

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

I.A. No.	148634 of 2022 and 148639 of 2022
File No.	SEBI/PACL/OBJ/PP/00799/2026
Name of the Objector(s) / Applicants	Mrs. S. Shailaja Bhaskar and Mr. S. Prashanth Bhaskar
MR No.	4216/2015

Background:

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) on August 22, 2014 had passed an order against PACL Limited, its promoters and directors, *inter alia*, holding the schemes run by PACL Ltd. as Collective Investment Scheme (“CIS”) and directing them to refund the amounts collected from the investors within three months from the date of the order. Vide the said order, it was also directed that PACL Ltd. and its promoters/ directors shall not alienate or dispose of or sell any of the assets of PACL Ltd. except for the purpose of making refunds as directed in the order.
2. The order passed by SEBI was challenged by PACL Ltd. and four of its directors by filing appeals before the Hon’ble Securities Appellate Tribunal (“SAT”). The said appeals were dismissed by the Hon’ble SAT vide its common order dated August 12, 2015, with a direction to the appellants to refund the amounts collected from the investors within three months. Aggrieved by the order dated August 12, 2015 passed by the Hon’ble SAT, PACL Ltd. and its directors had filed appeals before the Hon’ble Supreme Court of India.
3. The Hon’ble Supreme Court did not grant any stay on the aforementioned impugned order dated August 12, 2015 of the Hon’ble SAT; however, PACL Ltd. and its promoters/ directors did not refund the money to the investors. Accordingly, SEBI initiated recovery



proceedings under Section 28A of the SEBI Act, 1992 against PACL Ltd. and its promoters/ directors vide recovery certificate no. 832 of 2015 drawn on December 11, 2015 and as a consequence thereof, all bank/ demat accounts and folios of mutual funds of PACL Ltd. and its promoters/ directors were attached by the Recovery Officer vide attachment order dated December 11, 2015.

4. During the hearing on the aforesaid civil appeals filed by PACL Ltd. and its directors (Civil Appeal No. 13301 of 2015 – *Subrata Bhattacharya Vs. SEBI* and other connected matters), the Hon'ble Court vide its order dated February 02, 2016 directed SEBI to constitute a committee under the Chairmanship of Hon'ble Mr. Justice R.M. Lodha, the former Chief Justice of India (hereinafter referred to as "the Committee") for disposing of the land purchased by PACL Ltd. so that the sale proceeds can be paid to the investors, who have invested their funds in PACL Ltd. for purchase of the land. In the said civil appeals, the Hon'ble Supreme Court did not grant any stay on the orders passed by SEBI and the Hon'ble SAT. Therefore, directions for refund and direction regarding restraint on the PACL Ltd. and its promoters and directors from disposing, alienating or selling the assets of PACL Ltd., as given in the order, 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 or interest.
6. Further, the Hon'ble Supreme Court vide its order dated July 25, 2016 restrained PACL Ltd. and/ or its Directors/Promoters/agents/employees/Group and/or associate companies from, in any manner, selling/transferring/alienating any of the properties wherein PACL Ltd. has, in any manner, a right/interest situated either within or outside India.
7. In the recovery proceedings mentioned in para 3 above, the Recovery Officer issued an attachment order dated September 07, 2016 against 640 associate companies of PACL Ltd. In the said order, *inter alia*, the registration authorities of all States and Union Territories were requested not to act upon any documents purporting to be dealing with transfer of



properties by PACL Ltd. and / or the group/ associate entities of PACL Ltd. mentioned in the Annexure to the said attachment order, if presented for registration.

8. The Hon'ble Supreme Court, vide its order dated November 15, 2017, passed in Civil Appeal No. 13301/2015 and connected matters directed that all the grievances/ objections pertaining to the properties of PACL Ltd. would be taken up by Shri. R.S. Virk, District Judge (Retd.).
9. On April 30, 2019, in the recovery proceedings initiated against PACL Ltd. and Ors., the Recovery Officer issued a notice of attachment in respect of 25 front companies of PACL Ltd. Thereafter, on March 01, 2021, the Recovery Officer issued another notice of attachment in respect of 32 associate companies of PACL Ltd., which included 25 front companies of PACL Ltd. whose accounts were attached vide order dated April 30, 2019.
10. 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 the aforesaid order dated August 08, 2024 passed by the Hon'ble Supreme Court, all objections with respect to properties of PACL Ltd., which were pending before Shri. R.S. Virk, District Judge (Retd.) and all new objections, are now to be dealt by the Recovery Officers attached to the Committee.
12. Subsequently, the Hon'ble Supreme Court, vide order dated February 19, 2026, in the matter of *Subrata Bhattacharya vs. SEBI (Civil Appeal No. 13301 of 2015)* directed, *inter alia*, that all interlocutory applications/Transferred Cases falling under Category B, i.e. 106 sets of Interlocutory Applications, filed against the recommendations of Shri. R.S. Virk, District Judge (Retd.) dismissing the objections raised by the Applicants, be placed before



the Recovery Officers appointed under Section 28A of the SEBI Act, 1992. Accordingly, the set of 106 Interlocutory Applications, including the instant application, is now to be examined by the Recovery Officers appointed under Section 28A of the SEBI Act, 1992, in the matter of PACL Ltd.

