaar ID and the Sale Deed No. 871/06 dated 16.03.2006 shows that Gangu Bai who had executed the said sale deed and Devolla Gangu were different persons. Thus, we find that the contentions of the applicant alleging impersonation of Gangu Bai are not sufficiently substantiated by the



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documents placed on record. In any case, even if the aforesaid contentions are assumed to be true, it is worth noting that nothing has been shown on record to show that B. Gangadhar or Gangu Bai had filed any civil suit or approached the SRO for cancellation of the Sale Deed No. 871/06 dated 16.03.2006 on the basis of grounds mentioned in the aforementioned affidavit. Further, the said affidavit affirms that consideration was paid by Pearls Colonisers Pvt. Ltd. pursuant to the sale deed dated 16.03.2006, which also indicates that proceeds raised from investors were utilised to purchase the said land under survey no. 137. Thus, in view of the above, we are not inclined to accept the applicant's contention that Sale Deed No. 871/06 dated 16.03.2006 was executed by an imposter.

25. In light of the title documents submitted by the applicant, the principal questions which arise for determination are: (i) whether the Sale Deed No. 4397/2017 dated 28.12.2017 and Sale Deed No. 2380/2017 dated 08.05.2017 relied upon by the applicant can prevail over the Sale Deed No. 871/06 dated 16.03.2006 and Sale Deed No. 864/06 dated 16.03.2006 executed in favour of a PACL associate which were seized under MR Nos. 5970-16 and 5977-16, (ii) whether the applicant can claim the status of a bona fide purchaser for value without notice in terms of Section 41 of Transfer of Property Act, 1882 ("TPA").

26. At the outset, the jurisdiction of this Panel is strictly based on the specific mandate issued by the Hon'ble Supreme Court of India in the order dated 19.02.2026 in Civil Appeal No. 13301 of 2015. As reflected in the Objection Petition and IA, it is a documented fact that the property was transferred in favour of a PACL's associate by way of registered sale deeds both dated 16.03.2006. On the other hand, the applicants' claim rests upon claims about impersonation of Smt. Gangu Bai in the



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execution of Sale Deed No. 871/06 dated 16.03.2006 and disputing the ownership of Smt. Kondru Raju Bai who, as per applicant's submission, was the wife of Shri Chinna Bhojanna, in the impugned property.

27. The applicant has contended that he had purchased the impugned land through the registered sale deeds of 2017. Regarding registered conveyance deeds, the Hon'ble Supreme Court has held that there is a presumption that a registered document is validly executed<sup>1</sup>. A registered document, therefore, prima facie would be valid in law. The onus of proof, thus, would be on a person who leads evidence to rebut the presumption. Thus, registration of document, which is required by law to be registered, is prima facie evidence of its valid execution, however, whether such document satisfies other requirements of law or not, can always be tested. In this regard, reference may also be made to Section 4 of the Transfer of Property Act, 1882 ("TPA") which provides as under:

**"4. Enactments relating to contracts to be taken as part of Contract Act and supplemental to the Registration Act. —**

The chapters and sections of this Act which relate to contracts shall be taken as part of the Indian Contract Act, 1872 (9 of 1872).

And sections 54, paragraphs 2 and 3, 59, 107 and 123 shall be read as supplemental to the Indian Registration Act, 1908 (16 of 1908)."

28. In view of Section 4 of the TPA, any sale deed of immovable property being a contract for sale of immovable property, is also required to comply with the requirements of Section 10 of Indian Contract Act, 1872 ("ICA") which provides as under:

<sup>1</sup> Prem Singh & Ors vs Birbal & Ors, 2006 (5) SCC 353.



**“10. What agreements are contracts. —** All agreements are contracts if they are made by the free consent of parties competent to contract, for a lawful consideration and with a lawful object, and are not hereby expressly declared to be void.

Nothing herein contained shall affect any law in force in India and not hereby expressly repealed by which any contract is required to be made in writing or in the presence of witnesses, or any law relating to the registration of documents”

29. Section 10 of ICA, provides as to when an agreement becomes contract and consequently, an agreement enforceable by law [as per Section 2(h) of ICA]. As per Part I of Section 10 of ICA, free consent of parties, competency of parties, lawful consideration, lawful object and not expressly declared void by contract Act, are the requirements which makes an agreement a contract. Section 10 of ICA also provides that an agreement which is based on an unlawful object cannot be held to be a valid contract and consequently, such an agreement is not enforceable by law.

