

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Civil Appeal No(s).5017/2023

SECURITIES AND EXCHANGE BOARD OF INDIA

Appellant(s)

VERSUS

RAJESH SURESHCHANDRA SHETH & ORS.

Respondent(s)

[TO BE TAKEN UP FOR FINAL HEARING AT 2.00 P.M.] [PART HEARD BY:
HON'BLE MR. JUSTICE J.B. PARDIWALA AND HON'BLE MR. JUSTICE K.V.
VISWANATHAN]

IA No. 19662/2025 - APPLICATION FOR PERMISSION

IA No. 23084/2025 - APPLICATION FOR PERMISSION

IA No. 28674/2025 - APPLICATION FOR TAGGING/DETAGGING

IA No. 278332/2025 - APPROPRIATE ORDERS/DIRECTIONS

IA No. 18420/2026 - CLARIFICATION/DIRECTION

IA No. 129934/2026 - INTERVENTION/IMPLEADMENT

IA No. 167422/2025 - INTERVENTION/IMPLEADMENT

IA No. 130169/2026 - INTERVENTION/IMPLEADMENT

IA No. 179872/2025 - PERMISSION TO PLACE ON RECORD SUBSEQUENT FACTS

IA No. 194693/2025 - PERMISSION TO RAISE ADDITIONAL QUESTION OF LAW

IA No. 156488/2023 - STAY APPLICATION

Date : 30-09-2026 This matter was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE J.B. PARDIWALA

HON'BLE MR. JUSTICE K.V. VISWANATHAN

For Appellant(s) : Mr. Tushar Mehta, Solicitor General

Mr. Chander Uday Singh, Sr. Adv.

Mr. Pratap Venugopal, Sr. Adv.

Mr. Abhishek Baid, Adv.

Mr. Mohit Kumar Bafna, Adv.

Mr. Praneet Das, Adv.

Mr. Ravinder Kumar, Adv.

Mr. Anup Jain, Adv.

Mr. Ashok Kumar Jain, Adv.

M/s Expletus Legal, AOR

For Respondent(s) : Dr. S. Muralidhar, Sr. Adv.

Mr. Akhil Sarathy, Adv.

Ms. Aarthi Rajan- 2547, AOR

Mr. Kartik Malhotra, Adv.

Mr. S. Santanam Swaminadhan, Adv.

Ms. Abhilasha Shrawat, Adv.

Mr. Aman Rawat, Adv.
Ms. Manasigauri Agrawal, Adv.
Ms. Ninni Susan Thomas, Adv.
Ms. Megha, Adv.
Mr. K Rigved Prasad, Adv.
Ms. Apoorva Singh, Adv.

Mr. Deepayan Mandal- 2485, AOR
Mr. Sumesh Dhawan, Adv.
Ms. Vatsala Kak, Adv.
Mr. Sagar Thakkar, Adv.
Mr. Mridul Bansal, Adv.
Mr. Naman Varma, Adv.
Mr. Monu, Adv.
Mr. Sreejan Shankar, Adv.

Mr. Neeraj Kishan Kaul, Sr. Adv.
Mr. Navin Pahwa, Sr. Adv.
Mr. Mahesh Agarwal, Adv.
Mr. Ankur Saighal, Adv.
Mr. Shivam Shukla, Adv.
Ms. Anushree Kapooria, Adv.
Mr. E. C. Agrawala, AOR

Ms. Aishwarya Bhati, A.S.G.
Mr. Arvind Kumar Sharma- 1133, AOR

Mr. Aaditya Aniruddha Pande- 3259, AOR

Ms. Aishwarya Bhati, A.S.G.
Ms. Archana Pathak Dave, A.S.G.
Ms. Madhulika Upadhyay- 4185, AOR
Mr. Parmod Kumar Vishnoi, Adv.
Mr. Raghvendra Shukla, Adv.
Ms. Uma Prasuna Bachu, Adv.
Ms. Vanshaja Shukla, Adv.
Mr. Rajesh Kumar Singh, Adv.
Mr. Apoorv Kurup, Adv.
Mr. Amit Sharma B, Adv.
Mr. Ishaan Sharma, Adv.

Ms. Aishwarya Bhati, A.S.G.
Ms. Archana Pathak Dave, A.S.G.
Ms. Madhulika Upadhyay- 4185, AOR
Mr. Parmod Kumar Vishnoi, Adv.
Mr. Raghvendra Shukla, Adv.
Ms. Uma Prasuna Bachu, Adv.
Ms. Vanshaja Shukla, Adv.

Mr. Rajesh Kumar Singh, Adv.
Mr. Apoorv Kurup, Adv.
Mr. Amit Sharma B, Adv.
Mr. Ishaan Sharma, Adv.

