NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Comp. App. (AT) (Ins) No. 1822 of 2026

IN THE MATTER OF:

Mufin Green Finance Ltd. **...Appellant(s)**

Versus

Keshav Khaneja Resolution Professional of Gensol Engineering Ltd. **...Respondent(s)**

Present:

For Appellant(s)	**:**	Mr. Gaurav Mitra, Sr. Adv. with Mr. Dhruv Dewan, Mr. Prashant Jain, Mr. Varun Garg, Ms. Komal Bihani, Mr. Swapnil Jain & Ms. Aishwarya Modi Seth, Advocates
For Respondent(s)	**:**	Mr. Sumesh Dhawan Sr. Adv. Ms. Srideepa Bhattacharyya, Ms. Neha Shivhare, Ms. Khyati Khemka, Ms. Krishna Saklani & Ms. Udisha Mishra, Advocates

O R D E R
(Hybrid Mode)

[Per: Justice Mohd. Faiz Alam Khan, Member (Judicial)]

Instant appeal has been filed by the Appellant against the impugned order dated 14/09/2026 passed by the National Company Law Tribunal, Ahmedabad Bench 1, in IA No. 1349 of 2026, moved in CP (IB) No. 195 of 2025, by which an independent forensic auditor has been appointed by the Ld. Adjudicating Authority to examine the relevant books of accounts, ledger entries, vouchers, and accounting records (including underlying electronic computerized data and email trail) with regard to the security deposit of Rs. 1,34,148,00/- pertaining to the Appellant.

2. Ld. Counsel for the Appellant submits that the Appellant is a listed, RBI-regulated NBFC, and its shares are traded on the stock exchange. The CD and the Appellant had entered into an operating lease agreement dated

24/3/2023 for the supply of 100 electric vehicles to the CD and had also executed a connected purchase agreement whereby the cars would be purchased by the CD post expiry of the term of the lease under Clause 5(d) of the agreement. The CD had paid Rs. 13,414,800/- as non-refundable payment security, adjustable by the Appellant against the due amount.

3. It is further submitted that from March 2025, the CD defaulted on the payments, and a notice dated 13/4/2025 was issued by the Appellant. Thereafter, the security deposit of Rs. 13,414,800/- was forfeited and recorded in the ledger, and the agreement was terminated via communication dated 21/4/2025 and termination letter dated 22/4/2025 and 92 vehicles out of 100 vehicles were repossessed by the appellant.

4. It is further submitted that the CIRP of the corporate debtor was commenced on 13/06/2025, and the respondent was appointed RP. The Appellant filed its claim on 10/07/2025, but in the claim verification correspondence with the RP, the Appellant had inadvertently written 21/07/2025 instead of 16/04/2025 as the date of adjustment of the security deposit. Thereafter, the Appellant filed the revised claim on 20.03.2026.

5. It is further submitted that thereafter the respondent RP has filed an application being IA No. 1349 of 2026 under Section 60(5) of the Code, seeking refund of Rs. 1,341,4800 and consequential modification of the Appellant's Form C and also sought appointment of an independent forensic auditor, relying on a prior order of the learned adjudicating authority in the proceedings carried out in the group entity of the CD (i.e., I.A. No. 574 of 2026). By passing the impugned order, the adjudicating authority observed that the actual date of adjustment required factual verification and appointed

an independent forensic auditor to inspect the Appellant's books, ledgers, vouchers, and other records.

6. It is vehemently submitted that the direction for a forensic audit travels beyond the jurisdiction conferred under Section 60 (5) of the Code. This is because the jurisdiction available with the adjudicating authority is over claims and questions arising out of or in relation to the insolvency resolution of the CD only, however, it has no jurisdiction to subject an independent third party to a forensic examination of its books and electronic records.

7. It is further submitted that previously a wrong order has been passed by the learned adjudicating authority, may not be an excuse to justify the passing of instant illegal order. Moreover, the factual situation in the earlier case was distinguishable from the facts of the instant case.

8. It is further submitted that no prayer for any forensic audit was sought in the application filed by the RP and it is only by filing the rejoinder that the RP for the very first time, introduced new relief of forensic audit, which is not maintainable. Otherwise also, the facts and circumstances of this case do not justify the appointment of a forensic auditor only to assess a transaction held between the parties.

