

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

NCLT, Mumbai Bench (Court-II), in the CIRP Application filed by M/s VSJ Investments Private Limited under Section 7 of IBC, 2016 (CP (IB) 651/MB/2023), has admitted the application for initiation of Corporate Insolvency Resolution against the Corporate Debtor M/s Karm Infrastructure Private Limited, vide Order dated 29-02-2024.

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 8:

"..... The default committed by the Corporate Debtor is also evidenced by the Record of Default filed with Information Utility (NeSL). Even the Corporate Debtor has not averred that no amount is outstanding in respect of the Facilities. The documents referred to above clearly establish that the Corporate Debtor has committed defaults in respect of the Facilities/financial debt, as defined under the Code."

Page 15, Para 15:

"On the basis of the documents/records made available before us, we are satisfied with the evidence on record that existence of financial debt and its default is clearly established."

Page 16, Order - Para a:

"The above Company Petition No. (IB) 651 (MB)/2023 is hereby admitted and initiation of Corporate Insolvency Resolution Process (CIRP) is ordered against Karm Infrastructure Private Limited."