

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Comp. App. (AT) (Ins) No. 1627 of 2024
& I.A. No. 5941, 5942, 5943, 7556 of 2024, 3675 of 2025

(Arising out of the Order dated 26.07.2024 passed by the National Company Law Tribunal, Mumbai Bench-I in INV. P. No. 19 of 2024 in I.A. No. 2273 of 2021 in C.P. (IB) No. 1632/MB/2019)

IN THE MATTER OF:

Praful Satra

S/O Nanji Satra, Aged About 59 Years, R/O 702,
Rehana Heights, 6 Chapel Lane, Santacruz West,
Mumbai 400054

...Appellant

Versus

1. Vaishali Patrikar

Resolution Professional Of Satra Properties (India)
Limited R/O A-2, Shantodoot Society, Parvati
Darshan Pune 411009

...Respondent No. 1

**2. Committee Of Creditors Of Satra Properties
(India) Limited**

Through Its Authorised Representative F-27, Ist
Floor, Prime Mall, Beside Irla Church, Ville Parle
(West), Irla Road, Mumbai – 400056

...Respondent No. 2

3. MJ Shah

Group Consortium Of:

3.1 MJ Shah Enterprise

Through Their Authorised Representatives 801,
Sudharmaa, Plot No.1, CTS No. 310A The Hatkesh
CHSL, JVPD Scheme, Juhu Corner, 5 Th Road, Vile
Parle (West),
Mumbai – 400056

3.2 MJ Shah Realtors LLP

Through Their Authorised Representatives 801,
Sudharmaa, Plot No.1, CTS No. 310A The Hatkesh
CHSL, JVPD Scheme, Juhu Corner, 5th Road, Vile
Parle (West), Mumbai – 400056

3.3 Centrio Lifespaces Limited

Through Their Authorised Representatives 204, 2nd
Floor, B- Wing, Eastern Heights CTS No.7 PT, P L
Lokhande Marg, Govandi East, Mumbai 400043

...Respondent No. 3

Present

For Appellant: Mr. Malak Bhatt, Ms. Neeha Nagpal &
Mr. Shreyansh Chopra, Adv.

For Respondents: Mr. Nikhil Nayyar, Sr. Adv. with Mr. Divyanshu
Rai, Subh Gautam, Taruna, Vishal Sharma, Pulkit,
Adv. for R1

Mr. Palash S Singhai, Harshal Sareen, Adv. for SRA
Vaishali Patrikar, RP

Mr. Abhirup Das Gupta, Ishaan Duggal, Ruchi
Goyal, Adv. for R4

Mr. Vaibhav Gaggar, Sr. Adv. with K. Pandey,
Devashish Chauhan, Madhura MN, MS Jasleen
Singh, Adv.

With

Comp. App. (AT) (Ins) No. 1628 of 2024
& I.A. No. 5944, 5945, 5946, 7557 of 2024, 3676 of 2025

**(Arising out of the Order dated 26.07.2024 passed by the National Company
Law Tribunal, Mumbai Bench-I in I.A. No. 2280 of 2020 in C.P. (IB) No.
1632/MB/2019)**

IN THE MATTER OF:

Praful Satra

S/O Nanji Satra, Aged About 59 Years, R/O 702,
Rehana Heights, 6 Chapel Lane, Santacruz West,
Mumbai 400054

...Appellant

Versus

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Through Their Authorised Representatives 204, 2nd Floor, B- Wing, Eastern Heights CTS No.7 PT, P L Lokhande Marg, Govandi East, Mumbai 400043 **...Respondent No. 3**

Present

For Appellant: Mr. Malak Bhatt, Ms. Neeha Nagpal & Mr. Shreyansh Chopra, Adv.

For Respondents: Mr. Nikhil Nayyar, Sr. Adv. with Mr. Divyanshu Rai, Subh Gautam, Taruna, Vishal Sharma, Pulkit, Adv. for R1

Vaishali Patrikar, RP

Mr. Abhirup Das Gupta, Ishaan Duggal, Ruchi Goyal, Adv. for R4

Mr. Vaibhav Gaggar, Sr. Adv. with Devashish Chauhan, Madhura MN, MS Jasleen Singh, Adv.

J U D G E M E N T

(04.09.2025)

NARESH SALECHA, MEMBER (TECHNICAL)

1. There are two appeals containing Comp. App (AT) (INS) No. 1627 of 2024 and Comp. App (AT) (INS) No. 1628 of 2024 filed by the Appellant i.e. Praful Satra who is the suspended director of M/s Satra Properties (India) Limited (**‘Corporate Debtor’**) under section 61 of the Insolvency and Bankruptcy Code, 2016, [**‘Code’**] assailing the order dated 26.07.2024 [**‘Impugned Order’**] passed by the National Company Law Tribunal, Mumbai Bench-I [**‘Adjudicating Authority’**] in INV. P. No. 19 of 2024 [**‘Intervention Application’**] in I.A. No. 2273 of 2021 and in I.A. NO. 2280 of 2020 in C.P. (IB) No. 1632/MB/2019.

Vaishali Patrikar who is the Resolution Professional of Satra Properties (India) Limited is the Respondent No.1 herein.

Committee Of Creditors of Satra Properties (India) Limited is the Respondent No.2 herein.

MJ Shah Group Consortium of MJ Shah Enterprise, MJ Shah Realtors LLP, Centrio Lifespaces Limited is the Respondent No.3 herein.

Asset Reconstruction Company (India) Limited is the Respondent No.4 herein.

2. The Appellant submitted that the Corporate Debtor owns specific properties, including leasehold land at Satra Plaza in Jodhpur, Rajasthan, admeasuring about 4140 sq. yards with FSI potential for a hotel; seven portions of freehold land at Kalina, Mumbai, admeasuring 6353.60 sq. mts. with detailed survey and CTS numbers; and agricultural open land at Fulpara village, Rapar Taluka, Kutch, Gujarat.

