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

NCLT, Mumbai Bench, Court-VI, in the CIRP Application filed by M/s Reliance Alpha Services Private Limited under Section 7 of IBC, 2016 (C.P(IB)/845(MB)2023) has admitted the application for initiation of Corporate Insolvency Resolution Process against the Corporate Debtor M/s Prime Focus Limited, vide order dated 06.05.2026.

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 30 - Para 121:

"As regards the 'disputed debt' and non-transfer of certain assets under the BTA as raised by the Corporate Debtor, Applicant has placed reliance on the decision of f Hon'ble Supreme Court in the matter of ***Innoventive Industries Ltd. vs. ICICI Bank****,* ***Civil Appeal No. 8337-8338 of 2017*** *more particularly para 30, which is reproduced below: -*

> *"30. On the other hand, as we have seen, 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 by some law or has not yet become due in the sense that it is payable at some. 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 30 – Para 122:

"In view of the above judgment in Innoventive (Supra), we are of the view that the "disputed" status of authentication of default as per NeSL Form D and also pendency of commercial suit before Hon'ble Bombay High Court or the dispute as to alleged non-transfer of some of the business assets pursuant to the BTA do not make Application under Section 7 inadmissible as existence of debt and default exceeding the threshold of Rs. 1 Crore has been established by the Financial Creditor."

Page 40 – Para 137(i):

"The Corporate Debtor, namely, PRIME FOCUS LIMITED [CIN: L92100MH1997PLC108981], is hereby admitted into the Corporate Insolvency Resolution Process under Section 7(5)(a) of the Code."