

**BEFORE THE PANEL OF RECOVERY OFFICERS APPOINTED UNDER
SECTION 28A OF THE SEBI ACT, 1992 IN THE MATTER OF PACL LTD.
FOR DISCHARGING FUNCTIONS IN TERMS OF THE ORDERS OF THE
HON'BLE SUPREME COURT DATED 08.08.2024 AND 19.02.2026 IN C.A.
No. 13301 OF 2015**

IA No.	47351/2020, 75741 of 2020, 75743 of 2020 and 75745 of 2020
Name of the Objector(s)	Ms. M Mamatha and Ms. Gayathri K
MR No.	25083-16, 25084-16, and 26021-16

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 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



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promoters and directors from disposing, alienating or selling the assets of the PACL Ltd., as given in the order continue till date.

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).



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 i.e. 106 sets of applications including the instant application, challenging the



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.

Present Objection:

14. An objection was filed by Mrs. Mamatha, the applicant residing at 27, 19th Cross, 7th main, Near Kovai Farm Fresh, BTM Layout, 2nd stage, N S Palya, B.G.Road, Bangalore, Karnataka and Mrs. Gayathri K. residing at No.305, 2nd flood, 5th cross, Kanapura Road, BCMC Layout, Raghuvanahalli, Thalaghattapura, Bangalore, Karnataka (“applicants”), objecting to the attachment of family property i.e. land under Sy. No. 50/3A (formerly Survey Number 50/3) admeasuring 3 acres 12 guntas and Sy. No. 46/1 admeasuring 30 guntas in Hulimavu Village, Bangalore South Taluk (hereinafter referred to as “impugned properties”). The order of Shri R.S. Virk, District Judge (Retd.) dated 24.05.2019 (“impugned order”) dismissed the objection.
15. The impugned property had been attached by the Committee as properties covered in MR Nos. 25083-16, 25084-16, and 26021-16.
16. Shri R.S. Virk, District Judge (Retd.) dismissed the Objection vide Order dated 24.05.2019. The Objectors, therefore, have filed the IA Nos. 47351/2020, 75741 of 2020, 75743 of 2020 and 75745 of 2020 before the Hon’ble Supreme Court in the matter of Subrata Bhattacharya vs. SEBI (*Supra*). Thereafter, 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, 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.

17. In compliance with the directions of the Hon'ble Supreme Court, the applicant was granted an opportunity of hearing on April 15, 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 placed reliance on partition suit, OS No. 26333/2018 in respect of the share of property of the Objectors/IA applicants in the ancestral land under Survey Nos. 50/3A and 46/1 at Hulimavu Village, Bangalore South Taluk, Karnataka ("impugned property") along with other joint family properties.
- b) The AR argued that in light of the pending partition suit, O.S. Number 26333/2018, and the injunction order dated passed the removal of impugned property from the auction list was necessary in order to prevent the loss of the ancestral property and to ensure that the civil suit is not rendered infructuous.
- c) AR has submitted that the sale of impugned property in favour of Prateek Kumar (an agent of PACL) vide Sale Deed dated 20.04.2010 (Document No. 1721/2010-11) and another Sale Deed dated 20.04.2010 (Document No. 3200/2010), was invalid because the Objectors/IA applicants—as the legal heirs of Muthappa Reddy and Krishna Reddy (sons of Muniyappa)—were not made parties to the said sale deeds, nor was their consent obtained in executing such transfer in favour of Prateek Kumar.



- d) The AR submitted that Muthappa Reddy and Krishna Reddy did not have any proper title to convey to PACL in respect of the impugned property which were part of joint family properties. Thus, the AR submitted that the transfer of title of the Objectors/IA applicants in impugned property did not take place in favour of PACL.
- e) The AR submitted that the Objectors/IA applicants have filed a civil suit for partition in Bengaluru City Civil Court i.e. OS No. 26333/18. The AR places reliance upon the order dated 29.10.2018 passed by Bengaluru City Civil Court granting a temporary injunction in favour of the Objectors/IA applicants in OS No. 26333/18. The AR submitted that in view of the above circumstances, if the impugned property was to be auctioned by the Committee, the pending civil suit for partition would be rendered infructuous.
- f) The AR submitted that the PACL does not have proper title in the impugned property and therefore the same should not be auctioned as the rights of the Objectors/IA applicants in the impugned property remain sub judice.
- g) The AR also requested seven days' time to make additional submissions and submit additional documents including family tree, legal heir certificate/succession certificate, revenue record, mutation record and encumbrance certificate in respect of the impugned property. The said request was acceded to. The additional submissions and documents shall be submitted by April 22, 2026.



