NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Insolvency) No. 369 of 2026

IN THE MATTER OF:

National Asset Reconstruction Company Ltd. ...Appellant

Versus

State Tax Officer & Anr. ...Respondents

Present:
For Appellant : Mr. Ankur Mittal, Ms. Muskan Jain, Advocates.
For Respondents : Ms. Ritu Guru, Advocate.

With

Company Appeal (AT) (Insolvency) No. 448 of 2026

IN THE MATTER OF:

State Tax Officer ...Appellant

Versus

Surendra Raj Ganj & Ors. ...Respondents

Present:
For Appellant : Ms. Ritu Guru, Advocate.
For Respondents : Mr. Ankur Mittal, Ms. Muskan Jain, Advocates.

O R D E R
(Hybrid Mode)

11.03.2026: These two appeals have been filed against the impugned order dated 20.01.2026 passed in I.A. No.4480 of 2024 which I.A. was filed by the State Tax Officer. The Adjudicating Authority by the impugned order has dismissed the said application. Aggrieved by the said order both National Asset Reconstruction Company Ltd. and State Tax Officer have come up in these appeal.

Cont'd.../

2. Coming to the Company Appeal (AT) (Ins.) No.369 of 2026 filed by National Asset Reconstruction Company Ltd. The grievance of the Appellant is with regard to order where the Adjudicating Authority has directed that CST will not be considered as Secured Operational Debt. The Adjudicating Authority in the impugned order, in para 7, has relied on the judgment of this Tribunal in ***State Tax Officer vs. Nitin Narang, Company Appeal (AT) (Ins.) No.1804 of 2025*** where this Tribunal has after considering statutory provisions has held that dues under CST will not be considered as Secured Operational Debt.

3. In so far as the grievance of the State Tax Officer in the other Appeal is that the Adjudicating Authority has not observed that the dues under GVAT are Secured Debt but the Adjudicating Authority by the impugned order disposed of the application. Learned counsel for the Appellant has relied on judgment of the Hon'ble Supreme Court in ***State Tax Officer vs. Rainbow Papers Limited & Anr., (2023) 9 SCC 545*** where the Hon'ble Supreme Court has held that the GVAT dues are Secured Debt.

4. After hearing learned counsel for the parties, we are of the view that as far as the decision of the Adjudicating Authority that the CST dues will not be Secured Operational Debt, that is in accordance with law laid down by this Tribunal and no error has been committed by the Adjudicating Authority in holding that the CST will not be considered as Secured Operational Debt. Appeal filed by the National Asset Reconstruction Company Ltd. deserve to be dismissed. The appeal is dismissed.

5. Coming to the appeal filed by the State Tax Officer, the Appellant's case is that it is now settled law that dues under GVAT Act, 2003 are Secured Debt. The Adjudicating Authority, however, while disposing of the application has not returned the said finding. We, thus, are of the view that the dues of the State Tax Officer under GVAT Act, 2003 needs to be held as Secured Debt and the said dues being Secured Debt distribution of the said dues shall be as per Section 53 of the I&B Code. With these observations, appeal filed by State Tax Officer is disposed of.

[Justice Ashok Bhushan]
Chairperson

[Barun Mitra]
Member (Technical)

Archana/md