

PANEL OF RECOVERY OFFICERS
APPOINTED UNDER SECTION 28A OF THE SEBI ACT, 1992
DISCHARGING FUNCTIONS IN TERMS OF THE ORDERS PASSED BY THE HON'BLE SUPREME
COURT OF INDIA DATED 08.08.2024 AND 19.02.2026
IN THE MATTER OF PACL LTD.

I.A. No(s).	I.A.No. 72158 OF 2021
File No.	700 & 798
Name of the Objector(s)/Applicant(s)	K. Subash
MR No (s).	27787-16 & 28837-16

Background:

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) on August 22, 2014 had passed an order against PACL Limited, 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. Vide 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 four of its directors by filing appeals before the Hon'ble Securities Appellate Tribunal (“SAT”). The said appeals were dismissed by the Hon'ble SAT vide its common order dated August 12, 2015, with a direction to the appellants to refund the amounts collected from the investors within three months. Aggrieved by the order dated August 12, 2015 passed by the Hon'ble SAT, PACL Ltd and its directors had filed appeals before the Hon'ble Supreme Court of India.
3. The Hon'ble Supreme Court did not grant any stay on the aforementioned impugned order dated August 12, 2015 of the Hon'ble SAT, however, PACL Ltd. and its promoters/ directors did not refund the money to the investors. Accordingly, SEBI initiated recovery proceedings under Section 28A of the SEBI Act, 1992 against PACL Ltd. and its promoters/ directors vide recovery certificate no. 832 of 2015 drawn on December 11, 2015 and as a consequence thereof, all bank/ demat accounts and folios



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of mutual funds of PACL Ltd. and its promoters/ directors were attached by the Recovery Officer vide attachment order dated December 11, 2015.

4. During the hearing on the aforesaid civil appeals filed by PACL Ltd. and its directors (*Civil Appeal No. 13301 of 2015 – Subrata Bhattacharya Vs. SEBI and other connected matters*), the Hon'ble Court vide its order dated February 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, the Hon'ble Supreme Court did not grant any stay on the orders passed by SEBI and the Hon'ble SAT. Therefore, directions for refund and direction regarding restraint on the PACL Ltd. and its promoters and directors from disposing, alienating or selling the assets of PACL Ltd., as given in the order, continues 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 or interest.
6. Further, the Hon'ble Supreme Court vide its order dated July 25, 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 September 07, 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 documents 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 November 15, 2017, passed in Civil Appeal No. 13301/2015 and connected matters directed that all the grievances/objections pertaining to the properties of PACL Ltd. would be taken up by Shri R.S. Virk, District Judge (Retd.).
9. On April 30, 2019, in the recovery proceedings initiated against PACL Ltd. and Ors., the Recovery Officer issued a notice of attachment in respect of 25 front companies of PACL Ltd. Thereafter, on March 01, 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 April 30, 2019.
10. Vide order dated August 08, 2024 passed in *Civil Appeal No. 13301 of 2015 - Subrata Bhattacharya Vs. SEBI and other connected matters*, the 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 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 the aforesaid order dated August 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, Retired District Judge and all new objections, are now to be dealt by the Recovery Officers attached to the Committee.
12. Subsequently, the Hon'ble Supreme Court passed the order dated February 19, 2026 in the matter of Subrata Bhattacharya vs. SEBI (Civil Appeal No. 13301 of 2015) directing, *inter alia*,

“i. all interlocutory applications/Transferred Case falling under Category B, i.e. 106 sets of applications including the instant application, filed against the



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

- ii. The Recovery Officers shall adjudicate the claims in accordance with the procedure contemplated under Section 28A of SEBI Act read with Second Schedule to the Income Tax Act, 1961.*
- iii. 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 Ltd. 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.*
- iv. The parties shall be at liberty to adduce necessary evidence in this regard confined to the extent relevant to establish source of the property, which evidence will be let in summary manner. The adjudication shall be confined to documentary evidence. No oral evidence shall be permitted. The Recovery Officers may permit filing of additional documents over and above what was filed before Judge Virk & this Court in their IAs.*
- v. Recommendation of shri R.S Virk (Retd.) shall not be determinative of the issues but may be taken into consideration as one of the factors while adjudicating the claims.*
- 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 bonafide purchaser for value having actually paid the amounts through banking channels.”*

Accordingly, all such applications, including the instant application, are now to be dealt by the Recovery Officers appointed under Section 28A of the SEBI Act, 1992 in the matter of PACL Ltd.



