

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

Interlocutory Application Nos.	203511 of 2025
File No.	SEBI/PACL/IA/KW/00738/2026
Name of the Objector(s)/Applicant	M/s Bhagyashree Buildtech Pvt. Ltd
MR Nos.	5589- 15

Background:

1. The Securities and Exchange Board of India (hereinafter referred to as "SEBI") on 22.08.2014 passed an order against Pearls Agrotech Corporation Limited (hereinafter referred to as "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 aforesaid order was challenged by PACL Ltd. and its directors by filing appeals before the Hon'ble Securities Appellate Tribunal (hereinafter referred to as "SAT"). Vide its order dated 12.08.2015, the said appeals were dismissed by Hon'ble SAT, with a direction to the appellants to refund the amounts collected from the investors within three months. Aggrieved by the aforesaid order dated



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12.08.2015, PACL Ltd. and its directors filed appeals before the Hon'ble Supreme Court of India in *Civil Appeal No. 13301 of 2015 – Subrata Bhattacharya Vs. SEBI* and other connected matters.

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 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 dated 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 the course of hearing on the aforesaid civil appeals filed by 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.



Law Kr. [Signature]

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 at para 3 above, the Recovery Officer issued an attachment order dated 07.09.2016, against 640 associate companies of PACL Ltd. In the said order, inter alia, the registration authorities of all States and Union Territories were requested not to act upon any document purporting to be dealing with transfer of properties by PACL Ltd. and/or the group/associate entities of PACL Ltd. mentioned in the Annexure to the said attachment order, if presented for registration.
8. 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 Shri 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 an 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, District Judge (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 Panel of Recovery Officers appointed under Section 28A of the SEBI Act, 1992 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 in the matter of PACL Ltd.

13. The instant Interlocutory Application no. 203511 of 2025 (hereinafter referred to as 'IA') has been filed by M/s. Bhagyashree Buildtech Pvt. Ltd. (hereinafter referred to as the 'Applicant') before the Hon'ble Supreme Court in the matter of *Subrata Bhattacharya vs. SEBI* (Civil Appeal No. 13301 of 2015) challenging the attachment and subsequent auctioning of its properties being Khewat no. 1440, Khata no. 1917, Mustail and Kila no. 125- 16/1 (2-12), 17/1 (3-16), 125 -18/1 (3-16), 19/1 (4-0) and Khewat no. 1459 min, 1461 min, Khata no. 1934 min and 1939 min, Mustail and Killa No. 125-7 (8-0), 8/1 (4-0), 13/2 (4-2), 14 (8-0) situated at Murthal Village, Tehsil & District Sonipat, Haryana (hereinafter referred to as the "impugned properties") by the Committee. The said properties are seized by the CBI under MR No. 5589/15 and attached by the Committee.
14. The Applicant has *inter alia* contended that:
 - i. the Applicant is a private limited company who purchased the impugned properties vide a registered sale deed dated 24.11.2014 from M/s. Walia &



- Majumdar Unique Promoters Pvt. Ltd. The said impugned properties were mutated in favour of the Applicant vide mutation letter dated 05.12.2014.
- ii. The Applicant had filed an objection petition to the attachment of the impugned properties before Shri R. S. Virk, District Judge (Retd.). While dismissing the objection petition vide order dated 03.01.2018, Shri R. S. Virk District Judge (Retd.) *interalia* observed that sale deed did not contain any particulars regarding the person(s) from whom and when the vendor, M/s. Walia & Majumdar Unique Promoters Pvt. Ltd. had purchased the impugned properties and for how much consideration. Further, the said vendor company is mentioned at Sr. No. 587 in the list of subsidiaries /associates of PACL which could have been a front for PACL. It was further stated that the Applicant may seek refund of the invested amount as and when the Committee invites claims. Being aggrieved, the Applicant filed review application against the said order dated 03.01.2018, which was dismissed vide order dated 16.10.218 by Shri R. S. Virk District Judge (Retd.).
- iii. The Applicant challenged the said review order before the Hon'ble Supreme Court by filing Writ Petition being WP (C) no. 531/2019 which was dismissed as withdrawn vide order dated 29.04.2019.
- iv. In June- July 2025, the Applicant became aware of the Auction Notice dated 25.05.2025, wherein the Committee had initiated steps to auction the said impugned properties and that the auction was conducted and bidder had already made a deposit.
- v. The Applicant had approached the Hon'ble Supreme Court by filing two applications dated 28.7.2025 for intervention bearing IA no. 176531/2025 and an application for directions bearing IA no. 176534/2025 *interalia* praying to direct the Committee to hear and decide all the matters relating



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the Applicant's objection and to maintain *status quo* until the decision is arrived by the Committee.

