NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH
COURT NO. 1

ITEM No.202
IA/224(MP)2025
in
CP(IB)/17(MP)2024

Order under Section 19(2) & 19(3)

IN THE MATTER OF:

Teena Saraswat Pandey,RP M/s Xyron Technologies Ltd **........Applicant**
V/s
Aditya Bhatnagar (Suspended director) **........Respondent**

Coram:

Hon'ble Shri Brajendra Mani Tripathi, Member (J)
Hon'ble Shri Man Mohan Gupta Member (T)

PRONOUNCEMENT OF ORDER
Delivered on 02/06/2026

The case is fixed for pronouncement of the order.

The order is pronounced in open Court *vide* separate sheet.

Sd/-

MAN MOHAN GUPTA
MEMBER (TECHNICAL)

Sd/-

BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)

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IN THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT INDORE

I.A.(I.B.C)/224(MP)2025
in
C.P.(IB)/17(MP)/2024

IA/224(MP)/2025

[An Application filed under Sections 19(2) and 19(3) of the Insolvency and Bankruptcy Code, 2016]

Ms. Teena Saraswat Pandey,
Resolution Professional,
M/s Xyron Technologies Limited,
Address: 387-F, Scheme No. 114,
Sant Nagar, Indore (M.P.) **.........Applicant**

Vs.

Mr. Aditya Bhatnagar (Suspended Director)
DIN No. 01002081 1/3, Amaltas Complex,
Behind Manisha Market,
Shahpura, Bhopal – 462016 **.........Respondent No. 1**

Ms. Divya Saxena (Suspended Director)
DIN No. 07300177 1/3, Amaltas Complex,
Behind Manisha Market,
Shahpura, Bhopal – 462016 **.........Respondent No. 2**

Ms. Sudarshna Bhatnagar (Suspended Director)
DIN No. 01002153 1/3, Amaltas Complex,
Behind Manisha Market,
Shahpura, Bhopal – 462016 **.........Respondent No. 3**

Mr. Abhinav Bhatnagar
(Ex-Director & Suspended Management Representative)
DIN No. 01002113 1/3, Amaltas Complex,
Behind Manisha Market,
Shahpura, Bhopal – 462016 **.........Respondent No. 4**

<u>In the main matter of</u>: C.P.(IB)/17(MP)/2024

[An Application filed under Section 7 of the Insolvency and Bankruptcy Code, 2016]

Bank of Baroda ....**Financial Creditor**

Versus

M/s Xyron Technologies Limited ....**Corporate Debtor**

Coram: Brajendra Mani Tripathi, Hon'ble Member (J)
Man Mohan Gupta, Hon'ble Member (T)

<u>Appearance:</u>

For Applicant : Mr. Chiranjeev Saboo, Adv. a.w.
Ms. Teena Saraswat Pandey (RP-in-Person)

For Respondents : Mr. Rajat K. Mittal, Adv. a.w. Mr. Gaurav Yadav, Adv.

Order Pronounced on: 02.06.2026

<u>J U D G M E N T</u>

1. The present Application has been filed by Ms. Teena Saraswat Pandey, Resolution Professional (hereinafter "RP"), of M/s Xyron Technologies Limited (hereinafter "Corporate Debtor"), under Sections 19(2) and 19(3) of the Insolvency and Bankruptcy Code, 2016 (hereinafter "the Code"), seeking directions against Respondents No. 1 to 4, being the Suspended Directors and ex-Director of the Corporate Debtor, to extend cooperation, provide assistance, and furnish information/documents as detailed in Annexure P/6, so as to enable the RP to effectively discharge her statutory duties and

complete the Corporate Insolvency Resolution Process (hereinafter "CIRP") in a time-bound manner.

2. The CIRP in respect of the Corporate Debtor was initiated by Bank of Baroda, the Financial Creditor, by filing an Application under Section 7 of the Code in C.P.(IB)/17(MP)/2024. This Tribunal, vide order dated 24.03.2025, admitted the said Application and appointed the Applicant herein as Interim Resolution Professional. She was subsequently confirmed as Resolution Professional in the first meeting of the Committee of Creditors ("CoC") held on 23.04.2025.

Submissions of the Applicant

3. The Applicant/RP submits that upon commencement of CIRP, she required complete records of the Corporate Debtor from the Suspended Management for the purpose of discharge of her statutory duties including preparation of the Information Memorandum. Despite repeated reminders and emails, as well as a personal visit to Bhopal on 31.03.2025, the Suspended Management failed to furnish the requisite information and documents as detailed in Annexure P/6 to the Application.

