IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT – 2

ITEM No.302
IA/814(AHM)2022
in
CP(IB) 568 of 2019

Proceedings under Section 19(2) r.w 70 IBC

IN THE MATTER OF:

Mr.Sushil Vishwakant Tewary,Liquidator of M/s. Champion Agro Ltd ....**Applicant**

V/s

Dhirajlal Ghusabhai Hirpara & Ors ....**Respondent**

Order delivered on: 03/07/2026

Coram:

Mrs. Chitra Hankare, Hon'ble Member(J)
Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)

ORDER

This case is fixed for pronouncement of order

The order is pronounced in open court vide separate sheet.

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DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

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CHITRA HANKARE
MEMBER (JUDICIAL)

SJ/AD/AP

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH (COURT-II)

IA No. 814 of 2022
In
CP (IB) No. 568 of 2019

[Application Under Section 19(2) read with Section 70 Of The Insolvency And Bankruptcy Code, 2016]

In the matter of:

M/s Champion Agro Limited ...Corporate Debtor

MEMO OF PARTIES

Mr. Sushil Vishwakant Tewary,
Liquidator of M/s. Champion Agro Limited
Having address at: 11, Pahelgaon Bungalows,
Premchandnagar Road, Bodakdev, Ahmedabad,
Gujarat – 380054, India.

...Applicant

Versus

1. Mr. Dhirajlal Ghusabhai Hirpara
   Ex-Director of M/s. Champion Agro Limited
   Having address at: Gauri Villa, 5,
   Anant Society, Kalawad Road, Rajkot,
   Gujarat – 360 001, India.

2. Mr. Jitendrakumar Ghusabhai Hirpara
   Ex-Director of M/s. Champion Agro Limited
   Having address at: 5, Anant Society, Plot 61, Opp.
   'Madharlipi', Rajkot, Gujarat – 360 001, India

3. Deleted in pursuance to order dated
   21.01.2026 passed in I.A. No. 814 of 2022
   in C. P. (I.B.) No. 568 of 2019

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4. Mr. Bakulesh Vanmalibhai Ganatra
Bakul V. Ganatra & Co., Chartered Accountants Statutory Auditor of M/s. Champion Agro Limited
Having address at: F – 14, Neptune Tower,
Kalawad Road, Opp. Jalaram Petrol Pump,
Rajkot, Gujarat – 360 007, India.

...Respondents

Order pronounced on 03.07.2026

Coram:
MRS. CHITRA HANKARE
HON'BLE MEMBER (JUDICIAL)

MR. VELAMUR G. VENKATA CHALAPATHY
HON'BLE MEMBER (TECHNICAL)

Appearance:

For the Applicant	:	Mr. Jaimin Dave, Adv.
For the Respondent 1& 2	:	Mr. Hiten Parikh, CA, Mr. Sanjay Majmudar, CA and Mr. Vivek Zalavadiya, CA.
For the Respondent No. 4	:	Mr. Chaitanya Patel, Adv. and Mr. Laxman Desai, Adv.
For Axis Bank (SCC)	:	Mr. Nipun Singhvi, Adv., Mr. Vishal J Dave, Adv. and Ms. Pragati Tiwari, Adv.

JUDGEMENT

1. This is an application filed under Section 19(2) read with Section 70 of the IB Code, 2016 by the erstwhile RP of the corporate debtor- Champion Agro Limited seeking directions against the Respondents for providing assistance and co-operation to the applicant.

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2. The applicant submitted that certain documents and details were provided by the suspended management, however, despite repeated requests, respondents have failed to provide certain documents/details/information required for conduct of the CIRP/liquidation. The applicant enumerated the list of the documents/details which are yet to be received from the suspended management and statutory auditor/Respondent No. 4, in response, Respondent 1 and 2 submitted that they had visited the office of the ex-Resolution Professional, Mr. Trupal kumar Patel, and furnished all relevant documents available in his possession. It is further submitted that the liquidation order dated 24.01.2024 records that Form-G was published and resolution plans were invited for the Corporate Debtor. Pursuant to which, a resolution applicant submitted a resolution plan and the same was rejected by the Committee of Creditors, which demonstrates that the CIRP process, including issuance of Form G, preparation of the Information Memorandum, was undertaken on the basis

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of information made available by the suspended management.

