NATIONAL COMPANY LAW TRIBUNAL
COURT ROOM NO. 1
MUMBAI BENCH

Item No. 18

IA(I.B.C)/3468(MB)2026 (NEW IA/CA) IA(I.B.C)/565(MB)2025 IN C.P. (IB)/1053(MB)2017

CORAM:

SH. PRABHAT KUMAR
HON'BLE MEMBER (TECHNICAL)

SH. SUSHIL MAHADEORAO KOCHEY
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF THE HEARING ON **12.08.2026**

NAME OF THE PARTIES: **AMAR REMEDIES LTD**

Section 10 & 60(5) of the Insolvency and Bankruptcy Code, 2016 and Rule 11

ORDER

Adv. Lokesh Pawaskar a/w Adv. Abhinav Mathor for the Applicant in IA 3468/2026 are present. Adv. Rohan Agrawal a/w Adv. Ativ Patel, Adv. Harshad Vyas and Adv. Pawan Kulkarni for the Applicant in IA 565/2026 are present. Adv. Abhinav Mathoor a/w Adv. Lokesh Pawaskar for the Respondent / Liquidator in IA 565/2026 are present. Adv. Suchitra V. a/w Adv. Arjun Bahl for the Respondent in 565/2026 are present.

IA(I.B.C)/3468(MB)2026 (NEW IA/CA)

1. This Application is filed by M/s ARCK Resolution Professionals LLP through its Authorized Signatory, Mr. Anil Kohli, Liquidator of Amar Remedies Limited Regulation 5(1)(c) and 15(1) (a) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 to place on record the 9th Progress Report for the period Quarterly ended on 31.06.2026 The same is taken on record.

2. In terms of above, the IA (I.B.C)/3468(MB)2026 (NEW IA/CA) is **allowed and disposed of.**

IA (I.B.C)/565(MB)2025

1. This Application has been filed by SREI Equipment Finance Limited, Applicant under Section 60(5), r/w Sections 52 and Section 53 of the Insolvency and Bankruptcy Code, 2016 seeking the following reliefs :
   a. *Pass such order(s) and / or direction(s) setting aside the decision / action of the Liquidator / Respondent No.1 of distributing the proceeds realized out of the sale of liquidation assets in complete ignorance of Section 53 of the I & B Code and the fundamental principle of law of insolvency that upon relinquishment of the security interest by the secured creditors under Section 52 of the I & B Code, the distribution of proceeds has to be done pari passu as per the admitted claims of the particular secured creditor on pro rata basis and not as per the value / priority of the charge held by such secured creditor;*
   b. *Pass such order(s) and / or direction(s) directing the Liquidator /Respondent No. 1 to recall the proceeds already distributed to the extent those creditors have received monies in excess of their respective shares (basis admitted claims) and to distribute said and further proceeds realized out of the sale of Liquidation assets strictly pari-passu as per the admitted claims of the secured creditors on pro rata basis;*
   c. *Pending hearing and final disposal of the present Application, this Hon'ble Tribunal be pleased to direct the Respondent No. 1 to not to distribute the sale proceeds to the stakeholders of the Corporate Debtor;'*

d. *Pending hearing and final disposal of the Present Application, in the event the Respondent No. 1 has already distributed the sale proceeds to the creditors, this Hon'ble Tribunal be pleased to direct the Stakeholders of the Corporate Debtor to Deposit the monies received in excess of their respective shares (basis admitted claims) to be deposited with the Registry of this Tribunal;*

2. The present Application, inter alia, seeks to set aside the decision of the Liquidator / Respondent No. 1 of distributing the proceeds realized out of the sale of Liquidation assets which is in complete ignorance of section 53 of the Code and the fundamental principle of law of insolvency that upon relinquishment of the security interest by the secured creditors under Section 52 of the Code, the distribution of proceeds has to be done pari passu as per the admitted claims of the secured creditors on pro rata basis (of their respective claims) - and not as per the value / priority and / or quality of the charge held by the particular secured creditor.
3. The impugned decision of the Liquidator / Respondent No. 1 warrants immediate interdiction by this Tribunal in view of the fact that the same has been done despite a positive act of voluntary relinquishment of the respective security interests by each of the secured creditors of the Corporate Applicant. The said action of the Liquidator is in the teeth of settled position of Law - which now stands affined by the National Company Law Appellate Tribunal, New Delhi in the matter of "Oriental Bank of Commerce Vs. Anil Anchalia and Anr" in Company Appeal No Company Appeal (AT) (Insolvency) No. 547 of 2022.
4. In view of the foregoing and as a consequential and further relief(s), the Applicant herein prays that Liquidator / Respondent No. 1 be directed to firstly quash and set aside the distribution sheet dated 4th December 2024 which is contrary to the provisions of section 53 of the Insolvency and Bankruptcy Code, 2016. In the event the Liquidator has already distributed

the sale proceeds, the Liquidator be directed to recall the proceeds so distributed to the Respondent Nos. 2 to 6, to the extent of excess monies received by the Respondent Nos. 2 to 6.

