

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.	83410/2025, 221100/2025, 83416/2025
File No.	SEBI/PACL/IA/KW/00749/2026
Name of the Objector(s)/Applicant	Privue Builders Pvt Ltd
MR Nos.	Nil

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 order dated 12.08.2015, passed by Hon'ble SAT, PACL Ltd. and its directors filed appeals before the Hon'ble Supreme Court of India.



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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 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 the course of 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 Honble 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.

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



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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 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....."



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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 Applicant viz., Privue Builders Pvt. Ltd. has filed 3 Interlocutory Applications (hereinafter referred to as IAs), namely IA no. 83410 of 2025 for impleadment, IA nos. 221100 and 83416 of 2025 for directions before the Hon'ble Supreme Court in the matter of Subrata Bhattacharya vs. SEBI (Civil Appeal No. 13301 of 2015) . The Applicant has filed the aforesaid IAs against the letter dated 20.02.2025 issued by the Committee wherein the proposal/representation dated 19.11.2024 and 19.12.2024 of the Applicant for acquiring the property allotted by U.P Housing and Development Board to PACL situated at Plot No.12/GH5 admeasuring 21351.75 sq mt ("impugned property") has been rejected without assigning any reasons in violation of principles of natural justice.



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Representation before the Committee

14. The Applicant who is a real estate development company based in Lucknow, came across the public notification dated 11.11.2024 issued by the UP Housing & Development Board regarding cancellation of plots on account of non-payment of amounts in respect of allotted plots to the parties. The said notification stated that PACL India Ltd. was allotted a group housing land by the U.P. Housing & Development Board vide registration letter dated 12.10.2010 consisting of the following land:

(i) Plot No. 12/GH5: (2135.75 Sq. Mt.) - Total Value: Rs.5,53,43,1001 (Rs.15,47,43, 538 deposited + Rs. 39,86,87,463 outstanding)

(ii) Plot No.11/Comm-101 - Total Value: Rs.64,09,80,226 (Rs.18,68,14,537 deposited + Rs.45,41,65,989 outstanding)

In terms of the said notification, dues of about Rs.85,28,53,152/- were outstanding and the same were to be paid to the UP Housing and Development Board within two weeks from the date of notification i.e 11.11.2024 failing which the amount of Rs. 34,15,58,075 paid by PACL in respect of the plots would be forfeited.

The applicant being interested in taking over one of the above properties viz. Plot no. 12/GHS (21351.75 Sq. Mt.) had submitted the following proposal to the Committee:

- i. Adjustment of Deposited Amounts: The amount deposited by PACL India Ltd. for both properties, totalling Rs. 34,15,58,075, be adjusted against the dues of Plot No.12/GH5.
- ii. Settlement of Remaining Dues: After adjusting the deposited amount, the outstanding dues for Plot No. 12/GH5 would be Rs. 21,18,72,926. The applicant will pay this amount to the UP Housing Board in one go.
- iii. Repayment to PACL India Ltd: The applicant undertakes to repay the adjusted amount of Rs.34,15,58,075/- to PACL India Ltd. in 20 equal quarterly instalments. - Each quarterly instalment will amount to Rs. 1,70,77,903.75/.



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- iv. Vacant Possession of Plot No. 11/Comm-101: - With the adjustment, Plot No. 11/Comm-101 will become vacant, allowing the UP Housing Board to reallocate financial or without any sell it or legal encumbrances.
- v. Public Interest Consideration: Forfeiting the amounts deposited by PACL India Ltd. would adversely affect numerous investors whose interests are currently being safeguarded by this Hon'ble Court. Accepting proposal of the applicant would prevent such forfeiture, aligning with the larger public interest.
- vi. Benefits to Housing Board: Immediate Settlement: The Board will receive the outstanding dues for Plot No. 12/GH5 promptly.
- vii. Litigation Avoidance: This arrangement eliminates potential legal disputes over the properties and expenses which the Committee may incur on contesting the litigation, if initiated to save the forfeiture of the deposited amount of Rs.34,15,58,075.
- viii. Asset Reallocation: The Board gains a vacant plot (Plot No. 11/Comm 101) for future allocation or sale.

