IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH
COURT-IV

I.A. 3457 ND 2025
IN
C.P. IB 284 (PB) OF 2021

IN THE MATTER OF:

VIA PROJECTS PRIVATE LIMITED

...Applicant

Versus

MR. NARENDRA KUMAR SHARMA
RESOLUTION PROFESSIONAL
SPAZE TOWERS PVT. LTD.

...Respondent

AND IN THE MATTER OF:
VIVEK KHANNA & ORS

...Financial Creditors

Versus

SPAZE TOWERS PVT. LTD.

...Corporate Debtor

Order Pronounced on: 05.10.2026

CORAM:

SHRI MAHENDRA KHANDELWAL
HON'BLE MEMBER (JUDICIAL)

SHRI ATUL CHATURVEDI
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Applicant : Ms. Nattasha Garg, Mr. Thakur Ankit Singh, Mr. Rishu Gautam, Advs.

For the RP : Mr. Karan Gandhi, Mr. Sikhar Tiwari, Mr. Pratham Bansal, Ms. Riya Jain, Ms. Vidhika Kapoor, Advs.

For the AR : Mr. Vishal, Adv.

ORDER

PER: ATUL CHATURVEDI, MEMBER (TECHNICAL)

1. The present Application has been filed by the Applicant, VIA Projects Private Limited under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 ("Code") read with Rule 11 of the National Company Law Tribunal Rules, 2016 ("NCLT Rules, 2016") seeking the following reliefs:

> *"A. Pass an order allowing the present application and direct the Resolution Professional/Respondent to forthwith take all necessary and appropriate steps, including legal action under applicable provisions of the Insolvency and Bankruptcy Code, 2016, against the ex-management and other relevant third parties, for the purpose of securing and retrieving the complete financial records of the Corporate Debtor, including but not limited to the 'Tally' data, accounting software, audit reports, and other statutory books of account, for the entire period commencing from the inception of the Corporate Debtor's business activities being part of present CIRP until the date of commencement of the CIRP; and/or;*
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> *B. Pass an order allowing the present application and direct the Respondent to immediately commission a forensic audit from a credible and independent agency such as Grant Thornton or any other entity approved by the CoC; and/or;*
>
> *C. Pass an order allowing the present application and restraining the Resolution Professional from considering or permitting any Resolution Plan from ineligible persons under Section 29A, including the ex-promoters and directors of the Corporate Debtor; and/or;*
>
> *D. Pass such other or further orders as the Hon'ble Tribunal may deem just and necessary in the interest of justice and to uphold the sanctity of the insolvency process."*

SUBMISSIONS OF THE APPLICANT:

2. The Corporate Debtor was previously admitted into insolvency by the NCLT, New Delhi Bench, vide order dated 28.10.2021 in CP(IB) No. 889 of 2020, which proceedings were subsequently withdrawn upon settlement with the creditors. During the earlier CIRP, the ex-management informed the then Resolution Professional that the Corporate Debtor was undertaking 14 real estate projects. Even in the 2nd meeting of the Committee of Creditors held on 17.12.2024 in the present CIRP, the Respondent recorded that the Corporate Debtor had 14 projects. However, the ex-management has now disclosed only 13 projects, which disclosure has been accepted by the RP without investigation, verification or forensic scrutiny. The 11-acre commercial development known as "Spaze Delhi", on which the Corporate Debtor had incurred approximately INR 192 crores, has been omitted. The project is now being marketed as "Candeo" by entities connected to the ex-management and was sold or transferred during the look-back period under the Code. The RP's own records in the 2nd CoC meeting reflect income received from the sale of plots from the Spaze Delhi project. Despite this, in the 4th CoC meeting dated 26.02.2025, the RP revised the number of projects to 13 without explanation or due diligence. The exclusion of the Spaze Delhi project, despite substantial financial outlay, ongoing monetization and the RP's recorded knowledge, amounts to a case of fraudulent siphoning by the ex-management, while the RP's failure to initiate any investigation or avoidance application reflects gross negligence and abdication of fiduciary responsibilities.