Present Interlocutory Application (I.As.):

13. The present I.As. have been filed by (i) Mrs. S. Shailaja Bhaskar, W/o Mr. S. Prashanth Bhaskar (hereinafter referred to as “**Applicant No. 1**”); and (ii) Mr. S. Prashanth Bhaskar, S/o Mr. K. Sriram (hereinafter referred to as “**Applicant No. 2**”), both residing at No. 2716/1D (New No. 31/1D), 2nd Main, Beside Nirmala Convent, V.V. Mohalla, Mysuru (hereinafter collectively referred to as the “**Objectors/Applicants**”), challenging the order/recommendation dated July 12, 2022 passed by Shri R.S. Virk, District Judge (Retd.), in File No. 921 (hereinafter referred to as the “**impugned order**”). By the impugned order, the objection preferred by the Objectors/Applicants seeking release of the property described below from attachment was disposed of. The property which is the subject matter of the present proceedings is house bearing No. 1132, 3rd Stage, Gokulam, Devaraja Mohalla, Mysore, Karnataka, admeasuring approximately 3,500 sq. ft. (hereinafter referred to as the “**impugned property**”) and is attached under MR 4216/2015.

14. It is the case of the Objectors/Applicants, as submitted, that they purchased the impugned property on September 05, 2019 by a registered Sale Deed No. 4854 executed in their favour by Smt. T. Kanchana, for a consideration of Rs. 1,40,00,000/- paid substantially through banking channels, and that they have been in continuous possession of the impugned property since the year 2019. It is their further case that they acquired the impugned property through an unbroken chain of registered conveyances tracing back to the registered purchase of the property by PGF Limited (“**PGF**”) in the year 1998, and that they have no connection or privity of any kind with PACL Ltd. However, the impugned property has been attached in the matter of PACL Ltd. on the strength of an unregistered Agreement to Sell (ATS) dated September 22, 2001 said to have been executed between PGF and PACL, notwithstanding that the said Agreement did not create or convey any title in favour of PACL and that PGF thereafter conveyed the property to Smt. T. Kanchana by



a registered Sale Deed No. 10833 dated March 24, 2007; and that the impugned property is, therefore, liable to be released and de-listed from the attachment.

15. Upon learning of the attachment of the impugned property, the Objectors/Applicants filed an objection, registered as File No. 921, before Shri R.S. Virk, District Judge (Retd.), *inter alia* seeking release and de-listing of the impugned property from the attachment. Upon receiving the objection, a notice was issued to PACL by Shri R.S. Virk, District Judge (Retd.). PACL, in its reply dated March 28, 2022, *inter alia*, contended that the property in question had earlier purchased by PACL for Rs. 17,00,000/- (as per the ATS dated September 22, 2001) and that it had thereafter resold the property to PGF in the year 2005 for Rs. 17,00,000/- under a further ATS dated December 15, 2005.
16. The said objection was heard by Shri R.S. Virk, District Judge (Retd.), and was disposed of by the impugned order dated July 12, 2022. While the impugned order recorded a finding that the property in question could not be considered to belong to PACL Ltd., or to be the subject of any interest of PACL such as to justify continuation of the attachment, it further held that, since it was the Objectors/Applicants' own case that PGF Ltd. had been the owner of the property before its sale to Smt. T. Kanchana, and since the properties of PGF Ltd. are the subject of a separate committee constituted by the Hon'ble Supreme Court under the chairmanship of Hon'ble Mr. Justice Vikramjeet Sen (Retd.) in Civil Appeal No. 6572 of 2004, the Objectors/Applicants would have to seek appropriate orders from the said committee; and the objection was disposed of accordingly.
17. Aggrieved by the impugned order, the Objectors/Applicants filed the present I.As. before the Hon'ble Supreme Court in Civil Appeal No. 13301 of 2015. The Hon'ble Supreme Court, vide order dated February 19, 2026, while taking note of the segregation of the interlocutory applications into five distinct categories, i.e. Category A to E, directed that the 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.
18. Upon perusal of the I.As. and the documents annexed thereto, it is noted that the Objectors/Applicants have, *inter alia*, contended as under:



- i. That they are *bona fide* purchasers for value of the impugned property, having purchased the same under the registered Sale Deed No. 4854 dated September 05, 2019 executed by Smt. T. Kanchana, after payment of the entire sale consideration of Rs. 1,40,00,000/- substantially through banking channels and after payment of the requisite stamp duty and registration fees;
- ii. That the title of their vendor, Smt. T. Kanchana, arose from the registered Sale Deed No. 10833 dated March 24, 2007 executed by PGF, whose own title arose from the registered Sale Deed No. 5067 dated December 23, 1998, so that the Objectors/Applicants hold the impugned property under an unbroken chain of registered conveyances;
- iii. That MR No. 4216/15 rests solely upon an unregistered ATS dated September 22, 2001 between PGF and PACL, which did not create or convey any right, title or interest in the impugned property in favour of PACL; that PGF, having remained the owner, thereafter conveyed the impugned property to Smt. T. Kanchana by the registered Sale Deed No. 10833 dated March 24, 2007;
- iv. That there is no registered document or revenue record in favour of PACL, its representatives or agents in respect of the impugned property, and the Encumbrance Certificate discloses no entry whatsoever in favour of PACL; and
- v. That the claim of PACL to the impugned property was, in fact, not accepted even by the committee headed by Shri R.S. Virk, District Judge (Retd.), and the direction relegating the Objectors/Applicants to the committee constituted in the matter of PGF Ltd., which has no jurisdiction over the said MR, is contrary to the principles of natural justice.

