

**BEFORE THE 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 C.A. NO. 13301 OF 2015 IN THE MATTER OF PACL LTD.**

I.A. No.	47346 of 2020
File No.	SEBI/PACL/OBJ/SS/00753/2026
Name of the Objector(s)	Ms. Sarasamma alias Saraswati H.T
MR No.	25083-16

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. 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.
3. 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



[Handwritten signature]

did not refund the money to its investors. Accordingly, SEBI initiated recovery proceedings under Section 28A of SEBI Act, 1992 against PACL Ltd. and its promoters/directors vide recovery certificate no. 832 of 2015 drawn on 11.12.2015 and as a consequence thereof, all bank/demat accounts and folios of mutual funds of PACL Ltd. and its promoters/directors were attached by the Recovery Officer vide attachment order dated 11.12.2015.

4. During hearing on the aforesaid civil appeals filed by the PACL Ltd. and its directors (i.e. Civil Appeal No. 13301 of 2015 – Subrata Bhattacharya Vs. SEBI and other connected matters), 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.
5. The Committee has from time to time requested the authorities for registration and revenue of different states to take necessary steps and issue necessary directions to Land Revenue Officers and Sub-registrar offices, to not effect registration/mutation/sale/transfer, etc. of properties wherein PACL Ltd. and or its group or its associates have, in any manner right of interest.
6. 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.



7. 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.
8. 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).
9. 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.
10. 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....."



11. 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.
12. 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 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 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.

Present interlocutory application:

13. The instant interlocutory application (I.A.) has been filed by Ms. Sarasamma alias Saraswati H.T D/o Mr. Thimmappa (hereinafter referred to as the "**Applicant**") R/o 165, Near Rama Temple, Kodandarama Layout, Hulimavu, B. G. Road, Bangalore, Karnataka – 560076 seeking direction to reject/set aside the recommendation dated 24.05.2019 issued by Shri R. S. Virk, District Judge (Retd.) (hereinafter referred to as the "**impugned order**") in respect of Survey No. 50/3A (Old Survey No. 50/3) admeasuring 3 Acres 12 Guntas situated at Hulimavu Village, Begur Hobli, Bangalore South Taluk, Meenakshipuram village, Ettaiyapuram Tehsil, Thoothukudi District, Tamil Nadu (hereinafter referred to as the "**impugned land**") covered under MR No. 25083-16 and to stay the auction of impugned land during the pendency of judicial proceedings in respect of the impugned land.
14. It is observed from the I.A. that the Applicant had filed an objection petition dated 02.02.2019 having File No. 611 before Shri R. S. Virk, District Judge (Retd.) seeking



directions to stay the auction of impugned land during the pendency of judicial proceedings before the City Civil Court, Bangalore and Hon'ble High Court of Karnataka in respect of the impugned land. Shri R. S. Virk District Judge (Retd.), vide impugned order had dismissed the objection petition dated 02.02.2019 filed by the Applicant *prima facie*, on the following grounds:

- i. Since his mandate is limited to dealing with objections/representations received by the committee 'against' attachment of the properties in PACL matter, he cannot go into the question of title to a share in the impugned land claimed by the Applicant.
- ii. The prayer of the Applicant to delist the impugned land from attachment till disposal of matter pending before City Civil Judge, Bangalore cannot be entertained by him especially when it is the own case of Applicant that she has filed a Civil Suit No. 26334/2018 seeking declaration to the effect that the Sale Deed No. 1721 dated 20.04.2010 is not binding on her.

15. The Applicant, therefore, has filed the present I.A. with respect to File No. 611 before the Hon'ble Supreme Court in the matter of *Subrata Bhattacharya vs. SEBI (Supra)* which is being dealt by the Panel of Recovery Officers (hereinafter referred to as the '**Panel**') appointed under Section 28A of the SEBI Act, 1992 in accordance with the directions of the Hon'ble Supreme Court as already mentioned at Paragraph 12 above.

16. The Applicant has submitted that the impugned land was a portion of land measuring 4 Acres 18 Gunthas in Survey No. 50/3A (Old Survey No. 50/3) originally owned by her grandfather Mr. Muniswamappa who had two wives i.e. Mrs. Narsamma and Mrs. Thippakka and 5 children namely Mr. Venkatappa, Mr. Marappa, Mr. Muniyappa, Mr. Thimmappa and Mr. Narayanappa.