3. The Corporate Debtor and its former promoters are facing prosecution under the Environment Protection Act, 1986. Out of multiple cases, four matters have been concluded, while a prosecution relating to the project "Spaze Arrow" remains pending. There are also multiple FIRs and criminal complaints

pending against the former directors and associated group entities concerning cheating, criminal breach of trust, misappropriation of investors' funds and financial manipulation.

4. The ex-management has siphoned substantial sums from the accounts of the Corporate Debtor and, in parallel, established new entities and launched fresh real estate ventures during and around the CIRP period. Several such entities operate from the same premises as the Corporate Debtor, indicating continuity of operations, common control and potential related party status under Section 5(24) of the Code. M/s Aarize Realtech LLP and JHS Estate Private Limited are stated to be controlled by members of the ex-management and operate from premises developed by or associated with the Corporate Debtor. The use of the Corporate Debtor's project premises as registered offices of these entities, coupled with the involvement of the same individuals, gives rise to a strong presumption of asset and business diversion, which the RP is statutorily obligated to investigate. However, no steps have been taken to ascertain the nature of these transactions or determine whether these entities are related parties or vehicles for diversion of assets and business opportunities of the Corporate Debtor.

5. By a detailed and reasoned order dated 19.06.2024, the Department of Town and Country Planning, Haryana, blacklisted the former promoters of the Corporate Debtor and their affiliated entities and prohibited them from obtaining fresh licences for real estate development and further engagement in township or project development activities. During 25.04.2025 to 19.05.2025, DTCP also invoked 16 Bank Guarantees amounting cumulatively to INR 7,26,75,600/-. An ongoing inspection and investigation is also being carried out by the Ministry of Corporate Affairs under Section 206(5) of the Companies Act, 2013 into the affairs of Spaze Towers Pvt. Ltd. concerning

allegations of siphoning of funds, accounting irregularities and violations of statutory obligations. Writ Petition No. 9094 of 2021 concerning the same matter is pending before the Hon'ble Delhi High Court, wherein the ROC has stated that the investigation is ongoing and an audit is also to be conducted.

6. The Applicant has also approached the Hon'ble High Court seeking an investigation into the role of the Directors and Key Managerial Personnel of Spaze Towers Pvt. Ltd., namely Mr. Harpal Singh Chawla, Mr. Deepak Kumar, Mr. Bharat Kumar, Mr. Aman Sharma, Mr. Jaspal Singh Chawla and Mr. Vipin Sharma, in offences including cheating, forgery, misrepresentation and criminal breach of trust. A criminal complaint has also been filed before the Economic Offences Wing, with proceedings seeking registration of the FIR pending before the Learned District and Sessions Judge, New Delhi District, Patiala House Courts, New Delhi.

7. The RP is duty-bound to act with utmost diligence, transparency and fairness to protect the interests of creditors and ensure a time-bound and objective CIRP. However, the RP has shown repeated negligence, indifference and procedural failure, which has prejudiced the CIRP and favoured the persons responsible for the downfall of the Corporate Debtor. In the 2nd CoC meeting held on 17.12.2024, the CoC resolved that a forensic audit be conducted into the affairs of the Corporate Debtor covering the last five years prior to commencement of CIRP. The RP had also received quotations from forensic audit firms, including Grant Thornton and KPMG. Despite having the mandate and means, the RP failed to initiate the audit and did not provide any explanation to the CoC or seek directions from the Adjudicating Authority.

