



**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH -I**

IA 1195/2026

Under Section 60(5) of Insolvency and
Bankruptcy Code, 2016

Anil Patel & Ors.

...Applicant

Versus

**Panchratna Co-operative Housing
Society and Anr.**

...Respondent

In the matter of

CP (IB) No. 757/MB/2023

Bank of Baroda

...Financial Creditor

Versus

C Mahendra Export Ltd

...Corporate Debtor

Order pronounced on : 02.06.2026

Coram:

SH. PRABHAT KUMAR
MEMBER (TECHNICAL)

**SH. SUSHIL MAHADEORAO
KOCHEY**
MEMBER (JUDICIAL)



IN THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH – 1

IA 1195/2026 IN CP (IB) No. 757/MB/2023

Appearances:

For the Applicant

Mr. Shyam Kapadia

For Resopondent

Mr. Gaurav Jangle, Ld. Counsel
for the Respondent No. 1
Ms. Anushka Singh, Ld.
Counsel for the Respondent No.
2

ORDER

Per: Coram

1. The present Interlocutory Application has been filed under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “the Code”) by Mr. Anil Patel, Mrs. Kiran Patel, and Mr. Madhav Patel, all residing at “Saraswati Bhawan”, 4th Floor, D.D. Sathe Marg, Opera House, Mumbai – 400004 (hereinafter collectively referred to as “the Applicants”), seeking appropriate directions against Respondent No. 1, Panchratna Co-operative Housing Society, having its registered address at 21, Panchratna, Mama Parmanand Marg, Mumbai – 400004 (hereinafter referred to as “the Society”), within whose premises one of the assets of the Corporate Debtor is situated.
2. This Tribunal, vide Order dated 29.07.2025 passed in Company Petition (IB) No. 757 of 2023, ordered liquidation of C. Mahendra Export Ltd. (hereinafter referred to as “the Corporate Debtor”). Respondent No. 2, Mr. Krishna Chamadia, bearing Insolvency Professional Registration No. IBBI/IP-A-001/IP-P00694/2017-18/11220, has been appointed as the Liquidator of the Corporate Debtor (hereinafter referred to as “the Liquidator”).



IN THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH – 1

IA 1195/2026 IN CP (IB) No. 757/MB/2023

3. By way of the present Interlocutory Application, the Applicants have sought the following reliefs:

A. declare that the Applicants, being Successful Auction Purchasers of the Subject Property in the liquidation of the Corporate Debtor, are not liable to pay any dues, charges, interest or arrears pertaining to the period prior to the execution of the Sale Certificate dated 19 January 2026 issued by the Liquidator.

b. Pass an order restraining Respondent No. 1 Society from claiming, demanding or recovering any dues, arrears, charges or interest relating to the period prior to the execution of the Sale Certificate dated 19 January 2026 from the Applicants

c. Direct Respondent No. 1 to record the transfer of the Subject Property and the corresponding Share Certificates in the name of the Applicants and register them as members of the Society without insisting upon payment of any dues pertaining to the period prior to the Sale Certificate dated 19 January 2026.

d. Direct Respondent No. 1 to submit or pursue any claim relating to the dues of the Corporate Debtor for a period prior to the Sale Certificate dated 19 January 2026, only before the Liquidator in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the distribution mechanism under Section 53 of the Code.

4. Pursuant to the Order dated 29.07.2025 passed by this Tribunal directing liquidation of the Corporate Debtor, Respondent No. 2



IN THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH – 1

IA 1195/2026 IN CP (IB) No. 757/MB/2023

conducted an e-auction in respect of Premises No. 1204, situated on the 12th Floor, Panchratna Building, Mama Parmanand Marg, Opera House, Mumbai (hereinafter referred to as the “Subject Property”). The Applicants participated in the said e-auction process and were declared successful auction purchasers of the Subject Property.