4. It is submitted that the most critical information which has not been furnished includes: (i) duly signed and Board-approved Audited Financial Statements for FY 2022-23 and FY 2023-24; (ii) a detailed list of assets with acquisition date, cost, improvements, expected life, and depreciated value; (iii) a list of creditors and debtors with names, addresses, and amounts; and (iv) a Provisional Financial Statement as on the CIRP commencement date i.e., 24.03.2025. The absence of these documents has prevented the RP from

preparing a complete and verifiable Information Memorandum and has impeded the smooth conduct of the CIRP.

Submissions of Respondents Nos. 1 to 4

5. The Ld. Counsel appearing on behalf of the Respondents submits that a reply was filed on 31.08.2025 through e-mode. It is contended that the present Application is misconceived and the allegations of non-cooperation are denied. Respondent No. 4, who was the only person directly managing the affairs of the Corporate Debtor prior to CIRP commencement, submits that Respondents No. 1 to 3 had no active involvement in its day-to-day management and had no access to its financial or operational records. A separate reply from Respondents No. 1 to 3 is, therefore, stated to be unnecessary.

6. Respondent No. 4 submits that he has fully cooperated with the RP and has responded to her communications by sharing all available credentials, including GST, Income Tax, TAN, TDS, and MCA login details.

7. It is further contended that the Corporate Debtor has had minimal operations since 2017 due to its NPA classification, resulting in the availability of only limited data. Bank accounts were non-operational, and relevant financial information can be accessed from the Financial Creditor. Physical possession of the registered office and factory premises — where records were maintained — was handed over to the RP. It is stated that certain records were lost due to theft, in respect of which FIR No. 263/2024 and a subsequent FIR dated 12.10.2025 were registered and copies shared with the RP.

8. Respondent No. 4 further submits that the Balance Sheets for FY ending 31.03.2023 and 31.03.2024 were provided to the RP vide email dated 02.12.2025. The financial statements filed in XBRL format before the Registrar of Companies constitute the complete audited financial record of the Corporate Debtor, and there exists no separate or additional audited financial statement beyond what has already been filed with the statutory authorities.

9. In respect of assets, it is submitted that the Corporate Debtor owns only one wind turbine located at Ratlam, symbolic possession of which has been handed over to the RP. There are no other immovable assets. It is stated that the list of creditors and debtors was duly provided. As on date, only the Financial Creditor is the admitted creditor and sole member of the CoC, and there are no active operational debtors on account of the dormant status of the Corporate Debtor.

10. Lastly, it is submitted that invocation of Section 19(2) is warranted only where there is clear, deliberate, and wilful non-cooperation. In the present case, the Respondents have filed a detailed Reply Affidavit, a Compliance Affidavit dated 09.12.2025, and have continuously communicated with the RP, demonstrating bona fide cooperation. The CIRP has progressed to an advanced stage Form-G has been issued twice, an Information Memorandum has been prepared and circulated, a Resolution Plan was received and evaluated by the CoC (though rejected on commercial considerations), and a second round of Expression of Interest has been invited. This progress, it is

contended, conclusively demonstrates that all material information required for the CIRP was available with the RP.

Submissions of the Applicant on reply filed by respondent:

11. The RP submits that the responses furnished by the Suspended Management, as reflected in Annexure-1 to their reply, reveal a pattern of evasive and non-substantive answers. Instead of providing the requisite documents and information, the Suspended Management has persistently responded with statements such as *"Kindly refer to ROC website"*, *"Not Applicable"*, *"Kindly refer NCLT filings"*, and *"Kindly download from ROC website"*. It is contended that such responses do not, by any stretch of imagination, constitute compliance with the statutory duty of cooperation mandated under Section 19 of the Code. The obligation cast upon the Suspended Management is not a mere formality of redirecting the RP to public portals or previously filed pleadings. The statute enjoins upon them a positive duty to furnish full, complete, and contemporaneous information and records within their knowledge and possession, so as to enable the RP to effectively discharge her statutory functions.

12. With respect to the second line of defence advanced by the Suspended Management, the RP submits that she is not asking the Suspended Directors to *create* new records. She is merely requiring them to provide what they were legally obligated to maintain under the Companies Act, 2013, namely, annual financial statements, books of accounts, and statutory registers. Their prior

failure to prepare or maintain these records constitutes a violation of their own statutory duties, and such default cannot now be deployed as a shield to frustrate the CIRP.

