

Circular No.: NeSL/FC/2023/0074

Date: 06th March, 2023

E-Mail ID for receiving communication of default and related information

1. As you are aware, on submission of financial information in respect of the parties to a debt by any Creditor, NeSL-IU sends a communication to the concerned parties (debtor/guarantor etc) with a request to authenticate the information. This communication is sent to the E-mail ID of the Debtor provided by the Creditor in Form C and as provided in the IBBI (IU) Regulations, 2017. In respect of Information of Default, it is mandatory for the submitter to provide the e-mail ID of the debtor.
2. After completion of the process of authentication and verification as provided in the IBBI (IU) Regulations, 2017, NeSL is required to communicate the information of default to all the other creditors to the debt who have registered with NeSL and have submitted information in respect of that debtor. This acts as an alert to the creditors about the credit status of their debtors. Apart from the above, NeSL is also required to forward the applications for initiation of Corporate Insolvency Resolution Process (CIRP) filed by any creditor, to all the creditors of the debtor through E-mail. Finally, NeSL also obtains information on Public Announcements made by the Interim Resolution Professionals from IBBI and circulates the same to all the creditors to the debtor who are registered as users on the IU platform. All these help in removing information asymmetry among creditors to a corporate debtor.
3. The communication E-mails as mentioned above are sent to the E-mail ID provided by the submitters when registration of the entity is done. This E-mail ID however may be not be directly related to credit monitoring/recovery. The alert communication can be useful to the submitters only if they are received by the relevant departments or the concerned officials in the submitter's organization. We received suggestions from the institutions to provide for more than one E-mail ID so that such default alert communications can be sent directly to the concerned department which can take necessary steps to protect their interests.
4. In view of the above while introducing a new version of Form C (2.5) in May 2019, among other amendments, the following two fields were introduced in the Form: -
 - Creditor's **location code** (e.g. branch/ region), **business unit** (e.g. department/ vertical) and **relationship manager email** to aid better monitoring and follow-up.
 - Additional **email IDs** of creditor exclusively for *dispute and default alerts*
5. However, we notice that many of the submitters have not provided these details/E-Mail ID. Accordingly, we are unable to communicate information of default and other relevant information. We request all to provide the details as mentioned above in all the submissions to NeSL-IU, so all the three communications in paragraph 2 are received by the concerned persons. This will help the submitters in better managing stress in their debt portfolio and take appropriate steps to protect their interests.

Your feedback is important to us and we welcome any suggestions to improve our services on a continuous basis. Please write to us at suggestions@nesl.co.in with your suggestions, if any.

Sd/
Team NeSL

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For all previous communiques