15. Since the Applicant did not receive any response from the Committee, the Applicant approached the Hon'ble Supreme Court vide IA No. 273585 of 2024 *inter alia* praying for issuance of necessary directions to the Committee and UP Housing & Development Board for not cancelling the allotment and forfeiting the amount already paid by PACL in respect of the aforesaid property.

16. The Hon'ble Supreme Court, vide its order dated 12.12.2024, disposed the aforesaid IA granting liberty to the Applicant to approach the Committee. In pursuance of the said order, the Applicant filed another representation dated 19.12.2024 before the Committee which was subsequently rejected by the Committee vide order dated 20.02.2025.

Present Interlocutory Application (IA)

The Applicant has filed the present IAs before the Hon'ble Supreme Court in the matter of *Subrata Bhattacharya vs. SEBI* (supra) challenging the rejection of the proposal by the Committee and *inter alia* praying for setting aside the letter dated 20.02.2025 passed by the Committee.



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18. In view of the order dated 19.02.2026 passed by the Hon'ble Supreme Court, the proceedings in respect of the present IAs were initiated by the Panel of Recovery Officers and in pursuance thereof, the Applicant was granted opportunities of hearing (virtual) on two occasions i.e. on 04.05.2026 and 11.05.2026. However, on both the said dates, there was no appearance on behalf of the Applicant despite the virtual meeting link being kept open for more than an hour. However, on the request of the Applicant vide email dated 14.05.2026, the Applicant was once again granted last opportunity of hearing on 21.05.2026, wherein, the Authorized Representative ("AR") of the Applicant appeared virtually and made submissions on the lines of averments made in the IAs.
19. During the hearing, it was submitted by the AR that the present IAs have been erroneously included in the list under Category B and therefore, the Panel of Recovery Officers may pass appropriate directions so that the Applicant may contest the IAs before the Hon'ble Supreme Court.
20. The Panel of Recovery Officers have heard the AR of the Applicant and perused the documents available on record.
21. It is pertinent to note that the remit of the Panel of Recovery Officers has been decided by the Hon'ble Supreme Court in paragraph 12 of its order dated 19.02.2026, wherein, it is stated that:

"(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 Limited 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."

Reference is drawn to Para no. 9 and 10 of the 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 orders/recommendations of Shri R.S. Virk, District Judge (Retd.). The Hon'ble Supreme Court observed that the issues arising in the said identified 106 IAs 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 portion 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 the 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."

23. Thus, it can be seen that the Recovery Officers appointed under Section 28A of the SEBI Act, 1992 are empowered by the Hon'ble Supreme Court to deal with and decide such IAs which have been filed against an order passed by Shri R.S. Virk, District Judge (Retd.). Insofar as the present IAs are concerned, the Applicant has admitted that it is not challenging any order of Shri R.S. Virk,



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District Judge (Retd.) but the letter dated 20.02.2025 issued by the Committee rejecting its proposal dated 19.11.2024 and 19.12.2024. It is noted by the Panel of Recovery Officers that the Committee, after considering the representation/proposal of the Applicant, has rejected the said same. The Applicant, in its written submissions dated 25.05.2026, has also submitted that since the Applicant is not aggrieved by an order of Shri R.S. Virk, District Judge (Retd.), the present IA may be referred to Hon'ble Supreme Court for consideration and adjudication.


24. In the light of the above, considering that the I.As do not fall within the ambit of Category 'B' applications, the same are not maintainable before this Panel of Recovery Officers. In view thereof, the Applicant is granted liberty to approach the Hon'ble Supreme Court for seeking appropriate relief.

ORDER:

25. Given the above, without going into the merits of the case, the present Interlocutory Applications Nos. 83410 of 2025, 221100 and 83416 of 2025 filed by the Applicant are dismissed, as not maintainable, with a liberty to the Applicant to approach the Hon'ble Supreme Court for relief.

Place: Mumbai

Date: 29.05.2026


KSHAMA P. WAGHERKAR
Recovery Officer


RESHMA GOEL
Recovery Officer


SAROJ KUMAR SAHU
Recovery Officer

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

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

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