5. The Applicant has placed reliance upon the decisions of the ***Hon'ble NCLAT in Technology Development Board v. Anil Goel & Ors***., Company Appeal (AT) (Insolvency) No. 731 of 2020, and ***Oriental Bank of Commerce v. Anil Anchalia, 2022 ibclaw.in 392 NCLAT***. The Hon'ble National Company Law Appellate Tribunal ("**NCLAT**") has held in ***Technology Development Board v. Anil Goel & Ors. [Company Appeal (AT) (Insolvency) No.731 of 2020]*** that secured creditors who release their security interest during liquidation under Section 53 of the Insolvency & Bankruptcy Code, 2016, do not receive inter-se priority. The relevant paragraph from the judgement is reproduced below-

   "22. The NCLAT has also held in Oriental Bank of Commerce v. Anil Anchalia [Comp. App. (AT) (Ins.) No. 547 of 2022] that this issue is no longer res integra in view of the judgment of the Hon'ble Supreme Court in India Resurgence ARC Private Limited v. Amit Metaliks Limited & Anr. [2021 SCC OnLine SC 409], and held that upon relinquishment of their security interest, the secured creditors of a corporate debtor cannot exclusively claim any amount realised from the secured assets and would be governed by the waterfall mechanism under Section 53 of the Code. However, we find that the decision in India Resurgence ARC (supra) was rendered in the context of a Corporate Insolvency Resolution Process (CIRP). Accordingly, the said decision is not applicable to the facts of the present case.

   23. We are also cognizant of the fact that appeals have been preferred before the Hon'ble Supreme Court against the judgments of the Hon'ble NCLAT in Technology Development Board v. Anil

Goel & Ors. and Oriental Bank of Commerce v. Anil Anchalia. The said appeals are presently pending adjudication. It is also noted that the operation of the judgment in Technology Development Board (supra) has been stayed, while the appeal arising out of Oriental Bank of Commerce (supra) has been tagged with the former matter."

6. It is noted that the Hon'ble Supreme Court in India Resurgency (Supra) held that

   "*17. Thus, what amount is to be paid to different classes or subclasses of creditors in accordance with provisions of the Code and the related Regulations, is essentially the commercial wisdom of the Committee of Creditors; and a dissenting secured creditor like the appellant cannot suggest a higher amount to be paid to it with reference to the value of the security interest*". This decision was referred to larger Bench in case of ***DBS Bank Ltd. Singapore v. Ruchi Soya Industries Ltd. and Anr., (2024) ibclaw.in 01 SC, wherein the Hon'ble Supreme Court held*** "***31.*** *We believe that there is a contradiction in the reasoning given in the judgment of this Court in* ***India Resurgence ARC Private Limited*** *(supra), which is in discord with the ratio decidendi of the decisions of the three Judge Bench in* ***Committee of Creditors of Essar Steel India Limited*** *(supra) and* ***Jaypee Kensington*** *(supra).*", accordingly, the Hon'ble Supreme Court said that "*we are taking a different view and ratio from* India Resurgence ARC Private Limited *(supra) on interpretation of Section 30(2)(b)(ii) of the IBC, we feel that it would be appropriate and proper if the question framed at the beginning of this judgment is referred to a larger Bench.*"

7. Though, the latest legal position in relation to distribution of proceeds between class of secured creditors in terms of Section 53 of IBC continued

to be that such proceeds are to be distributed in proportion of value of claims of the secured creditors u/s 53(1)(b)(ii) as the decision in the appeal(s) against the order(s) of Hon'ble NCLAT in case of Technology Development Board v. Anil Goel & Ors. and Oriental Bank of Commerce v. Anil Anchalia are still pending. According it cannot be said that the issue in relation to such distribution attained finality that the proceeds have to be distributed in proportion of value of their claim.