3. The Appellant submitted that on 15.02.2014, while raising finance through debentures to Vistra ITCL (India) Limited by mortgaging the Jodhpur leasehold land, an independent valuation by Er. Anil Kumar Mathur valued the assets at Rs. 90 crores, excluding hotel potential above the 5th floor. The Appellant stated that on 24.08.2016, while availing finance from India Infoline Housing Finance Limited/IIFL by mortgaging the Kalina land, an independent valuation report valued the assets at Rs. 84.70 crores.

4. The Appellant contended that in April 2019, Vistra ITCL (India) Limited filed Company Petition No. 1632 of 2019 under section 7 of the Code to initiate

CIRP against the Corporate Debtor. The Appellant submitted that vide order dated 03.08.2020, the Adjudicating Authority admitted the petition, initiated CIRP, and appointed Mr. Devarajan Raman as Interim Resolution Professional and on 03.10.2020, in the 1st CoC meeting, Mr. Devarajan Raman was confirmed as Resolution Professional. The Appellant submitted that at a later stage vide order dated 22.09.2022 in I.A. No. 1162 of 2022, Respondent No. 1 (Vaishali Arun Patrikar) was appointed as Resolution Professional.

5. The Appellant contended that on 19.10.2020, the erstwhile Resolution Professional appointed two valuers, Adroit Appraisers and Research Private Limited (Adroit) and RNC Valuecon LLP (RNC), for fair and liquidation value, with a third valuer, Ms. Gunjan Agarwal (Gunjan), for SFA valuation. Further, in the 2nd CoC meeting, the members were apprised of the valuers' appointment. The Appellant submitted that on 14.09.2021 and 16.09.2021, the Registered Valuers submitted reports estimating the fair value at Rs. 97,64,66,956/- and liquidation value at Rs. 77,06,45,942/-.

6. The Appellant stated that on 25.12.2020, the Appellant provided title documents for the Kalina property to Respondent No. 1. The Appellant contended that on 12.08.2021, Respondent No. 3 submitted its Resolution Plan to the CoC. The Appellant stated that on 18.09.2021, in the 15th CoC meeting, the Resolution Plan of Respondent No. 3 was approved by 80% voting, despite objections from the Appellant's representative regarding Respondent No. 3's eligibility.

7. The Appellant contended that in October 2021, the erstwhile Resolution Professional filed I.A. No. 2273 in C.P. (IB) No. 1632/2019 under sections 30(6) and 31 of the Code for plan approval.

8. The Appellant stated that he engaged services of valuer, Sadashiv Nargundkar and Associate, for valuation of said properties (Sadashiv) on 26.02.2024 who valued two major assets (Jodhpur and four portions of Kalina land) at approximately Rs. 124 crores. The Appellant contended that in March 2024, the Appellant filed INV. P. No. 19 of 2024 in I.A. No. 2273 of 2021 under section 60(5) read with Rule 11, seeking intervention due to incorrect valuation affecting stakeholders, which was wrongly disapproved by the Adjudicating Authority in the Impugned Order.

9. The Appellant submitted that the Adjudicating Authority erred in not considering collusion between Respondent No. 1 and 3 to transfer assets of the Corporate Debtor at low value, affecting the Appellant as guarantor, with Respondent No. 2 approving Respondent No.3's Resolution plan for commercial benefit.

10. The Appellant contended that the significant 50% difference in valuations between assessment made by Sadashiv appointed by him and that of the Registered Valuers Adroit, RNC and Gunjan directly reduces payouts to secured creditors, undermining the CIRP. The Appellant submitted that accurate valuation is crucial for enabling informed decisions by the CoC and prospective applicants, while maximizing asset value through uniform standards as per the Code. The

Appellant stated that Respondent No. 1 was obligated to ensure unbiased valuation of all assets of the Corporate Debtor but that the valuation reports by Adroit, RNC and Gunjan suffered from grave infirmities, including unvalued portions of land in Kalina and the ignored hotel FSI potential in Jodhpur despite premiums of Rs. 12-14 crores having been paid. The Appellant submitted that land value naturally appreciates over time, yet the valuers erroneously relied on outdated book values, which is inappropriate for real estate assets, and that the Jodhpur hotel FSI rendered such book values entirely irrelevant.

11. The Appellant submitted that IBBI (CIRP) Regulation, 2016 (“CIRP Regulations”) Regulation 35 mandates the provision of fair and liquidation values to CoC members only after getting correction fair and liquidated value the CoC may consider receiving resolution plans, and that further such Resolution plans must address all stakeholders' interests under IBBI CIRP Regulation under 38(1)(a). The Appellant stated that CIRP Regulation 35(1)(a) requires adherence to international standards and physical verification of assets, which was not conducted, thereby invalidating the reports. The Appellant contended that the plan was improperly put to the CoC to vote despite eligibility objections raised by the Appellant as well as one of the CoC member regarding Respondent No. 3's qualifications. The Appellant submitted that they were unjustly excluded from valuation discussions during the 15th CoC meeting, which was dominated by Respondent No. 3.

12. The Appellant stated that the approved Resolution plan fails to maximize liquidation value, adversely affecting stakeholders and contravening the Code's intent. The Appellant contended that the Adjudicating Authority erred by not appointing a new valuer from the panel, despite requests by the Appellants for a fresh valuation to rectify the issues. The Appellant submitted that and a fresh valuation would not prejudice any parties' rights while enhancing the Corporate Debtor's assessment as a going concern.

13. Concluding his arguments, the Appellant requested this Appellate Tribunal to set aside the Impugned order and allow both appeals.