17. Applicant has submitted that Mr. Muniswamappa and his 5 children entered into a registered Partition Deed No. 5785/47-48 dated 17.05.1948 by which the land



bearing Survey No. 50/3A (Old Survey No. 50/3) admeasuring 4 Acres 10 Gunthas out of 4 Acre 18 Gunthas was allotted to Mr. Muniyappa, Mr. Thimmappa and Mr. Narayanappa and they were enjoying the same jointly. Subsequently, Mr. Muniyappa, Mr. Thimmappa and Mr. Narayanappa entered into another Partition Deed No. 3966/1957-58 dated 19.02.1958 wherein Mr. Muniyappa and Mr. Thimmappa were granted 1 Acre each in Survey No. 50/3A (Old Survey No. 50/3) while Mr. Narayanappa was granted some other properties. The applicant has submitted that there was no mention of balance extent of 2 Acres 10 Gunthas in this Partition Deed.

18. Further, the Applicant has submitted that in the year 1998, Applicant's father Mr. Thimmappa and her uncle Mr. Muniyappa filed a suit bearing No. 1393/1998 before the City Civil Judge, Bangalore against their nephew Mr. Honappa S/o Mr. Venkatappa seeking a judgement and decree of declaration declaring that Mr. Thimmappa and Mr. Muniyappa as absolute owners of land measuring 4 Acres 10 Gunthas in Survey No. 50/3A (Old Survey No. 50/3) with possession and permanent injunction restraining Mr. Honappa from altering the nature of land measuring 4 Acres 10 Gunthas in Survey No. 50/3A (Old Survey No. 50/3). City Civil Judge, Bangalore vide judgement and decree dated 08.03.2011 declared Mr. Thimmappa and Mr. Muniyappa as joint owners and entitled to the possession of land measuring 4 Acres 10 Gunthas in Survey No. 50/3A (Old Survey No. 50/3). However, the request for permission to rectify the extent of land allotted to them under 1958 Partition Deed from 2 Acres to 4 Acres 10 Gunthas was rejected as the same was barred by limitation Act. However, the Court observed in para 81 of the Judgement that - *'I conclude that the relief of rectification was not at all necessary in the light of the declaration of title and possession sought, because on the strength of title the plaintiff would succeed in the present suit'*.

19. Thereafter, Mr. Honappa filed a Regular First Appeal bearing RFA No. 556/2011 before the Hon'ble High Court of Karnataka. Hon'ble High Court vide order dated 28.03.2011 directed both the parties to maintain the status quo until further orders.



[Handwritten signature]

Subsequently, the legal heirs of Mr. Thimmappa also filed a cross objection vide RFA CROB 13/2011 which was pending for adjudication at the time of filing this I.A.

20. It is further submitted by the Applicant that, during the pendency of the suit before the City Civil Judge, Bangalore, Mr. Thimmappa, legal heirs of Mr. Thimmappa (excluding the Applicant) and the legal heirs of Mr. Muniyappa executed a Sale Deed No. 1721/2010-11 dated 20.04.2010 in favour of one Mr. Prateek Kumar thereby selling 3 Acres and 12 Gunthas in Survey No. 50/3A (Old Survey No. 50/3). The Applicant has submitted that she was not made party to the said sale deed despite being a coparcener who was entitled to the said property which originally belonged to her grandfather.
21. The Applicant's father Mr. Thimmappa passed away in the year 2011 and her uncle Mr. Muniyappa passed away in 2016. Thereafter, she became aware of her entitlement with respect to her ancestral properties. Accordingly, the Applicant along with other legal heirs filed a Suit for partition vide OS No. 26334/18 before the City Civil Judge, Bangalore for several ancestral properties including the impugned land. In the said partition Suit, the Applicant has also prayed for declaration that the sale deed executed with Mr. Prateek Kumar be declared as non-binding on the Applicant.
22. The Applicant was apprehensive that the impugned land might get auctioned therefore she filed the instant I.A. to stay the auction of impugned land till the disposal of OS No. 26334/18 which is pending before the City Civil Judge, Bangalore and RFA No. 556/2011 and RFA CROB No. 13/2011 which is pending before the Hon'ble High Court of Karnataka.
23. In compliance with the directions of the Hon'ble Supreme Court, the Applicant was granted an opportunity of hearing on 17.04.2026 which was attended by the Authorised Representative (AR) of the Applicant. The AR made submissions on the lines of averments made in the I.A. The AR further submitted that the suit for