5. On 26.12.2025, the Liquidator issued a Letter of Intent (“LoI”) in favour of the Applicants/Successful Auction Purchasers in respect of the Subject Property for a total consideration of Rs. 3,01,06,000/- , being the highest bid received during the e-auction process.
6. The Applicants submit that they have duly paid the entire bid consideration amounting to Rs. 3,01,06,000/- towards purchase of the Subject Property. Pursuant thereto, the Liquidator issued a Sale Certificate dated 19.01.2026 in favour of the Applicants, thereby transferring all rights, title, and interest in the Subject Property, along with the corresponding share certificates pertaining to the Society. It has further been submitted that the said Sale Certificate has been duly stamped and registered in accordance with law.
7. The Applicants have further submitted that, subsequent to completion of the sale and transfer of the Subject Property in their favour, Respondent No. 1 Society addressed a communication dated 30.01.2026 alleging outstanding arrears of maintenance charges pertaining to periods prior to acquisition of the Subject Property by the Applicants and called upon the Applicants to clear the said dues as a condition precedent for recording their names as members of the Society, the relevant text thereof reads as under :

“With reference to your above-mentioned letter, we hereby



IN THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH – 1

IA 1195/2026 IN CP (IB) No. 757/MB/2023

inform you that, as per our records, the outstanding dues in respect of Unit No. 1204, M/s. C. Mahendra Exports, as on January 2026, amount to Rs. 28,24,653/- (Rupees Twenty Eight Lakh Twenty Four Thousand Six Hundred Fifty Three Only) The said amount includes interest of Rs. 15,11,151/-, and the principal outstanding amount is Rs. 13,13,502/-”

8. It is further submitted that Respondent No. 1 Society, along with the aforesaid communication, annexed three maintenance bills dated 01.08.2025 for the period August 2025 to November 2025 and two bills dated 01.08.2023 for the period August 2023 to November 2023, claiming alleged arrears in respect of the Subject Property. It is pertinent to note that all the aforesaid demands pertain to periods prior to issuance of the Sale Certificate dated 19.01.2026 by the Liquidator in favour of the Applicants, whereby all rights, title, and interest in the Subject Property, together with the corresponding share certificates of the Society, stood transferred in favour of the Applicants.
9. The Applicants have further submitted that, on 28.01.2026, Respondent No. 1 Society forwarded to the Applicants a Declaration-cum-Deed of Indemnity (“Indemnity Deed”) and called upon them to execute and submit the same as a precondition for processing their membership and transfer-related formalities in respect of the Subject Property. It is further submitted that the said Indemnity Deed contained, inter alia, the following stipulation:

19. The Society dues have been cleared for the period upto and inclusive of ___/___/2026 in accordance with the bills raised by the Society from time to time. Notwithstanding the fact whether satisfactory arrangements have been made or



IN THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH – 1

IA 1195/2026 IN CP (IB) No. 757/MB/2023

not, we declare, confirm and undertake that any or all dues of the Society even if they relates to the period prior to the transfer in our name and/or us being admitted as members of the Society shall be paid by us without demur on demand by society and we shall not raise any objections in respect of the dues and/or for the payment/nature thereof.

10. Being aggrieved by the aforesaid actions of Respondent No. 1 Society in seeking to recover alleged maintenance arrears pertaining to periods prior to acquisition of the Subject Property by the Applicants and in insisting upon execution of the Indemnity Deed incorporating such conditions, the Applicants have preferred the present Interlocutory Application seeking appropriate reliefs and directions from this Tribunal.
11. We have heard the learned counsel appearing for the parties and have carefully perused the material available on record.
12. It is a settled position of law that once the sale of an asset of a corporate debtor is concluded during the liquidation process under the Insolvency and Bankruptcy Code, 2016, and a Sale Certificate is issued in favour of the successful auction purchaser followed by transfer of possession and title, any claims pertaining to dues, liabilities, or arrears relating to the period prior to such sale cannot ordinarily be enforced against the auction purchaser. Such claims are required to be dealt with and realised strictly in accordance with the mechanism prescribed under the provisions of the Code.
13. In the present case, the Subject Property was sold through a public auction process conducted by Respondent No. 2 Liquidator in accordance with the provisions of the Insolvency and Bankruptcy



IN THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH – 1

IA 1195/2026 IN CP (IB) No. 757/MB/2023

Code, 2016 and the applicable Liquidation Process Regulations. Pursuant thereto, a Sale Certificate dated 19.01.2026 came to be duly executed in favour of the Applicants.