3. The applicant in its rejoinder further submitted that the preparation of the Information Memorandum and publication of Form-G were undertaken in compliance with the statutory timelines and cannot be treated as evidence of full cooperation by the suspended management. It is submitted that the Information Memorandum was prepared on the basis of the information available and specifically disclosed that certain information was incomplete. The Applicant further submitted that the submission of a Resolution Plan by a prospective resolution applicant does not establish that all records and documents relating to the Corporate Debtor had been furnished by the suspended management.

4. The list of documents required as on date is as under:

Sr. No.	List of Documents	Submission by Respondents	Rejoinder by the Applicant
1.	Copy of audit reports, detailed trial balance along with grouping, sub-grouping and ledgers for the	The balance sheet was prepared and audited up to 31.03.2017 only and the Respondent has provided all financial statements up to 31.03.2017 vide email dated 27.01.2026. The said	Provided only the audited financial statements for the period from 31.03.2013 to 31.03.2017. The Respondents ought to have provided the trial balance, ledgers, and other

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	year ending on 31.03.2013 to 31.03.2021 and upto commencement of CIRP	documents are attached as Annexure "C". The audited accounts are available on the MCA website and the fact that the company had not entered into any business and due to liquidity constraints, it could not make payment of salaries to its employees resulted in resignation of employees of accounts and finance departments and therefore the accounts could not be prepared and no audit has taken place thereafter.	accounting records for the period up to 31.03.2017.
2.	Copy of records pertaining to fixed assets, viz. land, building, plant machinery and other assets of the Corporate Debtor	The Respondent has submitted the details of fixed assets vide email dated 26.01.2026, the other detailed particulars are not available with the respondents since CBI has seized the documents and papers of the corporate debtor.	The details of Land and Building provided. However, details of Plant & Machinery, Vehicles and Power Generator have not been provided. The details of location of the assets, documents and other details are not provided and also the position of the same are required to be provided as of CIRP commencement date i.e., 23.06.2022.
3.	Details of debtors of the company along with contact details, ledger and supporting documents of the debts. Complete details and contact, addresses for debtors of Rs. 346.83 crores written off during the years 2013 to 2017	Details of debtor as on 31.03.2013 has been submitted. It is submitted that the CD was predominantly engaged in marketing of various agro products. Year 2013-14 and 2014-15 were one of the worst years for the CD due to higher rainfall, most crops was not available for sale and Government of India as well as Government of Gujarat had also distributed sizeable money to various farmers and RBI has also asked the	The details of debtor submitted does not contain any contact details/ address proof of such debtors. The Respondents failed to provide supporting records or demonstrate any efforts made towards recovery, and instead written off the amount of Rs.346.83 crores as irrecoverable.

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		banks to give additional loans to the farmers due to heavy rainfall in the western side of the country. The debtors of the corporate debtor are mainly small farmers and details of address and contact details of the debtors are not available with the respondents as the same was with the Ex-employees of the company who used to be in touch with these farmers. In view of the respondents, the possible recoveries from these farmers are very remote.	
4.	Details of Rs. 70.47 crores trade receivables as on 31.03.2017	The trade receivables of Rs. 70.47 crores as per the balance sheet as at 31.03.2017 is due to the farmers, however it is reiterated that the respondents do not have any contact details of these farmers as the same was with the Ex-employees of the company who used to be in touch with these farmers. In view of the respondents, the possible recoveries from these farmers are very remote. Further, as per the CBI "Search List", invoices are stated to be seized by the CBI personnels.	The Respondent Nos. 1 and 2 ought to have retained such information/ details from the ex-employees of the Corporate Debtor and made an attempt to recover such huge outstanding amount from the debtors. The Respondents failed to provide supporting records or demonstrate any efforts made towards recovery.
5.	Details of Rs. 7,87,50,540/- lease rent written off during the year ended on 31.03.2017	Rs.7.88 crores are mainly comprising of bad debts written off during the year ending on 31.03.2017. The details and grouping of the said amount in the documents taken away by the CBI. The nomenclature mentioned in the balance sheet is "bad debt /lease rent written off which	Respondent Nos. 1 and 2 are not able to clearly demonstrate as to why an amount of as much as Rs. 7,87,50,540/- was written off during the year ended on 31.03.2017 and shown as lease rent written off.