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Present Interlocutory Application (I.A.)

13. The instant Interlocutory Application No. **72158 of 2021** (hereinafter referred as “the IA”) has been filed by Mr. K. Subash (hereinafter referred to as the “**Objector/Applicant**”) challenging the order dated September 03, 2020 passed by Shri R.S. Virk, District Judge (Retd.) in File No. 700 and Order dated December 17, 2020 in File No. 798 (hereinafter collectively referred to as the “**impugned order**”) whereby the objection petition seeking delisting of agricultural dry land situated in Samanatham Village, Madurai South Taluk, Madurai District, Tamil Nadu measuring Acre 01.01 Cents comprised in Survey number 82/3A. (hereinafter referred to as the “**impugned property**”), covered in MR No’s 27787-16 & 28837-16, which stands attached by the committee, was dismissed.
14. In order to further examine the present application with respect to the impugned properties, the Panel perused the MR Document seized by CBI from the possession of PACL Ltd. basis which the impugned properties have been attached by the Committee. It is observed that the MR documents consist of registered sale deeds of predecessors in title of the impugned properties and other documents, the details of which are as follows:
- 14.1** MR No. 28837-16 consists of the registered sale deed no. 2641/2006 dated 18.04.2006 wherein Mr. Sannasi Murugan and Mr. Pandi Murugan sold the impugned property to M/S Pearls Manor Mansion Pvt. Ltd, associate company of PACL Limited.
- 14.2** MR No. 27787/16 consists of the registered sale deed no.3557/09 dated 21.05.2009 wherein M/S Pearls Manor Mansion Pvt. Ltd, associate company of PACL Limited sold the impugned property to M/S MEK Developers Private Limited.
15. It is noted that the Objector/Applicant filed an objection petition before Shri R.S. Virk, District Judge (Retd.). Applicant namely Shri K Subash claims to be the general power of attorney holder of M/S Devshri Infrahomes Private Ltd to the extent Acre 1.01 cents out of the various extents statly purchased by it from M/S MEK Developers Pvt. Ltd.



The Applicant also seeks the grant of a No Objection Certificate for the purchase of impugned property and consequently, the de-listing of impugned property from the list of PACL Properties published on the website of SEBI. Applicant stated that he is ready and willing to pay to anyone, if directed by this committee, in view of settlement of consideration for transfer of title of the impugned property.

16. After hearing the applicant, Shri R.S. Virk, District Judge (Retd.) vide the impugned order dated September 03, 2020, has dismissed the objection petition of the Objector/Applicant, primarily, on the following grounds:

- i) M/S Pearls Manor Mansion Pvt. Ltd, associate company of PACL purchased impugned property from Mr. Sannasi Murugan and Mr. Pandi Murugan vide sale deed dated April 18, 2006. Thereafter impugned property was transferred by M/S Pearls Manor Mansion Pvt. Ltd vide sale deed dated May 21, 2009 to another associate company of PACL namely M/S MEK Developers Pvt. Ltd. This would not therefore confer absolute title of impugned property in favour of M/S MEK Developers Pvt. Ltd as the money involved in the sale transaction dated May 21, 2009 was not from any independent source of income of PACL Ltd but was a part of the illegal collection and hence sale in question has to be treated as invalid transfer of title.
- ii) Consequently, further transfer of the impugned property by M/S MEK Developers Pvt. Ltd vide sale deed dated May 21, 2013 in favour of M/s Devshri Infrahomes Pvt. Ltd cannot be considered to be bonafide transfer by M/S MEK Developers Pvt. Ltd or bonafide purchase thereof by M/S Devshri Infrahomes Pvt. Ltd.

17. The Applicant, being aggrieved by the aforesaid impugned order passed by Shri R.S. Virk, District Judge (Retd.), has filed the present I.As. before the Hon'ble Supreme Court in the matter of *Subrata Bhattacharya vs. SEBI (Supra)*, challenging the same.

18. The Hon'ble Supreme Court, vide order dated February 19, 2026 while taking note of the segregation of the interlocutory applications (I.As) into five distinct categories, i.e. Category A to E, observed that the issues arising in the identified 106 I.As (including the present I.As) require a detailed scrutiny of documentary material to determine the



true nature and ownership of the properties in question and thus, directed that such matters ("Category B" applications, i.e., applications challenging dismissal of objections by Shri R.S. Virk, District Judge (Retd.) be placed before Recovery Officers appointed under Section 28A of the SEBI Act, 1992, for examination. Accordingly, the said I.A is now being dealt by the Panel of Recovery Officers (hereinafter referred to as the "**The panel**").