8. It is noted that an Explanation has been inserted in Section 53(1)(b) w.e.f. 26.05.26 providing that –

   "*For the removal of doubts, it is hereby clarified that where the value of the security interest relinquished by the secured creditor is less than the total debt owed to such secured creditor by the corporate debtor, he shall be a secured creditor to the extent of the value of such security interest, determined in such manner as may be specified, and for the remaining value of such debt, he shall be considered to be an unsecured creditor*".

9. The question arises whether the said explanation is retrospective in its effect as, generally, the explanation in the nature of clarifications is held to be retrospective in its operation.

10. In case of ***Sree Sankaracharya University of Sanskrit v. Manu, 2023 SCC OnLine SC 640***, the Hon'ble Supreme Court considered the issue "*whether the Government Order dated 29th March, 2001 to the extent that it modifies the Government Order dated 21st December, 1999 would be applicable to those lecturers who had acquired a Ph.D. degree at the time of their recruitment, such as, Respondent No. 1, who were placed in the selection grade before 29th March, 2001*". The Hon'ble Court took note of State ***of Bihar v. Ramesh Prasad Verma, (2017) 5 SCC 665***, the extract from the treatise, ***Principles of Statutory Interpretation, 11th Edition (2008) by Justice G.P. Singh*** on the sweep of a

clarificatory/declaratory/explanatory provision, ***Commissioner of Income Tax, Bombay vs. Podar Cement Pvt. Ltd., (1997) 226 ITR 625 (SC),*** and ***Allied Motors Pvt. Ltd. vs. Commissioner of Income Tax, Delhi, (1997) 224 ITR 677 (SC).*** In case of Sree Sankaracharya (Supra), it is held that, in order for a subsequent order/provision/amendment to be considered as clarificatory of the previous law, the pre-amended law ought to have been vague or ambiguous, and it is only when it would be impossible to reasonably interpret a provision unless an amendment is read into it. The Hon'ble Court quoted the following excerpts from treatise of Justice G.P. Singh :

> *"The presumption against retrospective operation is not applicable to declaratory statutes. As stated in Craies and approved by the Supreme Court: For modern purposes a declaratory Act may be defined as an Act to remove doubts existing as to the common law, or the meaning or effect of any Statute. Such acts are usually held to be retrospective.*
>
> *[…] An explanatory Act is generally passed to supply an obvious omission or to clear up doubts as to the meaning of the previous Act. <u>It is well settled that if a statute is curative or merely declaratory of the previous law, retrospective operation is generally intended. The language 'shall be deemed always to have meant' or 'shall be deemed never to have included' is declaratory and is in plain terms retrospective. In the absence of clear words indicating that the amending Act is declaratory, it would not be so construed when the amended provision was clear and unambiguous. An amending Act may be purely clarificatory to clear a meaning of a provision of the principal Act which was already implicit.</u> A clarificatory amendment of this nature will have retrospective effect and, therefore, if the*

principal Act was existing law when the constitution came into force, the amending Act also will be part of the existing law." [Emphasis by us]

11. After considering the relevant law, the Hon'ble Supreme Court culled out the following principles:

i. If a statute is curative or merely clarificatory of the previous law, retrospective operation thereof may be permitted.

ii. In order for a subsequent order/provision/amendment to be considered as clarificatory of the previous law, the pre-amended law ought to have been vague or ambiguous. It is only when it would be impossible to reasonably interpret a provision unless an amendment is read into it, that the amendment is considered to be a clarification or a declaration of the previous law and therefore applied retrospectively.

iii. An explanation/clarification may not expand or alter the scope of the original provision.

iv. Merely because a provision is described as a clarification/explanation, the Court is not bound by the said statement in the statute itself, but must proceed to analyse the nature of the amendment and then conclude whether it is in reality a clarificatory or declaratory provision or whether it is a substantive amendment which is intended to change the law and which would apply prospectively.