8. Regulation 35A of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 prescribes timelines for the RP to act on avoidance

transactions, requiring the RP to form an opinion within 75 days of the Insolvency Commencement Date, make a determination within 115 days and file an application before the Adjudicating Authority within 130 days. Despite expiry of these timelines and the alleged fraudulent conduct of the ex-management, no opinion, determination or application has been placed on record. Further, in the 4th CoC Meeting, the Respondent himself observed that the Corporate Debtor had been subjected to transactions covered under Sections 43, 45, 49, 50 and 66 of the Code and had formed an opinion to carry out a Forensic/Transaction Audit for five years prior to commencement of CIRP. Despite this acknowledgement, no further steps have been taken and no application under Sections 43, 45, 49, 50 or 66 has been filed.

9. The RP also failed to highlight that the financial records of the Corporate Debtor, including the "Tally" accounting data prior to 2016, were missing. Despite the gravity of the omission, no steps were taken to highlight the matter before the CoC in a meaningful manner or seek directions under Section 19(2) of the Code concerning non-cooperation by the erstwhile management. The absence of financial data, coupled with the RP's failure to initiate forensic audit or avoidance proceedings, has seriously undermined the integrity of the CIRP. The RP has been receiving, verifying, accepting or rejecting claims despite the absence of the Tally data and CRM records ordinarily underlying the accounting of real estate companies, thereby placing the exercise of claim verification under a shadow.

10. The RP has had access to materials pointing towards avoidable and fraudulent transactions, including blacklisting orders of DTCP, prosecution records, pending criminal complaints and the ongoing MCA investigation. Yet, no application under Sections 43, 44, 45, 47 or 66 has been filed, despite his acknowledgement in the CoC meetings regarding the existence of such

transactions. Under Section 25(2)(j) of the Code, it is the statutory duty of the RP to file an application before the Adjudicating Authority for avoidance of such transactions. However, the RP has neither informed the CoC about these irregularities nor filed any application for appropriate relief. Instead, the same individuals responsible for the financial collapse of the Corporate Debtor have been permitted to re-enter the CIRP as prospective resolution applicants.

11. The RP has allowed the ex-promoters and directors of the Corporate Debtor to submit a Resolution Plan and participate in the process despite their alleged disqualification under Section 29A of the Code. These individuals are facing criminal proceedings, blacklisting by DTCP and investigation by the MCA, while their role in the financial collapse of the Corporate Debtor is stated to be well documented. The RP has failed to verify their eligibility or bring the issue before the CoC. Throughout the CIRP, the RP has also failed to act transparently by not sharing forensic data, audit progress or important disclosures with the CoC. Important resolutions have not been acted upon and applications that ought to have been filed before the Adjudicating Authority were never brought.

12. The Resolution Professional, having access to the available records, control over the affairs of the Corporate Debtor and the statutory obligation to act in the interest of stakeholders, was best placed to detect, investigate and report the alleged fraudulent conduct of the ex-management. However, despite evidence pointing towards financial misconduct, regulatory breaches and criminal proceedings involving the ex-promoters, the RP failed to initiate avoidance proceedings or report the irregularities to the CoC and the Adjudicating Authority, while allowing the same individuals to re-enter the resolution process. Such conduct reflects a failure to uphold the duty of

independence, vigilance and diligence expected from a Resolution Professional under the Code.

13. The overall conduct of the RP reveals disregard for the statutory framework of the Code and the obligations placed upon him under the Regulations. The RP failed to take custody and control of critical financial data, including Tally records, in violation of Section 18; did not file an application under Section 19(2) despite knowledge of non-cooperation by the ex-management; failed in his duties under Section 25(1) to preserve and protect the assets of the Corporate Debtor; and failed under Section 25(2)(j) to file applications for avoidance transactions. Further, permitting the ex-promoters to participate in the resolution process despite their alleged disqualification under Section 29A and non-compliance with the timelines prescribed under Regulation 35A has materially prejudiced the rights of creditors and stakeholders and raises serious concerns regarding the fairness, transparency and legality of the CIRP.

