



IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT- I) CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **25.11.2025** THROUGH VIDEO CONFERENCE

CORAM: HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

APPLICATION NUMBER :
PETITION NUMBER : CP(IB)/113/CHE/2024
NAME OF THE PETITIONER(S) : Drip Capital INC
NAME OF THE RESPONDENTS : Nila Logistics LLP
UNDER SECTION : Sec 7 Rule 4 of IBC, 2016

ORDER

Present: None for the Petitioner.

None for the Respondent.

Vide separate order pronounced in Open Court, petition is admitted.
CIRP is initiated against Nila Logistics LLP. Primus Insolvency Resolution &
Valuation Private Limited is appointed as the IRP.

Sd/-

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

MG

Date: 25.11.2025

Sd/-

(SANJIV JAIN)
MEMBER (JUDICIAL)



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH - I, CHENNAI**

CP/(IB)/113/CHE/2024

*(filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 4 of
the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules,
2016*

In the matter of DRIP CAPITAL INC.

DRIP CAPITAL INC.,
555 Bryant St. #356,
Palo Alto, CA 94301, USA

.....Petitioner/Financial Creditor

Vs

Nila Logistics LLP
5/582/26, Nethaji Nagar, 2nd Street,
Thoothukkudi, Melur,
Tuticorin-628 002 (Tamil Nadu)

.....Respondent/Corporate Debtor

Present:

For Petitioner : *Shri. Dinesh Balachandran, Advocate*
: *Shri. B. Surendhar, Advocate*

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

Order Pronounced on 25th November 2025

ORDER

(Heard through Video Conferencing)

This petition under Section 7 of the Insolvency and Bankruptcy
Code, 2016 {"**IBC**"}) read with Rule 4 of the Insolvency and Bankruptcy



(Application to Adjudicating Authority) Rules, 2016 has been filed by **Drip Capital Inc.** (hereinafter referred to as “**Petitioner/Financial Creditor**”) against **Nila Logistics LLP** (hereinafter referred to as (“**Respondent/Corporate Debtor**”) for initiating Corporate Insolvency Resolution Process (**CIRP**).

2. **Part-I** of the petition sets out the details of the Petitioner i.e. Drip Capital Inc. It has its Registered Office at 555 Bryant St. #356, Palo Alto, CA 94301, Unites States of America. **Part-II** of the petition sets out the particulars of the Corporate Debtor i.e. Nila Logistics LLP. It was incorporated on 15.06.2017 with Total Contribution of INR 22,00,000/- (Rupees Twenty Two Lakhs only). Its Registered Office is at 5/582/26, Netaji Nagar, 2nd Street, Thoothukudi, Melur, Tuticorin-628002, Tamil Nadu. In **Part-III** of the petition, the Petitioner has proposed the name of the Interim Resolution Professional, Primus Insolvency Resolution & Valuation Pvt. Ltd., having Registration No. IBBI/IPE--0072/IPA-2/2022-23/50002.

3. **Part-IV** of the petition provides the particulars of the financial debt as USD 317,760. The amount in default is stated as USD 317,760



equivalent to INR 2,63,74,059/- as on 30.06.2023 and date of default is stated as 30.06.2023.

4. **Part-V** of the petition provides the financial debt and list of documents attached with the petition to prove the existence of financial debt and the amount in default.

5. As per the averments made in the petition, the Financial Creditor, an Offshore Company based out of Delaware, USA is engaged in the business of providing export credit/financing services to its customers. It caters to small and medium businesses who do not have access to large scale public financial institutions on account of their lacks of assets / collateral. It acquires receivables of the assignor / Corporate Debtor and finance such receivables. In case of dilution i.e. non-payment of invoices on the due dates, it has the recourse against the Corporate Debtor.

6. It is stated that the Corporate Debtor, an export company registered in Chennai availed export credit facility from the Petitioner. Since the receivables purchased by the Petitioner were on recourse basis, so in case of happening of event of default, the unpaid amount constituted a financial debt as per Section 5(8)(e) of IBC, 2016. It is



stated that this petition is in relation to default in respect of two receivables purchased on recourse basis by the Petitioner from the Corporate Debtor which remained unpaid by the buyer/debtor/consignee beyond the invoice due date.

7. It is stated that the Corporate Debtor had approached the Petitioner for availing the trade finance facility including factoring, invoice discounting facility upto an aggregate funding limit of USD 500,000. On its request, the Petitioner extended the facility and executed a receivable purchase Agreement dated 16.02.2023. As per the agreement, the Petitioner had right to exercise recourse against the Corporate Debtor in the event of default/dilution i.e. non-payment by the buyer under the invoices.

