

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.	225218 of 2025 and 225219 of 2025
File No.	SEBI/PACL/IA/KW/00718/2026
Name of the Objector/Applicant	Santosh Hanumantrao Kadam
MR No.	25048/16 and 25054/16

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 12.08.2015, PACL Ltd. and its directors filed appeals before the Hon'ble Supreme Court of India



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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.

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



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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.



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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.



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13. Shri Santosh Hanumantrao Kadam (hereinafter referred to as “**Applicant**”) had purportedly filed an Objection petition before Shri R. S. Virk, District Judge (Retd.) seeking *inter alia* release from attachment of the land comprised in Gat No. 421 admeasuring 62.5 R (hereinafter referred to as ‘**impugned property**’) situated in Village Wagholi, Taluka Haveli, District Pune, Maharashtra, from the list of properties sought to be auctioned by the Committee. As stated in the IA, the Objection petition pertained to properties seized by CBI under MR No. 25054/16 and 25048/16 and attached by the Committee.

14. Aggreived by the order of Shri R. S. Virk, District Judge (Retd.), the Applicant filed Interlocutory Application No. 225219 of 2025 seeking directions and Interlocutory Application No. 225218 of 2025 seeking impleadment as a party petitioner before the Hon’ble Supreme Court in the matter of *Subrata Bhattacharya vs. SEBI (supra)* (hereinafter referred to as ‘**IAs**’) praying *inter alia* for setting aside of Order/Recommendation of Shri R. S. Virk, District Judge (Retd.) in respect of the impugned property. In the said IAs, it is *inter alia* contended by the Applicant:

- i. that the Applicant is a *bona fide* purchaser who purchased the impugned property vide registered sale deed bearing Day Book No.3487/2019 dated 28.06.2019 from Shri Pramod Babulal Shah and Shri Ramesh Kondiba Patil for a total consideration of Rs.4,95,00,000/- which was paid through banking channels such as RTGS, Demand Drafts and Cheques;
- ii. that the Applicant had, prior to purchase, conducted due diligence and verified the history, revenue records and mode of payments made by the Vendors viz. Shri Pramod Babulal Shah and Shri Ramesh Kondiba Patil to their earlier sellers i.e. Waghmare family members;



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- iii. that the Applicant acted in good faith, without notice of any defect in title of the Vendors and had no knowledge of any encumbrance, attachment or scam associated with PACL Ltd.;
- iv. that the impleadment of the Applicant as a party petitioner was necessary for proper and effective adjudication of the matter as the Applicant's right, title and interest in the impugned property would be directly affected by any order that is passed in respect of the impugned property.

15. In compliance with Order dated 19.02.2026 passed by the Hon'ble Supreme Court in *Subrata Bhattacharya vs SEBI* (supra), the proceedings in respect of IAs were initiated by the Panel of Recovery Officers (hereinafter referred to as '**Panel**') and the Applicant was granted an opportunity of hearing on 23.04.2026. On the said date, the Authorised Representative ('**AR**') of the Applicant appeared and made submission on the lines of averments made in the said IAs. During the hearing the AR was advised to submit following documents :

- i. All revenue records mutated in the name of the Applicant.
- ii. 7/12 extract.
- iii. Relevant sale deeds.
- iv. Chain of documents pertaining to previous owners of impugned property.
- v. Bank statement with relevant entries of payment.
- vi. Land tax receipts.
- vii. The relevant order passed by Shri. R. S. Virk.

16. Thereafter, vide email dated 29.04.2026, the AR submitted his written submissions, relevant revenue records in the name of Applicant, 7/12 extracts, Translated copy of the relevant sale deed, Bank Statements and the Order dated 26.10.2018 of Shri R. S. Virk, District Judge (Retd.) in File No.574 pertaining to Shri



Ramesh Kondiba Patil, Shri Pramod Babulal Shah, Shri Kishore Nandlal Shah and M/s Apoorva Promoters and Developers.

17. The Panel has perused and considered the averments made in the IAs and the written submissions along with documents submitted by the AR. It is pertinent to note that the Applicant has produced several documents in support of his contentions but has neither produced the copy of the Objection Petition filed by him before Shri R. S. Virk, District Judge (Retd.) nor the Order of Shri R. S. Virk, District Judge (Retd.) rejecting his claim over the impugned property.

18. At this juncture, 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."

19. Further, reference is drawn to Para no. 9 and 10 of the Hon'ble Supreme Court's order dated 19.02.2026, wherein, while taking note of the proposed segregation of the interlocutory applications into five distinct categories, i.e., Category A to E, it is specified that Category 'B' applications are those which are filed challenging the orders/recommendations of Mr. R.S. Virk, District Judge (Retd.). In the said order, it 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."

20. 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 not produced an order of Shri R.S. Virk, District Judge (Retd.) which has been passed in



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respect an Objection petition filed by him. Accordingly, the said prayer does not fall within the ambit of Category 'B' applications and is therefore not maintainable before this Panel of Recovery Officers.

21. In view of the aforesaid factors, the Panel is of the view that the present IAs are liable to be disposed of as not maintainable before the Panel of Recovery Officers appointed under Section 28A of the SEBI Act, 1992.

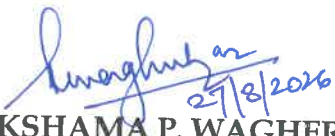
ORDER:

22. In view of the the above, the Interlocutory Application no. 225218 of 2025 and 225219 of 2025 filed by the Applicant in respect of impugned property comprised in Gat no. 421 total admeasuring 62.5 R situated at Village Taluka Haveli, District Pune, Maharashtra is disposed of without any direction.

23. However, the Applicant is at liberty to file a fresh objection in compliance with the Public Notice dated November 25, 2024 issued by PACL Committee, within a period of 90 days from the date of the present order, failing which, the PACL Committee shall be at liberty to proceed with the auction of the said property in accordance with law.

Place: Mumbai

Date: 27.08.2026


KSHAMA P. WAGHERKAR
Recovery Officer

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


RESHMA GOEL
Recovery Officer

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)


SAROJ KUMAR SAHU
Recovery Officer

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.)