partition of Survey No. 50/3A (Old Survey No. 50/3) (admeasuring 3 Acres and 12 Gunthas) in which the applicant has claimed a share, is listed for final arguments on 22.04.2026 before Hon'ble City Civil Judge, Bangalore. The AR requested that the auction process with respect to the impugned land be kept in abeyance until the matter is decided by the City Civil Judge, Bangalore. The AR was advised to keep the Panel apprised of the proceedings before City Civil Judge, Bangalore and file written submissions in support of his request. The AR was also advised to submit the following documents/information:

- i. The exact area/share which has been claimed by the Applicant,
- ii. Chronology of events leading to inheritance of the property by the Applicant,
- iii. Family tree of the Applicant's father.

24. Vide email dated 21.04.2026, the AR has provided the above sought documents and informed the Panel that the O.S. No. 26334/2018 has been dismissed for default. Therefore, the Applicant filed a fresh suit, O.S. No. 6659/2022 with XIX Addl. City Civil and Sessions Judge, Bangalore. Vide email dated 10.07.2026, the AR has submitted that Hon'ble City Civil and Sessions Judge has dismissed the O.S. No. 6659/2022 on 25.06.2026 and the Applicant intends to file appeal against this judgment. Further, vide email dated 13.08.2026, the AR has submitted that the Applicant has filed a Regular First Appeal bearing RFA No. 1525/2026 before Hon'ble High Court of Karnataka against the judgement dated 25.06.2026 on O.S. No. 6659/2022 which is pending for adjudication.

25. In order to decide the I.A., the document under MR No. 25083-16 seized by CBI and thereafter, attached by the Committee were perused. The details of the same are as follows:

MR No.	Particulars of Sale Deed	Buyer	Seller
25083/16	Sale Deed No. 1721\10-11 dated 20.04.2010	Mr. Prateek Kumar	1. Mr. M. Thimmappa Reddy



[Handwritten signatures and initials]

MR No.	Particulars of Sale Deed	Buyer	Seller
	Sale Consideration - Rs. 2,00,00,000/- Survey Number 50/3A (old Survey No. 50/3) Area - 3 Acres 12 Guntas		2. Mr. T. Venkataswamy Reddy 3. Mr. T. Muthappa Reddy 4. Mr. H.C. Muthappa Reddy 5. Mr. H.M. Rajashekar Reddy 6. Mr. H.C. Krishna Reddy 7. Mr. T. Purushotham Reddy 8. Mr. K Srinivasa Reddy

26. As per the documents seized under the aforesaid MR No. 25083-16, Mr. Thimmappa (father of the Applicant), legal heirs of Mr. Thimmappa (excluding the Applicant) and the legal heirs of Mr. Muniyappa Reddy executed a Sale Deed No. 1721/2010 - 11 dated 20.04.2010 in favour of one Mr. Prateek Kumar thereby selling 3 acres and 12 guntas in Survey No. 50/3A (Old Survey No. 50/3).

27. Upon perusal of the I.A., objection petition dated 02.02.2019 and additional submissions made by the Applicant, it is observed that the impugned land is an ancestral property originally belonged to her grandfather, Mr. Muniswamappa. The Applicant has submitted that she derives her legal rights obtained by her predecessors through a registered Partition Deed dated 17.05.1948 and a subsequent registered Partition Deed dated 19.02.1958. It is submitted that the Judgment and Decree dated 08.03.2011 in OS No. 1393/1998 judicially declared her predecessors as joint owners of the impugned land and therefore, she is the rightful coparcener and legal heir of the impugned land.