8. It is stated that on purchase request, the Petitioner purchased receivables under two invoices and advanced USD 276,480 on 27.03.2023 and 13.04.2023. The amount was due to be repaid by the consignees/buyers under the invoices along with other charges latest by 90 days from the date of Bill of Lading. It is stated that the amounts were not paid by the buyers/consignee within the invoice due date resulting in the dilution of invoices. This



constituted an event of default. The Petitioner issued a demand notice dated 23.06.2023 and called upon the Corporate Debtor to clear the outstanding dues along with the charges. It was followed by a notice dated 28.08.2023 calling the Corporate Debtor to clear the outstanding dues of USD 300,118 as on 28.08.2023. Although the Corporate Debtor replied to the notice vide letter dated 29.09.2023 but did not make the payment. The Petitioner again sent a notice on 03.10.2023 which was acknowledged by the Corporate Debtor vide letter on 31.10.2023. It is stated that as on 27.02.2024, an amount of USD 317,760 became due and payable which is equivalent to an amount of Rs.2,63,74,059/- at a conversion rate of Rs.83/- per dollar.

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).

10. **On getting notice of the petition**, the Respondent/Corporate Debtor filed the reply admitting that they are in a contractual relationship vide the Term Sheet dated 18.01.2023 and the Master Agreement. It admitted that the Corporate Debtor is an exporter and



based on Purchase Orders dated 03.03.2023 and 01.04.2023 by La Rosa Rose General Trading LLC, Dubai whose ultimate consignees are Covalent Pvt. Ltd. Male, Maldives and Leo Trading Private Limited, Male, Maldives, the Corporate Debtor supplied 9600 metric tons of rock boulders to them. The balance claim of the creditor is about USD 317,760 inclusive of interest as per the Master Agreement. It admitted that the Petitioner issued a notice dated 31.07.2023 to La Rosa Rose General Trading LLC demanding an outstanding payment of USD 345,600 and parallelly issued a notice to the Corporate Debtor demanding USD 317,760. It is stated that as per the factoring contract, La Rosa Rose General Trading LLC is liable to pay the debt amounting to USD 345,600 to the Financial Creditor and not the Corporate Debtor. It is stated that the Financial Creditor and La Rosa Rose General Trading LLC are under the jurisdiction of Dubai and thus the Financial Creditor can file a suit for recovery against La Rosa Rose General Trading LLC. These proceedings cannot be adjudicated under IBC without making La Rosa Rose as party.

11. It is stated that the Corporate Debtor is a renowned trading company at Tuticorin, Tamil Nadu. It is into the trading of rock



boulders and delivering cargo to Maldives on CIF basis. It is stated that except for probable short-term liquidity crisis with La Rosa Rose, it is prompt in repaying the bills. On receipt of notice from the Petitioner, the Corporate Debtor persuaded La Rosa Rose to pay the pending dues.

12. It is stated that the credit advance is an international factoring arrangement and the transaction is governed by the Factoring Regulation Act, 2011. The Financial Creditor is an International Factor. The Corporate Debtor assigned its overseas receivables to the Financial Creditor. As per Section 7, if the debtor liable to pay the receivables is situated outside India, any assignment of receivable shall be subject to the provisions of FEMA, 1999. Unless there is complete clarity on FEMA compliances, return of money in FOREX cannot be made which the Financial Creditor has not clarified. It is stated that the export receivables from La Rosa have already been assigned to the Financial Creditor. Against the assignment, the Corporate Debtor has received 80% of the proceeds and 20% is yet to be received. There is a Circular No.4 dated 15.09.2017 issued by RBI relating to implementation and operationalization of Export Data Processing and Monitoring System (EDPMS). In these circumstances, demand of the Financial Creditor in foreign exchange cannot be met without



cancellation of assignment or by issuance of any credit note to the 80% value. It is stated that the Financial Creditor neither cancelled the assignment right nor raised any credit note on the Corporate Debtor for effecting the foreign exchange reimbursement in line with FEMA. On the contrary, it has been receiving money from La Rosa Rose.

13. It is stated that RBI has formulated a guideline regarding FOREX remittances in connection to an export bill which is discounted by the authorized dealers in India. RBI Circular dated 13.03.2024 stipulates a specific reporting system. It is stated that unless a clarification is obtained from RBI, FOREX repatriation is not possible. Income Tax Act, 1961 mandates that for a payment to a foreign company, income tax @ 30% is to be deducted. Financial Creditor has not clarified who will bear 30% income tax in case Corporate Debtor repatriates debt payable by the foreign entity.