- vi. While hearing the matter, the Hon'ble Supreme Court was not inclined to pass any order since it did not want to interfere in the auction process, however, granted liberty to approach the Committee by making appropriate representation(s).
 - vii. The Applicant made representation before the Committee vide email dated 30.07.2025. Upon consideration of the representation, vide email dated 20.08.2025, the Nodal Officer-cum-Secretary to the PACL Committee forwarded the order passed by the Committee stating that the representation is rejected.
15. Aggrieved by the said order of the Committee, the Applicant has filed the instant IA *interalia* seeking the following reliefs:
- a) Set aside the final order dated 03.01.2018 and the Review Order dated 16.10.2018 passed by Shri R.S. Virk, District Judge (Retired) in File No. 34 (MR No. 5589/15);
 - b) Set aside the rejection order dated 08.08.2025 on the representation filed by the Applicant;
 - c) Set aside the auction of the lands comprised in Khewat no. 1440, Khata no. 1917, Mustail and Kila no. 125-16/1 (2-12), 17/1 (3-16), 125-18/1 (3-16), 19/1 (4-0) and Khewat no. 1459 min, 1461 min, Khata no. 1934 min and 1939 min, Mustail and Killa No. 125-7 (8-0), 8/1 (4-0), 13/2 (4-2), 14 (8-0) situated at Murthal Village, Tehsil & District Sonipat, Haryana covered in MR No. 5589/15;
 - d) Delist and release the impugned properties from the attachment pool managed by the Committee.



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16. The Hon'ble Supreme Court vide order dated 19.02.2026, while taking note of the segregation of the interlocutory applications into five distinct categories, i.e. Category A to E, directed that Category B Applications, being 106 applications filed against the recommendations / orders of Shri R.S. Virk, District Judge (Retd.), be placed before the Recovery Officers appointed under section 28A of the SEBI Act, 1992, for examination.
17. In compliance with the order dated 19.02.2026 of the Hon'ble Supreme Court, the Applicant was granted an opportunity of hearing before the Panel of Recovery Officers (hereinafter referred to as 'Panel') on 20.04.2026. The hearing was attended by the Authorised Representative (AR) of the Applicant in person along with the representative of the Applicant. The AR reiterated the averments made in the IA and in the objection petition filed before Shri R.S. Virk, District Judge (Retd.) and submitted copies of cheques and bank statements reflecting the payments made by the Applicant towards the consideration of the impugned properties. Thereafter, the AR submitted written submission vide email dated 25.04.2026 which have been taken on record.
18. The Panel has perused the written submissions of the Applicant wherein the Applicant *interalia* has submitted that it is a *bonafide* purchaser who had purchased the impugned properties after conducting due diligence including the chain of title, examination of revenue records and verification of seller's ownership. The impugned properties were purchased vide registered sale deed dated 24.11.2014 for a sale consideration of Rs.3,88,12,500/- through banking channels and mutation letter was issued by the competent authority in favour of the Applicant.



Further, the entire process of transfer of the said impugned properties was completed before the order dated 02.02.2016 passed by the Hon'ble Supreme Court hence the said impugned properties did not belong to PACL and did not amount to 'land purchased by the Company or PACL'. The Applicant submitted that the entire consideration was paid through proper banking channels, establishing the genuineness of the transaction. The Applicant has further submitted that the issuance of sale certificates in January 2026 in respect of the impugned properties was illegal, premature and in complete disregard of the pendency of the IA before the Hon'ble Supreme Court. In view of the submissions, the Applicant sought the same reliefs as mentioned in the IA and additionally, has sought to set aside / cancel the sale certificate issued in respect of the impugned properties.