28. It is observed that, Mr. Honappa S/o.Mr. Venkatappa filed an appeal vide RFA No. 556/2011 before the Hon'ble High Court of Karnataka against the Judgment and Decree dated 08.03.2011 in OS No. 1393/1998. Hon'ble High Court vide order dated 28.03.2011 directed both the parties to maintain the status until further orders. Subsequently, the legal heirs of Mr. Thimmappa also filed a cross objection vide RFA CROB 13/2011. Hon'ble High Court vide order dated 14.08.2024 disposed of



[Handwritten signatures and initials]

the First Appeal RFA No. 556/2011 in light of the compromise petition filed by the plaintiffs and defendants and as the matter has been amicably settled, RFA CROB 13/2011 does not survive for further consideration and is accordingly dismissed.

29. In the year 2010, Mr. Thimmappa, legal heirs of Mr. Thimmappa (excluding the Applicant) and legal heirs of Mr. Muniyappa executed the Sale Deed No. 1721/2010-11 dated 20.04.2010 in favour of one Mr. Prateek Kumar (PACL associate) in respect of the impugned land. The Applicant claim her entitlement based on being born into the joint family, giving her a right by birth to the ancestral property. The Applicant has submitted that as a rightful heir, she is entitled to a share in ancestral land that was alienated without her consent, thereby challenging the validity of the sale executed in favour of Mr. Prateek Kumar in 2010. The Applicant has also argued that, the said sale deed does not convey any title as the father of the Applicant, siblings of the Applicant and the legal heirs of her uncle had no absolute marketable title to convey land comprising family property, without her consent. Therefore, the Applicant along with other legal heirs filed a Suit for partition vide OS No. 26334/18 before the City Civil Judge, Bangalore for several ancestral lands including the impugned land. In the said partition Suit, the Applicant has also prayed for declaration that the Sale Deed No. 1721 dated 20.04.2010 be declared as non-binding on the Applicant.

30. It is seen from the order passed by Hon'ble Bengaluru City Civil Court in OS No. 26334/18 that the suit has been dismissed for non-prosecution as no sufficient reason is given in the suit. Therefore, the Applicant filed a fresh suit for the relief of partition and separate possession of 1/7th share in the impugned land vide O.S. No. 6659/2022 before XIX Addl. City Civil and Sessions Judge, Bangalore. From the order dated 25.06.2026 passed by City Civil & Sessions Judge, Bangalore City it is seen that Hon'ble Judge has dismissed the O.S. No. 6659/2022. Vide Latter dated 13.08.2026 the AR has submitted that the Applicant has filed an appeal (RFA No. 1525/2026) against the judgment and decree passed in O.S. No. 6659/2022 before Hon'ble High Court of Karnataka which is pending for adjudication.



31. 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 land and PACL Ltd. is established and if such nexus is established, whether PACL Ltd. had title to the impugned land based on the title document seized by the CBI. As reflected in the Objection Petition and I.A., it is a documented fact that the impugned land was alienated by the joint owners of the impugned land in favour of Mr. Prateek Kumar (PACL associate). On the other hand, the Applicant's claim rests upon rights as coparcener in the HUF in respect of shares in the impugned land 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 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.

32. It is an admitted fact that the Sale Deed No. 1721/2010-11 for the impugned land was executed by the Applicant's father Mr. Thimmappa, the other legal heirs of Mr. Thimmappa and the legal heirs of Mr. Muniyappa (Applicant's uncle). It is the Applicant's own submission that these individuals were the joint owners at the time of the sale of the impugned land to Mr. Prateek Kumar. Further, there is a significant lapse of time as the Applicant decided to institute OS No. 26334/2018 on 26.10.2018 i.e. 8 years after the sale was executed in favour of Mr. Prateek Kumar. We cannot lose sight of such a significant delay in the exercise of Applicant's rights.



33. In this regard, the Panel 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 buyer, or such person as he directs, in possession of the property.”

34. 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.”

35. Further it is seen that Court of the Additional City Civil and Sessions Judge already passed the order dismissing the OS No. 26334/18. The operative part of the said order is reproduced as under:

“Plaintiff absent. No representation.

Though the suit is filed in the year 2018, the plaintiff has never represented the matter nor has taken steps till date.