14. Per contra, the Respondent No.1 denied all the averments made by the Appellant as misleading and baseless.

15. In outlining the factual background, the Respondent No. 1 submitted a chronology of events, commencing with the admission of the Section 7 petition by Vistra ITCL (India) Ltd. on 03.08.2020, appointing Mr. Devarajan Raman as Interim Resolution Professional (IRP), who was later confirmed as Resolution Professional (RP) and substituted by the Respondent No. 1 on 22.09.2022. The Respondent No. 1 contended that public notices were issued on 08.08.2020 and 15.08.2020, and the list of creditors and CoC constitution was filed with the Adjudicating Authority on 26.09.2020. The Respondent No.1 stated that the reply is based on available records. She contended that the appeal is not maintainable in law or on facts, as it is filed by a non-cooperative ex-director of the Corporate Debtor lacking locus standi to challenge resolution plan approval.

16. The Respondent No. 1 contended that the appeal is an abuse of process, as the Appellant has repeatedly filed frivolous applications to derail the resolution process, including I.A. No. 2586/2021 seeking disqualification of resolution applicants, declaration of CoC resolutions as null and void, fresh CIRP, and appointment of new RP in her place, alleging collusion; and I.A. Nos. 2074/2021 and 2407/2021 seeking stay on CIRP, all dismissed by the Adjudicating Authority vide order dated 19.12.2023.

17. The Respondent No. 1 submitted that the Appellant failed to cooperate during CIRP, prompting the Resolution Professional to file I.A. No. 1665/2021 under Section 19 of the Code for seeking directions against the Appellant to provide information and hand over assets. She contended that the Appellant violated orders of the Adjudicating Authority dated 20.12.2023 and 19.01.2024. The Respondent No.1 stated that the Appellant gave back only car post-order dated 20.12.2023 but did not give Appellant inventory details, or other information.

18. The Respondent No. 1 contended that order dated 02.04.2024 passed by the Adjudicating Authority in I.A. No. 1626/2023 under Section 66 of the Code clearly held several transactions conducted by the Appellant as fraudulent, requiring contribution of amounts with interest to the Corporate Debtor, and noted that the Appellant has appealed this in CA(AT)(INS) No. 976/2024. At this stage we observe that the said appeal by the Appellant was dismissed by

us vide order dated 28.05.2025 in CA(AT)(INS) No. 976/2024. The relevant portion of the order reads as under:

“16. Going through the aforesaid facts and circumstances, we are satisfied that there is no error in the finding recorded by the Tribunal, which called for any interference by this court.

17. The present appeal is thus without any merit and the same is hereby dismissed. No costs”

19. The Respondent No. 1 contended that the Appellant, as an ex-director, lacks locus standi to challenge resolution plan approval on grounds of improper valuation, relying on **Ramesh Kesavan v. CA Jasin Jose & Anr.**, CA(AT)(CH)(I) No. 422/2023, where this Appellate Tribunal dismissed a similar challenge by a suspended director, holding no locus post-approval and that resolution plans below liquidation value are within CoC's commercial wisdom. The Respondent No. 1 further submitted that, even assuming improper valuation, no prejudice arises to the Appellant, as valuation reports guide the CoC, which may approve plans below liquidation value, in terms of the judgment delivered by the Supreme Court of India in the matter of **Maharashtra Seamless Ltd. v. Padmanabhan Venkatesh & Ors.**, [(2020) 11 SCC 467].

20. The Respondent No. 1 contended that the objection by the Appellant to valuation is belated and aimed at derailing CIRP, as the Appellant attended 12 of 15 CoC meetings, was informed of all proceedings, yet raised no objection to property descriptions. The Respondent No. 1 submitted that minutes of 3rd CoC meeting recorded non-provision of information by suspended management,

affecting resolution; 8th CoC meeting noted failure on part of the Appellant to provide details of Kalina tenants/occupants details and Jodhpur inventory. The Respondent No. 1 submitted that the Information Memorandum, published January 2021, described properties including Kalina and Jodhpur, yet elicited no objection from the Appellant.

21. The Respondent No. 1 contended that reliance on pre-CIRP valuation reports dated 15.02.2014 (Jodhpur at Rs. 90 crores) and 24.08.2016 (Kalina at Rs. 84.70 crores) is misplaced, as Regulations 27 and 35 of IBBI (CIRP) Regulations, 2016 mandate consideration only of valuations by IBBI-registered valuers post-CIRP admission, as held in the judgment delivered by this Appellate Tribunal in the matter of **Madhukar Shetty v. Bank of Baroda & Ors.**, CA(AT)(I) No. 739-749/2024.

22. The Respondent No. 1 submitted that the Appellant's reliance on the Sadashiv Valuation Report dated 26.02.2024 is invalid, as it post-dates insolvency commencement (August 2020) and plan approval (September 2021), and is a self-commissioned private report by the Appellant himself without legal basis under the Code. The Respondent No. 1 contended it contains misstatements and baseless assumptions, e.g., assuming clear title free from encumbrances/disputes and suitable development conditions without verification whereas the realities are entirely different.

23. The Respondent No. 1 submitted that CoC's commercial wisdom is non-justiciable, as no CoC member, including ARCIL (mortgagee of Kalina property),

objected to valuation or plan approval, as per order of the Adjudicating Authority dated 10.06.2024. The Respondent No. 1 relied on **Deepak Sakharam Kulkarni & Anr. v. Manoj Kumar Agarwal**, CA(AT) (Ins) No. 63/2024 judgement delivered by this Appellate Tribunal, dismissing ex-promoter's valuation objections. The Respondent No. 1 also relied upon the judgment passed by the Hon'ble Supreme Court of India in the matter of **Deccan Value Investors L.P. & Anr. v. Dinakr Venkarasubramanian & Anr.**, [Civil Appeal No. 2801/2024], upholding CoC expertise and rejecting post-approval ambiguities; and in matter of **Ramakrishna Forgings Ltd. v. Acil Ltd.**, [(2024) 2 SCC 122], limiting adjudicating authority's revaluation powers absent prior objections. The Respondent No. 1 submitted that allegations of incorrect representations to CoC are baseless, as all asset-related documents were provided to CoC as well as all these valuers (Adroit, RNC, Gunjan) and PRAs and therefore CIRP was conducted as per Code & Regulations.