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		indicates the following: a) Farmers who were affected very badly, from whom CD could not recover money have become 'bad debt'. The CD had also given deposits to various owners of the godowns /offices/agricultural land. However, due to the fact that the employees to whom salaries could not be paid and left the organisation and therefore the money which was given as deposit to various owners of the godown/agricultural land has been confiscated and adjusted against the lease rent due to them. The said deposits have been written off during the year was the amount adjusted by the landlords against the lease deposits and nothing could be recovered by the CD. This may be adjusted against the rent due to them, the CD was required to deduct TDS as well as to pay other government dues and accordingly an amount of Rs.7.87 crores consists of main items of bad debts and small portion of the deposits lying with the lease owners have been adjusted against their dues. Rs. 7,87,50,540/- is comprising of bad debts written off which is relating to the trade receivable since more than 3 years and not recoverable. Further, as per the CBI "Search List", invoices are stated to be seized by the CBI personnels.	
6.	Details of loans	It is submitted that the CD	It is submitted that the

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	and advances given by the company and not recovered.	has not given any loans and advances to any other person except the deposits given by CD from time to time either for the Government tenders or rent deposits to various owners. There are no loans and advances as on 31.03.2017 as per the audited financial statements.	Respondent Nos. 1 and 2 have not submitted any details of security deposits to government departments and rent deposit to various owners.
7.	Books of accounts maintained in soft copy, e. g. Tally and/ or any other software	It is submitted that books of accounts maintained in the tally data were partially at rented premises who did not give access to the management since company could not pay rent to them and partially at the head office of the CD where due to rainy seasons and passage of time, these computer systems were damaged and no data could be recovered out of these systems. The physical place where the computers systems and documents were damaged was shown to the liquidator during his visit at the premises. Further, the CBI raided the premises in the year 2021 and even in the search list also, details of tally data is not mentioned, meaning that the respondents do not have the possession of the tally data of the CD.	It is submitted that the tally data is also preserved by the auditor of the Company. The applicant has impleaded the statutory auditor as Respondent No. 4 in the present matter who has also not provided the complete details.
8.	Details/ bifurcation of stock held by the company as on 31.03.2014 and thereafter	It is submitted that the CD was in Agro business and most of the goods of the CD were perishable goods. The business of the CD was closed before 10 years and therefore entire stock lying at the CD has become obsolete and accordingly there is no stock as at	The respondents failed to provide the details of stock held by the company.

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		31.03.2017 and therefore nothing is submitted under this head.	

5. Respondent No. 4 filed its additional affidavit and submitted that the Company maintained voluminous financial and transactional records, which remained in its custody and control. It is stated that his role was limited to conducting audits on a test-check basis and retaining only essential documents such as audit reports and statutory records, while the primary data and supporting documents continued to remain with the Company. It is submitted that all documents and records relating to the Company in his possession or control had already been handed over to the erstwhile IRP, which was duly acknowledged by the IRP vide e-mail dated 26.08.2022. The auditor submitted that, in F.Y. 2014-15, the Company created a provision of Rs.327.95 crore towards bad and doubtful debts based on the management's representation that a substantial portion of the receivables had become time-barred and were not legally recoverable, though efforts for recovery would continue through commercial means. It is submitted that

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the provision was assessed in accordance with the applicable auditing standards, including SA 540, SA 500, SA 200 and SA 220, on the basis of books of account, ageing analysis, management representations and historical recovery patterns. It is further submitted that the provisioning was consistent with the principle of prudence i.e. "anticipate no profits, but provide for all probable losses". It is also stated that, during the course of investigation by the CBI, copies of audit reports and supporting documents were furnished to the investigating agency, for which acknowledgment receipts were issued.

6. The applicant submitted that the CoC, in its meetings held on 22.07.2022 and 07.09.2022, resolved that the IRP to take possession of the premises of the Corporate Debtor and that the Suspended Board vacate the same, with only restricted access permitted under the supervision of the IRP for CIRP-related purposes. Despite directions issued by the IRP pursuant to the CoC's decision, the Suspended Board failed to vacate the premises and continued to retain possession. During the

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course of the proceedings, pursuant to directions given by this Tribunal suspended management gave peaceful possession of the premises of CD to the liquidator on 08.08.2025 and both the parties have filed affidavit to that effect.

7. Both the parties have filed their written submissions. Axis Bank, on behalf of SCC members has filed their written submissions pursuant to the directions in order dated 22.04.2026.