13. It is further submitted that even if certain records are genuinely unavailable, Section 19(2) of the Code obliges the Suspended Management to *cooperate* with the RP in obtaining or reconstructing the same. A response of *"Not Applicable"* or a refusal to assist amounts to non-cooperation within the meaning of the Code. Where records are genuinely unavailable, the Suspended Management is duty-bound to file a sworn affidavit, duly supported by relevant documents, explaining the circumstances of unavailability. Cooperation under Section 19 necessarily means substantive assistance, not mechanical or formulaic replies.

14. With respect to the third line of defence, the RP submits that the Suspended Management's contention that the Corporate Debtor has been non-operational since its NPA classification in 2016, and therefore only limited data is available, is wholly untenable. Classification as a Non-Performing Asset does not extinguish the Corporate Debtor's legal personality or its statutory obligations under the Companies Act, 2013 to prepare and maintain financial statements annually, irrespective of operational status. Moreover, bank records are not a substitute for corporate accounts, as they do not capture contingent liabilities, receivables, or other statutory obligations. Shifting responsibility to the Financial Creditor amounts to evasion of the statutory duty under Section 19 and frustrates the very purpose of the CIRP.

15. With respect to the fourth line of defence, the RP submits that the Information Memorandum was prepared to the extent possible on the basis of documents publicly available with the Registrar of Companies, including XBRL filings, statutory returns, and claims received from creditors, given her strict statutory duty to conduct the CIRP in a time-bound manner. However, in the absence of complete cooperation from the Suspended Management, the following essential documents could neither be incorporated nor independently verified: (a) Audited Financial Statements for FY 2022-23 and FY 2023-24; (b) List of assets and liabilities along with details like acquisition date, value, expected life and depreciation value etc.; (c) List of creditors and debtors along with their addresses and detailed information; and (d) Provisional Financial statement as on Insolvency Commencement date i.e. 24.03.2025. The absence of these documents not only impedes the completeness of the Information Memorandum but also jeopardises the ability of any successful resolution applicant to correctly incorporate past liabilities and assets into the post-resolution balance sheet.

16. With respect to the XBRL filings provided vide email dated 03.12.2025, the RP submits that XBRL filings are merely a structured, summary representation of financial data mandated for regulatory convenience under the Companies Act, 2013. They do not constitute the statutory financial statements contemplated under Sections 129 and 134 of the Companies Act, 2013. The complete, authentic, and legally binding financial disclosures exist only in the signed financial statements approved by the Board of Directors and adopted by the shareholders. XBRL filings, by their very nature, do not

contain Notes to Accounts, accounting policies, auditor's observations and qualifications, contingent liabilities in narrative form, related party transaction explanations, or cash-flow assumptions and reconciliations — all of which are integral to a proper financial examination of the Corporate Debtor.

Analysis and Findings:

17. We have heard the learned counsel for the parties and perused the material on record.

18. It is pertinent to mention that, vide order dated 24.09.2025, this Tribunal, after hearing both sides, directed the RP to furnish a list of information/documents allegedly not received from the Suspended Management. In compliance thereof, the RP filed an affidavit dated 14.10.2025 specifying the outstanding documents. Thereafter, vide order dated 15.10.2025, this Tribunal directed the Suspended Management to file its reply affidavit.

19. In its reply affidavit, the Suspended Management stated that it had provided the audited Balance Sheets for FY 2022–23 and FY 2023–24 in the format available and as could be compiled pursuant to its continuous efforts to extend full cooperation. It was further stated that no provisional Balance Sheet had been prepared for FY 2024–25. The Suspended Management also submitted that, vide email dated 03.12.2025, it had re-shared the list of assets and clarified that the list of debtors and creditors reflected in the Balance Sheets supplied was true and correct to the best of its knowledge.

20. The primary question for consideration before this Tribunal is whether the Suspended Management has fulfilled its obligations of cooperation and assistance under Section 19 of the IBC, and whether further directions are warranted under Section 19(2) thereof.

21. Section 19 of the IBC casts a mandatory obligation upon the personnel of the Corporate Debtor, including the erstwhile directors and promoters, to extend all assistance and cooperation to the Resolution Professional as may be required by it in managing the affairs of the Corporate Debtor. Section 19(2) empowers the Adjudicating Authority, upon an application by the RP, to direct such personnel to comply with the aforesaid obligations in the event of non-cooperation.

22. The scope of cooperation envisaged under Section 19 is not limited to a mere token or mechanical response. It requires active, substantive and contemporaneous assistance including furnishing of financial records, statutory books, asset registers, creditor-debtor details and all other information within the knowledge, possession or control of the Suspended Management, so as to enable the RP to effectively discharge its statutory functions under the IBC. Reference in this regard may be made to the reasoning adopted by this Tribunal and various co-ordinate benches wherein it has been consistently held that redirecting the RP to public portals, giving evasive replies such as 'Not Applicable' or 'Refer MCA Website', or citing non-availability of records which were statutorily required to be maintained, does not constitute compliance with Section 19 of the IBC.