24. The Respondent No. 1 submitted that the CoC, as reconstituted, comprised 14 members with specified voting shares totaling 100%, including Respondent No. 4 i.e., Asset Reconstruction Company (India) Limited at 51.68% and Vistra ITCL (India) Ltd. at 22.25%. The Respondent No. 1 contended that during the 1st CoC meeting on 03.10.2020, the IRP informed the CoC of asset monitoring efforts amid the lockdown, including visits by Erstwhile RP to Borivali, Kalina, and the registered office, with photographs collected for the Jodhpur property.

25. The Respondent No. 1 further submitted that valuers were appointed on 19.10.2020, and during the 2nd CoC meeting on 26.11.2020, the Erstwhile RP highlighted incomplete information from suspended management for the Information Memorandum (IM), theft of inventory at Jodhpur during lockdown. The Respondent No. 1 submitted that in the 3rd CoC meeting on 31.12.2020, the RP reiterated the erstwhile management's failure to furnish requisite documents, including Kalina property legal papers and Jodhpur inventory details. The Respondent No. 1 stated that Form G for Expression of Interest (EOI) was published on 04.01.2021, with the IM circulated to the CoC on 30.01.2021, referencing CTS Nos. 7530, 7530/1 to 4, 7536, and 7634 for the Kalina property, without objection from the Appellant at that time.

26. The Respondent No. 1 further submitted that due to limited EOIs revised Form G was issued on 04.02.2021 following the 4th CoC meeting on 30.01.2021. The Respondent No.1 contended that in the 5th CoC meeting on 10.03.2021, delays in valuation were noted due to unavailable original invoices and Jodhpur inventory details from the Appellant, alongside discussion of the provisional list of PRAs. The Respondent No. 1 submitted that timelines for resolution plan submissions were extended to 21.04.2021 in the 6th CoC meeting on 30.03.2021, and further discussed in the 7th meeting on 19.04.2021. The Respondent No.1 contended that during the 8th CoC meeting on 04.05.2021, the RP highlighted ongoing difficulties in obtaining details from the Appellant on Kalina tenants/occupants and Jodhpur inventory, requesting provision within three days.

27. The Respondent No. 1 further submitted that resolution plans were received from three PRAs on 05.05.2021, including the Successful Resolution Applicants (MJ Shah Consortium), Dev Land & Housing Private Limited, and Jaynil Enterprises. The Respondent No.1 stated that in the 9th CoC meeting on 19.05.2021, the Appellant's non-assistance was noted, with emails undelivered and unresolved Jodhpur inventory reconciliation. The Respondent No. 1 submitted that the 10th CoC meeting held on 10.07.2021, the CoC deliberated about Jodhpur inventory issues, piecemeal information from the Appellant, and unanimous decision taken by the CoC to file a non-cooperation application against the Appellant. The Respondent No.1 explained that during 11th CoC meeting on 26.08.2021, the Appellant's failure to hand over a company vehicle, deletion of emails by directors (administered by the Appellant's daughter), and sharing of valuation summaries via email on 26.08.2021 were discussed.

28. The Respondent No. 1 further submitted that resolution plans were analyzed and discussed in the 12th CoC meeting held on 09.09.2021, leading to further revisions and a deadline extension to 16.09.2021, as noted in the 13th CoC meeting held on 15.09.2021. The Respondent No.1 contended that valuation reports from Adroit, RNC, and Gunjan were received between 14.09.2021 and 17.09.2021.

29. The Respondent No. 1 submitted that the 15th CoC meeting held on 18.09.2021, the Resolution Plan by SRA was approved with 95.40% voting share through e-voting concluded on 21.09.2021. The Respondent No. 1 further

submitted that on 28.01.2022, an email corrected an inadvertent omission in the IM regarding Kalina CTS Nos., providing an updated IM. The Respondent No. 1 submitted that the CIRP was fair, the plan was approved by the CoC after due deliberations despite the Appellant's obstruction by withholding asset details. The Respondent No.1 stated that valuers considered provided documents, including full Kalina land book value in RNC report and CTS Nos. in Adroit report; the data room was updated, PRAs had access, and CoC raised no objections. The Respondent No. 1 submitted that allegations of collusion between Respondent No.1/RP with SRA.

30. Concluding her arguments, the Respondent No.1 requested this Appellate Tribunal to dismiss the present appeals.

31. The Respondent No. 2 contended that, as a disclosure, subsequent to orders dated 22.11.2023 and 05.12.2023 passed by the Adjudicating Authority in I.A.s 1686 of 2020 and 1687 of 2020 filed by IIFL Finance Limited and IIFL Home Finance Limited respectively, the claim of IIFL Finance has been admitted for Rs. 185,54,92,275/- and the claim of IIFL Home Finance for Rs. 25,62,25,566/-, resulting in the responding members' voting share reducing from 79.68% to 28.22%.