9. It is further submitted that the interim order has serious and disproportionate consequences for the Appellant and would also be detrimental to the business secrecy and other confidential material (which is usually kept by the companies). Therefore, the interim order is not sustainable and is required to be set aside.

10. Learned Counsel for the Respondent RP, on the other hand, submits that it was stated in the reply filed by the Appellant before the Learned

Adjudicating Authority that the security deposit was adjusted by them on April 16, 2025, which was prior to the initiation of the corporate insolvency resolution process of the CD (which was initiated on June 13, 2025) and thus the Appellant has made a prayer for the forensic audit in its rejoinder.

11. It is further submitted that Appellant has earlier informed via email dated 06.12.2025 that the security deposit, as deposited by the CD, was adjusted on July 21, 2025, after the commencement of the CIRP. However, contrary to this position, in the email dated 23 December 2025, Appellant informed that such appropriation of the security deposit was made before initiation of the CIRP on 16.04.2025 and in this background, the Appellant was compelled to make the prayer for the forensic audit.

12. It is further submitted that in the meantime, in Indian Renewable Energy Development Agency Limited vs Gensol EV Lease Limited, IA No. 574 of 126 moved in CP (IB) No. 199 of 2026, the adjudicating authority passed a similar order against the Appellant, directing the appointment of a forensic auditor, which was never challenged by the Appellant and the Appellant also accepts the jurisdiction and power of the adjudicating authority in passing such directions, including the appointment of a forensic auditor.

13. It is further submitted that the Ld. Adjudicating Authority has jurisdiction to pass such directions for an independent forensic audit in case of dispute with regard to the date on which the security has been appropriated by the Appellant and the only fact that, in the original application, no such prayer was made is inconsequential. Moreover, the forensic audit is necessary in the facts and circumstances of this case to assess as to on what day the security has been appropriated by the Appellant.

14. It is further submitted that the claim of the Appellant that the security deposit was adjusted prior to the initiation of the CIRP is not correct, as the security deposit had not even matured on April 16, 2025, since it was contingent and dependent upon the valid termination of the operating lease agreement. The Appellant itself sought to terminate the operating lease agreement via its communication dated 21/04/2025. Significantly the email dated 21/04/2025 was not addressed to the Corporate Debtor nor to its authorized representative and the same was addressed to a representative of Blue Smart Charger Private Limited, and a copy of the same was sent to Mr. Anmol Jaggi and other individuals who are not parties to the operating lease agreement.

15. Thus, without a valid termination of the operating lease agreement, the Appellant's discretionary right of adjustment of the security deposit was not matured under the operating lease agreement even on 16 April 2025.

16. It is further submitted that, in view of the above facts and circumstances, there is no illegality in the order passed by the lender adjudicating authority. The appeal filed by the Appellant is devoid of force and is liable to be dismissed as such.

17. Having heard learned counsel for the parties and having perused the record, it is evident that interlocutory application bearing number 1349 of 2026 was filed by the RP before the learned adjudicating authority with the following prayers:

> *"a. Allow the present Application*
> *b. Direct the Respondent, Mufin Green Finance Limited, to forthwith refund the Security Deposit of INR 1,34, 14,800/- (Rupees One Crore Thirty-Four Lakhs Fourteen Thousand and Eight Hundred only) to the Corporate Debtor, Gensol*

Engineering Limited, along with interest thereon at the prevailing rate from the date of adjustment, i.e., July 21, 2025, till the date of actual refund; and

c. Direct the Respondent to file a revised I amended Fom 1 C before the Resolution Professional, duly reflecting the correct outstanding amount after giving full credit for the Security Deposit amount of INR 1,34,14,800/- already received and retained by the Respondent;

d. Pass such other and further order(s) as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the present Application and in the interests of justice".

18. It appears to be an admitted fact that the CIRP against the CD Gensol Engineering Limited was initiated by an order passed by the Learned Adjudicating Authority on 13.06.2025, on a petition filed under Section 7 of the Code.