14. It is stated that the other buyer Etalon Trading LLC has settled the dues and the Financial Creditor vide letter date 21.07.2023, has issued 'No Due Certificate' to Etalon Trading LLC. The Financial Creditor is supposed to deduct initial cost and interest and send the reminder to the Corporate Debtor which it failed. It sent a legal notice on 29.09.2023 highlighting the default requesting to process the payment but it got no response.



15. **The Petitioner filed the rejoinder** wherein it reiterated the facts as stated in the petition. It is stated that the Corporate Debtor has not disputed the Master Agreement entered by the parties, receipt of USD 276,480 from the Petitioner towards the purchase price of two invoices on recourse basis. It is stated that the buyer failed to pay the invoices on due date which made the Petitioner send demand notice dated 23.06.2023 but despite that, the Corporate Debtor did not make the payment. It is stated that the Petitioner is a Financial Creditor, the amount due and payable by the Corporate Debtor is the 'financial debt' and there is a default in payment of the admitted financial debt. It is stated that FEMA compliances for offshore remittance are to be done only by the Corporate Debtor being an entity seeking to remit funds outside India. It denied the claim of the Corporate Debtor for USD 39,000 stating that it is not the subject-matter of this petition. Its right against La Rosa Rose is independent.

16. We have heard the arguments advanced by Ld. Counsels for the Petitioner and perused the documents as well as the written synopsis.

17. A perusal of record/documents reveals that the Petitioner/Financial Creditor is in the factoring business i.e. acquisition of receivables on full recourse basis. In the regular course of business,



it executed receivables purchase agreement dated 16.02.2023 with the Corporate Debtor containing the rights and obligations of the parties. Clause-7 of the agreement read with definition of term 'dilution' and 'event of default' provides that the Petitioner/Financial Creditor has full recourse against the Corporate Debtor in the case of non-payment of any invoices within the invoice due date. Upon occurrence of an event of default, the factor has a right to exercise recourse on the client by raising a demand notice and the client is liable to pay the monies claimed thereunder. The amount due under the demand notice would constitute a financial debt and the factor shall be a Financial Creditor as provided under Clause 7.2. Failure by the client to pay the amount under the demand notice would constitute default in payment of a financial debt due and payable by the client to the factor as per Clause 7.3.

18. In the present case, the Corporate Debtor, an export company registered in Chennai availed the Export Credit facility from the Petitioner which purchased the receivables on recourse basis. The receivables remained unpaid by the buyer/debtor /consignee beyond the invoice due date. These receivables were under two invoices



against which the Petitioner paid USD 276,480 on 27.03.2023 and 13.04.2023. The amount was due to be repaid by the consignees/buyers under the invoices along with charges latest by 90 days from the Bill of Lading which were not paid by the buyer/consignee resulting into dilution of the invoices. This made the Petitioner/Financial Creditor issue notice on 23.06.2023, 28.08.2023, 29.09.2023 and 03.10.2023. Adding the interest, an amount of USD 317,760 became due and payable which is equivalent to INR 2,63,74,059/- taking the conversion rate as INR 83 per dollar. The record of default which is deemed authenticated shows the amount in default being USD 317,760 and date of default as 30.06.2023.

19. The Corporate Debtor in its reply has admitted the contractual relationship vide Term Sheet dated 18.01.2023 and Master Agreement. It has stated that it had supplied 9600 MT of rock boulders to the consignee Covalent Pvt. Ltd., Male, Maldives and Leo Trading Pvt. Ltd., Maldives. It is stated that the Petitioner has also sent notice to the above companies demanding the outstanding payment and as such, La Rosa Rose General Trading LLC is liable to pay debt to the Financial Creditor and not the Corporate Debtor. The issue of jurisdiction is also



raised in the reply alleging that the Financial Creditor and La Rosa Rose are under the jurisdiction of Dubai. It is also alleged that the credit advanced is an international factoring arrangement and the transaction is governed by the Factoring Regulation Act, 2011. The Corporate Debtor has assigned its overseas receivables to the Financial Creditor which is subject to the provisions of FEMA, 1999 which are to be complied with. The Corporate Debtor has received 80% of the proceeds and 20% is yet to be received. There is a guideline formulated by RBI regarding FOREX remittances in connection with any export bill discounted by the authorized dealers in India.

