

**Order on the Interlocutory Application filed by 1. Mr.Ahsan Ali 2.Mr Rahul Agarwal
SEBI/PACL/RO/BKM/RD-3/ORD/110 /2026**

**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(s).	87577 of 2021
File No.	795
Name of the Objector(s)/Applicant(s)	1. Mr. Ahsan Ali, 2.Mr. Rahul Agarwal
MR No (s).	11559/18 & 11562/18

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 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 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 12.08.2015 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 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 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 02.02.2016 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, continues 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 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 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.



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8. The Hon'ble Supreme Court, vide its order dated 15.11.2017, 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 30.04.2019, 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 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. Vide order dated 08.08.2024 passed in *Civil Appeal No. 13301 of 2015 - Subrata Bhattacharya Vs. SEBI and other connected matters*, the Hon'ble Supreme Court 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 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 (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 passed the order dated 19.02.2026 in the matter of Subrata Bhattacharya vs. SEBI (Civil Appeal No. 13301 of 2015) directing, *inter alia*,
“i. all interlocutory applications/Transferred Case falling under Category B, i.e. 106 sets of applications including the instant application, filed against the recommendations of Shri R.S. Virk, Retired District Judge, be placed before the Recovery Officers appointed under Section 28A of the SEBI Act, 1992.



(Signature)

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(Signature)

(Signature)

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ii. The Recovery Officers shall adjudicate the claims in accordance with the procedure contemplated under Section 28A of SEBI Act read with Second Schedule to the Income Tax Act, 1961.

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 Ltd. 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.

iv. The parties shall be at liberty to adduce necessary evidence in this regard confined to the extent relevant to establish source of the property, which evidence will be let in summary manner. The adjudication shall be confined to documentary evidence. No oral evidence shall be permitted. The Recovery Officers may permit filing of additional documents over and above what was filed before Judge Virk & this Court in their IAs.

v. Recommendation of Shri R.S Virk (Retd.) shall not be determinative of the issues but may be taken into consideration as one of the factors while adjudicating the claims.

vi. A party will not be denied a claim over a property solely for the reason, that at one point and time the property was owned by PACL or its associated entities and it is not clear as to what were the source of funds used by PACL & its sister entities, as the case may be, to purchase the properties, if otherwise it is clear that the party is a bonafide purchaser for value having actually paid the amounts through banking channels.”

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..

Present Interlocutory Application (I.A.)

13. The instant Interlocutory Application .No.87577 of 2021 (hereinafter referred as “the IA”) have been filed by 1. Mr. Ahsan Ali and 2.Mr. Rahul Agarwal (hereinafter referred to as the “Objectors/Applicants”), challenging the order dated 22.12.2020 passed by Shri R.S.



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पता (केवल पत्राचार हेतु) / Address for correspondence only:

सेबी भवन, प्लॉट सं. सी4-ए, 'जी' ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400051

SEBI Bhavan, BKC, Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051

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Virk, District Judge (Retd.) in File No 795 (hereinafter referred to as the “impugned order”) thereby rejected the objectors request seeking delisting from the list of properties shown attached on www.auctionpack.com, the agricultural land in question bearing Khasra Nos. 320/170, 328/197 and 329/258, measuring 13.04 hectares, situated at Village Akadiyawala, Tehsil & District Bikaner, Rajasthan (hereinafter referred as the “impugned property”), marked under MR No. 11559/18 & 11562/18, which stand attached by the Committee.

14. It is observed that while dismissing the aforesaid objection petition, Shri R.S. Virk, District Judge (Retd.) *inter alia* stated that

14.1 Two Sale Deed, both dated 19.06.2009 executed by Mrs. Anjulata in favour of Shri Pramod Joshi read with Observation of Shri Prashant Saran, WTM, SEBI at Page 48 of the his Order dated 22.08.2014 indicative fact that said property was purchased by Shri Pramod Joshi on behalf of M/S PGF, associate company of PACL.

14.2 Further, subsequent transfer of said property from Shri Pramod Joshi to Mohanlal Kundanlal Sharma (Mutation No. 190 dated 17.10.2014) and from Mohanlal Kundanlal Sharma to present Objectors (Mutation No. 256 dated 20.12.2018) are both inconsequential because mutation does not confer the title and is only meant for fiscal purposes.

15. Aggrieved by the above order, the Applicants, therefore, had filed the IA before the Hon’ble Supreme Court in the matter of Subrata Bhattacharya vs. SEBI (Supra). Thereafter, the Hon’ble Supreme Court passed the order dated 19.02.2026 directing, inter alia, that all interlocutory applications/transferred cases falling under Category B, i.e. 106 sets of applications including the instant applications, challenging the recommendations of Shri R.S. Virk (Retd.), shall be placed before the Recovery Officers appointed under Section 28A of the SEBI Act, 1992.