32. The Respondent No. 2 submitted that, the appellant approached the Adjudicating Authority on valuation after over 2.5 years from the CoC's approval of the resolution plan on 21 September 2021, with the interlocutory application filed in March 2024, making it evident that the appellant's motive is to frustrate

the CIRP. The Respondent No. 2 submitted that the appellant filed Interlocutory Application No. 2586 of 2021 seeking disqualification of the MJ Shah Consortium's resolution plan, reconstitution of the CoC, declaration of CoC resolutions as null and void, fresh conduct of CIRP, appointment of a new Resolution Professional, fresh invitation for EOI, and prohibition of MJS Group from submitting Resolution Plan, which was dismissed by the Adjudicating Authority vide its order dated 19.12.2023 which attained finality as this was not challenged by the Appellant. The Respondent No. 2 contended that, despite awareness of the CIRP and the plan, the appellant omitted the ground of undervaluation in I.A. No. 2586 of 2021, barring re-agitation of such grounds under constructive res judicata.

33. The Respondent No. 2 submitted that the Appellant consistently failed to provide relevant details of the Corporate Debtor, now alleging procedural vitiation due to non-consideration of assets, as evidenced by minutes of the CoC meetings, as already explained by the Respondent No.1.

34. The Respondent No. 2 denied the allegation that the CoC approved the resolution plan based on incorrect representation, and clarified that the CoC considered all documents related to assets. The Respondent No. 1 confirmed that the Resolution Professional furnished all documents to valuers Adroit and RNC, and PRAs received all asset documents, ensuring the CIRP complied with law.

35. The Respondent No. 2 contended that the Fair Market Value and Liquidation Value per Adroit are Rs. 90 crores and Rs. 82.22 crores respectively and as per RNC Rs. 97 crores and Rs. 68.25 crores respectively, whereas the successful plan value approximately Rs. 184 crores i.e., much more than fair value as well as Liquidated value.

36. The Respondent No. 2 denied contents of the Valuation Report dated 26 February 2024 commissioned by the Appellant treating said report as unreliable, unscientific, and unsound, without prejudice to contention that valuation is non-binding on CoC, for reasons that said valuer Shadashiv was appointed 19 February 2024, 3.5 years after Adroit and RNC valuations in August 2020; inconsistent approach, valuing Jodhpur on "as is where is" basis but not Kalina; assumption of sites suitable for development unchecked, ignoring tenants on Kalina with contractual arrangements refusing eviction, cost not considered.

37. Concluding the arguments, the Respondent No.2 requested this Appellate Tribunal to dismiss the appeals.

38. The Respondent No. 3 submitted that as SRA it fully satisfies all eligibility criteria prescribed under the Code, including Section 29A, with no legal bar to its participation in the resolution process. The Respondent No.3 stated that the SRA, being a financially sound and technically competent entity, has undertaken to complete several stalled projects of the Appellant, who has been unable to do so. The Respondent No.3 submitted that the Appellant's objections to the SRA's eligibility, previously raised in IA No. 2586 of 2021, were adjudicated and

dismissed by the Adjudicating Authority vide its Order dated 19.12.2023. The Respondent No. 3 contended that the Appellant is estopped from re-agitating this issue, as it lacks any legal or factual basis.

39. The Respondent No. 3 submitted that its Resolution Plan, approved by the CoC with a 95.40% majority and by the Adjudicating Authority under Section 31 of the Code, complies with all requirements under Section 30(2) of the code.

40. The Respondent No. 3 submitted that the Appellant's allegations of collusion between the SRA and CoC members are speculative, unsupported by evidence, and devoid of merit. The Respondent No.3 argued that the approval of the Resolution Plan by ARCIL, a subsequent CoC member, further negates these claims. The Respondent No. 3 contends that the Code, under the proviso to Section 30(5), permits Financial Creditors to submit resolution plans without voting rights, aligning with the legislative intent to facilitate competent applicants. The Respondent No.3 stated that the SRA, having no relation to the Corporate Debtor, is not disqualified under Section 29A of the Code, and the Appellant's contentions are legally untenable.

41. The Respondent No. 3 submitted that it has demonstrated its commitment to the Resolution Plan by making two tranches of payments towards the consideration amount, as acknowledged by this Appellate Tribunal in its Order dated 29.10.2024. These timely payments reflect the SRA's capability and readiness to implement the plan, countering the Appellant's speculative apprehensions.

42. The Respondent No. 3 submitted that the CoC's approval of the Resolution Plan in 2021, following exhaustive deliberations, is protected by the paramountcy of its commercial wisdom, as affirmed by the Hon'ble Supreme Court in **K. Sashidhar v. Indian Overseas Bank [(2019) 12 SCC 150]**. The Appellant's reliance on **Shadashiv** valuation report dated 26.02.2024, commissioned without locus and three years post-approval, is factually irrelevant and inadmissible. The Respondent No. 3 contends that the CoC is not bound by such reports and may approve plans below liquidation value, as recognized in **Maharashtra Seamless Ltd.(Supra)**.

43. Concluding the arguments, the Respondent No.3 requested this appellate tribunal to dismiss the appeals.

44. The Respondent No. 4, Asset Reconstruction Company (India) Ltd. (ARCIL), submitted that it is registered as an Asset Reconstruction Company under the SARFAESI Act, 2002. The Respondent No.4 stated that pursuant to an Assignment Agreement dated 30.12.2021, ARCIL is the assignee of all loans disbursed by IIFL Finance Ltd. to the Corporate Debtor, Satra Properties (India) Ltd. (SPIL), along with all rights, title, and interest in the financing documents, including underlying security interests and guarantees. ARCIL holds a 51.68% voting share in the CoC of SPIL, as confirmed by the Adjudicating Authority in its order dated 05.12.2023 in I.A. No. 1687 of 2020, which has been upheld by this Appellate Tribunal on 15.04.2024 and the Hon'ble Supreme Court of the India on 10.05.2024.

