

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

NCLT, Mumbai Bench, Court VI, in the CIRP Application filed by M/s K Sera Sera Box Office Private Limited under Section 7 of IBC, 2016 (C.P.(IB)/411(MB)2025), has admitted the application for initiation of Corporate Insolvency Resolution against the Corporate Debtor M/s Shree Mahaganga Sugar Mills Limited, vide Order dated 11.07.2025.

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 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 11 - Para 5.7:

"At this juncture, reference may be made to the landmark judgment of the Hon'ble Supreme Court in Innoventive Industries Limited v. ICICI Bank Limited,... which comprehensively delineates the scope of powers exercisable by the Adjudicating Authority under Section 7 of the IBC and has held that the same is limited to assessing the records provided by the financial creditor to satisfy itself that the default has occurred. The relevant extract of the said judgment is reproduced below:

....

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."

Page 14 - Para 5.8:

"The Record of Default submitted by the FC from the Information Utility (NeSL), evidencing the default and bearing the status "deemed to be authenticated," further fortifies the claim of the FC. In accordance with Section 7(5) of the IBC read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, such a record constitutes valid and sufficient proof of default."

Page 14 – Order:

*"In view of the aforesaid findings, this Application bearing C.P. (IB) 411/MB/2025 filed under Section 7 of IBC, 2016 by K Sera Sera Box Office Private Limited, the Applicant (FC) for initiating CIRP in respect of Shree Mahaganga Sugar Mills Limited, the CD, is **admitted**."*