

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

Important Takeaway

The AA while admitting the Application u/s 9 for CIRP, relies upon the Record of default issued by an Information Utility for determining not only the debt and default, but also in determining the availability of limitation under Limitation Act.

NCLT, Allahabad Bench, in the CIRP Application filed by Aarti Industries Ltd under Section 9 of IBC, 2016 C.P. (IB)/154/ALD/2024, has admitted the application for initiation of Corporate Insolvency Resolution against the Corporate Debtor Magma Industries Ltd., vide Order dated 09.04.2026.

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 9 of IBC, 2016, for initiating CIRP.

The relevant extracts of the Orders of NCLT are as under:

Page 12-Para 20

"..with the date of default stated as mentioned in the computation table annexed as Annexure M with the present application and also mentioned as date of default in Form D record of Default by NeSL is 31.10.2022, i.e., 90 days from the date when the first invoice dated 02.08.2022 which was only partly paid became due. Accordingly, the application being filed on 30.10.2024, is well within the limitation period of three years from the date of default."

Page 16- Para 27&28

"27. The default has also been recorded under Form D, Record of Default by National E-Governance Services Limited (NeSL) which is mentioned in para no. 14 of this order.

28. The failure to make payments towards the invoices raised by the Operational Creditor confirms the occurrence of default which is further corroborated by the Record of Default issued by the NeSL in 'Form-D' as 'deemed to be authenticated'. Debt has also been admitted by the Corporate Debtor in its email dated 04.02.2023."

Page 27- Para 39

39. Accordingly, this application is admitted u/s 9 of the Code, 2016, under the following terms and conditions.

i. The Application filed by the Operational Creditor under Section 9 of the Insolvency & Bankruptcy Code, 2016 for initiating the Corporate Insolvency Resolution Process against the Corporate Debtor i.e., M/s Magma Industries Limited. is hereby admitted.