45. The Respondent No. 4 submitted that the Adjudicating Authority rightly dismissed the Appellant's Intervention Petition No. 19 of 2024 vide the Impugned Order dated 26.07.2024, which challenged the Resolution Plan submitted by Respondent No. 3, MJ Shah Consortium. The Respondent No. 4 emphasised that the Resolution Plan was approved by the CoC with a 95.40% majority on 21.09.2021, compliant with Section 30(2) of the Code.

46. Concluding his arguments, the Respondent no.4 requested this Appellate Tribunal to dismiss present appeals.

Findings

47. The Appellant has filed two appeals challenging the Impugned Order by which two I.A.'s were disposed of i.e., Inv. Petition No. 19 of 2024 (intervention application filed by the Appellant) which was dismissed by the Adjudicating Authority as well as approval of I.A. No. 2273/2021 (plan approval application filed by the RP, which was allowed by the Adjudicating Authority) in CP (IB) No. 1632/MB/C-I/2019.

48. It is the case of the Appellant that there were serious irregularities in the valuation of the Corporate Debtor. The Appellant also assailed the conduct of the RP, CoC and the Adjudicating Authority in allowing the non-compliant and illegal Resolution Plan submitted by the SRA. The Appellant further pointed out that the CoC consisted of group companies of SRA's entity (Respondent No. 3 herein) who accepted its own sister concern company's Resolution Plan which

was based on incorrect fair and liquidation value and was done in collusion with Respondent No. 1.

49. It is the case of the Appellant before us that according to him the valuation of assets should have been much higher, whereas the valuation done by two valuers appointed by RP/ Respondent No. 1 and third valuer valuation denotes much lesser amount.

50. The Appellant brought to our notice that the fair value of the Corporate Debtor was estimated as Rs. 97,64,66,956/- and the liquidation was determined at R. 77,06,45,942/-.

51. The Appellant also pointed out that the RP amended the Information of Memorandum subsequently and added survey number of Kalina Property which was missed out earlier and thus directly hits the provision of the Code.

52. The Appellant stated that he has clear locus to file the present appeal as he is Suspended Director of the Corporate Debtor as well as Personnel Guarantor to various facilities obtained by the Corporate Debtor, and therefore, his intervention application no. 19 of 2024 should have been allowed by the Adjudicating Authority. In this connection, the Appellant relied upon the judgement of the Hon'ble Supreme Court of India in the matter of **Vijay Kumar Jain vs. Standard Chartered Bank & Ors. [(2019) 20 SCC 455]** and had also relied up **M.K. Rajagopalan v. Periasamy Palani Gounder [(2024) 1 SCC 42]** on the same issue again delivered by the Hon'ble Supreme Court of India. It is further the case of the Appellant that the approval of Resolution Plan was vitiated

by the material irregularities, as certain portion of land Kalina and hotel FSI potential in Jodhpur property were not valued and ignored by registered valuers or for other properties only book value was taken despite Appellant furnishing all the information. The Appellant submitted that this is clear material irregularities and appeal is maintainable under Section 61(3) (ii) of the Code. The Appellant also pleaded that commercial wisdom of CoC is not unfettered and is subject to judicial scrutiny. On the other hand, all four Respondents i.e., RP/ Respondent No. 1, CoC/ Respondent No. 2, SRA/ Respondent No. 3 and ARCIL/ Respondent No. 4 (who is also members of the CoC) (we will treats all Respondents collectively as the Respondent's) denied all the averments made by the Appellant and submitted that the Appellant is habitual litigant and has been raising frivolous issue through several appeals or filing different I.A.'s before the Adjudicating Authority as well as before this Appellate Tribunal. All four Respondents submitted that the Appellant has miserably failed at all judicial fora and lost his cases. The highlights of the defence of the Respondents is that the Appellant has got no locus to file the present appeal in view of several judicial precedents.

53. The Respondents also differentiated the case relied upon the Appellant while justifying his locus and stated that the facts of **Vijay Kumar Jain (Supra)** and **M.K. Rajagopalan (Supra)** are different from the facts of the present case and the ratio is not applicable in the present case. The Respondents submitted that there is no locus of the Suspended Director of the Corporate Debtor to challenge

the approval of the Resolution Plan especially on such frivolous ground regarding valuation.

54. The Respondents while conceding that in terms of the Hon'ble Supreme Court of India in the judgements, the Erstwhile Management of the Corporate Debtor has been held to have locus in challenging the CIRP of the Corporate Debtor and but not regarding the approval of the Resolution Plan.

55. The Respondents submitted that the Resolution Plan was approved by the CoC on 21.09.2021 but I.A. No. 2586/2021 was filed by the Appellant before the Adjudicating Authority seeking rejection of the Resolution Plan submitted by the SRA, which was dismissed by the Adjudicating Authority on 19.12.2023. The Respondents further submitted the aspect of valuation was not part of the said order of the Adjudicating Authority which was never challenged by the Appellant and the limitation period expired on 02.02.2024. Thus, at this stage, the Appellant cannot raise the issue already settled.

56. The Respondents stated that the Appellant have never raised the issue regarding valuation for over 2.5 years from the plan approval and has raised now, just to derail the whole process. The Respondents castigated the conduct of the Appellant who allegedly got a fresh valuation done from Sadashiv dated 19.02.2024 which is not permissible in the scheme of the Code. Moreover, the said valuation report have wrong assumption, including that all the lands are free from incumbrance whereas the properties are full of litigation. The Respondents No. 3 stated that none of the members of the CoC ever raised objection about

valuation of properties. All four Respondents highlighted that the Appellant in addition to habitual litigant, the Appellant has consistently took the position of non co-operation as much as that the Appellant and his daughter deleted relevant e-mails and did not furnish the record/ information to the Respondent No. 1 despite Respondent No.1's several e-mails and personal requests to the Appellant.