30. The applicant has contended that he had purchased the impugned property through the registered Sale Deeds Nos. 2380/2017 dated 08.05.2017 and 4397/2017 dated 28.12.2017. In this regard, the applicant has submitted that vide Sale Deed No. 2380/2017 dated 08.05.2017 the land at survey no. 137 was sold to him by B. Gangadhar, S/o Sayanna, whose mother's name i.e. “Gangu Bai W/o Sayanna” was reflected in the land revenue records, viz.—Adangal record, Patta record (Patta No. 25) and Pattedar Passbook. The applicant has submitted that B. Gangadhar's name was also reflected in the aforesaid land revenue records—Adangal record, Patta record and Pattedar Passbook—and also reflected in Mutation order issued by the Tahsildar. Therefore, it is observed that the name of the applicant's vendor was reflected in the Adangal, Patta and mutation records concerning the said land. After purchasing the said land at survey no. 137, the name of the applicant was recorded in all the



aforementioned land revenue records viz.—Adangal record, Patta record (Patta No. 643) and Pattedar Passbook. In this regard, we note that registered sale deed dated 16.03.2006, executed by Gangu Bai, the vendor, in favour of Pearls Colonisers Pvt. Ltd., a PACL associate, were seized by CBI from the premises of PACL Ltd under MR No. 5970-16. It is noted that vide Sale Deed No. 871/06 dated 16.03.2006, M/s Pearls Colonisers Pvt. Ltd. had purchased the same from Gangu Bai, W/o Sayanna. Further, the EC records the said Sale Deed No. 871/06 dated 16.03.2006, executed in favour of Pearls Colonisers Pvt. Ltd. In the EC, no other transfer of the said land is recorded between 16.03.2006 and 08.05.2017. The Sale Deed No. 2380/2017 dated 08.05.2017 was executed in favour of the applicant despite the subsistence of the prior registered sale deed dated 16.03.2006 according to which only Pearls Colonisers Pvt. Ltd. was the owner of the impugned property. There is nothing on record to show that Pearls Colonisers Pvt. Ltd. has sold the impugned property. Therefore, we observe that there is nothing on record which can explain how title in the said land could be transferred further by B. Gangadhar once the title in the impugned property had already been conveyed in favour of Pearls Colonisers Pvt. Ltd. Further, there is no record of any cancellation of the sale deed dated 16.03.2006 which was earlier executed in favour of Pearls Colonisers Pvt. Ltd. The applicant has also relied upon on the notarised affidavit dated 11.07.2021, which we have discussed at para 23, wherein supposed Gangu Bai has stated that she had been misled into executing the sale deed dated 16.03.2006 in favour of Pearls Colonisers Pvt. Ltd. by agents of said company. However, we find that the said affidavit does not support the applicant's case because the said affidavit affirms that consideration was paid by Pearls Colonisers Pvt. Ltd. pursuant to the sale deed dated 16.03.2006, thus indicating that proceeds raised from investors were utilised to purchase the said land under survey no. 137. In reference to the land in survey nos. 100 and 136, it is





