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

NCLT, Ahmedabad, Court-II, in the CIRP Application filed by M/s State Bank of India under Section 7 of IBC, 2016 (CP (IB) 128/NCLT/AHM/2021), has admitted the application for initiation of Corporate Insolvency Resolution (CIRP) against the Corporate Debtor M/s Kandla Energy and Chemicals Ltd, vide Order dated 21-10-2022.

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 the default, 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.

The relevant extracts of the Orders of NCLT are as under:

"

ORDER

Page 5 – Para 8:

Report dated 30.06.2021 annexed to the application and issued by National E-Governance Services Limited (NeSL)/Information Utility clearly reflects record of default of the corporate debtor.

Page 7 - Para 11:

………………..The present application is required to be admitted since it is filed ***as a result of a default in repayment of credit facility sanctioned and that default has been confirmed by an Information Utility.***

Page 17 – Para 24:

…………. it is evident that the debt is due and payable and default has occurred. The present application is complete in terms of Section 7 (5) of the Code. The applicant is entitled to claim its dues, establishing the default in payment of the financial debt beyond doubt. As a consequence to above discussion the present application is admitted and CIRP is ordered to be initiated against corporate debtor."