IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No.301
IA/699(AHM)2023
in
CP(IB) 561 of 2018

Under Section 60(5) IB Code, 2016

IN THE MATTER OF:

State Tax Officer-3 ....**Applicant**
V/s
Arvind Gaudana RP of Vrundavan Ceramics Pvt Ltd ....**Respondent**

Order delivered on: 01/09/2026

C O R A M:
MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

O R D E R
(Hybrid Mode)

The case is fixed for pronouncement of order. The order is pronounced in the open court, vide separate sheet.

Sd/-	**Sd/-**
SANJEEV SHARMA **MEMBER (TECHNICAL)**	**SHAMMI KHAN** **MEMBER (JUDICIAL)**

BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURET– I, AHMEDABAD

IA No. 699 of 2023
In
CP (IB) No. 561 of 2018

(An application filed under Section 60(5) of the Insolvency and Bankruptcy Code, 2016)

In the matter of: Vrundavan Ceramics Pvt. Ltd.

State Tax Officer
Unit-93, Jilla Seva Sadan-2,
Block No.:3, 2nd Floor,
Rajkot-360001

.... Applicant

VERSUS

Arvind Gaudana
Resolution Professional of
Vrundavan Ceramics Pvt. Ltd.
Having its address at:
307, Ashirwad Paras, Corporate Road,
Satellite, Ahmedabad- 380015

.... Respondent/RP

Order Pronounced on: 01.09.2026

C O R A M :

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E :

For the Applicant/STO	: Mr. Prakash Thakkar, Advocate
For the Respondent	: Mr. Saurabh Rachchh, Advocate

ORDER
(*Per*: Bench)

1. The present Interlocutory Application No.699 of 2023 has been filed on 15.06.2023 Vide Inward Diary No. E1069 has been filed by the Applicant/ **State Tax Officer** in the main Company Petition (IB) No.561 of 2018 under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, seeking following reliefs:

> A. *Your Lordship may be pleased to allow this application.*
> B. *Your Lordship may be pleased to issue directions to resolution professional to recognize the claim of the applicant as secure creditors and update the list of creditors in light of the decision of the Hon'ble Supreme Court.*
> C. *Your Lordship may be pleased to grant any other and further relief as may be deemed fit and proper in the facts of the present case.*

2. The Applicant has placed the facts through the I.A. and documents in the following manner: -

2.1. The Applicant, State Tax Officer, has filed the present application challenging the decision dated 23.02.2023 of the Resolution Professional, whereby the Applicant's claim was not recognized as that of a secured creditor, and seeking application of the ratio laid down by the Hon'ble Supreme Court in

State Tax Officer v. Rainbow Papers Ltd., Civil Appeal No. 1661 of 2020.

2.2. The Resolution Professional issued a public announcement inviting claims from the respective creditors vide public notice, pursuant to which the Applicant Authority submitted its claim in Form B.

2.3. The Applicant submitted that, in view of the judgment of the Hon'ble Supreme Court in Rainbow Papers passed in Civil Appeal No. 1661 of 2020, the Applicant falls within the purview of "secured creditors" and is therefore required to be treated at par with other secured creditors in distribution of the assets of the Corporate Debtor.

2.4. The Applicant further submitted that the aforesaid judgment specifically directed the Resolution Professional to revise the amount of claim of the Gujarat State Tax Department as soon as practically possible.

2.5. The Applicant submitted that, in view of the factual and legal position and the judgment of the Hon'ble Supreme Court in *Rainbow Papers* (Civil Appeal No. 1661 of 2020), the claim of the State Tax Officer is entitled to priority in terms of Section 48 of the Gujarat Value Added Tax Act, 2003, as the said judgment squarely covers the issue in question.

2.6. The Applicant submitted that, in view of the factual and legal position and the judgment of the Hon'ble Supreme Court in Rainbow Papers (Civil Appeal No. 1661 of 2020), the claim of the State Tax Officer is required to be revised as soon as practically possible and be accorded priority in terms of Section 48 of the Gujarat Value Added Tax Act, 2003. The Applicant further submitted that the aforesaid judgment squarely covers the issue in question and, accordingly, the present application has been preferred.

3. Further, the applicant has filed an affidavit through E-mode on 20.09.2024, the same is stated as under: -

3.1. The Applicant filed the present affidavit pursuant to the directions issued by this Tribunal vide order dated 06.09.2024, to apprise the Tribunal regarding any charge recorded by the Applicant over the assets/properties of the Corporate Debtor.

3.2. The Applicant submitted that the Corporate Debtor is a defaulting assessee of the Gujarat State Tax Department.

3.3. The Applicant submitted that, in exercise of powers under Section 48 of the Gujarat Value Added Tax Act, 2003, it had attached the land belonging to the Corporate Debtor bearing Survey No. 143/1, situated at Village Dhuva, Taluka Vankaner, District Morbi, Gujarat.

3.4. The Applicant submitted that the letter issued to the revenue authorities for attachment of the aforesaid property, along with the revenue records reflecting the attachment, are annexed as Annexure-A and Annexure-B, respectively.

4. No reply is filed by the Respondent, the Resolution Professional.

5. The Record shows that the State Tax Officer 93), Unit-93 Rajkot had filed claim in Form B for an amount of Rs 54,08,59,956 which comprises of tax of Rs 8,92,47,864 and interest of Rs 29,81,90,504. Form is dated 08.05.2020.

6. The Resolution Professional vide letter dated 23.02.2023, addressed to the State Tax Officer (3), Unit 93, Rajkot, Gujarat State informed that the resolution plan was approved in the 13th CoC dated 03.08.2021. The RP referred to filing of IA/638(AHM) 2021 filed for approval of Resolution Plan before the Hon'ble NCLT, Ahmedabad. The letter also refers to other IAs pending in the case. The

RP further, writes that pending disposal of above cases and interlocutory applications, it is not possible for the undersigned to settle either government dues or dues of the Secured financial creditors. The Resolution Plan is lareday submitted to NCLT, Ahmedabad, the list of creditors cannot be updated.

7. The Record shows that this Adjudicating Authority vide order dated 27.09.2024 in IA (Plan) No. 34 of 2024 in CP(IB) No.561 of 2018 had rejected the resolution plan application filed by the Resolution Professional and had ordered liquidation of the Corporate Debtor.

8. Aggrieved with the order of this Adjudicating Authority, the SRA (Lorenzo Vitrified Tiles Pvt. Ltd.) and the Resolution Professional had preferred appeals before the Hon'ble NCLAT. The Hon'ble NCLAT vide interim order of 18.10.2024 had ordered that no further steps shall be taken in pursuance to the impugned order dated 27.09.2024.

9. The Hon'ble NCLAT vide order of 22.05.2026 dismissed both the appeals. This resulted into confirmation of the order of this Adjudicating Authority of ordering the liquidation of the Corporate Debtor.

10. The above facts indicate that the corporate debtor was ordered to be liquidated as per provisions of section 33 of the Code.

11. Regulation 16(1) of the IBBI (Liquidation Process) Regulations, 2016 provide for submission of claims or updating of claims submitted during the corporate insolvency resolution process and the Applicant State Tax Officer (3) is eligible to file its claims before the liquidator as per provisions of the Code and Regulations.

12. In view of the above facts, the Application filed dealing with admitting claims during the CIRP have become infructuous and accordingly dismissed as such.

13. Accordingly, **IA No.699 of 2023** stands **disposed of**. No order as to costs.

Sd/-	**Sd/-**
SANJEEV SHARMA	**SHAMMI KHAN**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

RK