23. The statutory obligation to maintain books of accounts, prepare annual financial statements, and keep statutory registers flows from the Companies Act, 2013 and is independent of whether the company is operational or not. The classification of the Corporate Debtor as NPA or its non-operational status does not extinguish its legal personality or its obligations under the Companies Act, 2013. A failure to maintain such records in earlier years cannot be used as a shield to frustrate the CIRP process.

24. With respect to documents sought by RP Point wise detailing is as follows:

    1. **Audited Financial Statements:** The Respondents have furnished XBRL-format filings downloaded from the MCA website. The Applicant/RP has rightly pointed out that XBRL filings are a structured regulatory summary and do not constitute the audited financial statements contemplated under Sections 129 and 134 of the Companies Act, 2013. The complete, authentic and legally binding disclosures under the Companies Act exist only in the signed financial statements approved by the Board and the shareholders, which would contain complete Notes to Accounts, accounting policies, auditor's observations, details of related party transactions, contingent liabilities in narrative form, and detailed schedules/breakups. The Respondents have not provided such signed and approved audited financial statements. The admission in the email dated 03.12.2025 that the balance sheets furnished are 'copies gathered from the MCA website' and that 'no balance sheet containing more sub-headers or detailed

break-ups is available' is itself significant and does not discharge the obligation under Section 19.

2. **Provisional Balance Sheet**: The obligation to maintain books of accounts and prepare interim/provisional accounts as on the CIRP commencement date is a statutory obligation. The response of the Suspended Management that no provisional balance sheet 'was made' amounts to an admission of non-compliance with statutory duties. Such a failure cannot be used to obstruct the CIRP process and amounts to non-cooperation under Section 19 of the IBC.

3. **List of Assets**: The Suspended Management has disclosed only a single wind turbine at Ratlam as the sole asset of the Corporate Debtor. However, reference to the XBRL filings themselves (which are available with the RP and form part of the record as Annexure AF/1 of the RP's affidavit) reveals tangible assets including plant and equipment, furniture, and other items reflected under fixed assets. Details of acquisition date, acquisition value, improvements, expected useful life, and depreciated value of such assets have not been furnished. The statement that 'only the wind turbine exists' is therefore inconsistent with the company's own financial filings and requires further disclosure.

4. **List of Creditors and Debtors:** The Respondents have referred the RP to the balance sheet for creditor and debtor details. However, summary figures in a balance sheet do not constitute a list of creditors and debtors with their names, addresses, and amount-wise details as

required for the IM and for reconciliation. The RP is entitled to a segregated, address-wise, amount-wise list to enable verification, claim reconciliation, and recovery proceedings.

5. **Progress of CIRP is no defence:** The contention that the CIRP has progressed (Form-G issued, IM prepared, resolution plans received and evaluated) and hence there is no non-cooperation, deserves to be rejected. The RP has itself clarified that the IM was prepared on the basis of publicly available ROC records and creditor claims, due to the absence of cooperation from the Suspended Management. The absence of complete and verified financial data means that any resolution applicant who relies on such an IM may be misled or the successful resolution applicant may face material misstatements and non-compliances post-implementation. The obligation of the Suspended Management under Section 19 is not contingent upon the stage of CIRP.

25. In light of the above, this Tribunal is of the considered view that the Respondents have not fully discharged their obligation under Section 19(1) of the Code. The responses furnished by the Suspended Management have been, at best, partial and, in several instances, evasive. The Suspended Management is directed to furnish the documents and information as prayed by the RP within a period of **30 (thirty) days** from the date of this Order.

26. In the event of failure to comply with the directions above within the stipulated period, the RP shall be at liberty to file a fresh application before this Tribunal, whereupon appropriate proceedings, including proceedings for

non-compliance, shall be initiated against the defaulting Respondent(s) in accordance with law.

ORDER

27. In the light of the foregoing, the Application being IA/224(MP)/2025 is **allowed**. The Respondents, being the Suspended Directors of the Corporate Debtor M/s Xyron Technologies Limited, are hereby directed collectively and individually to furnish to the RP the documents and information as prayed by the RP within **30 (thirty) days** from the date of this Order.

Sd/-

MAN MOHAN GUPTA
MEMBER (TECHNICAL)

Sd/-

BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)

Chandni – L.R.A