

### Record of Default now mandatory under Section 7

NCLT Order dated 12<sup>th</sup> May 2020 (enclosed), makes the Record of Default (RoD) from Information Utility mandatory for filing of applications under Section 7 of the Insolvency and Bankruptcy Code 2016, including cases pending for admission under the above section before the next date of hearing.

The RoD provided by NeSL IU is a critical prima facie evidence that establishes the status of authentication of a default filed by a Creditor and serves as a catalyst in speeding up the admission of cases at NCLT, in turn leading to speedy resolutions. All Financial Creditors filing an application Under Section 7 for initiating the corporate insolvency resolution process against a debtor before the NCLT must now mandatorily download the RoD from NeSL IU. For this creditor must first submit the default information on the IU and then download the RoD once the process of authentication of default is completed as per provisions of Regulation 21 of the IBBI Regulations.

#### As a creditor you are required to

- Submit financial information on all debtors on atleast a monthly basis, and
- Ensure immediate filing of default information so that the minimum period of delivering constructive notice to the debtor by the IU could commence.

#### What IU will do for you

- Creditor may download the RoD from the NeSL, which is available 24 by 7, through a simple process and attach it to the application for NCLT.
- Make available authenticated default information in the RoD, including the email or RPAD communication trail with the debtor, which serves as prima facie evidence in the court of law.
- RoD can now also be downloaded through an API mode. The relevant technical document is placed in your login to IU portal under the "Help guide" section for your IT integration.

For any more information or support, you may contact your respective relationship manager from NeSL or contact the NeSL Tech Support team for any technical issues faced on 1800 266 2346 or Email id: [techsupport@nesl.co.in](mailto:techsupport@nesl.co.in)

Sd/-

Team NeSL

#### Enclosure –

1. NCLT order for filing Record of Default from IU dated 12<sup>th</sup> May 2020
2. Procedure to download RoD from IU system

## 1. NCLT order for filing Record of Default from IU



File No. 25/02/2020-NCLT

राष्ट्रीय कम्पनी विधि अधिकरण/ NATIONAL COMPANY LAW TRIBUNAL

छठा तल, ब्लॉक-3,  
सी. जी. ओ. कम्प्लेक्स, लोधी रोड,  
6<sup>th</sup> Floor, Block-3,  
CGO Complex, Lodhi Road,  
नई दिल्ली / New Delhi- 110003  
दिनांक / Dated: 12<sup>th</sup> May 2020

### ORDER

All concerned are directed to file default record from Information Utility alongwith the new petitions being filed under section 7 of Insolvency and Bankruptcy Code, 2016 positively. No new petition shall be entertained without record of default under section 7 of IBC, 2016

The Authorized Representatives/Parties in the cases pending for admission under aforesaid section of IBC also directed to file default record from Information Utility before next date of hearing.

This issues with approval of Hon'ble Actg. President.

  
(Shiv Ram Bairwa)  
Registrar

Copy to:-

1. P.S. to Hon'ble President, National Company Law Tribunal, New Delhi.
2. Hon'ble Members, National Company Law Tribunal.
3. Officers of National Company Law Tribunal, Principal Bench, New Delhi/Kolkata/Mumbai/Chennai/Ahmedabad/Allahabad/Bengaluru/Chandigarh/Guwahati /Hyderabad/Jaipur/ Cuttack/Kochi/Amaravati.
4. PS to Joint Secretary, (Sh. Gyaneshwar Kumar Singh) Ministry of Corporate Affairs, New Delhi.
5. NCLT web site/ Notice Board.
6. The Institute of Chartered Accountants of India, ITO, New Delhi.
7. The Institute of Company Secretaries of India, ICSI, House 22, Institutional Area, Lodhi Road, New Delhi – 110003.
8. The Institute of Cost Accountants of India, CMA Bhawan, 3 Institutional Area, Lodhi Road, New Delhi-110003
9. Corporate Law Adviser, 158, Basant Enclave, Palam Road, New Delhi-110057.
10. Taxman Allied Services Ltd., 59/32, New Rohtak Road, Delhi.
11. The All India Reporter Pvt. Ltd., 31-D, 'B' Block, Delhi High Court, New Delhi.
12. Bar Council, New Delhi/Mumbai.

## 2. Procedure to download RoD from IU system

Step 1	<ul style="list-style-type: none"> <li>- Record of Default (RoD) from NeSL-IU System can be generated only by Creditors who submitted information as registered users of NeSL-IU;</li> <li>- Keep User ID and Password ready</li> </ul>
Technical Note on the process followed in IU before the generation of ROD	<ul style="list-style-type: none"> <li>- In default reported loans, NeSL-IU sends Authentication Invitation email/s to Creditor furnished email ID, email ID lodged with MCA and the registered email ID of the Debtor (wherever the Debtor is registered as User on NeSL-IU Platform);</li> <li>- In cases where the debtor does not respond, NeSL reminds the debtor at least 3 times for confirmation of default by allowing 3 days each time for the debtor to respond.</li> <li>- In cases where emails sent are not successfully delivered to the addressee, Authentication Invitation Letter is sent by RPAD (Registered Post Acknowledgement Due) &amp; followed by 3 reminders as prescribed in Regulation 21 of IBBI (IU) Regulations, 2017.</li> <li>- On completion of the above process, the Record of Default will indicate the authentication status as “Authenticated (admitted) or Disputed or Deemed to be authenticated”.</li> </ul>
Step 2	<ul style="list-style-type: none"> <li>- Log in to URL: <a href="https://iu.nesl.co.in">https://iu.nesl.co.in</a></li> <li>- Go to Reports Tab of the module</li> <li>- Select “Record of Default” option &gt; “Request Bulk Record of Default” option</li> <li>- Enter the Debtor’s PAN number in the box</li> <li>- The system shows names of creditors who have reported default against that Corporate Debtor</li> <li>- Select the name of the Creditor &amp; Click the “Submit” button</li> <li>- On successful submission of the request, one Request ID would be generated by system &amp; would be displayed on the screen</li> <li>- Note down this “Request ID” Number</li> <li>- Go to “Download Bulk Record of Default” Option</li> <li>- Report (Request) ID numbers would appear on the screen</li> <li>- Once the status for that Request ID appears as “Success”, the Download link is enabled by the system for requested ID</li> <li>- User can download the Zip file of the Record of Default for a particular Debtor covering various loan records</li> <li>- Normally, the system takes about 10 minutes for enabling the Download Link.</li> <li>- The User can save the downloaded Records of Defaults and make further use of them.</li> </ul>
Important Note	<ul style="list-style-type: none"> <li>- During the intervening period, in case of urgent need, the Creditor can generate the Record of default, but the authentication status in the RoD would be “Pending for authentication” with the following footnote:   <p><b><i>“Note: In cases where the status of authentication has been mentioned as “Pending for Authentication, upon completion of the procedure prescribed in Regulation 21 of IBBI (Information Utility) Regulations, 2017, the final outcome of Authentication would emerge and will be reflected in the Record of Default.”</i></b></p> </li> </ul>

**For technical Assistance, kindly contact the below**

Telephone - 022-62606666

Email Id - techsupport@nesl.co.in