Mr. Prakash D. Naik, Sr. Adv.
Mr. Siddharth S. Chapalgaonkar, Adv.
Ms. Sneha Sanjay Botwe, AOR
Mr. Akash Tripathi, Adv.

Mr. Vikram Chaudhri, Sr. Adv.
Mr. Sankalp Sharma, Adv.
Mr. Yash S. Vijay- 3775, AOR
Ms. Dixita Gohil, Adv.
Mr. Pranjal Agarwal, Adv.
Ms. Riya Tyagi, Adv.
Mr. Rishabh Periwal, Adv.
Mr. Shikhar Aggarwal, Adv.
Mr. Joshua Tom Thomas, Adv.

Mr. Prashant S. Kenjale, Adv.
Ms. Damini Vishwakarma, Adv.
Mr. B. Dhananjay, Adv.
Mr. Hrishikesh Wanzalkar, Adv.
M/s Juristrust Law Offices- 3644, AOR

Mr. Siddharth Dharmadhikari, Adv.
Mr. Bharat Bagla, Adv.
Mr. Aaditya Aniruddha Pande- 3259, AOR
Mr. Shrirang B. Varma, Adv.
Mr. Aditya Krishna, Adv.
Ms. Sushmita Pandey, Adv.
Ms. Arunima Das, Adv.
Mr. Ashwin Arun Hirulkar, Adv.
Ms. Kunika Bansal, Adv.

Mr. Sridhar Potaraju, Sr. Adv.
Mr. Ishaan George- 2976, AOR
Mr. Vedchetan Patil, Adv.
Dr. Rukma George, Adv.
Mr. Sumit Kumar Siddharth, Adv.
Mr. Kamlesh Joshi, Adv.
Mr. Aman Ahluwalia, Adv.
Mr. Pradul Singhal, Adv.

Ms. Megha Karnwal- 2805, AOR
Mr. Aaditya Thorat, Adv.

Ms. Shreya Mishra, Adv.
Mr. Christy J. Philip, Adv.

UPON hearing the counsel the Court made the following
O R D E R

1. This appeal, at the instance of the Securities and Exchange Board of India (SEBI) arises from the judgment and order passed by the National Company Law Appellate Tribunal (NCLAT) by which the appeal preferred by SEBI against the order passed by the NCLT, rejecting the intervention application preferred by SEBI came to be dismissed.
2. We need not delve much into the facts giving rise to this litigation between the parties as we are in a position to dispose of the present appeal on the basis of the consensus which has been arrived at between all the stakeholders.
3. To put it briefly, the appellant SEBI received various complaints against a company by name Pancard Clubs Limited (PCL) alleging fraudulent fund mobilization across the country.
4. SEBI initiated auction of all the properties of the company and in pursuance of the same, and also directed Pancard Clubs Limited and its Directors to refund the amounts collected from the investors under an un-registered Collective Investment Schemes along with returns or not to carry out any Collective Investment Schemes.
5. SEBI also initiated recovery proceedings against the company and its directors. According to SEBI, the company owes Rs.7035,00,01,000/- to its investors.
6. It appears that simultaneously, proceedings were initiated

under the Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999. Under the provisions of the Act of 1999, the Government of Maharashtra attached properties of the concerned company (corporate debtor).

7. The matter ultimately reached before the NCLT in the form of Section 7 application filed under the IBC by a group of investors (respondent nos.3 to 102, respectively).

8. Section 7 application at the instance of these respondents came to be admitted by the NCLT. In those proceedings before the NCLT, SEBI moved an impleadment application and prayed that they may also be heard before proceeding further in the matter. The said impleadment application came to be rejected by the NCLT. Being dissatisfied, SEBI went in appeal before the NCLAT and the appeal also came to be dismissed.

9. In view of the aforesaid, SEBI is here before us with the present appeal under Section 62 of the IBC.

10. In the meantime, the Section 7 application culminated in sanctioning of the Resolution Plan.

11. We must clarify that there are hundreds of different properties owned by the corporate debtor, however, the plan of the Successful Resolution Applicant (SRA) was confined only to nineteen (19) properties of the corporate debtor. The plan was approved for Rs.707 crore. In accordance with the terms of the plan, Rs.200 crore were to be paid by the Resolution Applicant over a period of time and out of Rs.200 crore, Rs.69.80 crore has been paid to the investors.

12. In the course of hearing of this appeal, one issue came up

before us whether the valuation of the properties is appropriate or not as undertaken by the adjudicating authority. In such circumstances, keeping in mind the interest of the investors, we decided to constitute a Committee headed by Hon'ble Justice Sudhanshu Dhulia, former Judge of this Court. We requested the Committee to undertake the exercise of ascertaining the correct valuation of the assets, more particularly, the nineteen (19) properties which form part of the Resolution Plan.