12. It is also noted that in case of ***Shri Prithvi Cotton Mills Ltd. & Anr vs Broach Borough Municipality & Ors (1) [1954] 2 S.C.R. 608, Hon'ble Supreme Court*** said that *"Granted legislative competence, it is not sufficient to declare merely that the decision of the Court shall not bind for that is tantamount to reversing the decision in exercise of judicial power which the legislature does not possess or exercise. A court's*

decision must always bind unless the conditions on which it is based are so fundamentally altered that the decision could not have been given in the altered circumstances". The said observation of the Hon'ble Supreme Court were made while examining retrospective application of a Validation Act enacted by the legislature, and the Hon'ble Court finally said that *If the legislature has the power over the subject-matter and competence to make a valid law, it can at any time make such a valid law and make it retrospectively so as to bind even past transactions.* Accordingly, the aforesaid observation that the legislature does not possess reversing the decision in exercise of judicial power were made with a caveat that if the legislature has competence to levy a tax, it can do so by Validation Act also even if reverses the earlier judicial decision.

13. Coming to the Explanation, it is noted that the said Explanation seeks to clarify that a secured creditor, who has relinquished security interest shall be a secured creditor to the extent of the value of such security interest, determined in such manner as may be specified, and for the remaining value of such debt, he shall be considered to be an unsecured creditor. Indubitably, there is no quarrel to legislative competence on this issue. The clause 2 of Notes on Clauses to The Insolvency And Bankruptcy Code (Amendment) Bill, 2025 sets the background of said amendment, which reads as follows :

> "*Clause 32 of the Bill seeks to insert an explanation in sub-clause (ii) of clause (b) of sub-section (1) of Section 53 of the Code to clarify that in cases where the value of the security interest that secured creditor has relinquished to the liquidation estate is less than the total debt that the corporate debtor owes to that secured creditor, such secured creditor will be considered a secured creditor to the extent of the value of such security interest. The*

Board will specify the manner of determining the value of the security interest. For the remaining value of such debt, it shall be considered an unsecured creditor."

14. The 2018 Insolvency Law Committee Report had considered this issue and reported the following-

> *"21.2 It was suggested that the possibility of the phrase "shall rank equally between and among" in section 53(1)(b) to be interpreted to mean that debts inter-se secured creditors in clause (ii) of section 53(1)(b) would also rank equally cannot be excluded. Such an interpretation would imply that priority of charges agreed upon between creditors in inter-creditor or subordination agreements would lose meaning once a creditor relinquished its security and came within the liquidation waterfall in section 53.*
>
> *21.3 However, it was stated to the Committee that in practice, subordination agreements inter-se creditors were respected in winding up proceedings. This was also stated to be the position in other developed countries. Specifically, it was also brought to the Committee's attention that in USA, the Bankruptcy Code (11 US Code § 510 read with 11 US Code § 726.) states that in case of liquidation, "a subordination agreement is enforceable in a case under this title to the same extent that such agreement is enforceable under applicable non bankruptcy law." Further, the Committee was appraised of the case of ICICI Bank Limited v. SIDCO Leathers Limited & Ors. 9 (2006) 10 SCC 452 wherein the Hon'ble Supreme Court interpreted sections 529 and 529A of the CA 1956 which deal with ranking of claims on liquidation. It was held in this case that, "Only because the dues of workmen and debts due to the*

secured creditors are treated pari passu with each other, the same by itself, in our considered view, would not lead to the conclusion that the concept of inter se priorities amongst the secured creditors had thereby been intended to be given a total go-by." Certain other relevant principles that emerge from this case are as follows:

(a) Right to property was a constitutional right and right to recover money lent by enforcing a mortgage was also a right to enforce an interest in the property. Had the Parliament intended to take away such a valuable right of the first-charge holder, there was no reason for it to not state so explicitly.

(b) Section 48 of the Transfer of Property Act, 1882 ("TOPA") clearly provides that claim of a first charge holder shall prevail over the claim of a second charge holder.

(c) Merely because the relevant section did not specifically provide for the rights of priorities over mortgaged assets, it would not mean that the provisions of section 48 of TOPA shall stand obliterated in relation to a company that has undergone liquidation.

(d) Deprivation of a legal right existing in favour of a person cannot be presumed in construing a statute and it is in fact the other way round and thus, a contrary presumption shall have to be raised.

(e) Companies Act may be a special statute but if the special statute does not contain any provisions dealing with contractual and other statutory rights between different secured creditors, the specific provisions contained in the general statute shall prevail.

(f) Section 529(1)(c) used the phrase "the respective rights of secured and unsecured creditors." This was to be interpreted as rights of secured creditors vis-à-vis unsecured creditors. It does not envisage respective rights amongst secured creditors.