57. All four Respondents brought out that the information as available in the books of Corporate Debtor or as partially supplied by the Appellant, were incorporated in the Information Memorandum and when subsequent new facts were brought to the notice, they have updated the Information Memorandum and included land parcels of Kalina Property in Information Memorandum on 06.09.221 and subsequently perspective Resolution Applicants revised their offers, which was duly considered by the CoC.

58. All four Respondents submitted that even on facts the Appellant is absolutely incorrect and stated that the Resolution Plan was of Rs. 184,09,33,297/- which is more than the fare value of Rs. 97,64,66,956/- and the liquidation value of Rs. 77,06,45,942/-.

59. All four Respondents denied the Appellant allegations regarding non compliant/ Resolution plan and submitted that the Resolution Plan was approved by the CoC and as well as by the Adjudicating Authority and is in full compliance to the Code and the Regulations. The Respondents stated that the Resolution Plan was approved by the CoC with 95.40% of voting shares.

60. All four Respondents empathetically negated the allegations of the Appellant regarding collusion between the Respondent No. 1 and Respondent No. 3 and submitted that under Section 29A of the Code, the SRA has been found to be illegible and no bias or collusion has been found.

61. All four Respondents submitted that even the newly inducted member i.e., ARCIL/ Respondent No. 4 (holding 51.66% voting shares in the CoC) also has not raised any objection of the approval of the plan as well as regarding the valuation of the properties of the Corporate Debtor.

62. All four Respondents especially the Respondent No. 3 submitted that the plan is under implementation and SRA has already affected two tranches of payments towards consideration amount in terms of approved Resolution Plan, which has already been acknowledged by this Appellate Tribunal in its order dated 29.10.2024.

63. All four Respondents submitted that CoC has absolute authority to decide the CIRP process and the commercial wisdom of the CoC in non-judicial as held by several judgements including ***K. Sashidhar v. Indian Overseas Bank [(2019) 12 SCC 150]***.

64. We note that the main point on which the Appellant is feeling aggrieved is w.r.t valuation of the properties of the Corporate Debtor. We also note the allegations of the Appellant that the land valuation has been done on book value and registered valuers have not considered market value of land. Further, land parcels of Kalina Properties have not been taken into consideration. In this

connection, we note that all these issues were raised by the Appellant before the Adjudicating Authority and the Adjudicating Authority has given detailed finding on all these issues in the Impugned Order.

65. We also take into consideration that the alleged valuation ought by Sadashiv Nargundkar and Associate, who have valued the property @ Rs. 124 Crores. The Appellant has also brought to our notice that there were two more valuation prior CIRP period to according to which the valuation of the said properties were much more. At this point, we are conscious of the fact that the pre-CIRP valuation, are not relevant and only relevant valuation report is the valuation conducted by the RP after CIRP ordered by the Adjudicating Authority which has been done by the Respondent No. 1. We take into account that the Respondent No. 1 indeed appointed two registered valuers, namely, Adroit Appraisers and Research Private Limited and RNC Valuecon LLP, for determining fair and liquidation value, with a third valuer, Ms. Gunjan Agarwal, for SFA valuation who have taken into consideration all the facts. We further take into consideration that the Appellant himself has not supported the CIRP and did not furnish the various information sought by the RP from time to time in so much so that RP had to move IA before the Adjudicating Authority seeking co-operation of the Appellant in furnishing the information and documents. We take note of the fact that despite the Adjudicating Authority's order to the Appellant to furnish all information and documents to the Respondent No. 1, the Appellant did not give the relevant information and documents. This reflects poorly on the

conduct of the Appellant. Be that as it may, it is a fact that the RP got valuation done based on all available record that it and valuation was done strictly by Registered Valuers in accordance with the Code and the Regulations. We are aware that the erstwhile RP appointed two IBBI-registered valuers on 19.10.2020, following Regulation 27(1) of the CIRP Regulations and the valuation reports were submitted to the RP (by Adroit on 14.09.2021 and (by RNC Value on 16.09.2021), following Regulation 35(1) of the CIRP Regulations. We also note that in terms of Regulation 35(2), the members of the CoC vide email dated 26.08.2021 were provided with the valuation summary with fair value of Rs. 97,64,66,956/- and liquidation value of Rs. 77,06,45,942/- of the Corporate Debtor. Hence, we find that the erstwhile RP duly complied with all the obligations under the Code and in accordance with the CIRP Regulations. We note that in the matter of **Noida Special Economic Zone Authority v. Manish Agarwal**, [(2025) 1 SCC 415], the Hon'ble Supreme Court of India held that valuation is a factual matter and valuation done in accordance with the provisions of the Code warrants no interference. We are bound to follow the said ratio and do not agree with the pleadings of the Appellant.

66. Further we observe that in case of **Madhukar Shetty v. Bank of Baroda & Ors.**, CA(AT)(I) No. 739- 749/2024, wherein this Appellate Tribunal while dismissing an ex-promoter's reliance on pre-CIRP valuation reports to challenge to the valuation reports submitted by the registered valuers, appointed by the RP and the CoC, held that any valuation conducted in the past by any entity for

whatever purposes, prior to the initiation of CIRP does not have any relevance for the purposes of CIRP of the Corporate Debtor.

Thus, we reject the contentions of the Appellant, as the issue on valuation.

67. We also note that the CoC discussed and deliberated all the issues and the Appellant never ever raised any objections on valuation in relevant CoC meeting. It is pertaining to note that even Respondent No. 4, who came on stage at a later stage and got shares of 51.66% of voting shares in CoC, has also supported approval of the Resolution Plan and also never raised any objection regarding valuation methodology. In fact, the Respondent No. 4 i.e., ARCIL confirms this before us during pleadings.

68. During pleadings, we put a pointed query to the Respondents especially Respondent No. 1 as whether the Resolution Plan has been submitted in accordance with the properties indicated in the information memorandum, which the RP confirmed and affirmed. as such, we do not find any error on this account.

