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

NCLT, Allahabad Bench, Prayagraj in the CIRP Application filed by M/s Oriental Bank of Commerce (Now Punjab National Bank) under Section 7 of IBC, 2016, CP (IB) No 331/ALD/2018, has admitted the application for initiation of Corporate Insolvency Resolution against the Corporate Debtor M/s Simbhaoli Sugar Ltd, vide Order dated 11-07-2024.

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 and 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:

Para 34 Page 35

"The default on the part of the CD is evident from the documents placed on record such as the CIBIL Report dated 28.08.2018 wherein it is mentioned that the M/s Simbhaoli Sugars Limited was moved to default category and ***NeSL records as on 25.04.2022 showing that there is default committed by the Corporate Debtor……."***

Para 51 Page 48

"In view of our above findings, we are satisfied that Applicant/Financial Creditor has proved the debt and the default, which is more than the threshold limit of one lakh at the relevant time and even more than Rs 1 crore, the limit which is applicable at present. The application is also filed within the limitation period and complete in all respects and an interim resolution professional is also proposed as per section 7(3)(b). Accordingly, the present application under Section 7, has been found fit to be admitted as per Section 7(5) of the I&B Code,2016."

Accordingly, the present application under Section 7 stands admitted.