observed that Sale Deed No. 864/06 dated 16.03.2006 was seized by CBI from the premises of PACL Ltd under MR No. 5977-16. The applicant has submitted that the land at survey nos. 100 and 136 was sold to him by Ms. Kondra Chinnakka w/o Sayanna whose name is reflected in land revenue records—Adangal record, Patta record (Patta No. 644) and Pattedar Passbook—and also reflected in Mutation order issued by the Tahsildar. Ms. Kondra Chinnakka's father's name i.e. Kondra Chinna Bhojanna s/o Bhojanna was also reflected in the aforementioned land revenue records—Adangal record, Patta record, and Pattedar Passbook. Therefore, it is observed that the name of the applicant's vendor was reflected in the Patta and mutation records concerning the said land. After purchasing the said land at survey nos. 100 and 136, the name of the applicant was also recorded in all the aforementioned land revenue records viz.—Adangal record, Patta record (Patta No. 643) and Pattedar Passbook. In this regard, we note that as per the aforesaid sale deed dated 16.03.2006, M/s Pearls Colonisers Pvt. Ltd. purchased the said land from Smt. Kondru Raju Bai w/o Kondra Chinna Bhojanna. The EC also records the said Sale Deed No. 864/06 dated 16.03.2006, executed in favour of Pearls Colonisers Pvt. Ltd. In the EC, no other transfer of the said land is recorded between 16.03.2006 and 28.12.2017. The Sale Deed No. 4397/2017 dated 28.12.2017 was executed in favour of the applicant despite the subsistence of the prior registered sale deed dated 16.03.2006 according to which only Pearls Colonisers Pvt. Ltd. was the owner of the impugned property. Further, there is no record of any cancellation of the sale deed dated 16.03.2006 which was earlier executed in favour of Pearls Colonisers Pvt. Ltd. There is nothing on record to show that Pearls Colonisers Pvt. Ltd. has sold the impugned property. Therefore, we observe that there is nothing on record which can explain how title in the said land could be transferred further by Ms. Kondra Chinnakka vide Sale Deed No. 4397/2017 dated 28.12.2017, once the title in the





impugned property had already been conveyed in favour of Pearls Colonisers Pvt. Ltd. The submissions of the applicant have failed to explain these gaps in the chain of title. It is settled law that a vendor cannot transfer a title to the purchaser better than what he/she possesses, the principle arising from the maxim *nemo dat quod non habet*, i.e. “no one can confer a better title than what he himself has”. These gaps in the chain of title indicate that the applicant’s vendors did not have a valid title to convey in 2017 when the applicant transacted in the impugned property. Even if the submissions of the applicant are assumed to be correct, the fact that Pearls Colonisers Pvt. Ltd. had ownership in the impugned property cannot be denied in view of the sale deeds dated 16.03.2006. Further, the applicant has not been able to produce any records to show the legal steps taken by him for the cancellation of the sale deeds dated 16.03.2006. We also find it worth noting that the sale deeds dated 08.05.2017 and 28.12.2017 on the basis of which title to the property is claimed by the applicant, have been entered into after the date of passing of SEBI order on 22.08.2014, and subsequent orders dated 02.02.2016 and 25.07.2016 by Hon’ble Supreme Court in the matter of **Subrata Bhattacharya vs. SEBI (Supra)**. The said orders by SEBI and Hon’ble Supreme Court, prohibited PACL Ltd. and its associates from disposing of its assets. Thus, the vendors/transferors with whom applicant has entered into Sale Deed No. 2380/2017 dated 08.05.2017 and Sale Deed No. 4397/2017 dated 28.12.2017, were disqualified to enter into any such sale deeds relating to properties of PACL Ltd., after passing of the aforesaid orders by SEBI and the Hon’ble Supreme Court. Consequently, we find that B. Gangadhar and Kondra Chinnakka, were not competent as per Section 11 and Section 10 of ICA, to execute the Sale Deed No. 2380/2017 dated 08.05.2017 and Sale Deed No. 4397/2017 dated 28.12.2017 in favour of the applicant. Even otherwise, once the property was sold to Pearl Colonisers Pvt. Ltd in 2006, the records do not establish that the



aforementioned son of Gangu Bai and the aforementioned daughter of Kondra Chinna Bhojanna could further sell the impugned property in any capacity.

31. The applicant has invoked the protection of Section 41 of the Transfer of Property Act, 1882, claiming to be a *bona fide* purchaser for value without notice. In this regard, we find it pertinent to refer to Section 41 of Transfer of Property Act, 1882 (“TPA”) which reads as under:

**“Section 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 violable 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.”