8. Heard both the parties. Perused the records and written submissions made by the counsels of both the parties.

9. **Observations:**

a. The CD was admitted to the CIRP on 23 June 2022 on application filed by FC under Section 7 of the IBC, 2016 and this Tribunal passed orders for liquidation on 25.01.2024. This application was filed by erstwhile RP on 29 Sept 2022. The CD could not be resolved through a proper resolution plan and this application was pending.

b. The CD suspended management has to hand over the documents which have to be in its possession for a

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period of 8 years as per Section 120 of Companies Act, 2013.

c. As tabulated in Page 5 of this order, the respondent suspended management ought to have provided the Annual Report and other financial documents for the financial years 2017-18 to 2021-22 which has not been provided. Further, as enumerated, details of Plant & Machinery, vehicles, Power Generator have not been provided including the location of assets, documents and other details as on date of initiation of CIRP. The respondents have also not provided details of relevant contact details, ledgers and supporting documents in respect of debtors amounting to Rs.346.83 crores written off during the year 2013-2017. Merely stating that the debtors were small farmers without addresses is not sufficient reason and a defence as submitted by respondents. The reply given by the statutory auditor in the matter is also not satisfactory. There were trade receivables amounting to Rs.70.47 crores for which no details were provided merely submitting that they were with ex-employees, and merely providing information of

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names without proper addresses does not satisfy for proceeding further for any action for recovery by the liquidator. We also observe that the respondent Suspended management has written off lease rentals due for Rs.7,87,50,540/- on 31.03.2017. The respondents have not provided details of advances, security deposits to government departments and rental deposit to various owners. No data of books of accounts are submitted to the applicant by the respondents merely stating that the data was destroyed due to rains/non recovery of data from rental premises. It is submitted that such data was provided to CBI, which is not the defence accepted by this Tribunal from the respondents. Further, we also observe that details of bifurcation of stock held by the company as on 31.03.2014 and thereafter was not submitted. In response to the same, the respondents have replied that there has been no business since last 10 years and hence there was no stock as on 31.03.2016.

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d. The respondent/s have on the ground/s of investigation by CBI not handed over all the important documents as enumerated in the table to the applicant which they are duty bound to hand over in terms of provisions of IBC, 2016 and hence there has been violation and lack of cooperation in terms of Section 19 of IBC, 2016. From the search list dated 05.03.2021 provided by CBI on seizing the documents, we observe none of these documents were handed over and they were only photo copies. Also there is clear violation of Section 120 of Companies Act 2016. As per Section 19 of IBC, 2016, we observe that the respondent/s have not complied with the orders issued by this Tribunal in terms of Section 19(3) of IBC 2016. The suspended management is facing various proceedings before CBI and other cases under PMLA and certain appeals pending before Hon'ble High Court.

e. Prima facie, we see this a fit case for proceeding against the Respondent No. 1 & 2 under Section 70 of the IBC, 2016 and we observe and conclude that there was malafide intention in destroying the records, not

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complying with Companies Act provisions by the suspended management of the CD. This has also resulted in the CD not being resolved and liquidated on the recommendations of the COC. The grounds made by the respondent/s lacks accountability and gross negligence, which could also be deliberate as the application for initiating CIRP was filed by the financial creditor SIDBI on 01.08.2019. The matter was admitted on 23.06.2022. During the period, it was also the responsibility of the CD to preserve its records.

f. We rely on the judgment passed by NCLT, New Delhi Court II in IA 5528/2021 in CP (IB) 614(ND)2017 in the matter of Nuvoco Vistas Corporation Ltd Vs WIG Brothers Constructions Pvt Ltd and in the matter of Mr Paramjeet Singh Bhatia (Liquidator) Vs Other respondents of suspended management. From the act of misappropriation of funds/fraudulent transactions/defrauding creditors, it appears there are various matters initiated by other law enforcing agencies which results in financial crime perpetrated by respondents.

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g. The applicant also seeks prayers under Section 70 of IBC, 2016. Hence, we allow this application and pass the following orders:

ORDER

I. The matter is hereby recommended for reference under Section 236 of the IBC to the IBBI, for initiation of proceedings before the Special Court constituted under Chapter XXVIII of the Companies Act, 2013.

II. The IBBI may, upon examination of the present order and the underlying facts, take such decision as it deems appropriate in accordance with law.

III. The Applicant is at a liberty to present the matter before the IBBI.

IV. The Registry is directed to send a copy of this order to the IBBI.

V. IA 814 of 2022 in CP (IB) 814 of 2022 is allowed and disposed of.

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DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

CHITRA HANKARE
MEMBER (JUDICIAL)

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