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18. Subsequently, the applicant vide email dated April 21, 2026 enclosing the additional submissions of the applicant submitted additional documents i.e. additional documents including family tree, legal heir certificate/succession certificate, revenue record, mutation record and encumbrance certificate in respect of the impugned property.

19. In order to decide the IA, the Panel perused the documents i.e., copies of registered Sale Deeds covered under MR Nos. 25083-16, 25084-16, and 26021-16 seized by the Committee, details whereof are as under:

MR NO	SALE DEED/AGREEMENT TO SELL	BUYER	SELLER	AMOUNT	AREA	Survey Number
25026/16	Sale Deed 1721\10-11 dated 20.04.2010	Sri. Prateek Kumar (rep. by GPA Holder Sri. Venkatesh Mutta)	1. Sri. M. Thimmappa Reddy 2. Sri. T. Venkataswamy Reddy 3. Sri. T. Muthappa Reddy 4. Sri. H.C. Muthappa Reddy 5. Sri. H.M. Rajashekar Reddy 6. Sri. H.C. Krishna Reddy 7. Sri. T. Purushotham Reddy 8. Sri. K Srinivasa Reddy	Rs. 2,00,00,000/-	3 Acres 12 Guntas	50/3A (old Sy. No. 50/3)
25084/16	Sale Deed 3200\10-11 dated 20.04.2010	Sri. Prateek Kumar (rep. by GPA Holder Sri. Venkatesh Mutta)	1. Sri. H.C. Muthappa Reddy 2. Sri. H.M. Rajashekar Reddy 3. Sri. H.C. Krishna Reddy 4. Sri K Srinivasa Reddy	Rs. 45,00,000/-	30 Guntas	46/1



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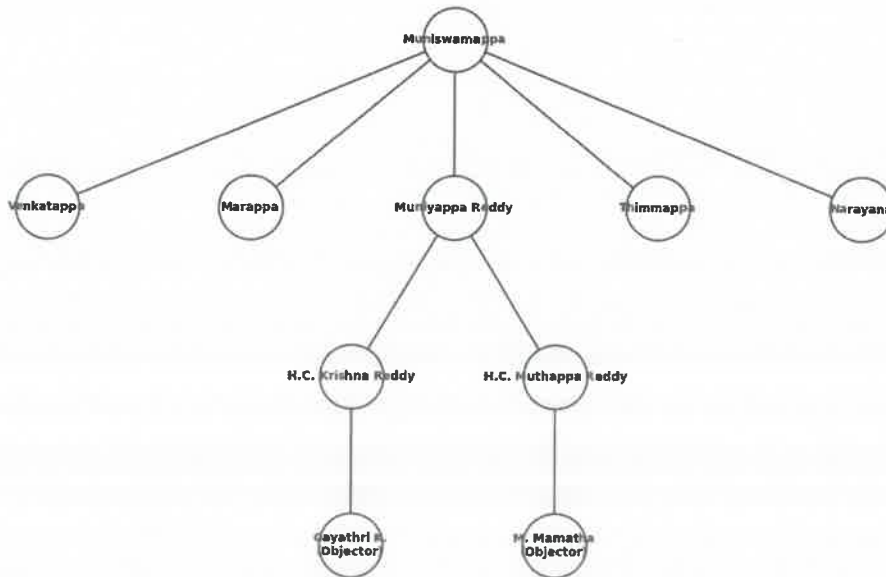
MR NO	SALE DEED/AGREEMENT TO SELL	BUYER	SELLER	AMOUNT	AREA	Survey Number
26021/16	Agreement for Sale signed on 12.01.2010	NSB Infrastructure and Projects Pvt Ltd. (rep. by Mr. Venkatesh Mutta)	1. Sri. H.C. Muthappa Reddy 2. Sri. H.M. Rajashekar Reddy 3. Sri. H.C. Krishna Reddy 4. Sri K Srinivasa Reddy	Rs. 96,37,650/- (Partly paid Rs. 4,75,000/- by cash)	30 Guntas	46/1