14. The RP, despite having specific knowledge of financial irregularities, siphoning of funds and fraudulent conduct by the ex-management, has failed to initiate action under Sections 43 to 50 and 66 of the Code or seek directions under Section 19(2) concerning non-cooperation and missing financial data. The RP has also failed to procure or take custody of the complete financial records, including Tally accounting data, and has not conducted any forensic or transaction audit despite a mandate from the CoC and evidence pointing towards avoidable and fraudulent transactions. Further, an Expression of Interest has allegedly been permitted from a consortium comprising former promoters and directors of the Corporate Debtor, who are stated to be facing criminal prosecution, blacklisting by DTCP and investigation by the MCA.

15. The Applicant filed an Additional Affidavit on 06.08.2025, bringing subsequent developments on record, including circulation by the RP of the Transaction Audit Report dated 19.07.2025 along with the Notice for the 8th CoC Meeting on 31.07.2025. Though several transactions in favour of the ex-management and related parties have been flagged, the TAR has sought to justify the same instead of categorizing them as preferential and undervalued transactions. The TAR failed to question the suspicious termination of the "Spaze Delhi" Project after investment of Rs. 192.44 Crores, the booking of losses exceeding Rs. 99 Crores despite expenditure of approximately Rs. 196 Crores, the subsequent sale of 2 Acres to entities incorporated by the ex-management, and the loss of Rs. 97 Crores in Sector-114 despite M/s Candeo having 47% shareholding comprising family members of the ex-management. The TAR also failed to flag interest and miscellaneous expenses exceeding Rs. 96 Crores paid to M/s Candeo and the diversion of assets to related parties.

16. The TAR failed to flag assured returns of Rs. 86 Lakhs paid to related parties/ex-management in the Delhi Spaze Project, including payments to Mr. Deepak Kumar, who received a refund of Rs. 18 Lakhs against payment of Rs. 15.63 Lakhs along with assured returns of Rs. 14.65 Lakhs. The TAR also failed to address the missing Tally data recorded in the 2nd CoC Meeting dated 17.12.2024; the absence of unit-wise/party-wise/allottee-wise sales records and how claims and allotments were being ascertained; the drastic reduction in inventory from Rs. 32,456.92 Lakhs in 2021 to Rs. 7,824.03 Lakhs in 2022; and the decline in reserves and surplus from Rs. 5,265.98 Lakhs in 2020 to negative Rs. 441.53 Lakhs in 2022.

SUBMISSIONS OF THE RESPONDENT NO.1:

17. The prayers sought by the Applicant do not concern any personal rights of the Applicant which are effected or stated to have been effected in the CIRP of the Corporate Debtor.

18. Under the scheme of the Code, the Resolution Professional is entrusted with the responsibility of conducting the CIRP in accordance with the Code and Regulations. The RP has no adjudicatory or discretionary powers in matters involving commercial decisions, which lie solely within the domain of the CoC. The role of the RP is limited to verifying and placing before the CoC all Resolution Plans received in accordance with Section 30(3) of the Code. The RP cannot on his own exclude or disqualify any Resolution Applicant unless such determination is supported by due process and the CoC's approval.

19. In view of Section 240A of the Code, the ineligibility provisions contained in clauses (c) and (h) of Section 29A do not apply to MSMEs, and the Corporate Debtor is a registered MSME. Therefore, the RP could not have excluded the suspended management from submitting a resolution plan pursuant to the Form G. Mere submission of a Resolution Plan does not grant any entitlement over the assets of the Corporate Debtor and it is for the CoC to decide whether the plan is to be considered. Further, blacklisting by another forum does not automatically disqualify a promoter from submitting a resolution plan, as ineligibility is determined by the criteria under Section 29A.

20. The RP convened the 6th CoC meeting on 19.05.2025, wherein Form G and the eligibility criteria were approved. Form G was approved in respect of the 13 projects of the Corporate Debtor. Two Resolution Plans were subsequently received on 11.08.2025, including one from the consortium of Mr. Harpal Singh Chawla, Mr. Vipin Sharma, Mr. Bharat Bhushan Kumar and Mr.

