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

NCLT, Special Bench, Court -I, Kolkata, in the CIRP Application filed by Small Industries Development Bank of India under Section 7 of IBC, 2016 (CP(IB) No. 53/KB/2024), has admitted the application for initiation of Corporate Insolvency Resolution against the Corporate Debtor M/s J. Khetsidas Machine Tool Works Private Limited, vide Order dated 31.01.2025.

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 **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 4 - Para 16:

"*From the submission made by the parties and the documents on record, we are satisfied that the two elements i.e., debt and default essential for admitting the application stands established. (a) the email dated 29.07.2023 by the corporate Debtor in our view is testimony of admission by the Corporate Debtor that there exists a debt of over Rs.1 Crore and which is in default. (b) the Applicant has attached record of default with IU at page no. 83 which is in DISPUTED status. Therefore, we find that the present petition filed by the Financial Creditor is complete in all respects, it is filed within limitation, the threshold is met and accordingly the petition deserves to be* ***admitted***."

Page 4 – Para 17:

"*In the light of the enumerations above on facts, record and law, we order as follows: -*

a. The application bearing ***CP (IB) No. 53/KB/2024*** *filed by Small Industries Development Bank of India, the Financial Creditor, under section 7 of the Code read with rule 4(1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating CIRP against J. Khetsidas Machine Tool Works Private Limited, the Corporate Debtor, is hereby* ***admitted***."