20. As per the documents seized under the aforesaid MR numbers, H.C. Muthappa Reddy (father of M. Mamatha, applicant) and H.C. Krishna Reddy (father of Gayathri K, applicant) and certain family members of the applicants executed an Agreement for Sale dated January 12, 2010, in favour of NSB Infrastructure and Projects Pvt Ltd. agreeing to sell the land admeasuring 30 guntas in Survey Number 46/1, as the buyer for a total consideration of Rs. 96,37,650. The said family members also sold the land under Survey Number 50/3A admeasuring 3 Acres and 12 Guntas to PACL's agent Prateek Kumar for Rs. 2,00,00,000/- vide Sale Deed dated April 20, 2010. On the same date, the said family members executed another Sale Deed dated April 20, 2010 transferring 30 Guntas in Survey Number 46/1 to Prateek Kumar for a total consideration of Rs. 45,00,000. Sri. Venkatesh Mutta acted as the Power agent of Prateek Kumar and representative of NSB Infrastructure and Projects Pvt Ltd.

21. It is submitted by the applicants in their IA and in their objection filed before Shri R.S. Virk, District Judge (Retd.) that the impugned properties situated in Hulimavu Village are ancestral in nature, having originally belonged to their grandfather, Muniswamappa. The applicants have submitted that they derive their legal rights obtained by their predecessors through a registered Partition Deed dated 10.05.1948



and a subsequent registered Partition Deed dated 19.02.1958, placing reliance upon these documents to establish the specific allotment of shares to their predecessors. The applicants have further submitted that they are the rightful coparceners and legal heirs, relying upon notarized family tree affidavits to verify their lineage. It is submitted that the applicants rely upon the Judgment and Decree dated 08.03.2011 in OS No. 1393/1998, which judicially declared their predecessors as joint owners of the land. The exact claim of the applicants can be appreciated based on their position in the family tree as the fourth generation in the line of succession which is laid out in the following chart:



22. From a perusal of the submissions made by the applicants, we can appreciate the family succession in terms of the succeeding generations. Muniswamappa, the applicant's great grandfather executed a registered Partition Deed on May 17, 1948. Based on this deed, the estate devolved to the second generation, consisting of Muniswamappa's five sons: Venkatappa, Marappa, Muniyappa Reddy, Thimmappa, and Narayana. Based on the 1948 partition Sy.No. 50/3 was shared between Muniyappa, Thimmappa, and Narayana, a second partition deed was executed in 1958 wherein further portions of Sy.No.46/1 and Sy.No.50/3 were allotted to Muniyappa Reddy. As the lineage progressed to the third generation, Muniyappa Reddy's eight children became the central figures in the property's management, particularly H.C. Krishna Reddy and H.C. Muthappa Reddy. These two individuals, prior to their deaths in 2015 and 2016 respectively, were involved alongside other family members in the execution of the Sale Deeds dated 20.04.2010 in favour of Prateek Kumar. Applicants are the fourth generation, i.e. Gayathri K. is the daughter of H.C. Krishna Reddy and M. Mamatha is the daughter of H.C. Muthappa Reddy. In other words, the vendors of the PACL associate are late fathers of the applicants (Generation no. 3), but the daughters of the said vendors (Generation no. 4) claim that this was done behind their back and without their consent. The Objectors claim their entitlement is based on being born into the joint family, giving them a right by birth to the ancestral property. The applicants have submitted that as rightful heirs, they are entitled to an ancestral share that was alienated without their consent, thereby challenging the validity of the sale executed in favour of Prateek Kumar in 2010, arguing that the said sale deeds do not convey any title as the fathers of the applicants had no absolute marketable title to convey lands comprising family property, without their consent. Therefore, the applicants have submitted that they have filed Civil Suit for partition OS No. 26333/18 on 27.10.2018 before the City



Civil Court, Bengaluru for the determination of their rights in the share of the impugned properties and vide order dated 29.10.2018 passed by Bengaluru City Civil Court a temporary injunction in favour of the Objectors/IA applicants in OS No. 26333/18 is currently in force. They have submitted that in case the Committee proceeds with the auction of the impugned properties their rights would stand irreversibly prejudiced as it would create third party interests which would render the aforesaid Civil Suit infructuous.

