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 M/s Maximus ARC Ltd under Section 7 of IBC, 2016 (C.P(IB) No. 249/BB/2024), has admitted the application for initiation of Corporate Insolvency Resolution against the Corporate Debtor M/s Sri Balaji Cement & Power Ltd vide Order dated 01.08.2025.

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 **date of default, 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 7 - Para 11:
*"Under Section 7 of the IBC, to initiate the CIRP, the Financial Creditor is only required to establish the existence of a financial debt and the occurrence of default. The material placed on record including the NeSL Record of Default, loan documentation, and subsequent correspondence demonstrates compliance with these statutory thresholds. The Corporate Debtor's repeated attempts to restructure the debt through OTS categorically admit the factum of default. It further corroborates its continued inability to service the debt as it became due. In this context, Hon'ble Supreme Court of India 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 8 & 9 – Para 13 & 15:
*"The Hon'ble Supreme Court in **Innoventive Industries Ltd. v. ICICI Bank, (2018) 1 SCC 407**, has categorically held that once default is established and the application is complete in all respects, the Adjudicating Authority is duty-bound to admit the petition…….. The Hon'ble Apex Court in the afore-cited 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 endorsed the existence of the debt and the default."*

Page 9 – Para 16 :
*"Accordingly, this **Company Petition bearing CP (IB) No. 249/BB/2024 is admitted**."*