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

NCLT, Division Bench (Court-1), Chennai, in the CIRP Application filed by M/s Drip Capital Inc under Section 7 of IBC, 2016 (C.P(IB)/113/CHE/2024), has admitted the application for initiation of Corporate Insolvency Resolution against the Corporate Debtor M/s Nila Logistics LLP vide Order dated 25.11.2025.

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 default, default amount & date of 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 5 - Para 9:
"The Petitioner has placed the record of default certificate in Form-D issued by NeSL showing the amount in default being USD 317,760 and date of default being 30.06.2023 (deemed to be authenticated)."

Page 12 – Para 20:
" .. In terms of the agreement, if the buyer/consignee fails to repay the invoices within 90 days from the date of the invoice, the Financial Creditor could recover the amount from the Corporate Debtor. The Financial Creditor accordingly invoked the provisions of the agreement and sent the demand notices to the Corporate Debtor calling it to pay the dues of USD 317,760 with interest as on 27.02.2024. This amount is more than the threshold limit of Rs.1.0 Crore. The Corporate Debtor very well knew the provisions of FEMA RBI Circular, and International Factoring arrangements. It thereafter entered into the arrangement with the Petitioner which is an international factor. It assigned its overseas receivables to the Financial Creditor. As per Section 5(8)(e) of IBC, it is a financial debt. The default is admitted by the Corporate Debtor which is also supported by the NeSL Certificate issued in Form-D."

Page 15 – Para 23:
"In view of the facts as stated supra and the fact that the 'financial debt' is proved by the Financial Creditor and the 'default' having been committed by the Corporate Debtor, this Tribunal admits the petition and initiates the Corporate Insolvency Resolution Process in relation to the Corporate Debtor viz., Nila Logistics LLP."