21.4The Committee felt that the principles stated above that emerge from the ICICI case are also applicable to the issue at hand under section 53 of the Code. Moreover, although this was a case where creditors had not relinquished their security, the principles hold good under the Code even when creditors have relinquished their security as the Code unlike the CA 1956 expressly recognises secured creditors who have relinquished their security as a separate category in section 53(1)(b)(ii) and distinguishes them from unsecured creditors. The Code in a bid to encourage relinquishment, also specifically places secured creditors who have relinquished security higher than unsecured creditors.

21.5Lastly, it was deliberated whether inter-creditor agreements if not disregarded for the liquidation waterfall in section 53 of the Code, may result in secured creditors, especially those holding a first charge to prefer liquidation over resolution. It was suggested to the Committee to clarify whether inter-creditor agreements hold good for distribution of proceeds on liquidation under section 53 in order to promote resolution over liquidation. The Committee, as discussed in the context of the ICICI case above, noted that it may not be prudent to take away a valuable property right vested with creditors. The Committee felt that generally all secured financial creditors whether first charge or secondary charge holders are sophisticated entities which grant loans after *exercising due-diligence and are presumed to be able to evaluate their interests and risks sufficiently. Moreover, this may negatively impact the credit market and discourage banks and other financial creditors to grant big loans which are more often than not granted against property or other valuable collateral as they shall have no protection in case the corporate debtor becomes insolvent. Accordingly, the Committee disregarded this suggestion.*

21.6 *To conclude, the Committee was of the opinion that it is sufficiently clear from a plain reading of section 53(1)(b) that it intended to rank workmen's dues equally with debts owed to secured creditors who have relinquished their security. Section 53(1)(b) does not talk about priority inter-se secured creditors. Thus, valid inter-creditor/subordination agreements would continue to govern their relationship. Further sub-section (2) of section 53 must also be interpreted accordingly. For instance, applying section 53(2) in the context of section 53(1)(b), any agreements between workmen and secured creditors which disrupts their pari passu rights will be disregarded by the liquidator. However, agreements inter-se secured creditors do not disturb the equal ranking sought to be provided by section 53(1)(b) and therefore do not fall within the ambit of section 53(2).* ***The Committee felt that there was no requirement for an amendment to the Code required since a plain reading of section 53 was sufficient to establish that valid inter-creditor and subordination provisions are required to be respected in the liquidation waterfall under section 53 of the Code.”***

15. This interpretation of Section 53 of the Code regarding treatment of inter se priorities in the liquidation waterfall mechanism was also supported by the Insolvency Law Committee Report 2020 wherein it was reiterated that this issue does not necessitate any further amendment to the provisions of the Code. The relevant part is reproduced hereunder :

> *7.3 The Committee noted that the Code aims to promote a collective liquidation process, and towards this end, it encourages secured creditors to relinquish their security interest, by providing them second-highest priority in the recovery of their dues, as under Section 53(1)(b). Thus, they are not treated as ordinary unsecured creditors under the Code, as they would have been under the Companies Act, 1956. It was noted that, to some extent, this provision intends to replicate the benefits of security even where it has been relinquished, in order to promote overall value maximisation. However, even if secured creditors realise their security interest, they would only recover to the extent of their security interest, and would claim any excess dues remaining unpaid under Section 53(1)(e) of the liquidation waterfall. Thus, the Committee was of the view that this provision could not have been intended to provide secured creditors who relinquish their security interest, priority of repayment over their entire debt regardless of the extent of their security interest, as it would tantamount to respecting a right that has never existed. Further, if the "debts owed to a secured creditor" is not restricted to the extent of the security, there would be broad scope for misuse of the priority granted under Section 52(1)(b), as even creditors who are not secured to the full extent of their debt would rely on the mere fact of holding any form of security, to recover the entire amount of their unpaid dues in priority to all other stakeholders. 7.4.* ***On***

> ***the basis of the above discussion, the Committee agreed that the priority for recovery to secured creditors under Section 53(1)(b)(ii) should be applicable only to the extent of the value of the security interest that is relinquished by the secured creditor. The Committee was of the opinion that this issue stands clarified in terms of the reasoning provided above and does not necessitate any further amendment to the provisions of the Code***.

16. It follows that the Explanation inserted w.e.f. 26.5.2026 only clarifies what the provision of Section 53(1)(b)(ii), in relation to inter-se priority, intended to mean from its very inception.