20. Having considered the reply, we find that the Corporate Debtor has not disputed of having entered into a Receivable Purchase Agreement dated 16.02.2023. The Respondent/Corporate Debtor very well knew that the consignee and the Financial Creditor are the foreign entities. Knowing all these, it entered into the agreement giving right to the Petitioner to exercise recourse against the Corporate Debtor in the event of default or dilution i.e. non-payment by the buyers/consignees under the invoices. The Corporate Debtor also received 80 % remittance against the said invoices which were not paid



by the buyers/consignees. 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.

21. As regards compliances as stated in the reply to the petition, it is for the Appropriate Authority to take action for non-compliances. In the case of *Housing Development Finance Corporation Limited vs. RHC Holdings Private Ltd., in Company Appeal (AT) (Insolvency) No. 26 of 2019*, Hon'ble NCLAT has observed as under:



“So far as the allegation that the Respondent, Non-Banking Finance Company, is taking deposits form others in violation of conditions imposed by the Reserve Bank of India, such issue cannot be decided by the Adjudicating Authority while considering an application under Section 7 or 9 of the I&B Code. Only on such ground the Adjudicating Authority cannot admit or reject an application under Section 7 or 9 of the I&B Code. If the terms and conditions imposed by Reserve Bank of India or there is violation of any of the provision of Reserve Bank of India, one may bring the same to the notice of Reserve Bank of India and not before the Adjudicating Authority.”

22. In the case of *Saumil A. Bhavnagiri vs. Messers. Nimit Builders in Company Appeal (AT)(Ins)No. 710 of 2019*, case of *HDFC Limited supra* was referred and it was held that if there is any violation of conditions, the aggrieved person may bring it to the notice of RBI to look into the same. Whenever the Corporate Debtor demonstrates that it is a financial service provider and supports the claim with evidence by Certificate by Reserve Bank of India, it is appropriate for the Adjudicating Authority to lay off its hands from such Corporate Debtor considering the definition of Corporate Person under Section 3(7) of IBC. The present case is a clear case of debt and default which is continuing. The petition is within limitation. This Tribunal is not the forum to adjudicate on these issues.



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.

24. The Financial Creditor has proposed the name of the Interim Resolution Professional, Primus Insolvency Resolution & Valuation Pvt. Ltd., having Registration No. IBBI/IPE--0072/IPA-2/2022-23/50002. It has also filed its consent in Form-2. Upon verification from the IBBI website, it is seen that the Authorization for Assignment is granted to the IRP till 30.06.2026. We therefore appoint **Primus Insolvency Resolution & Valuation Pvt. Ltd.,** having **Registration No. IBBI/IPE--0072/IPA-2/2022-23/50002** as the Interim Resolution Professional (IRP). The proposed IRP who is appointed shall take forward the process of Corporate Insolvency Resolution of the Corporate Debtor. The IRP appointed shall take in this regard such other and further steps as are required under the Statute, more specifically in terms of Section 15,17,18 of the Code and file his report within 20 days before this Bench. The powers of the Board of Directors of the Corporate Debtor



shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

25. The Financial Creditor is directed to pay a sum of **Rs. 3,00,000/- (Rupees Three Lakhs Only)** to the Interim Resolution Professional to meet out the expenses and to perform the functions assigned to him in accordance to Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

26. As a consequence of the petition being **admitted** in terms of Section 7 of the Code, the moratorium as envisaged under the provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor:

- a. The institution of suits or continuation of pending suits or proceedings against the respondent including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
- b. Transferring, encumbering, alienating or disposing of by the respondent any of its assets or any legal right or beneficial interest therein;



- c. Any action to foreclose, recover or enforce any security interest created by the respondent in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- d. The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the respondent.

Explanation.-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license or a similar grant or right during moratorium period;

27. However, during the pendency of the moratorium period in terms of Section 14(2) (2A) and 14(3) as extracted hereunder:

(2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a



going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

(3) The provisions of sub-section (1) shall not apply to

(a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;

(b) a surety in a contract of guarantee to a corporate debtor.

28. The duration of the period of moratorium shall be as provided in Section 14(4) of the Code and for ready reference reproduced as follows:

(4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.



29. Based on the above terms, the petition CP(IB)/113/CHE/2024 stands **admitted** in terms of Section 7(5) of IBC, 2016 and the moratorium shall come in to effect as of this date. A copy of the Order shall be communicated to the Financial Creditor as well as to the Corporate Debtor above named by the Registry. In addition, a copy of the Order shall also be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named who is figuring in the list of Resolution Professionals forwarded by IBBI be also furnished with copy of this Order forthwith by the Registry, who will also communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

Sd/-
VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

Sd/-
SANJIV JAIN
MEMBER (JUDICIAL)

Suguna