

**Admission of CIRP Applications on the basis of Form D (Record of Default) issued by NeSL-
Information Utility**

NCLT, Bengaluru Bench in the CIRP Application filed by Biotechnology Industry Research Assistance Council (BIRAC) under Section 7 of IBC, 2016 (C.P(IB) No.71/BB/2024), has admitted the application for initiation of Corporate Insolvency Resolution against the Corporate Debtor M/s Labland Biotechs Private Limited, vide Order dated 13.06.2025.

In the above-mentioned Order, the Hon'ble members of NCLT have placed reliance on the contents of the Records of Default issued by NeSL-IU in determining **debt & default for admitting the application filed under Section 7 of IBC, 2016, read with Rule 4 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016, for initiating CIRP.**

The relevant extracts of the Orders of NCLT are as under:

Page 10 - Para 11:

“Under Section 7 of the IBC, to initiate the CIRP, it is imperative for the Petitioner to establish the existence of a financial debt, as defined under Section 5(8) of the IBC, 2016, and to demonstrate that a default, as per Section 3(12), has occurred concerning that financial debt. In the present case, the material on record unequivocally establishes that the Corporate Debtor was extended a loan, which is further corroborated by the acknowledgment of the loan amount in the balance sheets of the Corporate Debtor for the financial years 2018-2019 through 2021-2022. Further, the Hon'ble Supreme Court in the case of Innoventive Industries Ltd. vs. ICICI Bank and Ors., (2018) 1 SCC 407 has held as under:

...30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is “due” i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise.”

Page 10 – Para 12:

“The Hon'ble Apex Court in the above judgment has clearly pointed out to the records of the information utility reflecting the existence of a debt and a default to be a corroborative factor. In the instant matter the NeSL has also confirmed the date of default mentioned in Form D (Record of Default) and established the existence of the debt and the default.”

Page 13 – Para 22:

*“Accordingly, the instant Company Petition bearing CP (IB) No. 71/BB/2024 is **admitted***