IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT – 2

ITEM No.301
C.P.(IB)/412(AHM)2025

Proceedings under Section 7 IBC

IN THE MATTER OF:

Drip Capital Inc ....**Applicant**
V/s
Vevton International Pvt Ltd ....**Respondent**

Order delivered on: 13/08/2026

Coram:
Mrs. Chitra Hankare, Hon'ble Member(J)
Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)

ORDER

This case is fixed for pronouncement of order

The order is pronounced in open court vide separate sheet.

Sd/-
DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

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CHITRA HANKARE
MEMBER (JUDICIAL)

SJ/ AD /AP

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD (COURT - II)

CP (IB) No. 412 (AHM)/2025

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

IN THE MATTER OF:

Drip Capital Inc.
EIN Assigned No.: 47-1674445
555 Bryant St.
#356, Palo Alto, CA 94301
United States of America

...Applicant/
Financial Creditor

Versus

Vecton International Private Limited
CIN: U51909GJ2016PTC093654
Dharmgold Estate - 1, Plot - 4
B/h Real Plaza, Village: Lalpar,
Rajkot, Morbi - 363642

...Respondent/
Corporate Debtor

Order pronounced on 13.08.2026

Coram:

MRS. CHITRA HANKARE, MEMBER (JUDICIAL)
MR. V G VENKATA CHALAPATHY, MEMBER (TECHNICAL)

Present:

For the Applicant : Mr. Vinay Bairagra, Adv.
For the Respondent : Mr. Prit U Shah, Adv., Ms. Nidhi M. Sheth, Adv. Ms. Pooja J. Gor, Adv.

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JUDGEMENT

1 This Application has been filed under Section 7 of Insolvency and Bankruptcy Code, 2016, by Drip Capital Inc. seeking initiation of Corporate Insolvency Resolution Process against Vecton International Private Limited for having committed a default of an amount of Rs USD 114,556.00 approximately equivalent to INR 1,01,69,136/- @ USD - INR rate of 88.77. The date of default is 16.01.2024.

2 The Financial Creditor is an offshore company based out of Delaware, USA and engaged in 'Factoring Business'. The Financial Creditor is engaged in the business of acquisition of receivables from assignor/ Corporate Debtor by accepting assignment of such receivables or financing such receivables on with recourse basis. Whereas, the Corporate Debtor is an export Company registered in Gujarat which had availed export credit facility from Financial Creditor.

3 The Applicant submitted that the 'Receivables Purchase Agreement' dated 15/05/2023 ("Agreement") was executed by Corporate Debtor in favour of Financial Creditor, and at the request of Corporate Debtor from time to time the

Financial Creditor paid an aggregate amount of USD 83,004.00 to Corporate Debtor towards assignment of its 3 invoices. It is submitted that under the terms of the Agreement, in the event the buyer failed to make payment on the due dates of the invoices, the same would constitutes Dilution of Invoice resulting into occurrence of Event of Default, entitling the Applicant to exercise recourse against the Corporate Debtor for recovery of the outstanding financial debt along with applicable interest and charges. It is submitted that the Applicant disbursed USD 83,004/- to the Corporate Debtor on 28.09.2023 under the Receivables Purchase Agreement. The Corporate Debtor agreed to pay interest as stipulated under the Agreement and, as security, deposited the original Bill of Lading along with an In-Transit Finance Undertaking and No Objection Certificate in favour of the Applicant. It is further stated that the original Bill of Lading was to be released only upon receipt of payment from the buyer. It is further submitted that the invoices became due on 17.10.2023 however, the buyer failed to honour the same. Despite repeated follow-ups by the Applicant, the outstanding dues remained unpaid. The

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Applicant contended that the Corporate Debtor acknowledged its liability through emails dated 01.12.2023, 11.12.2023 and during subsequent communications, but failed to liquidate the outstanding amount.