17. It is in this context, it is relevant to refer the decision of the Hon'ble National Company Law Appellate Tribunal ("**NCLAT**") has held in ***Technology Development Board v. Anil Goel & Ors. [Company Appeal (AT) (Insolvency) No.731 of 2020]*** holding that secured creditors who release their security interest during liquidation under Section 53 of the Insolvency & Bankruptcy Code, 2016, do not receive inter-se priority distinguishing the Hon'ble Supreme Court decision in case of ***ICICI Bank vs. Sidco Leathers Ltd. & Ors. (2006) 10 SCC 452***. The relevant paragraph from the judgement is reproduced below-

> *"10. In "ICICI Bank vs. Sidco Leathers Ltd. & Ors. (2006) 10 SCC 452", the Hon'ble Apex Court, while taking note of Section 48 of Transfer of Property Act, observed that the claim of first charge holder shall prevail over the claim of the second charge holder and where debts due to both the first charge holder and the second charge holder are to be realised from the property belonging to the mortgager, the first charge holder will have to be repaid first. The Hon'ble Apex Court observed that while enacting the Companies Act parliament cannot be*

held to have intended to deprive the first charge holder of the said right. Such a valuable right must be held to have been kept preserved. It referred to an earlier judgment titled 'Workmen of Firestone Tyre and Rubber Company of India vs. Management & Ors.' observing that if such valuable right of first charge holder was intended to be taken away, Parliament, while amending the Companies Act would have stated so explicitly. The view taken by the Adjudicating Authority on the basis of judgment of Hon'ble Apex Court in "ICICI Bank vs. Sidco Leathers Ltd. (supra)" (which is pre-IBC), ignoring the mandate of Section 53 of I&B Code which has an overriding effect and came to be enacted subsequent to the aforesaid judgment rendered by Hon'ble Apex Court explicitly excluding operation of all Central and State legislations having provisions contrary to Section 53 of I&B Code, is erroneous and cannot be supported.

11. For the foregoing reasons the impugned order holding that the inter-se priorities amongst the Secured Creditors will remain valid and prevail in distribution of assets in liquidation cannot be sustained."

18. It is clear from the aforesaid decision that the Hon'ble NCLAT held the distribution of proceeds in proportion of value of claims of the secured creditors observing that Section 53 of IBC has over-riding effect as IBC explicitly excludes operation of all Central and State legislations having provisions contrary to Section 53 of I&B Code.

19. As is observed, the interpretation of Section 53(1)(b) holding that the distribution amongst the Secured Creditor, who have relinquished their security interest shall be in proportion of value of their claim, has still not attained finality and insolvency law committee report had

consistently arrived at a conclusion that the inter-se priority of security interest of the secured creditor should be respected, which was also the law laid down in the case of *ICICI Bank vs. Sidco Leathers Ltd. & Ors. (supra)* while interpreting such distribution in winding up under the Companies Act. Further, the decision of Hon'ble NCLAT in case of Technology Development Board (supra) and ***Anil Anchalia*** is stayed in an Appeal against those decisions pending before Hon'ble Supreme Court. It follows from these propositions that the pre-amended law was vague or ambiguous necessitating such clarification so as to read the unamended law in its true spirit and purport, which had unintended consequence of treating the superior charge created in favour of a secured creditor with the subordinate charge of another creditor on equal footing. Since the secured creditors had consciously agreed for subordinate charge while obtaining the security interest, it cannot be said that the said amendment impinge upon or take away their vested rights in the liquidation proceeds. Accordingly, in our considered view the insertion of explanation in Section 53(1)(b) is clarificatory in nature and is to be read retrospectively.

20. In view of the foregoing discussion, and for the reasons recorded hereinabove, we hold that the distribution on the basis of value of security, if adopted by the Respondent-Liquidator, is in consonance with Section 53 of the Insolvency and Bankruptcy Code, 2016, read with the applicable principles governing the *inter se* priority of secured creditors. Consequently, the prayer seeking a direction to the Respondent-Liquidator to re-distribute the sale proceeds amongst the secured creditors, if distributed earlier, in accordance with Section 53 of the Code, without distinguishing between first charge holders and second charge holders, cannot be granted. Needless to say, if the amounts are yet to be distributed, the same be distributed in the above terms.

21. In terms of above, the IA (I.B.C)/565(MB)2025 is **allowed and disposed of**.

Sd/-	**Sd/-**
PRABHAT KUMAR	**SUSHIL MAHADEORAO KOCHEY**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

Shubham Bide