

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

Important Takeaway

In case the record of Information Utility shows that there is a debt which is in default, the Adjudicating Authority or the Appellate Authority are not required to further examine the record maintained by the Information Utility.

NCLT, Chennai Bench, in the CIRP Application filed by M/s Tatad Nayan Gautambhai under Section 7 of IBC, 2016 CP(IBC)/39(CHE)/2026 has admitted the application for initiation of Corporate Insolvency Resolution against the Corporate Debtor M/s Pradhin Ltd., vide Order dated 02.07.2026.

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 4, Para 13:

The 'Record of Default' in Form D shows the default amount as Rs.12,98,00,000/- and date of default as 30.09.2025 and the status 'authenticated'.

Page 4 & 5, Para 14:

"The Corporate Debtor in its reply, has not disputed the debt and its liability to repay the debt. As per the terms of the loan agreement, the Corporate Debtor had to repay the debt by 30.09.2025. It failed in repayment which fact the Corporate Debtor has also admitted in its reply and the letter of acknowledgement dated 05.11.2025. The NeSL certificate also authenticates the debt and default"

Page 6, Para 19:

"It has been ruled by the Hon'ble NCLAT in Vipul Himlatal Shah vs. Teco Industries in Company Appeal (AT) (Insolvency) No. 470 of 2022 [(2022) ibclaw.in 379 NCLAT], that the report of information utility (NeSL) is sufficient evidence to arrive at the conclusion qua the amount of debt and default."

Page 9, Para 27 ORDER:

*"Based on the above terms, the petition CP(IBC)/39(CHE)/2026 stands **admitted** in terms of Section 7(5) of IBC, 2016 and the moratorium shall come in to effect as of this date."*