

Recovery of Debts and Bankruptcy Act , 1993 (RDB Act), Section 31-B – Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), Section 26-D, 26-E – Maharashtra Value Added Tax Act, 2002 (MVAT Act), Section 37 – If any Central statute creates priority of a charge in favour of a secured creditor, the same will rank above the charge in favour of a State for a tax due under the value added tax of the State – Though it would not be necessary for us to deal with the contention of the Respondents relating to the date of effectiveness of Section 26-E of the SARFAESI Act, however we are of the view that even if Section 26-E was effective only prospectively from 24th January, 2020 and not applicable to the facts at hand, that would not make any difference; as according to us Section 31-B of the RDB Act itself would be sufficient to give priority to a secured creditor over the Respondent’s charge for claiming tax dues. –

**[2019 Scej 1050 \(Bom.\)](#)ASREC (India) Limited Vs. The State of Maharashtra
Followed**

Central Bank of India Vs. State of Kerala [2009] 4 SCC 94, distinguished.

[#2021 Scej 149 \(Bom.\)](#)