32. We have perused the EC for the time period between 1983 and 2026. At the time of execution of the Sale Deed No. 2380/2017 dated 08.05.2017 (Seller: B. Gangadhar) and Sale Deed No. 4397/2017 dated 28.12.2017 (Seller: Kondra Chinnakka) in favour of the applicant, there were pre-existing registered Sale Deeds dated 16.03.2006 executed in favour of Pearls Colonisers Pvt. Ltd., a PACL associate. Registration of these prior registered Sale Deeds, i.e. Sale Deed No. 871/06 dated 16.03.2006 (Seller: Gangu Bai) and Sale Deed No. 864/06 dated 16.03.2006 (Seller: Kondru Raju Bai) amounted to a constructive notice to the public at large. The said registered Sale Deeds in favour of an associate of PACL were also recorded in the EC. Thus, when the applicant had transacted with respect to the impugned property in 2017, he had sufficient reasons to doubt the clear title and authority of the vendors viz. B. Gangadhar and Kondra Chinnakka. As per the said EC, it is apparent that no other transaction in respect of the impugned property is recorded between 2006 and 2017. Thereafter, Sale Deed No. 4397/2017 dated 28.12.2017 and Sale Deed No.



2380/2017 dated 08.05.2017 were executed in favour of the applicant despite the subsistence of the prior registered sale deed dated 16.03.2006 according to which only Pearls Colonisers Pvt. Ltd. was the owner of the impugned property. There is nothing on record to show that Pearls Colonisers Pvt. Ltd. has sold the impugned property. Further, there is no record of any cancellation of the sale deeds dated 16.03.2006 which were earlier executed in favour of Pearls Colonisers Pvt. Ltd. Therefore, we observe that there is nothing on record which can explain how title in the said land could be transferred further vide Sale Deed No. 4397/2017 dated 28.12.2017 and Sale Deed No. 2380/2017, once the title in the impugned property had already been conveyed in favour of Pearls Colonisers Pvt. Ltd. The aforementioned gaps in the chain of title indicate that the applicant's vendors did not have a valid title to convey in 2017 when the applicant transacted in the impugned property. It is settled law that a vendor cannot transfer a title to the purchaser better than what he/she possesses, the principle arising from the maxim *nemo dat quod non habet*, i.e. "no one can confer a better title than what he himself has".

33. The applicant has submitted that he had checked the EC only for the period of 2010-17. Further, the applicant has submitted that he assumed that the impugned property was free from any encumbrance because no pre-existing sale deeds were reflected for the period of 2010-17. We find that these prior registered sale deeds dated 16.03.2006 would have been revealed to the applicant if he had undertaken due diligence and title search with the SRO prior to transacting in the impugned property. The applicant has also submitted that he had taken reasonable care in ascertaining the title in the impugned property by verifying the land revenue records– Adangal record, Patta record and Pattedar Passbook–wherein the names of his vendors were duly reflected. In this regard, we draw reference to the judgement of the Hon'ble



Supreme Court in *Vadiyala Prabhakar Rao vs. Government of Andhra Pradesh & Ors.* (Judgement dated May 06, 2026 in Special Leave Petition (Civil) No. 27590 of 2025) wherein it ruled, “Let us summarise the precedents on Revenue Entries and their legal effect on the question of title: Entries in Revenue Records or Jamabandi serve only a “fiscal purpose”. Their primary function is to enable the person whose name is mutated in the records to pay the land revenue in question...A Revenue Record is not a document of title and does not confer any ownership or title upon the person whose name appears in it. Further, mutation does not create or extinguish title and has absolutely no presumptive value regarding title...The law is well settled that, through Revenue entries, the claim to title is not proved.” Thus, in view of the above, we do not find any merit in the submissions of the applicant in this regard.

34. The facts recorded in the EC should have raised apprehension in the mind of any ordinary person regarding the authority of the vendors/transferrors to transfer the property and to call for initiation of further inquiry, viz: whether B. Gangadhar and Kondra Chinnakka had any authority at all to execute conveyance in favour of anyone in light of the pre-existing registered Sale Deeds dated 16.03.2006. The above facts demonstrate that the applicant was under constructive notice about the pre-existing registered Sale Deeds dated 16.03.2006 executed in favour of Pearls Colonisers Pvt. Ltd., as a result of which B. Gangadhar and Kondra Chinnakka had no title to convey in the impugned property. This leads to the inference that the applicant failed to exercise reasonable care and diligence before entering into these transactions. By failing the statutory checks of reasonable care and good faith under the proviso to Section 41, the applicant cannot claim its protection. Therefore, owing to such failure of the applicant, we find that by virtue of the Sale Deed No. 871/06 dated 16.03.2006 and Sale Deed No. 864/06 dated 16.03.2006, which were executed



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prior in time, the ownership of Pearls Colonisers Pvt. Ltd. prevails over the claims of the applicant. Therefore, we find no merit in the contentions of the applicant in this regard.