23. 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 emphasized in the order dated 24.05.2019 passed by Shri R. S. Virk, District Judge (Retired), the jurisdiction in the matter extends to adjudicating objections against the attachment of properties to ensure the realization of funds in the interest of investors. It is beyond the jurisdiction of this Panel to adjudicate questions of title derived from family succession, the determination of individual coparcenary shares, or the validity of inter-se family partitions which requires an exercise of plenary jurisdiction that belongs exclusively to civil courts of competent jurisdiction. The jurisdiction of this forum is to determine whether a clear financial nexus between the impugned property and PACL is established and if such nexus, is established, whether PACL had title to the impugned property based on the title documents seized by the CBI. As reflected in the Objection Petition and IA, it is a documented fact that the property was alienated by the joint owners of the property in favour of a PACL associate. On the other hand, the applicants' claim rests upon rights as coparcener in the HUF in respect of shares in the impugned property which remain ambiguous and indeterminate. This Panel cannot act as a substitute for the City Civil Court to resolve such civil disputes as to title touching upon questions



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of family succession. Such questions of title wherein the issues of family succession are involved and wherein the share of the concerned family member is indeterminate, are absolutely beyond the scope of the Panel's jurisdiction under Section 28A of the SEBI Act, 1992.

24. It is an admitted fact that the Sale Deeds for Survey No. 50/3A and Survey No. 46/1 were executed by the applicants' own fathers, H.C. Muthappa Reddy and H.C. Krishna Reddy, along with other family members. It is the applicant's own submission that these individuals represented the third generation of the family and were the joint owners at the time of the sale of the impugned property to Prateek Kumar in 2010. Further, there is a significant lapse of time as the applicants decided to institute OS No. 26333/2018 on 27.10.2018 i.e. 8 years after the sale was executed in favour of Prateek Kumar. We cannot lose sight of such a significant delay in the exercise of applicants' rights.

25. In this regard, I also find it pertinent to refer to Section 54 of Transfer of Property Act, 1882 (TPA). The relevant part of the provision reads as under:

“Section 54 – “Sale” defined. Sale how made. Contract for sale.

“Sale” is a transfer of ownership in exchange for a price paid or promised or part-paid and part-promised.

Sale how made. — Such transfer, in the case of tangible immoveable property of the value of one hundred rupees and upwards, or in the case of a reversion or other intangible thing, can be made only by a registered instrument.

In the case of tangible immoveable property of a value less than one hundred rupees, such transfer may be made either by a registered instrument or by delivery of the property.

Delivery of tangible immoveable property takes place when the seller places the property, or such person as he directs, in possession of the property.”



26. It is a well settled position of law that in terms of Section 54 of the Transfer of Property Act, 1882 (TPA), "sale" is defined as a transfer of ownership in exchange for a price paid or promised or part-paid or part-promised. In respect of Section 54 of TPA, in the case of *Kaliaperumal vs. Rajagopal and Anr.* [(2009) 4 SCC 193] the Hon'ble Supreme Court has ruled as under:

"Sale is defined as being a transfer of ownership for a price. In a sale there is an absolute transfer of all rights in the properties sold. No rights are left in the transferor."

27. It is submitted by the applicant that Bengaluru City Civil Court passed the order dated 29.10.2018 wherein a temporary injunction was granted in favour of the Objectors/IA applicants in OS No. 26333/18. The operative part of the said order is reproduced as under:

"The Plaintiffs and the Defendants are restrained by way of temporary injunction from alienating and creating any charge over the schedule properties in favour of anybody until the next date of hearing.