14. It is an admitted position that Respondent No. 1 Society had lodged its claim before the Resolution Professional during the Corporate Insolvency Resolution Process (“CIRP”) of the Corporate Debtor. It is further borne out from the record that the said claim was thereafter considered by Respondent No. 2 Liquidator during the liquidation proceedings and the claim of the Society has been admitted to the extent of Rs. 25,99,450/- under the category of “Operational Creditors”. The same is also reflected in the List of Operational Creditors uploaded by the Liquidator on the official website of the Insolvency and Bankruptcy Board of India.
15. Having submitted its claim before the Resolution Professional/Liquidator and having participated in the statutory mechanism prescribed under the Code, Respondent No. 1 Society cannot now be permitted to bypass or circumvent the framework of the Insolvency and Bankruptcy Code, 2016 by independently seeking to recover the very same dues directly from the Applicants, who are auction purchasers of the Subject Property. Such an attempt would be contrary to the scheme and object of the Code, which mandates that the creditor’s claims against the corporate debtor undergoing liquidation process are to be settled in accordance with with the waterfall mechanism prescribed under Section 53 of the Code, and the proceeds of liquidation estate of corporate debtor is to be distributed accordingly.
16. Section 53 of the Insolvency and Bankruptcy Code, 2016 prescribes the order of priority for distribution of proceeds realised from the



IN THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH – 1

IA 1195/2026 IN CP (IB) No. 757/MB/2023

sale of assets of the Corporate Debtor during liquidation proceedings. Therefore, any creditor whose claim has been lodged and admitted in the liquidation process is required to await distribution strictly in accordance with the statutory waterfall mechanism contemplated under the said provision.

17. In case, any claims remain unsettled, such claim stands extinguished. Consequently, any alleged dues or maintenance arrears claimed by Respondent No. 1 Society for periods prior to the said sale cannot now be foisted upon or recovered from the Applicants, who are auction purchasers deriving title through a liquidation sale conducted under the authority of law.
18. In view of the aforesaid legal position, Respondent No. 1 Society cannot compel or insist that an auction purchaser under the Insolvency and Bankruptcy Code, 2016 should clear the outstanding dues of the previous owner/Corporate Debtor, particularly when such dues are already subject matter of the liquidation process and are liable to be dealt with in accordance with Section 53 of the Code. Accordingly, the Applicants cannot be held liable for any alleged outstanding dues, maintenance charges, or liabilities of the Corporate Debtor pertaining to the period prior to issuance of the Sale Certificate dated 19.01.2026 in their favour.
19. In that view of the matter, we deem it appropriate to direct Respondent No. 2 Liquidator to duly consider and process the claim of Respondent No. 1 Society in accordance with law and communicate the status thereof to Respondent No. 1 Society. Needless to say, the Society shall be at liberty to apprise the Liquidator if it possesses any statutory lien in respect of outstanding dues.



IN THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH – 1

IA 1195/2026 IN CP (IB) No. 757/MB/2023

20. We further direct that Respondent No. 1 Society shall not withhold, obstruct, or delay transfer of the Subject Property/flat and corresponding membership/share certificate in favour of the Applicants merely on account of alleged outstanding dues pertaining to the period prior to 19.01.2026, i.e., the date of issuance of the Sale Certificate in favour of the Applicants. However, the applicant shall comply with procedural formalities and levy of any fee or charge incidental to transfer of flat in their name in the records of the society.

21. With the aforesaid observations and directions, the present Interlocutory Application being I.A. No. 1195 of 2026 in C.P. (IB) No. 757/MB/2023 stands disposed of.

Sd/-

SH. PRABHAT KUMAR

MEMBER (TECHNICAL)

Vijay Andhale

Sd/-

**SH. SUSHIL MAHADEORAO
KOCHE**

MEMBER (JUDICIAL)