19. It is further reflected and is also admitted by the parties that on 24/03/2023, the corporate debtor and the Appellant executed the Electric Vehicles Services Agreement and Purchase Agreement for 100 electric vehicles and services. The CD paid Rs. 1,34,14,800/- as security deposit and the lease agreement was to expire on 07/04/2028. According to the Resolution Professional, the Appellant appropriated Rs. 1,34,14,800/- on 21/07/2025 during the moratorium. In this background, the resolution professional sought claim details on 06/11/2025, and Muffin filed the claim of Rs. 19,522,187/-. The resolution professional on 25/11/2025 sought details of the deposit, and on 6.12.2025, the muffin disclosed about the adjustment of the security deposit on 21/07/2025 and has relied on the lease agreement. Subsequently, the Appellant has taken the stand that the security deposit had already been adjusted before 13 June 2025. In this regard, the

communication dated 21/4/2025 and 22/04/2025 with regard to termination of the lease agreement has been relied.

20. We notice that the RP, in its rejoinder, has disputed the claim of the Appellant with regard to adjustment of the security before 13 June 2025. By filing a rejoinder, it is submitted that the actual date and manner of adjustment could only be verified from the books of accounts, vouchers, and other electronic audit trail of the Appellant.

21. It is thus evident that, in view of the contradictory stand taken by the Appellant, Ld. Adjudicating Authority thought that it would be convenient to examine the relevant books of account, ledger entries, voucher, and electronic computerized data, etc., of the Appellant (in order to determine as to on which date the security deposit deposited by the CD of Rs. 1,34,14,800/-, was confiscated/appropriated by the Appellant). The necessity, in our considered opinion, for appointment of a forensic auditor has emerged only on account of the fact that contradictory stand has been taken by the Appellant with regard to the date of appropriation of the security.

22. We also notice, and it has also been highlighted by the Respondent RP, that on an earlier occasion also, with regard to the similar dispute in the same CIRP, by passing an order dated 27/08/2026 in CPIB No. 199 of 2025 a forensic auditor was directed to be appointed, and at that point of time, the Appellant has neither challenged the jurisdiction of the Adjudicating Authority in passing the said order nor has challenged the same by filing any appeal. Therefore, it is contended by Learned Counsel for the RP that the Appellant is estopped from challenging the similar order. The said order has also been placed on record by the Counsel for the RP and has also been filed

with the written submissions. The same has been passed with regard to the return of the refundable security deposit of Rs. 10,005,971/- and a similar stand of contradictory nature was taken by the Appellant therein. It is in the backdrop of the facts and circumstances of that case that the Ld. Adjudicating Authority has appointed a forensic auditor. It has been submitted by Learned Counsel for the RP that, before any forensic audit, the amount of security deposit in that case was paid by the Appellant.

23. Be that as it may, it appears to be an admitted situation that the Appellant has given two dates to the RP with regard to appropriation of the security deposit, deposited by the CD. Though it has been argued with considerable force on behalf of the Appellant that in the earlier communication dated 6.12.2025, the Appellant had inadvertently written the date of appropriation of the security deposit as 21.07.2025 instead of 16.04.2025 and in fact, the security deposit was appropriated on 16.04.2025, and thereafter the agreement was terminated vide communication dated 21.04.2025 by email and vide letter dated 22.04.2025. But the fact remains that the appellant had given two dates of appropriation of security, i.e., 16 April 2025 and 21 July 2025, while the date of initiation of the CIRP is 13 June 2025. Thus, in our considered opinion, due to the contradictory stand taken by the appellant, the Ld. Adjudicating Authority has not committed any illegality in directing the audit (only for the limited purpose of ascertaining the actual date on which the security deposited by the CD has been appropriated by the appellant).

24. In view of the facts and circumstances of the case and the reasons given hereinbefore, we do not find any illegality in the order passed by the Ld.

Adjudicating Authority. In result, the appeal filed by the Appellant appears to be without merits and is **dismissed** as such.

25. There is no order as to costs. The pending I.A.'s, if any, are also disposed of.

[Justice Mohammad Faiz Alam Khan]
Member (Judicial)

[Arun Baroka]
Member (Technical)

30.10.2026
sr/kam