13. Today, we have a very composite Report of the Committee. We may incorporate the relevant part of the Report as under:-

"11. After carrying out the aforesaid exercise, the IP has placed its final report before the Committee. I have perused the valuation report prepared and, in this regard, the following observations are submitted with respect to the properties identified and evaluated:

A. Valuation of 19 properties as mentioned in the Information Memorandum (IM) and part of CIRP during the CIRP which was held in 2024 was as follows:

Table A

S. No.	Particular	Amount
1.	Valuation carried out during CIRP	417.94 Crores

B. Out of these 19 properties mentioned in the IM, 2 properties do not belong to PCL. These two properties are office units in Thane and Pune, and details of these properties are given on page 15 of the Report prepared by the IP. The value of these two properties together is Rs.121.44 crores.

C. Again, out of the remaining 17 properties, three properties were not valued during CIRP and in one of the properties, PCL hold only about 78.79% ownership share. The details of these four properties are given on pages

12-14 of the IP's report. Thus, out of 19 properties named in the IM, 13 properties (belonging to PCL) were valued during the CIRP.

D. If we count the property, in which PCL has 78.79% share, as the PCL's property, then 17 out of 19 properties of IM belong to PCL, out of which 3 properties have not been valued during the CIRP. The valuation of these 3 properties has been done now under this Committee, which has come to Rs.136.53 crores.

Now, as per the current exercise, the valuation of the properties mentioned in the IM and actually owned by PCL is as follows:-

Table B

S. No.	Property Details	Amount
1.	Value of 19 properties mentioned in IM as per the current exercise, irrespective of ownership	Rs. 662.14 crores
2.	Value of 2 properties, which were valued during CIRP but do not belong to PCL	Rs. 121.44 crores (Subtract)
3.	Value of one property is Rs.105.08 cr. In this property, PCL only has ownership of 78.79%. The remaining 21.21% is not owned by PCL.	21.21% of Rs.105 crores = Rs.22.29 crores (subtract)
	Total	Rs. 518.41 crores

E. These 19 properties apart, which were a part of the IBC proceedings, during the current exercise of evaluation by this Committee, 30 more properties have surfaced which belong exclusively to PCL and thus, the total number of properties directly owned by PCL will come to 47 properties. The valuation of these 47 properties together is about Rs. 619.57 crores, i.e., Rs.518.40 crores for 17 properties mentioned in IM, and Rs.101.17 crores for 30 properties not included in IM.

Therefore, the value of total properties exclusively belonging to PCL will be as follows:

Table C

S. No.	Property Details	Amount
1.	Value of properties in IM which actually belongs to PCL (Explained in Table B)	Rs. 518.40 crores
2.	Value of 30 more properties belonging to PCL which have now been valued but were not mentioned in IM	Rs. 101.17 crores (Add)
	Value of total properties which actually owned by PCL	Rs. 619.57 crores

F. Apart from the above, there are 217 more properties which are in the name of PCL's associated companies. Out of these 217, 3 properties could not be valued. The valuation of the remaining 214 properties comes to Rs. 814.19 crores.

G. The valuation of properties owned by Pancard Clubs Limited (PCL) and other associated/subsidiary entities of PCL i.e. the valuation of the group of 19 properties plus 30 new properties in the name of PCL and the subsidiary/associated entities, comes to Rs. 1433.76 Crores. It is depicted in table below:

Table D

S. No.	Property Details	Amount
1.	Value of 47 properties belonging to PCL (Explained in Table C)	Rs.619.57 crores
2.	Value of 217 properties (out of which 3 properties could not be valued)	Rs. 814.19 crores (Add)
	Value of all properties of PCL and its subsidiaries/associates	Rs. 1433.76 crores

H. This valuation does not include the 15 properties which have already been sold and realised by the SEBI.

14. The Committee has concluded its Report, observing the following in paras 17 and 18, respectively:-

"17. In conclusion, the Committee submits that the present exercise has revealed that the asset base of PCL is both substantially larger and structurally more complex than what was considered during CIRP. There is more to it than meets the eye.

18. Also, the investors were also permitted to file their representations before the IP, who had to place them before this Committee. The IP informed the Committee that he has received certain representations from the investors. The IP informs the Committee that the main concern of the investors is quick recovery of their money. The IP also informs the Committee that investors are interested in the maximization of the recovery for investors and some investors also highlighted the concerns related to the auction of certain properties by SEBI at an undervalued price. This is how the IP sums up the representations received from the investors, which seems logical, though this has not been stated in his Report."

