

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

NCLT, New Delhi Bench, Court IV in the CIRP Application filed by State Bank of India under Section 7 of IBC, 2016 (C.P.(IB) 294 (ND) 2025), has admitted the application for initiation of Corporate Insolvency Resolution against the Corporate Debtor M/s Giga Pipe Systems India Pvt. Ltd, vide Order dated 07.10.2025.

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 & 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 6 (iv):

".....the NeSL record reflects the default date as 03.05.2022. "

Page 11 - Para 6 (v):

" The Applicant has placed before the Adjudicating Authority the sanction/arrangement letters, executed loan documents, statements of account accompanied by NeSL certificate.... "

Page 11 - Para 6 (vi):

".... In the present matter, the Loan-Recall Notice is one of several materials placed before the Adjudicating Authority; the NPA classification and NeSL entries independently evidence that default had already occurred... "

Page 12 – Para 6 (vii):

*"Once the Adjudicating Authority is satisfied with the existence of a financial debt, the occurrence of default, and procedural compliance, it is bound to admit the petition. The Authority has limited discretion at this stage and cannot conduct a deeper enquiry into the merits or defences unless the application is incomplete or legally barred. Consistent with the principle laid down in **Innovative Industries Ltd. v. ICICI Bank & Anr. (2018) 1 SCC 407**, the jurisdictional enquiry at the admission stage is limited to an examination of the existence of a financial debt and whether there is default. Both these conditions are met on the present record: the debt is admitted and documented; default is evidenced by statements, **NeSL entries**....*

Page 13 – Para 7 Order (i):

*"As a sequel to the above discussion and in terms of Section 7(5)(a) of the Code, the present company application C.P. (IB)- 294/(ND)/2025 stands admitted and the CIRP is hereby initiated against **Giga Pipe Systems Pvt Ltd.**"*