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

NCLT, Division Bench, Court -1, Ahmedabad, in the CIRP Application filed by Edelweiss Asset Reconstruction Company Ltd under Section 7 of IBC, 2016 (C.P.(IB)/87(AHM)2026) has admitted the application for initiation of Corporate Insolvency Resolution Process against the Corporate Debtor M/s Fortune Assets Private Ltd vide order dated 18.03.2026.

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 **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 8 - Para 16:
"The Financial Creditor has also filed Form-D being record of debt and default issued by National E-Governance Services Limited (NeSL) wherein the date of default is recorded as 03.04.2023 with status "Deemed to be Authenticated" which is annexed.. The Record of Default issued by the Information Utility satisfies the requirement under Section 7(3)(a) of the Code. The variation in the dates of default does not affect the continuous nature of default, which stands established from the material on record including the statement of account and record of default."

Page 9- Para 17:
"The Hon'ble NCLAT, in Milind Kashiram Jadhav v. State Bank of India and Anr …. Has also upheld the evidentiary value of the Record of Default ("RoD") generated from the Information Utility in Form-D, for the purpose of establishing occurrence of default under Section 7 of the Code. The relevant extract of the said judgment is reproduced herein below:-
73. Futhermore, the Bank has diligently presented evidence of default through NESL Certificates, submitting them before the ..NESL Certificates stand as concrete manifestations of default, providing a clear and indisputable record of the debtor's failure to meet its financial obligations. Section 7(3)(a) states that "the Financial Creditor shall, along with the application furnish – (a) record of the default recorded with the information utility or such other record or evidence of default as may be specified;.." and in this case record of default with the information utility was filed and is on record…."

Page 9- Para 18:
"This Tribunal has considered the legal framework under Section 7 of the IBC, which requires the establishment of a financial debt and a default by the Corporate Debtor. It is settled law that at the stage of admission under Section 7 of the Code, the Adjudicating Authority is required to ascertain the existence of a financial debt and occurrence of default from the record of the Information Utility or other material on record (Innoventive Industries Ltd v. ICICI Bank Ltd…"

Page 9- Para 19:
*"In view of the law laid down by the Hon'ble Supreme Court in **Innoventive Industries** and followed in subsequent judgments, once the existence of financial debt and occurrence of default are established, the Adjudicating Authority is required to admit the application. The Record of Default issued by the Information Utility constitutes sufficient evidence under Section 7(3)(a) of the Code."*

Page 10- Para 23:

"Accordingly, in light of the above facts and circumstances, it is, hereby ordered as under-

(i) The Respondent/Corporate Debtor- ***M/s Fortune Assets Private Limited*** *is admitted in the Corporate Insolvency Resolution Process (CIRP) under section 7 of the IBC, 2016.*