This order of injunction will not affect any third party rights created in favour of the financial institutions on the property and to enforce the said rights by the sale of the property if the said persons are entitled to do so as per law."

28. The Hon'ble Supreme Court vide its order dated 02.02.2016, the Committee was constituted 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 same order, it was declared by the Hon'ble Supreme Court, "The decision with regard to sale of property of the Company by the Committee shall not be interfered with by any Court". Further, 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. Thereafter, SEBI further filed the IA No. 5/2016 praying, *inter alia*, as under:

“In the foregoing circumstances, the Applicant Securities and Exchange Board of India most respectfully prays that this Hon’ble Court may be pleased to:

(a) pass an order directing that no Civil Court or other Authority or Forum shall entertain any suit or other proceeding in respect of any claim or related matter(s) pertaining to PACL Ltd. and/or its Directors /Promoters / Group Companies /entities /individuals etc., arraying therein as parties/ Defendants /Respondents the Justice (Retd.) R. M. Lodha Committee (in the matter of PACL Ltd.), and/or its Chairman and/or its Members and/or the Securities and Exchange Board of India and further no injunction shall be granted by any Court or other Authority or Forum in respect of any action taken or to be taken by the Justice (Retd.) R. M. Lodha Committee (in the matter of PACL Ltd.) and/or its Chairman and/or its Members and/or the Securities and Exchange Board of India, with respect to claims and/or matter(s) relating to investments /deposits etc. in /with PACL Ltd. or its Directors /Promoters / Group Companies /Entities /Individuals etc.”

In respect of the IA No. 5/2016 filed by SEBI, Hon’ble Supreme Court granted the aforementioned prayer vide Order dated May 02, 2016. Thus, as per Hon’ble Supreme Court’s Order dated May 02, 2016, no Civil Court or other Authority or Forum has the jurisdiction to entertain any suit or other proceeding in respect of any claim or related matter(s) pertaining to PACL Ltd. and/or its Directors /Promoters / Group Companies /entities /individuals etc., and further no such Court or other Authority or Forum has the jurisdiction to issue an injunction respect of any action taken or to be taken by the Committee, with respect to claims and/or matter(s)



relating to investments /deposits etc. in /with PACL Ltd. or its Directors /Promoters / Group Companies /Entities /Individuals etc.

29. Therefore, in view of the abovementioned Orders passed by the Hon'ble Supreme Court, we find that as per law the Committee is not under any obligation to maintain *status quo* in respect of the impugned property owing to the pendency of OS No. 26333/18. As seen in the abovementioned orders passed by the Hon'ble Supreme Court, the jurisdiction of the Committee and the consequent attachment of the impugned property, pre-dates the injunction order passed by Bengaluru City Civil Court. Further, we cannot lose sight of the fact that the order dated 29.10.2018 passed by Bengaluru City Civil Court only binds the plaintiffs and defendants in OS No. 26333/18 filed before the learned Court, and is not binding upon the Committee.

30. At this juncture, I also find it relevant to refer to the SEBI Order dated 22.08.2014 wherein the following observations were made:

"At this stage, I note from the details submitted during the course of investigation that PACL had mobilized funds from its customers to the tune of Rs 44,736 crores till March 31, 2012. Further by its own admission, it has collected Rs 4364,78,08,345 from 39,97,357 customers during the period of February 26, 2013 to June 15, 2014. The total amount mobilized comes to a whopping Rs. 49,100 crore. This figure could have been even more if PACL would have provided the details of the funds mobilized during the period of April 01, 2012 to February 25, 2013. The collection of such huge finds suggests that PACL has many more customers than the stated 1.22 crore. In this regard, I also refer to the proposal of PACL and its directors as forwarded to SEBI through their advocates and note that it has 4,63,13,342 customers to whom the land has not yet been allotted. Thus, a quick calculation of the total number of the customer of PACL comes to around



5.85 crore which includes the customers who said to have been allotted land and who are yet to be allotted the land. ... (at pp. 71-72)

...From the above, it is noted that PACL has very limited stock of lands in its name and that most of the lands are held through General Power of Attorney/through Agreement to Sale/through associate companies. PACL in its reply has informed that the said associate companies are controlled by its friends and nears and dears of the management of PACL. I observe that PACL enters into an MOU with the associate companies for the purchase of land. The MoU inter-alia, states that as PACL is unable to purchase the land in its own name beyond certain limits due to the land laws and other applicable laws of the land in different States of the country, PACL has nominated the associate company to purchase the land for PACL and get the sale deed executed in the name of associate company.. (at p. 80)

...