Hence, as no sufficient reason given the suit is dismissed for non-prosecution”

36. In view of the above order, the Applicant filed a fresh suit for the relief of partition and separate possession of 1/7th share in the impugned land vide O.S. No. 6659/2022



[Handwritten signature]

before XIX Addl. City Civil and Sessions Judge, Bangalore. It is seen that Hon'ble Judge has also dismissed the O.S. No. 6659/2022 vide order dated 25.06.2026. Thereafter, the Applicant filed an appeal (RFA No. 1525/2026) against this order before Hon'ble High Court of Karnataka which is pending for adjudication.

37. The Hon'ble Supreme Court vide its order dated 02.02.2016 constituted 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. Thereafter, SEBI further filed the I.A. 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."

38. In respect of the I.A. 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)



Handwritten signature and initials in blue ink.

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

39. 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 any outcome of RFA No. 1525/2026 which is pending before Hon'ble High Court of Karnataka for adjudication. 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 land, pre-dates the appeal (RFA No. 1525/2026) filed by the Applicant.
40. At this juncture, the Panel also find it relevant to refer to the SEBI Order dated 22.08.2014 wherein observations with respect to the *modus operandi* adopted by PACL Ltd. have been made which are as under:

".....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



Handwritten signature in blue ink.

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."

41. From the foregoing, we find that multiple ATS, GPAs and Sale Deeds including the abovementioned MR document 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 Mr. Prateek Kumar, were transacting in the impugned land 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 land, like so many other lands owned by PACL Ltd., was purchased by PACL Ltd. out of the funds collected from its



[Handwritten signatures and initials in blue ink]

investors. Thus, the Committee is empowered to dispose of the impugned land and use the proceeds thereof for the benefit of the investors.

42. It is also worth noting that as per Applicant's submissions, Mr. Prateek Kumar filed OS. 26738/2012 on 03.09.2012 i.e. after the purchase of the impugned land in 2010, against Mr. Thimappa (Father of the Applicant) and others seeking relief permanent injunction and restraining the defendants from interfering with the peaceful possession of the impugned land. During this time, the Applicant did not institute any legal proceedings in respect of the impugned land. Further, there is a significant lapse of time on the part of Applicant who instituted OS No. 26334/2018 on 28.10.2018 i.e. 8 years after the sale was executed in favour of Mr. 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.

43. 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..."

44. In view of the above, it is established that the impugned land belongs to PACL. Further, PACL's title cannot be said to be defeated by belated and indeterminate claims of the applicant which, in any case, is beyond the jurisdiction of this Panel. Therefore, the Panel is of the view that the claim of the Applicant is liable to be disallowed.

Order:

45. Given the above, I.A. No. 47346 of 2020 filed by the Applicant with respect to the impugned land i.e. Survey No. 50/3A (Old Survey No. 50/3) admeasuring 3 Acres 12 Guntas situated at Hulimavu Village, Begur Hobli, Bangalore South Taluk, Meenakshipuram Village, Ettaiyapuram Tehsil, Thoothukudi District, Tamil Nadu is liable to be disallowed and hereby, disallowed.



46. In view thereof, the order dated 24.05.2019 passed by Shri. R. S. Virk, District Judge (Retd.) in respect of the impugned lands, is hereby upheld.

47. 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: August 28, 2026




28.8.26

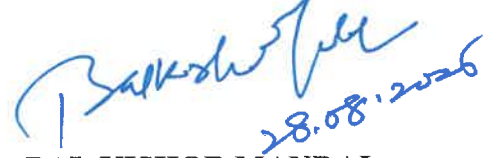
SAROJ KUMAR SAHU

Recovery Officer


28.08.2026

RESHMA GOEL

Recovery Officer


28.08.2026

BAL KISHOR MANDAL

Recovery Officer

सरोज कुमार साहु / SAROJ KUMAR SAHU
उप महाप्रबंधक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer
(पी ए सी एल लि के मामले से संबंधित) (In the matter of PACL Ltd.)

रेशमा गोयल / RESHMA GOEL
उप महाप्रबंधक एवं वसूली अधिकारी
Deputy General Manager & Recovery Officer
(पी ए सी एल लि के मामले से संबंधित. मुंबई) (In the matter of PACL Ltd. Mumbai)

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