19. In compliance with the directions of the Hon'ble Supreme Court, the applicant was granted an opportunity of hearing on May 06, 2026 before the panel. During the hearing, the applicant was represented by an authorised representative ('AR'). During the hearing, the AR made submissions on the lines of averments made in the IAs and interalia submitted that M/s Devshri Infrahomes Pvt.Ltd had vide sale deed dated May 21, 2013 purchased the larger property (including the impugned property) measuring 38.26 acres for sale consideration of Rs. 1,17,00,000/-. The stamp duty, registration fees and valuation of the document were duly submitted on the very same day and the sale deed was presented for registration before Sub Registrar Joint No.1, Madurai. However, the document was given P.No.112/2013 and kept pending for want of verification of the records. By a letter No.7943/C1/2019 dated 05/03/2019, the Inspector General of Registration, Chennai directed that the document presented for registration on 21.05.2013 was eligible for registration. Accordingly, aforesaid sale deed was registered on 06.03.2019. AR also submitted that, the IA applicant obtained registered General Power of Attorney dated 22/11/2019 from M/s Devshri Infrahomes Pvt. Ltd. in respect of impugned property under Survey No.82/3A in consideration of Rs.3,48,450/-. This payment was made through banking channels. Based the submissions made and discussions held during the hearing, the AR for the Objector/Applicant sought time for making additional written submission. Subsequently, the Objector/Applicant submitted additional written submission dated May 14, 2026 which is taken on record.

20. Upon examination of the facts mentioned in the I.As. and the documents placed on record by the Applicant, the Panel has observed as under



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20.1 Impugned property was purchased by M/s. Pearls Manor Mansion Pvt. Ltd., an associate company of PACL Ltd., by way of a registered Sale Deed dated 18.04.2006 from Sannasi Murugan and Pandi Murugan. Thereafter vide sale deed dated 21.05.2009 impugned property was transferred by M/S Pearls Manor Mansion Pvt. Ltd to another associate company of PACL namely M/S MEK Developers Pvt. Ltd. Thereafter, M/s. Devshri Infrahomes Pvt. Ltd. vide Sale Deed dated 21.05.2013 purchased the large parcel of land (including the impugned property) measuring 38.26 acres for a total sale consideration of Rs.1,17,00,000/- . The payment was made through Cheque No. 12426 dated 22.04.2013 drawn on Axis Bank, Andheri West Branch, Mumbai. Said payment has been verified from the Axis Bank Statement and certificate thereof and found in order. On the very same day, the Sale Deed was presented for registration before the Sub-Registrar Joint-I, Madurai. However, the document was kept pending for verification of records.

20.2 The panel also observed from the Reply of PACL Ltd. dated 05/02/2020 submitted before Shri R.S. Virk, District Judge (Retd.) in the present objection petition *interalia* stating as under:

“3) That as per our records, the said land has already been sold by PACL to Devshri Infrahomes Private Limited in 2013 and received the payment of INR 1,20,00,000/- (Rupees One Crore Twenty Lakhs Only) on 22/4/2013 and the connected ledger in the books of PACL Limited ”

4) That we do no object to the said application”

Thus it is established that Devshri Infrahomes Private Limited purchased the property including the impugned property from PACL Limited in 2013.

20.3 On 29.11.2018, an objection letter was submitted before the Sub- Registrar Joint-I, Madurai seeking registration of the Sale Deed. Thereafter, on 22.02.2019, the Sub-Registrar Joint-I, Madurai sought concurrence from the Inspector General of Registration, Chennai. By Letter No0.7943/C1/2019 dated 05.03.2019, the Additional Inspector General of Registration, Chennai clarified that the document



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presented for registration on 21.05.2013 was eligible for registration. Sale Deed which had been kept pending for registration was duly registered vide dated 06.03.2019 in favour of M/s. Devshri Infrahomes Pvt. Ltd.

20.4 M/s Devshri Infra Homes Pvt. Ltd. vide its Board Resolution dated 26.08.2019 accorded its consent to sell the impugned property to the Applicant for agreed sale consideration to be received by the company. Further, Mr. Madahav Vasanath Balasubramaniam, project manager of the company was authorized to execute the document registration.