15. We heard Mr. Chander Uday Singh and Mr. Pratap Venugopal, the learned senior counsel appearing for the appellant, SEBI, Mr. Navin Pahwa, the learned senior counsel appearing for the Successful Resolution Applicant (SRA), Dr. S. Muralidhar, the learned senior counsel appearing for respondent nos.3 to 102 (investors), Mr. Vikram Chaudhri, the learned senior counsel appearing for one of the intervenors, Mr. Sridhar Potraju, the learned senior counsel appearing for some of the impleaders in I.A. No.167422/2025, Mr. Ashwin Arun Hirulkar, the learned senior counsel appearing for some of the other intervenors and Mr. Prashant S. Kenjale, the learned counsel appearing for a party claiming to be a *bona fide* purchaser of one of the properties purchased in the auction conducted by SEBI, which is a subject matter of Writ Petition before the High Court on the issue of valuation and Ms. Archana Pathak Dave, the learned A.S.G., appearing for the Serious Fraud Investigation Office (SFIO).

16. In the course of today's hearing manifold contentions were

sought to be raised by both the sides. However, keeping in mind the paramount consideration, i.e., the interest of the investors, we have suggested the following and which has been accepted by all the learned counsel appearing in this matter.

17. We designate Hon'ble Mr. Justice Sudhanshu Dhulia, the former Judge of this Court as the Chairman of the 'Asset Sale Committee'. The Committee will consist of one nominee of SEBI, one nominee of the investigating team under the MPID Act, one nominee from the side of the investors as may be decided by Justice Sudhanshu Dhulia. SEBI shall provide all secretarial assistance to the Committee headed by Justice Sudhanshu Dhulia.

18. Mr. Navin Pahwa, the learned senior counsel appearing for the Successful Resolution Applicant (SRA) submitted that his client would like to withdraw from this entire litigation. His client is ready and willing to take back Rs.69.80 crore which he has already paid to the investors and over and above, such sum as may be determined by the Committee based on the evidence of the expenditure incurred over a period of time in running the company.

19. The Committee shall now prepare a list of all the properties and start putting those properties to auction. Any objection of any nature with respect to a particular property may be raised before the Committee and the Committee shall look into it on its own merits.

20. The issue about the under valuation at the instance of SEBI, which is a subject matter of adjudication before the High Court of Bombay shall also be looked into by the Committee.

21. The client of Mr. Vikram Chaudhri, who claims to be the lawful

owner of one property which is indicated as an asset of the corporate debtor because the corporate debtor had 22% share in the company of the client of Mr. Vikram Chaudhri shall also be looked into by the Committee.

22. At the end of the auction proceedings of all the properties, whatever amount is fetched from the same, the amount to be paid to the client of Mr. Navin Pahwa shall be defrayed and also to the respective investors. It is needless to clarify that whatever amount the investors have received so far shall be adjusted accordingly.

23. The Committee shall also make all endeavors to identify the assets which have been purchased abroad. The SEBI shall put forward the entire details of these properties before the Justice Sudhanshu Dhulia Committee and the Committee shall undertake the valuation of those properties accordingly. In this regard, the Union of India and other authorities shall render the necessary assistance to the Committee.

24. The remuneration to be paid to Justice Sudhanshu Dhulia and other members of the Committee shall be initially borne by SEBI. Later, this amount can be realized from the funds that may be collected from the auction proceedings.

25. It shall be open for Justice Sudhanshu Dhulia to fix his own terms of fees/remuneration. Insofar as other members of the Committee are concerned, an appropriate fee be fixed, if any. Parties are directed to get in touch with Justice Sudhanshu Dhulia at the earliest.

26. Insofar as disbursement of funds is concerned, since the

client of Mr. Navin Pahwa is exiting this litigation, priority be given to him.

27. Since the competent authority under the MPID Act is going to be a part of the Committee, it shall be bound by all the decisions taken by the Committee.

28. We make it clear that all the proceedings pending as on date, shall remain under abeyance till the Committee finishes the entire exercise.

29. Registry shall forward one copy of this order to Hon'ble Mr. Justice Sudhanshu Dhulia at the earliest.

30. The Civil Appeal No.5089 of 2019, titled "SEBI vs. Rohit Sehgal & Ors." and Civil Appeal No.20971 of 2017, respectively shall come up for hearing on 27th November, 2026 at 02:00 P.M. along with the present appeal to report further progress in the matter.

31. All the intervention applications shall also be listed along with the aforesaid three appeals.

(HARPREET KAUR)
COURT MASTER (SH)

(POOJA SHARMA)
COURT MASTER (NSH)