16. In compliance with the directions of the Hon’ble Supreme Court, the applicants were granted an opportunity of hearing on 29.04.2026 before the panel of Recovery Officers (hereinafter referred to as the “The Panel”). During the hearing, the applicants were represented by authorized representative (‘AR’). During the hearing, the AR made submissions on the lines of averments made in the IAs and sought time for making written



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submission alongwith the necessary additional documents. Subsequently, the Objectors/Applicants submitted written submission dated 06.05.2026.

17. Upon perusal of the I.A seeking directions filed by the Objector/Applicant, the panel has noted that the Applicants/ Objectors have, *inter alia*, contended as under

17.1 Applicants (jointly) have purchased impugned property from Mr. Mohan Lal in consideration for Rs.23,40,000/- vide registered sale dated 22.10.2018. All payments were made through valid banking channels and they continued to be in possession of the impugned property.

17.2 At the time of purchase of the impugned property by the objectors neither there was stay on impugned property not sold to any entity/associate companies related to PACL.

17.3 The property was purchased by them from one Mohan Lal who had in turn purchased it from one individual Pramod Joshi and in the sale deed in favour of said Mohan Lal or Pramod Joshi there is nowhere mentioned that the property was being purchased or was sold on behalf of any company PACL or its associates.

17.4 PACL vide its reply dated 20.10.2020 opposing the claim of applicants merely stated that it had purchased the impugned property from PGF Limited which subsequently transferred it to PACL. However, no evidence was placed on record to show such transfer. Documents seized by CBI during the investigation against PACL merely showed that the impugned property is in the name of Pramod Joshi but no documentary evidence is available to establish any relationship between Pramod Joshi and PGF or PACL or any other associate company.

17.5 Thereafter, upon knowledge of the stay on execution of title deed on impugned property, applicants filed Objection Petition dated 12.10.2020 before Shri R. S Virk, District Judge (Retired). Shri Virk dismissed the objection petition vide Order dated 22.12.2020 for the reasons mentioned in para 14 above.



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17.6 Applicants vide this IA prayed to set aside recommendation made by Shri R.S. Virk, District Judge (Retd.) in the impugned order and to delist/remove the impugned property of the Applicants from the list of properties proposed to be auctioned.

18. The panel have perused the IAs, averments made during hearings, additional written submission made and the documents placed on record by the applicants. The panel also perused two M.R. Nos. 11559/18 & 11562/18 which consist of the registered sale deeds seized by CBI from the possession of PACL Ltd., on the basis of which the impugned properties have been attached by the Committee. Upon perusal of all aforesaid documents, the panel observed as under:

18.1 It is observed from MR No. 11562/18 consists of i) Registered sale deed No.1514 dated 27.09.2006 wherein joint owner of the impugned property namely 1)Mr.Magha Ram 2) Mr. Gopal 3) Mr.Lalchand and 4) Mrs. Mamol Om Prakash sold the impugned property to Mrs Anjulata for consideration of Rs.1,50,000/- ii) Registered sale deed no. 7351/09 dated 18.04.2006 wherein Mrs.Anjulata being an owner of agricultural land bearing Khasra Nos. 320/170, 328/197 and 329/258, measuring 13.04 hectares, situated at Village Akadiyawala, Tehsil & District Bikaner, Rajasthan sold only 6.52 hectares to Shri Pramod Joshi for Rs.4,99,000/-(Rs. Four Lakh Ninety Nine Thousand only).

18.2 It is observed from MR No. 11559/18 consists of the original registered sale deed no.7350/09 dated 19.06.2009 wherein Mrs.Anjulata being an owner of agricultural land bearing Khasra Nos. 320/170, 328/197 and 329/258, measuring 13.04 hectares, situated at Village Akadiyawala, Tehsil & District Bikaner, Rajasthan sold remaining 6.52 hectares to Shri Pramod Joshi for Rs.4,99,000/-(Rs. Four Lakh Ninety Nine Thousand only).

18.3 As noted in the above paragraphs 18.1 and 18.2, considering that Sale Deed dated 19.06.2009 dated 17.12.2012 and dated 22.10.2018 seized from the custody of PACL under the MRs were executed in the individual names of Mr. Pramod Joshi with no indication of any title/claim/interest in favour of PACL or any of its associates, the Applicant could not have reasonably known or expected to have known of any alleged link between the impugned properties and PACL. The Applicant, having verified the



chain of title, mutation entries and revenue records in respect of the aforesaid impugned properties prior to purchase, can be said to have exercised due diligence, taken *reasonable care* and acted in *good faith* while acquiring the impugned properties. Accordingly, the Applicant's purchase falls squarely within the protection afforded under Section 41 of the TPA.

