

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 Smartpaddle Technology Pvt Ltd under Section 9 of IBC, 2016 (C.P.(IB)No.64/BB/2024), has admitted the application for initiation of Corporate Insolvency Resolution Process against the Corporate Debtor M/s Krish Fashions Brands Pvt. Ltd, vide Order dated 16.01.2026.

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 non-existence of pre-existing dispute for admitting the application filed under Section 9 of IBC, 2016, read with Rule 6 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 12:

"The Hon'ble Supreme Court in Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd., Civil Appeal No. 9405 Of 2017 has held that for a dispute to exist under Section 8(2)(a) of the IBC, it must be a 'pre-existing dispute' supported by contemporaneous evidence. The Court emphasized that adjudicating authorities must separate 'grain from chaff' and reject spurious defences which are mere blusters. The test laid down requires that disputes must not be 'patently feeble legal arguments or assertions of fact unsupported by evidence'. In this instant case, the Respondent has not been able to establish that there was a pre-existing dispute. This is further corroborated by the Form D, issued by Nesl ..., which states the date of default is 10.06.2022 and the status of authentication of default as 'deemed to be authenticated' and not disputed by the Respondent."

Page 11 – Para 14:

*"For the aforesaid reasons, circumstances of the instant Petition and the settled position of Law on the issue, we are of considered opinion that C.P. (IB) 64/BB/2024 filed under Section 9 of the IBC 2016 stands admitted. The Corporate Debtor, **Krish Fashions Brand Private Limited** is admitted into CIRP."*