Deepak Kumar. No objection was raised by the Applicant or recorded in the CoC meeting against acceptance of the EOI from the said consortium.

21. In relation to PUFE transactions, the RP convened the 4th CoC meeting on 26.02.2025 and the CoC resolved to appoint M/s Kansal Singla & Associates to conduct the Forensic/Transaction Audit of the financial and management affairs of the Corporate Debtor for five years from 01.04.2019 to 21.10.2024. The final transaction audit report was received on 19.07.2025 and placed before the CoC in its 8th meeting held on 31.07.2025. In relation to the Candeo Project, the auditors concluded that no transactions attracted Sections 45, 49, 50 or 66 of the Code.

22. In Item No. 9 of the 2nd CoC Meeting held on 17.12.2024, (wherein the erstwhile RP was taking care of the affairs) convened by the erstwhile Resolution Professional, it was clearly recorded that the accounting data of the Corporate Debtor is available from the year 2016 onwards; and earlier year data was lost due to technical issues. The said fact was transparently disclosed to the Committee of Creditors and forms part of the 2nd CoC minutes.

23. The audit report further recorded payments of Rs.180 lakh to related parties in three projects, namely Spaze Delhi, Corporate Park and Tristaar, as against ₹13.77 crores paid to unrelated parties in the same projects, and clarified that no preferential payments were made to related parties. The RP also drew attention to the settled position that the RP has to act within the prescribed look-back period under Sections 43, 45 and 50 and cannot go further back unless fraudulent transactions are detected under Section 66.

24. The RP states that, in compliance with Regulation 35A, necessary steps were taken to identify potential transactions under Sections 43, 45, 50 and 66 and, based on the audit, an opinion was formed for not taking further action

against the suspended board. The transaction audit report was also shared with the Regional Director, Northern Region, MCA, pursuant to its letter dated 11.07.2025. Filing of avoidance or fraudulent transaction applications is contingent upon the RP forming a definitive opinion based on the auditor's report and available material. Since no finding of fraud or preferential transaction was arrived at, no such application was filed; however, if the findings at any later stage warrant action, necessary steps shall be taken as per law. The Applicant did not raise any objection to the forensic report or the discussions in the CoC meetings.

25. The Applicant has selectively disclosed the proceedings before the Hon'ble Delhi High Court in W.P. (C) No. 9094/2021, where proceedings concerning the affairs of the Corporate Debtor are already pending and the transaction audit report has been submitted. The same proceedings involve prayers for forensic audit, financial inspection and investigation into the affairs of the Corporate Debtor and its directors. The MCA and ROC have already filed affidavits and the matter is sub judice. Therefore, the issues relating to forensic audit and investigation are already subject to adjudication before the Hon'ble High Court, and entertaining the same reliefs before this Tribunal would result in duplication of proceedings, conflicting findings and multiplicity of litigation.

26. The Tally data of the Corporate Debtor is presently not available; however, the same does not impede the conduct of a proper audit as the statutory books and records maintained under the Companies Act, 2013 are available and form a sufficient basis for examination of financial transactions. The RP has already exercised due diligence and caused an audit to be conducted in accordance with the Code. No material irregularity, fraud or preferential transaction has been unearthed beyond what has been reported to the CoC

and the Adjudicating Authority. A further forensic audit at this stage would amount to unwarranted duplication and impede the timely completion of the CIRP.

27. The pendency of criminal proceedings or FIRs against the erstwhile management or promoters cannot impede or debar the consideration or submission of a resolution plan. The CIRP is independent of criminal or penal proceedings against individuals and is aimed at revival of the Corporate Debtor as a going concern. The liability of the Corporate Debtor is distinct and separate from that of its erstwhile promoters, directors or officers, and the eligibility of a Resolution Applicant is to be determined strictly in accordance with Section 29A. Reliance is placed on ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta & Ors., Swiss Ribbons Pvt. Ltd. v. Union of India and RBL Bank Ltd. v. MBL Infrastructures Ltd. to contend that mere pendency of FIRs or criminal complaints does not render a Resolution Applicant ineligible unless the statutory criteria under Section 29A are attracted.

