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 Canara Bank under Section 7 of IBC, 2016 (C.P.(IB) No. 139/BB/2023), has admitted the application for initiation of Corporate Insolvency Resolution against the Corporate Debtor M/s Bava Infrastructure Developers Pvt, vide Order dated 20.06.2024.

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 **limitation period and threshold limit 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 8 - Para 15:

"…….. *Additionally the date of default as per Part IV of Form-1 is 19.04.2022 is well within the limitation period and the dates mentioned in the NeSL Report Form-D, concludes that the debt falls within the limitation period. In so far as the threshold limit of the debt amount is concerned, the same is satisfied as the debt amount is above the threshold limit of Rs.1 crores. ……….."*

Page 8 – Para 16:

"*…………..* ***It is also a matter of consideration that the CD has admitted the existence of debt as per S. 3(11) of the Code and the default in terms of non-payment of debt as per S 3(12) of the Code."***

Page 9 – Para 17:

"In view of the facts and circumstances discussed above, the present Petition being complete and having established the default in payment of the financial debt and for the default amount being above Rs.45,08,21,868.88/- … the ***Petition*** *is* ***admitted*** *in respect of the Corporate Debtor i.e.* ***M/s. BAVA INFRASTRUCTURE DEVELOPER PVT. LTD****. under Section 7 of the Code.*"