4 The Applicant submitted that it invoked recourse against the Corporate Debtor by issuing a demand notice dated 16.01.2024, followed by a legal notice dated 01.02.2024 demanding repayment of the outstanding amount. It is alleged that the Corporate Debtor neither replied to the notices nor discharged its liability.

5 It is further alleged that, despite the original Bills of Lading being in the Applicant's possession, the Corporate Debtor procured release of the goods by furnishing a Letter of Indemnity to the logistics company and received payment from the buyer in respect of the same invoices, thereby securing double payment. Aggrieved by the continued default and the alleged acts of the Corporate Debtor, the Applicant issued a further legal notice dated 12.08.2024 and, as no payment was forthcoming, filed the present application seeking initiation of the Corporate Insolvency Resolution Process against the Corporate Debtor.

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6 The applicant has relied upon following documents to substantiate its claims:

a. Receivables Purchase Agreement' dated 15.05.2023

b. Invoices containing necessary details that were assigned by Corporate Debtor in favour of Financial Creditor together with respective copies of Purchase Order Packing List, Bill of Lading, and Shipping Bill;

c. Purchase Request and Deed of Assignment of Corporate Debtor and In- Transit Undertaking;

d. Transaction details evidencing disbursement to Corporate Debtor;

e. Default cum Demand notice made by the Financial Creditor dated 16.01.2024 against the Corporate Debtor;

f. Copy of Letter of Indemnity issued by Corporate Debtor

g. Legal Notice dated 01.02.2024 and 12.08.2024 issued to Corporate Debtor;

7 The Applicant has proposed the name of Primus Insolvency Resolution & Valuation Pvt. Ltd. having Registration No.: IBBIAPE0072/IPA-2/2022-23/50002 to act as the Interim Resolution Professional.

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8 The Respondent has filed the reply and seeks its dismissal, contending that the petition is not maintainable as the ingredients for initiation of CIRP are not satisfied and it raises disputed questions of fact requiring evidence, which cannot be adjudicated in a summary proceeding under the IBC. It is further contended that the Applicant has suppressed material facts and has not approached the Tribunal with clean hands. The Respondent submits that the alleged default does not meet the statutory threshold of Rs.1 Crore prescribed under Section 4 of the IBC, as the Applicant has failed to account for the receipt of USD 61,209 towards Invoice No. VI/34/23-24 dated 15.09.2023 from the Respondent's customer, and has thereby inflated the alleged default amount. The Respondent further states that three invoices, namely VI/33/23-24, VI/34/23-24 and VI/35/23-24, have been relied upon by the Applicant; however, Invoice No. VI/34/23-24 stood discharged by inward remittance received on 30.09.2025 and is also reflected as closed in the Applicant's account statement, and therefore cannot form part of the alleged default. The Respondent relies upon the Applicant's email dated

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15.04.2026 and the account statements to contend that only two invoices were shown as due and payable and that the facility relating to Invoice No. VI/34/23-24 had already been closed.

9 The Respondent further submitted that the parties had executed a Receivables Purchase Agreement dated 15.05.2023 and an Extension Agreement dated 11.04.2024, under which the Applicant was required to facilitate remittances through the designated bank accounts and complete the requisite banking and regulatory formalities. It is contended that the Applicant failed to provide/submit the requisite particulars for issuance and updation of the Bank Realisation Certificate (BRC), due to which the Respondent was unable to complete the BRC process and remit the amounts, resulting in adverse consequences including stoppage of governmental benefits/subsidies and issues concerning the cancellation of Importer Export Code (IEC). The Respondent states that the said deficiencies were repeatedly brought to the Applicant's notice, but remained unresolved, as supported by the correspondence and pending BRC statement of HDFC Bank. Thus, according to

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the Respondent, the alleged default arose on account of the Applicant's own non-performance of contractual and procedural obligations.