35. It is also worth noting that as per applicant's submissions, the applicant became aware of SEBI's auction notice dated 06.02.2020 wherein the impugned property was listed for auction by the Committee. However, the applicant had filed his Objection on 09.02.2021 before Shri R. S. Virk, District Judge (Retired). Thus, there is a significant lapse of time on the part of applicant between the date of the auction notice and the filing of applicant's Objection before Shri R.S. Virk, District Judge (Retd.). From another standpoint, the applicant was also at liberty to apply before the Hon'ble Supreme Court and the Committee after Hon'ble Supreme Court passed the Order dated 15.11.2017, and SEBI's press release PR No.: 66/2017 dated 08.12.2017, notifying the appointment of Shri R.S. Virk, District Judge (Retd.), but as noted herein, the applicant's Objection was filed in 2021. We cannot lose sight of such a significant delay on the part of the applicant.

36. It is trite law that "*vigilantibus non dormientibus jura subveniunt*" which denotes that "the law assists those who are vigilant, and not those who sleep over their rights". In this regard, we draw reference to the judgement of the Hon'ble Supreme Court in the matter of *Shivamma (Dead) by LRs vs. Karnataka Housing Board & Ors. (Judgement dated 12.09.2025 — Civil Appeal No. 11794 of 2025)*:

"60. The bedrock of law on limitation flows from two age-old Latin maxims; *interest reipublicae ut sit finis litium* and *vigilantibus non dormientibus jura subveniunt*, which mean; "it is in the interest of the State that there be an end to litigation" and "the law assists those who are vigilant, and not those who sleep over their rights", respectively. The former emphasizes that protracted litigation puts a strain on the judicial system and undermines the law's role in dispute resolution, and so the



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*public interest requires that disputes be resolved in some final form rather than continuing indefinitely to drain the resources of courts and the parties. While the later connotes that a person who has slept on his rights may be denied enforcement of the same when the resulting delay would cause an unfair prejudice.*

71. In this regard we may refer to the decision of this Court in *Hameed Joharan (Dead) & Ors. v. Abdul Salam (Dead) by LRs & Ors.*, reported in (2001) 7 SCC 573, wherein it was observed that the general policy of the law of limitation encapsulated in the Limitation Act is to favour the use of legal diligence. Expounding the maxim of 'vigilantibus et non dormientibus jura subveniunt' it was held that a court of law never tolerates an indolent litigant since delay defeats equity."

72. As aptly noted in *Hameed Joharan (supra)*, lapse of time is a specie for forfeiture of right, which is why where a litigant allows the limitation to expire for any right or remedy, due to its own volition, be it in the form of, inaction, lethargy, negligence or mistake, which could have been avoided, no indulgence should ordinarily be shown by the courts in entertaining or enforcing the assertion of such rights..."

**Order:**

In view of the above, the applicant's IA in respect of the impugned property is liable to be disallowed and is accordingly, disallowed.

38. In terms of the Hon'ble Supreme Court's Order dated 19.02.2026, appeal, if any, in reference to this order, shall lie before Hon'ble Securities Appellate Tribunal.

**Place: Mumbai**

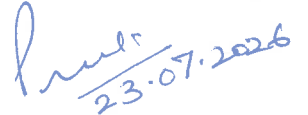
**Date: July 23, 2026**



**BAL KISHOR MANDAL**  
Recovery Officer



**KSHAMA WAGHERKAR**  
Recovery Officer



**PREETI PATEL**  
Recovery Officer

बाल किशोर मंडल / **BAL KISHOR MANDAL**  
उप महाप्रबंधक एवं वसूली अधिकारी  
Deputy General Manager & Recovery Officer  
(पी ए सी एल टी के मामले से संबंधित) [In the matter of PACL Ltd.]

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

प्रीति पटेल / **PREETI PATEL**  
उप महाप्रबंधक एवं वसूली अधिकारी  
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