

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 Sugar Development Fund, Government of India Through IFCI Ltd under Section 7 of IBC, 2016 (C.P.(IB) No. 243/BB/2025), has admitted the application for initiation of Corporate Insolvency Resolution against the Corporate Debtor M/s Bhalkeshwar Sugar Ltd, vide Order dated 25.09.2025.

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 default & date of 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 5 - Para 6:

".. the date of default of 27.01.2022 matches with the Record of Default ('RoD') issued by NeSL. The RoD filed vide memo dated 11.09.2025 also specifies the status of authentication of 'default' as 'deemed to be authenticated.'"

Page 6 - Para 8:

*"The material placed on record including the corroborative NeSL Record of Default, loan documents and subsequent correspondence reveal meeting of statutory thresholds. The Corporate Debtor's repeated attempts to restructure the debt categorically admit the factum of default. which is further confirmed by the balance sheets of the Corporate Debtor. In this context, Hon'ble Supreme Court of India in the case of **Innovative Industries Ltd. vs. ICICI Bank and Ors., (2018) 1 SCC 407** has held as under:*

...30.in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is "due" i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the Adjudicating Authority that the Adjudicating Authority may reject an application and not otherwise."

Page 6 – Para 10:

"Accordingly, Company Petition bearing CP (IB) No. 243/BB/2025 is allowed and respondent Bhalkeshwar Sugars Limited is admitted to undergo Corporate Insolvency Resolution Process..."