PACL uses agents to carry out its business. Depending on the years of experience, the agents are entitled to various designations. The agent in turn engages field associates who interact with the potential customers and explain the plans for purchase of land. As the business of PACL is propelled through word-of-mouth, it is important to incentivize the agents and field associates appropriately by way of commission. In the process, PACL often makes payment to the field associates directly as per the understanding with the agent in order to ensure that the field associates are not deprived of their commission, after deducting the requisite amount from the commission paid to the relevant agents. The large amount of commission, reflected in the balance sheet not only constitutes the commissions paid to the agents/field associates, but also other commissions paid in relation to the procurement of the land by PACL and sale of spaces in residential and commercial projects developed by PACL in the ordinary course of business.”



31. From the foregoing, we find that multiple ATS, GPAs and Sale Deeds including the abovementioned MR documents, were seized by CBI wherein vendors had sold properties to PACL, or its agents/directors/associate companies. The activity of PACL was undertaken through numerous such agents and this was PACL's *modus operandi* in respect of its properties across the country, as highlighted by SEBI's order dated 22.08.2014. As noted in the aforementioned SEBI order, these agents, such as Prateek Kumar, were transacting in the impugned property on behalf of PACL, as PACL was unable to own lands in its own name beyond certain limits due to the land ceiling laws in force across the country such as Karnataka Land Reforms Act, 1961. Thus, we find that the impugned property, like so many other properties owned by PACL Ltd., was purchased by PACL Ltd. out of the funds collected from its investors. Thus, the Committee is empowered to dispose of the impugned property and use the proceeds thereof for the benefit of the investors.

32. It is also worth noting that as per applicants' submissions, Prateek Kumar filed OS. 26738/2012 on 03.09.2012 i.e. after the sale of the impugned property in 2010 in his favour, against H.C. Muthappa Reddy (father of M. Mamatha, applicant) and H.C. Krishna Reddy (father of Gayathri K, applicant) & Ors. seeking declaration of title and permanent injunction in respect of land under Sy. No. 50/3A (Old Sy. No. 50/3). During this time, the applicants did not institute any legal proceedings in respect of the impugned property. Further, there is a significant lapse of time on the part of applicants who instituted OS No. 26333/2018 on 27.10.2018 i.e. 8 years after the sale was executed in favour of Prateek Kumar. From another standpoint, the applicants were also at liberty to apply before the Hon'ble Supreme Court and the Committee in 2016. However, they filed the Objection on 02.02.2019 before Shri R.



S. Virk, District Judge (Retired). We cannot lose sight of such a significant delay on the part of the applicants.

33. 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 up 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 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...”

34. In view of the above, it is established that the impugned property belongs to PACL. Further, PACL’s title cannot be said to be defeated by belated and indeterminate claims of the applicants which, in any case, are beyond the jurisdiction of this Panel.

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.

Place: Mumbai

Date: April 30, 2026


30.04.2026

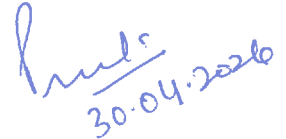
BAL KISHOR MANDAL
Recovery Officer

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


30/4/2026

KSHAMA WAGHERKAR
Recovery Officer

क्षमा प्र. वाघेरकर/KSHAMA P. WAGHERKAR
महाप्रबंधक एवं वसूली अधिकारी
General Manager & Recovery Officer


30.04.2026

PREETI PATEL
Recovery Officer

प्रीति पटेल / PREETI PATEL
उप महाप्रबंधक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer

(श्री ए सी एल ली के मामले से संबंधित, मुंबई) / (In the Matter of PACL Ltd. Mumbai)