- 18.4 Impugned Property in the instant IA was owned by Shri Chunaram and given khatedari rights in 20.10.2001. Mutation No. 26 dated 20.10.2001 recorded in his favour.
- 18.5 Thereafter, on death of Shri Chunaram, said impugned property was transferred to his legal heirs namely 1) Magha Ram 2) Gopal 3) Lalchand for $\frac{3}{4}$ th share, and 4) Mrs. Mamol Om Prakash for $\frac{1}{4}$ th share, on the basis of succession. Mutation No. 60 dated 27.10.2004 was recorded in their favour.
- 18.6 Aforesaid legal heirs sold the impugned property to Anjulata Singal for Rs.1,50,000/- vide Registered Sale Deed dated 27.09.2006. Mutation No. 71 dated 27.09.2006 was recorded in her favour.
- 18.7 Mrs. Anjulata sold said property vide two registered Sale Deed dated 19.06.2009 to Shri Pramod Joshi for Rs.9,98,000/- received in cash. Mutation No. 113 dated 26.06.2009 was recorded in his favour.
- 18.8 Thereafter, said property was purchased by Mohanlal Kundanlal Sharma from Mr. Pramod Joshi vide registered sale deed 17.12.2012 for Rs.15,00,000/- received in cash. Mutation No. 190 dated 17.10.2014 was recorded in his name.
- 18.9 Mr. Mohanlal Kundanlal Sharma sold this property to Ahsan Ali (Objector No1) and Rahul Agarwal (Objector No.2) for Rs.23,40,000/- vide registered sale deed dated 22.10.2018. Said transaction was done through and banking channel.
- 18.10 Objectors are since then continued to be in possession of the said impugned property. Mutation entry no. 256 dated 20.12.2018 is recorded in the name of applicants in revenue records.
- 18.11 In the instant IA, Applicants have jointly purchased the impugned property vide registered sale deed dated 22.10.2018. Objectors are since then continued to be in possession of the said impugned property. Mutation entry no 256 dated 20.12.2018 is recorded in the name of applicants in revenue records.



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19. Here, it is pertinent to refer to the order dated 19.02.2026 passed by the Hon'ble Supreme Court wherein, while directing that the Category B applications i.e. the 106 applications filed against the order/recommendation passed by Shri R.S. Virk, Retired District Judge be dealt with by the Recovery Officers appointed under Section 28A of the SEBI Act, 1992, the Hon'ble Supreme Court specifically has stated as under:

"12. In view of the fact that the said applications are pending for a lone time, we accordingly direct:

.....

(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 related 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.

.....

(vi) A party will not be denied a claim over a property solely for the reason, that at one point and time the property was owned by PACL or its associated entities and it is not clear as to what were the source of funds used by PACL & its sister entities, as the case may be, to purchase the properties, if otherwise it is clear that the party is a bonafide purchaser for value having actually paid the amounts through banking channels.

..... "

20. The Hon'ble Supreme Court, in the abovementioned order dated 19.02.2026, has thus, directed that claims over a property are liable to be protected where it is evident that the claimant is a *bona fide* purchaser for value, who has actually paid the consideration through legitimate means like banking channels.

20.1 In the instant IA as both Applicants have jointly purchased the impugned property vide registered sale deed dated 22.10.2018. Said transaction as specified in sale deed was made through banking channel as specified in Sale deed. Objectors are since then continued to be in possession of the said impugned property. Mutation entry no 256 dated 20.12.2018 is recorded in the name of applicants in revenue records.



ORDER:

21. Given the above, the objection raised by the Objectors/Applicants with respect to agricultural land admeasuring Khasra Nos. 320/170, 328/197 and 329/258, measuring

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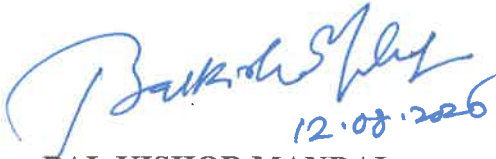
13.04 hectares, situated at Village Akadiyawala, Tehsil & District Bikaner, Rajasthan is liable to be allowed and is accordingly, allowed.

22. In view thereof, the order dated 22.12.2020, passed by Shri R.S. Virk, District Judge (Retd.) in File No. 795, insofar as it relates to the impugned property, is hereby set aside.

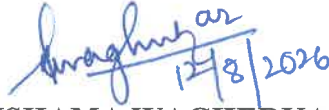


Place: Mumbai

Date: August 12, 2026


12.08.2026

BAL KISHOR MANDAL
Recovery Officer


12/8/2026

KSHAMA WAGHERKAR
Recovery Officer


12/8/2026

PREETI PATEL
Recovery Officer

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

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

प्रीति पटेल / PREETI PATEL
उप महाप्रबंधक एवं वसुली अधिकारी
Deputy General Manager & Recovery Officer
(पी ए सी एल ली के मामले से संबंधित, मुंबई) [In the Matter of PACL Ltd. Mumbai]