

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

NCLAT, Chennai Bench, upheld the admission of a Section 7 application Company Appeal (AT) (CH) (Ins) No. 07/2025 (IA Nos. 45, 46 & 47/2025) and placing reliance on the **NeSL's Record of Default (RoD) issued in Form D** as evidence of debt and default against the Corporate Debtor **M/s Koravampady Estates and Enterprises Pvt. Ltd.** has been noticed by our Team vide Order dated 06.08.2025.

In the above-mentioned Order, the Hon'ble members of NCLAT have placed reliance on the contents of the Records of Default issued by NeSL-IU in determining debt & default and upheld the admission of application filed under Section 7 of IBC, 2016, for initiating CIRP and dismissed the Appeal on grounds that the Application is not hit by S.10A of the code and lacks merit.

NCLT Kochi Bench vide its orders dt.17/1/2023 in an application filed by the creditor South Indian Bank for initiation of CIRP U/s 7 of IBC against the CD M/s Koravampady Estates and Enterprises Pvt. Ltd. , has admitted the application for CIRP placing reliance of ROD issues by NeSL, finding that the date of default is outside the Sec 10A exclusion.

Upon the Creditor preferring an appeal against the above order of AA/NCLT Kochi bench, the NCLAT Chennai, vide its orders dt.06.08.2025 upheld the decision of NCLT Kochi bench.

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

Page 4- Para 9.

" 9.Learned Adjudicating Authority has proceeded to pass the said order making the observation thereof, that, based on documents that have been produced, the debt is Rs.3,64,09,280/- which is beyond the threshold of Rs.1 Crore as stipulated in the code, that the date of default as per NeSL record is 31.05.2021 and therefore the application will not hit by Section 10A of the Code and that since petition is filed on 23.11.2023, it will be within limitation period under law."

Page 9- Para 17.

"17. Thus, owing to the above, the Appeal lacks merit, and the same is accordingly dismissed, more particularly when the Appellant while approaching this Appellate Tribunal had concealed material fact about the pendency of the Writ Petitions and his own consent extended in the CIRP Proceedings for the settlement of dues, which amounts to be an admission of debt and default, which are the prime factors requires to be satisfied for commencement of Section 7 proceedings by admitting the Corporate Debtor into CIRP by Respondent No.1. Thus, the Company Appeal lacks merit and the same is accordingly dismissed for the aforesaid reasons."