20.5 Subsequently, Applicant obtained registered General Power of Attorney (Doc No 9352/2019) dated 22.11.2019 from M/s. Devshri Infrahomes Pvt. Ltd. in respect of impugned property for consideration of Rs.3,48,450/- which was paid by him vide D.D. No.973010 dated 19.11.2019 drawn on KVB Bank, Ashok Nagar, Chennai-83.

20.6 In the foregoing, the reference may be taken from the Judgment dated 11.10.2011 passed by the Hon'ble Supreme Court in the case of **Suraj Lamp and Industries Private Limited (2) through Director v. State of Haryana and Another** reported at (2012) 1 SCC 656 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."

This judgement squarely applicable to the unregistered document in the instant IAs.



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21. Further, from the copy of the Certificate of Encumbrance on impugned property dated 24.04.2026 issued by S.R.O.: Madurai Joint 1, the panel has noted the following remark from the said Encumbrance certificate as under:

“Property bound in this document is as per the judgment issued by the Hon'ble Supreme Court in Case No. C.A 13301/2015. The case file has been registered without the permission of the Lodha Committee, in violation of the Supreme Court order.

District Registrar (Administration), Madurai (South) vide his letter No. 184/A 1/2022-1, dated 14.09.2022, this office document No. 1832/2019 " As per the judgment of the Hon'ble Supreme Court and the report of the Justice R.M. Lodha Committee, the registration of this property has been prohibited. Since the document has been registered in violation of this prohibition, this document is declared as a fake document.

Schedule Remarks: As per the office letter of the Madurai Qualified Officer and District Revenue Officer vide No. 23324/2017/T3 dated 23.07.2021, 1.01 acres of land in Madurai South Samanatham Village has been banned from registration of documents related to PACL Finance Company due to fraud (Scheduled date 04.08.2021)”

22. Further, it has come to the knowledge of the Panel that by a letter No.7943/C1/2019 dated 05/03/2019, the Inspector General of Registration, Chennai directed that the document presented for registration on 21.05.2013 was eligible for registration. However, it is also noted that an FIR dated 24.08.2022 in a similar case was lodged against Mr. K V Srinivasan the then Additional Inspector General of Registration with regard to the land documents belonging to M/s. Devshri Infra homes Pvt. Ltd. (for the property in a same survey number) which was illegally registered in Madurai South, on the order of Mr. K V Srinivasan.



23. In the light of the adverse remarks in the Encumbrance Certificate placed on record and in view of precedent set up in Suraj Lamp Case and also in view of the recommendation of then Additional Inspector General of Registration which has been obtained by alleged unfair means, the Panel found that M/s. Devshri Infra homes Pvt. Ltd. had not valid title of the impugned property. Accordingly, the objector being representative of M/s. Devshri Infra homes Pvt. Ltd. does not have the valid attorney bearing the impugned property

ORDER:

24. Given the above, the IA raised by the Objector/Applicant with respect to land, survey No. 82/3A to the extent of 1.01 Acres in Samanatham Village, Tirupurankundram Taluka, Madurai District under MR No's. 27787-16 & 28837-16 is liable to be rejected. and is accordingly, rejected.

25. In view thereof, the order dated September 03, 2020 passed in File No. 700 and Order dated December 17, 2020 in File No. 798 passed by Shri R.S. Virk, District Judge (Retd. are hereby upheld.

26. In view of the above, the attachment in respect of the impugned property, shall continue to stand attached by the Committee.

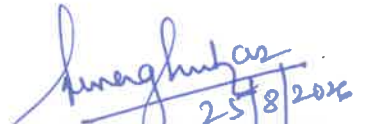
27. Accordingly, I.A. No. 72158 of 2021 in Civil Appeal No. 13301 of 2015 are disposed of in terms of this Order.

Place: Mumbai

Date: August 25, 2026


25.08.2026

BAL KISHOR MANDAL
Recovery Officer


25/8/2026

KSHAMA WAGHERKAR
Recovery Officer


25/8/26

PREETI PATEL
Recovery Officer



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

कश्मा ए. वाघेरकर / **KSHAMA P. WAGHERKAR**
उप महाप्रबंधक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer
(पै ए सी एल सी के मामले से संबंधित, मुंबई) (In the matter of PACL Ltd. Mumbai)

प्रीति पटेल / **PREETI PATEL**
उप महाप्रबंधक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer
(पै ए सी एल सी के मामले से संबंधित, मुंबई) (In the matter of PACL Ltd. Mumbai)