28. The RP has acted strictly in accordance with the Code and Regulations, secured the relevant records, shared reports with the competent authorities and regularly updated the CoC regarding steps taken under Regulation 35A and other statutory compliances. The present Application is stated to be misconceived and premature and an attempt to interfere with the independent functioning of the CoC and the RP. The RP cannot be compelled to file an application unless the material facts and evidence support a prima facie finding of fraudulent or avoidable transactions, and the Applicant has no locus standi to dictate the course of action in respect of transaction audits or investigations. No fraudulent intent or negligence can be attributed to the RP merely because he has exercised professional prudence in waiting for the completion of official audits and government investigations.

SUBMISSIONS OF AUTHORIZED REPRESENTATIVE:

29. Regarding the financial records, the Authorized Representative Class of Creditors (Real Estate-Shop & Home Buyers) referred to the discussions held during the Second CoC meeting item no. 9, wherein, the Authorized Representative Class of Creditors (Real Estate-Shop & Home Buyers) had inquired with the ex-management about the availability of data prior to 2016. The ex-management responded that the financial data for the earlier years was lost due to a technical issue.

30. Regarding forensic audit, the Authorized Representative of Creditors (Real Estate Shop & Home Buyers), referred to the detail discussions held during the Fourth CoC meeting in agenda item no. 10. wherein, the resolution for appointment of auditors was approved. The AR also referred to the discussions held during the Eighth CoC meeting in agenda item no. 7 wherein the AR raised some observations regarding transactions in Candeo Project, the payment of assured Returns by the suspended management, reporting the same in the Audit Report and the final summary of the Forensic/Transaction Audit.

31. Despite the presence of Authorised Representative, the Application filed by individual Financial Creditor - Allottee as member of class of creditors. The Authorized Representative has discharged his duties diligently, acted in good faith, and represented the collective interests of the class of creditors, (Real Estate-Shop & Home Buyers), in all CoC deliberations and proceedings before this Tribunal.

ANALYSIS AND FINDINGS:

32. We have considered the submissions of the Applicant, the Resolution Professional and the Authorized Representative, and perused the material placed on record.

33. The present Application primarily seeks directions to the Resolution Professional to procure the complete financial records of the Corporate Debtor, including the Tally data, conduct a fresh forensic audit, initiate appropriate proceedings against the erstwhile management and restrain consideration of a Resolution Plan submitted by persons allegedly ineligible under Section 29A of the Code.

34. Insofar as the allegation regarding the missing Tally data is concerned, the minutes of the 2nd CoC Meeting dated 17.12.2024 record that the availability of financial data prior to 2016 was specifically discussed and the erstwhile management stated that such data had been lost due to technical issues. Therefore, the contention that the issue was neither disclosed nor brought to the notice of the CoC is not borne out from the record. The absence of a particular set of accounting data, by itself, cannot lead to a finding of fraud, siphoning or diversion of assets. The Applicant has also not demonstrated any specific statutory non-compliance requiring issuance of a direction under Section 19(2) of the Code.

35. As regards the prayer for a forensic audit, the record clearly establishes that the CoC had already considered the issue. In its 4th meeting dated 26.02.2025, the CoC resolved to appoint M/s Kansal Singla & Associates to conduct the Forensic/Transaction Audit covering the financial and management affairs of the Corporate Debtor for the period from 01.04.2019 to 21.10.2024. The final report dated 19.07.2025 was thereafter placed before the CoC in its 8th meeting dated 31.07.2025. Thus, the contention that no forensic/transaction audit was undertaken is factually incorrect.