10It is further contended that the Applicant is attempting to shift the consequences of its own defaults upon the Respondent and initiate CIRP against an otherwise financially stable company, thereby using the IBC as a recovery mechanism. The Respondent relies upon the electronic records and the certificate under Section 63 of the Bharatiya Sakshya Adhiniyam in support of its contentions. It is also pleaded that the petition is barred by limitation and arises from alleged non-performance of contractual obligations by the Applicant, and that the disputes are essentially contractual in nature. The Respondent therefore submits that the Applicant must first rectify the outstanding BRC/remittance-related deficiencies before alleging default and invoking the insolvency jurisdiction. It is lastly contended that the object of the IBC is not to penalise a solvent company for temporary or contractual defaults or to use CIRP as a recovery mechanism. The Respondent submits that it is ready and willing to remit the

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outstanding amount; however, the remittance is presently blocked due to the Applicant's non-compliance with FEMA requirements and the consequent requirement of RBI approval.

11 Both the parties have filed written submissions. The Applicant submitted that the Corporate Debtor admits liability under two invoices and disputes only one invoice, relying solely on an auto-generated email allegedly indicating payment. The Financial Creditor submitted that the email was generated due to a system malfunction, was tentative and subject to verification, and cannot constitute proof of actual receipt of funds. As no independent evidence of payment has been produced, the alleged automated email cannot establish discharge of the admitted financial debt.

12The Respondent relied upon the following judgement:

a) *Vidarbha Industries Power Limited Vs. Axis Bank Limited Manu/SC/0874/2022*
b) *M/s. Canbank Factors Limited V. Brijesh Singh Bhaduria Company Appeal (AT) (Insolvency) No. 742 of 2025.*
c) *Union of India (UOI) and Ors. Vs. N. Murugesan and Ors. (2022)2 SCC 25*

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13 Heard the submissions of the counsels for both the parties and perused the documents placed on record.

14 Observations:

a. The applicant has relied upon the receivables and purchase agreement between both parties dated 15 May 2023. The applicant being an entity incorporated under the laws of State of Delaware, being a factor, has restricted the governing laws of Delware, any controversy, claim or breach arising out of the agreement to be resolved by final and binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules.

b. Further, there appears to be some settlement reached between the parties due to non-payment by the CD there is an extension agreement executed between the Respondent CD and applicant dated 11 April 2024, whereby while acknowledging an amount of USD 89,827, the parties agree to certain terms and conditions of payment of Rs. 10 lakhs upfront by the If so the CD and Rs. 21.36,940 in 3 instalments. amount of settlement understanding is Rs.74,10,820. It appears that the CD

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has not paid the amount. Dispute as per the agreement is restricted under arbitration in Mumbai.

c. The respondent has further mentioned that one of the invoices is forfeited. It is not sure, whether the applicant has reduced the said amount from the claim as the amount of debt claimed is just above the threshold level.

d. The applicant has submitted 3 invoices and the bank which has received the same invoice No.VI 33/23-24 dated 15.09.2023; VI 34/23-24 dated 15.09.2023 and UI 35/23-24 dated 15/9/23 submitted by statements of IDFC Bank and Federal Bank. The respondent has questioned one of the invoices as forfeited. Further respondent has submitted that due to lack of Bank Remittance Certificate as submitted through HDFC Bank email, he is not able to remit the proceeds, even though he has disputed one of the invoices. It is observed that the applicant has not complied with this, but has raised one email in support that the same has been forfeited and agreed by the applicant.

e. In view of the above, we observe that there is a dispute on the amount due and payable against disbursed USD

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83,004 with the charges, the amount if one of the bills is forfeited (reasons not specifically defended) the applicant has stated that an amount of USD 114,556 at rate of 88.77 Rs./Dollar amounting Rs. 1,01,69,136. is due. Hence the matter is to be before Arbitration, if there are disputes on the payment dues as this is a cross border application, and the facts of the amount due has not been established clearly to allow insolvency of the CD.

15 In view of the above we pass the following orders.

ORDER

Company Petition (IB) 412 of 2025 is rejected and disposed of.

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Sd/-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

CHITRA HANKARE
MEMBER (JUDICIAL)

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