19. The Objectors/Applicants have thus, *inter alia*, prayed:

- i. To set aside the order/recommendation dated July 12, 2022 passed by Shri R.S. Virk, District Judge (Retd.) in File No. 921;
- ii. To direct the appropriate authorities to stay the auction of the impugned property bearing No. 1132, 3rd Stage, Gokulam, Devaraja Mohalla, Mysore;



- iii. To release the impugned property from the list of properties attached in the matter of PACL Ltd.; and
- iv. Not to create any third-party rights in respect of the impugned property included in File No. 921.

20. In compliance with the order dated February 19, 2026 of the Hon'ble Supreme Court, the Objectors/Applicants were granted an opportunity of hearing before this Panel of Recovery Officers ("Panel") on April 07, 2026. The hearing was attended by the Authorised Representative ("AR") of the Objectors/Applicants, who reiterated the averments contained in the application and in the objection filed before Shri R.S. Virk, District Judge (Retd.).
21. Based on the submissions made during the hearing, the AR was advised to furnish, *inter alia*, the bank statements for the period June 01, 2019 to August 30, 2019 reflecting the payments/cash withdrawals made towards the purchase of the impugned property; the Encumbrance Certificate from the year 1975 till date; and the property tax receipts till date and the Patta details. Pursuant thereto, the Objectors/Applicants furnished additional documents vide e-mails dated April 18 2026, April 24, 2026 and May 25, 2026.
22. It is noted that the material forming part of MR No. 4216/15 is an unregistered ATS dated September 22, 2001, stated to have been executed by PGF Ltd. (described therein as the "First Party") in favour of PACL India Ltd. (described therein as the "Second Party"), in respect of the impugned property, for a stated consideration of Rs. 17,50,000/-.
23. In this regard, the Panel notes that the Hon'ble Supreme Court, vide its order dated January 22, 2016 passed in *C.A. No. 6572 of 2004 – M/s PGF Ltd. & Ors. Vs. Union of India & Anr.*, has appointed a Committee of Justice Vikramajit Sen, Former Judge, Supreme Court of India and Justice R. V. Easwer, Former Judge, Delhi High Court, for realization of the monies by way of sale of immovable properties, as well as liquidation of fixed deposit receipts, for disbursement of monies collected by M/s PGF Limited to its investors. Thus, any immovable property of M/s PGF Limited is in the domain of the said Committee and consequently, any objection/I.A. relating to such property can be looked into by said Committee only. It is further note that while referring the said order passed the Hon'ble



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Supreme Court, Shri. R. S. Virk District Judge (Retd.) in the case of M/s Bhuj Developers had disposed of the said objection for lack of jurisdiction. Further, number of orders have been passed by the Panel of Recovery Officers in the past vide which such objection petitions were dismissed on the ground that the matter ought to be considered by Justice Sen Committee. On perusal of the facts in such objections already decided and disposed of by Shri. R. S. Virk District Judge (Retd.) and the Panel of Recovery Officers, PACL Committee, it is observed that the facts of the said objections disposed of earlier are similar to the facts in the instant I.As.

24. In the light of the same, considering the facts of the present matter, it is noted that the impugned property was purchased by PGF Ltd. from Shri Rakesh Kumar, Shri Gopinath, Shri B.L. Ramesh & Shri B.L. Suresh (M/s Gupta Enterprises) vide Sale Deed dated December 23, 1998, therefore, the present I.As. are not maintainable before the Panel of Recovery Officers appointed under Section 28A of the SEBI Act, 1992 in the matter of PACL Ltd.

ORDER:

25. Given all the above, the I.A. Nos. 148634 of 2022 and 148639 of 2022 are liable to be disposed of without any decision on the merits and are accordingly disposed of.

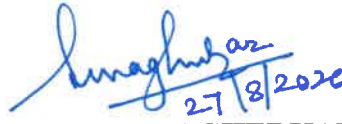
Place: Mumbai

Date: August 27, 2026



PREETI PATEL

RECOVERY OFFICER



KSHAMA WAGHERKAR

RECOVERY OFFICER



SAROJ KUMAR SAHU

RECOVERY OFFICER

प्रीति पटेल / PREETI PATEL

उप महाप्रबंधक एवं वसूली अधिकारी

Deputy General Manager & Recovery Office

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

क्षमा प्र. वाघेरकर / KSHAMA P. WAGHERKAR

महाप्रबंधक एवं वसूली अधिकारी

General Manager & Recovery Officer

(पी ए सी एल लि. 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 लि. के मामले से संबंधित) / (In the matter of PACL Ltd.)