36. We further note that this Adjudicating Authority, while dealing with connected applications in the same CIRP vide order dated 05.08.2026, has already considered a similar prayer seeking a fresh forensic audit for a longer period

and observed that such an issue is not one which is required to be considered for the purpose of approval of the Resolution Plan. It was further observed that the Code and Regulations confer upon the Resolution Professional and the CoC the power as well as duty to take a view in the matter and, if required, call for a forensic audit. In the present case, such an audit has already been commissioned and completed. Therefore, no further direction for commissioning another forensic audit is warranted at this stage.

37. The Applicant has sought to question the conclusions of the Transaction Audit Report by referring to various transactions concerning the Spaze Delhi/Candeo Project, assured returns, related-party transactions, changes in inventory and reserves and surplus. As regards the allegation that the Resolution Professional failed to initiate proceedings under Sections 43, 45, 49, 50 and 66 of the Code, the Resolution Professional has stated that the transaction audit was undertaken pursuant to the decision of the CoC and that, upon consideration of the audit findings, no further action was found warranted against the suspended management. The mere existence of transactions which, according to the Applicant, appear suspicious does not automatically establish that such transactions fall within the statutory ingredients of the aforesaid provisions. The filing of avoidance or fraudulent transaction applications has to be based upon the material available and the satisfaction of the statutory requirements. This Adjudicating Authority cannot direct filing of such proceedings merely on the basis of allegations or suspicion.

38. The Applicant has also sought a direction restraining consideration of a Resolution Plan submitted by the ex-promoters/directors or persons allegedly connected with them on the ground of Section 29A. The Resolution Plan is required to be considered by this Adjudicating Authority in accordance with

the Code, and the question of eligibility under Section 29A is required to be independently examined at the appropriate stage. This position has also been expressly recorded by this Adjudicating Authority in its order dated 05.08.2026 in the connected Intervention Petition, wherein it was observed that the issue of Section 29A eligibility would be independently considered while considering the application for approval of the Resolution Plan. Therefore, no separate direction restraining the Resolution Professional from considering a Resolution Plan is warranted at this stage.

39. It is also pertinent to note that the Authorized Representative has confirmed that the issues relating to the missing financial data and the forensic audit were discussed in the CoC meetings and that observations were raised in relation to the Candeo Project and the transactions referred to in the audit report. Thus, the CoC was not unaware of the matters raised by the Applicant as substantiated from the record. The material before us demonstrates that the concerns were considered within the CIRP framework and that a transaction audit was in fact undertaken.

40. We are also guided by the settled position that the Adjudicating Authority is not expected to substitute its own view for the statutory and commercial decisions taken by the RP and the CoC in matters falling within their respective domains. In the present case, the CoC had already taken a decision to commission the transaction audit and the audit report was subsequently placed before it. No material has been shown to us which would justify directing a second audit or compelling the RP to initiate proceedings which, upon consideration of the available material, have not been found warranted. The principles laid down by the Hon'ble Supreme Court in *Jaypee Kensington* also are against permitting an individual stakeholder to seek directions which

would effectively interfere with the CIRP and the consideration of the Resolution Plan.

41. In view of the foregoing discussion, we find that the Applicant has failed to establish any statutory violation or circumstance warranting the reliefs sought. The allegations regarding the Spaze Delhi/Candeo Project, related-party transactions, assured returns, missing financial data and other alleged irregularities have either been considered in the CIRP process or do not, on the material placed before us, warrant the directions sought in the present Application. The prayer for a fresh forensic audit cannot be granted when a transaction audit has already been conducted pursuant to the decision of the CoC, and the prayer concerning Section 29A can be considered at the stage of approval of the Resolution Plan.

42. Accordingly, the present Application bearing **I.A. 3457/ND/2025 is dismissed.**

No order as to costs.

-SD/-

ATUL CHATURVEDI
MEMBER (TECHNICAL)

-SD/-

MAHENDRA KHANDELWAL
MEMBER (JUDICIAL)