69. We consider that the post Resolution Plan approval, the alleged valuation done by the Appellant himself, who is the Suspended Director of the CD as well as the Personal Guarantor of the CD is not in accordance with the Code and the Regulations. We deemed it fit to ignore pleading of the Appellant on this count too. In any case, the said valuation report of Sadashiv Nargundkar and Associate assume that everything is in order for all the properties including the no litigation on disputes w.r.t any of the CD property, which is quite contrary to the facts as noted from the appeal books as well as from the submissions made by the all the

four Respondents before us during pleadings. We hold that all such factors will definitely impact the valuation of the properties. We are aware that the valuation is a job which is required to be done by the experts and the RP engaged the services of two registered valuers, which do not warrant any interference.

70. We further note that the said valuation reports were discussed in several CoC meeting and none of the CoC Member ever raised any objection to the same. It is interesting to note that the Appellant himself attended 12 out of 15 CoC meetings and never raised such objections, about valuation.

71. The fact that the valuation report issue has been challenged by the Appellant almost 2.5 years after the approval of the Resolution Plan raises serious question about the intentions of the Appellant which apparently seems to derail the whole process of the resolution of the Corporate Debtor and to avoid his own liability as Personnel Guarantor to the various financial facilities accorded to the Corporate Debtor.

72. As regard, the locus of the Appellant, we do not agree with the Appellant that as Suspended Director he has any locus. This Appellate Tribunal in **Ramesh Kesavan v. CA Jasin Jose & Anr.**, CA(AT)(CH)(I) No. 422/2023, followed the decision in **Ravi Shankar Vedam v. Tiffins Bartyes Asbestos and Paints Limited and Others**, TA (AT) No. 134/2021 in Company Appeal AT(INS) No. 653/2019 have held similar views. In **Ramesh Kesavan (supra)**, having similar facts, where an appeal was filed by an ex-promoter and director challenging approval of the resolution plan on the ground that properties of the corporate debtor were

improperly valued as all assets of the CD were not included in the valuation report, this Appellate Tribunal held that a promoter of a corporate debtor has no locus to challenge a resolution plan after it is approved. It is pertinent to note that the decisions in ***Ramesh Kesavan (supra)*** and ***Ravi Shankar Vedam (supra)*** have been upheld by the Hon'ble Supreme Court of India in Civil Appeal No. 4419/2024 and Civil Appeal No. 5516/2023, respectively, and thus have attained finality to challenge the approved Resolution Plan. We are aware that the Suspended Director of the Corporate Debtor has locus to challenge the CIRP of the Corporate Debtor, in terms of the judgements of the Hon'ble Supreme Court of India, however, not for challenging the approval or otherwise of the Resolution Plan.

73. Be that as it may, we have proceeded to examine the issues raised by the Appellant on its own merits rather dismissing the appeals merely only on locus, since we have examined all facts and law. While dismissing the Inv. Petition No. 19 of 2024, the Adjudicating Authority summarised the position in Para 28 of the Impugned Order, which reads as under :-

“28. It is apparent from a mere perusal of the aforesaid letters addressed by Mr. Satra, the present Application is nothing but an attempt to wriggle out of the impending personal insolvency proceedings arising out of the Deed of Guarantees executed by him on behalf of the Corporate Debtor. As regards the valuation is concerned, the CoC members have not objected to the valuation conducted.”

Moreover, the Resolution Plan was approved by the CoC after considering the updated information in the Virtual Data Room. The valuation was conducted by registered valuers being (i) Adroit Appraisers and Research Private Limited and (ii) RNC Valuecon LLP for obtaining valuation. A third valuer viz. Mr Gunjan Agarwal was appointed for SFA valuation. The Applicant attended the CoC meetings, however the objection qua valuation report is raised by the Application at this stage only to derail the approval of plan. Accordingly, the Intervention Petition No. 19 of 2024 is dismissed.”

(Emphasis supplied)

74. We do not find any error in the Impugned Order dismissing the Inv. Petition 19 of 2024. We uphold the same and reject the present appeal Company Appeal (AT) (Ins.) No. 1627 of 2024 filed by the appellant.

75. We note that the Resolution Plan was approved after extensive discussions by the CoC in various meetings and finally in 15th Meeting of CoC the same was approved by the CoC with 95.40 % of voting shares. We further note that even newly added Respondent No. 4 who replaced earlier FC's, having voting shares of 51.66%, also has supported approval of the Resolution Plan. The same fact was confirmed by Respondent No. 4 before us during pleadings.

76. We have already noted that fact that the fair value of the CD was arrived at Rs. 97,64,66,956/- and the liquidation value was determined at Rs. 77,06,45,942/-, whereas the Resolution Plan is of Rs. 184,09,33,297/-, which

far exceeds the fair and liquidation value. Thus, the Appellant fails to convince on this point too.

77. We have also gone through the aspects regarding compliance of Resolution Plan in terms of Section 30(2) of the Code and relevant regulations including Regulations 30A, 37, 38, 38A and 39(9) of the CIRP Regulations. We also note that the SRA met with the criteria of Section 29A of the Code about its eligibility.

78. We have gone through the rival contention of both the parties and also taken into consideration the Impugned Order and do not find any error in the Impugned Order in approving IA No. 2280 of 2020, by which the Resolution Plan was approved.

79. Thus, we reject all the contentions of the Appellant made in both the appeals as discussed above. Based on above detailed analysis, we do not find any error in the Impugned Order. The Appeals devoid of any merit, and stand rejected. No cost. I.A., if any, are closed.

[Justice Rakesh Kumar Jain]
Member (Judicial)

[Mr. Naresh Salecha]
Member (Technical)

[Mr. Indavar Pandey]
Member (Technical)

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