<u>Admission of CIRP Applications on the basis of Form D (Record of Default) issued by NeSL- Information Utility</u>

NCLT, Hyderabad Bench, in the CIRP Application filed by M/s Canara Bank Limited under Section 7 of IBC, 2016 [C.P.(IB) No. 160/7/HDB/2022], has admitted the application for initiation of Corporate Insolvency Resolution (CIRP) against the Corporate Debtor M/s Shresht Industries Private Limited, vide Order dated 09-09-2022.

In the above-mentioned Order, the Hon'ble members of **NCLT have placed reliance on the contents of the <u>Records of Default issued by NeSL-IU in determining the default,</u> in 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.

<u>The relevant extracts of the Orders of NCLT are as under:</u>

*" **<u>Page 7 – ORDERS</u>***

<u>Para 6:</u>

*The **<u>records of default held with the information utility, all dated 05.02.2022, have been obtained from the National E-Governance Services Limited</u>** and are titled "Record of default in the matter of M/S SHRESHT INDUSTRIES PRIVATE LIMITED". The records bear a 'Unique Debt Identifier' code for each of the eight accounts of the Corporate Debtor, that are in default, and the amounts reflected therein are in line with the claims of the Financial Creditor.*

<u>Para 7:</u>

*In view of the above, we are of the view that, in the instant case, there is a financial debt and there has been a default committed by the Corporate Debtor in repayment of the same. **<u>This Adjudicating Authority is satisfied that the Financial Creditor has proved its case</u>** by producing evidence that default has occurred, for which the Corporate Debtor is liable to pay. The Application is also filed within the period of limitation.*

<u>Page 8 – Para 8:</u>

It is significance to note that the Hon'ble Supreme Court of India, in the case of Innoventive Industries Ltd v. ICICI Bank & Anr. [(2018) 1 SCC 407], held as under :……. <u>The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete</u>……..

<u>Page 8 – Para 9:</u>

The Financial Creditor has also fulfilled all the stipulations as required under the provisions of the Code, 2016, for the purpose of initiating the Corporate Insolvency Resolution Process……

<u>Page 8 – Para 10:</u>

Accordingly, the Application is hereby admitted and this Adjudicating Authority orders the commencement of the Corporate Insolvency Resolution Process, which shall ordinarily be completed within the timelines stipulated in the Code, 2016 (as amended), reckoning from the date on which this order is passed."