19. The Panel has noted the submissions of the AR of the Applicant and the contentions mentioned in the IA. It is noted that the Applicant upon becoming aware of the auction of the impugned properties approached the Hon'ble Supreme Court for seeking relief for detaching the impugned properties from the list of auction properties. It is also noted that pursuant to directions of the Hon'ble Supreme Court, the Applicant had filed a representation before the Committee *interalia* with a request to decide the objections filed in File no. 34 expeditiously. The Panel has noted that the Committee after considering the representation has passed an order stating that the representation has become infructuous and did not survive.
20. The Panel has also noted the email received from the Nodal Officer-cum-Secretary to the Committee, forwarding the Sale Certificate dated 27.01.2026 issued against the said impugned properties to the successful bidder. Upon perusal of the said



sale certificate, it is noted that the Committee had issued the Notice of sale dated 25.05.2025 to auction several properties through tender process platform on 'as is where is and whatever there is basis' including the impugned properties attached under MR no. 5589/15. Upon conclusion of the auction process, it is noted that the sale certificate was already issued to the successful bidder by the Committee.

21. In this regard, reference may be made to order dated 19.02.2026 passed by the Hon'ble Supreme Court which, while taking note of the proposed segregation of the interlocutory applications into five distinct categories, i.e. Category A to E, specified that Category 'B' applications are those which are filed challenging the recommendations of Shri R.S. Virk, District Judge (Retd). The Hon'ble Supreme Court observed that the issues arising in the said identified 106 sets of Interlocutory Applications require a detailed scrutiny of documentary material to determine the true nature and ownership of the properties in question, and thus, directed that the applications falling under Category 'B' be placed before the Recovery Officers appointed under Section 28A of the SEBI Act, 1992 for examination. The relevant part of the said order is reproduced as under:

"9.....So far as properties relating to auctioning the properties situated in the State of Punjab the issue whether Punjab Government be permitted or not is being considered. In the meanwhile, we are concerned with a batch of 106 sets of interlocutory applications/Transferred Case falling under Category B, filed against recommendations of Mr. R.S. Virk dismissing the objections raised by the applicants....."

10. After having examined a few of such applications and the issues arising therein, we are of the view that the applications require a detailed scrutiny of documentary material to determine the true nature and ownership of the



properties in question. This enquiry can legitimately be conducted by adopting the mechanism provided under Section 28A of the SEBI Act, 1992, which incorporates the procedure for recovery as specified under Section 220 and the Second Schedule to the Income Tax Act, 1961, including the powers of a Recovery Officer. Accordingly, we deem it fit that the applications falling under Category B be placed before the Recovery Officers appointed under Section 28A of the SEBI Act, 1992, for examination."

22. Thus, it can be seen that the Recovery Officers appointed under Section 28A of the SEBI Act, 1992, in the matter of PACL Ltd. are empowered by the Hon'ble Supreme Court to deal with and decide such I.As. which have been filed against an order/recommendation passed by Shri R. S. Virk, District Judge (Retired). Upon perusal of the present IA, it is noted that IA has been filed belatedly *inter alia* challenging the order of Shri R. S. Virk, District Judge (Retd.) and the auction of impugned properties (auctioned through tender document dated 25.05.2025 on 08.07.2025). It is noted that the impugned properties have already been auctioned and sale certificate has been issued to the highest bidder in respect of several properties including the impugned properties attached under the MR. Considering that instant IA does not strictly fall under category B and that the IA was filed after completion of the auction process and issuance of sale certificate to the successful bidder in respect of the impugned properties, the Panel is of the view that the present IA is liable to be disposed of as not maintainable before the Panel of Recovery Officers appointed under Section 28A of the SEBI Act, 1992.

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Order in respect of the Interlocutory Applications filed by M/s. Bhagyashree Buildtech Pvt. Ltd.

SEBI/PACL/RO/KW/RD-1ORD/108 /2026

Order:

23. Given the above, the IA No. 203511 of 2025 filed by the Applicant viz., Bhagyashree Buildtech Pvt. Ltd. with respect to the impugned properties is liable to be disposed of without determination on merits as not maintainable and is hereby accordingly, disposed of. However, the Applicant is at liberty to seek appropriate remedies in accordance with law.

Place: Mumbai

Date: 11.08.2026



KSHAMA WAGHERKAR
RECOVERY OFFICER



RESHMA GOEL
RECOVERY OFFICER



SAROJ KUMAR SAHU
RECOVERY OFFICER

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

रेशमा गोयल / RESHMA GOEL
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(पी ए सी एल टी के मामले से संबंधित, मुंबई)/(In the matter of PACL Ltd. Mumbai)

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