# IN THE NATIONAL COMPANY LAW TRIBUNAL
# KOCHI BENCH

**CP(IBC)/21/KOB/2026**
*(Under Section 7 of the IBC, 2016)*

***Date of Institution: 10.08.2026.***

***Order Delivered on: 24.09.2026***

***In the matter of: -***

**Indiavision Satellite Communications Limited**

***Memo of parties:***

**M K Nazar,**
254-260, Villa No. 3, Zeloat Orchid Garden, Edassery Thazham Road, Civil Station Po, Kozhikode 673020.

**...Petitioner/Financial Creditor**

**-Vs.-**

**Indiavision Satellite Communications Limited**
32/1787, 6th Floor, Tutus Tower Bypass Road, Padivattom, Ernakulam, Kerala – 682024.

**... Respondent/Corporate Debtor**

***Coram:***

**HON'BLE MEMBER (JUDICIAL) : SHRI VINAY GOEL**

**HON'BLE MEMBER (TECHNICAL) : SHRI. RAVICHANDRAN RAMASAMY**

***Appearances:***

For the Petitioners : Mr. Harikumar G Nair, Advocate

Respondent/Corporate Debtor : *Ex parte* vide order dated 10.09.2026.

**O R D E R**

***Per Coram***

1. The present Petition is filed by M K Nazar (hereinafter referred to as the "Financial Creditor") under Section 7 of the Insolvency and Bankruptcy Code, 2016, (the Code), r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating the Corporate Insolvency Resolution Process (CIRP), declaring moratorium, and for appointment of Interim Resolution Professional (IRP), against M/s Indiavision Satellite Communications Limited(hereinafter referred to as the "Corporate Debtor").

2. Part-I of the Form I sets out the particulars of the Financial Creditor, namely, M K Nazar, businessman and Managing Director of Lexus Auto Corporation, having his address at Villa No. 3, Zeloat Orchid Garden, Edassery Thazham Road, Civil Station Po, Kozhikode - 673020.

3. Part-II of the Form I contains the particulars of the Corporate Debtor, namely, M/s. Indiavision Satellite Communications Limited, bearing Corporate Identification Number (CIN) U64204KL2000PLC013934, incorporated on 17.05.2000, having its registered office at 32/1787, 6th Floor, Tutus Tower Bypass Road, Padivattom, Ernakulam, Kerala – 682024.

4. Part-III of Form-1 reveals that the Petitioner has proposed Mr. Jasin Jose, bearing Registration No. IBBI/IPA-001/IPP00695/2017-2018/11225 as the IRP in this matter. A copy of Form-2 is attached with the petition.

5. Part-IV of Form-1 indicates that the date of default as claimed by the Financial Creditor is 19.12.2025. The amount in default as claimed in the

Petition is Rs.1,88,40,329/-. Further, the Financial Creditor issued a Legal Notice dated 15.06.2026, a copy of which has been annexed to the Petition as Annexure A5.

**BRIEF FACTS OF THE CASE:**

6. The Financial Creditor, Mr. M K Nazar, is an individual assessee under the Income Tax Department and is engaged in the business of automobile trading. He has over 20 years of business experience and is the Managing Director of Lexus Auto Corporation. In view of his financial standing and business background, the Corporate Debtor approached him for financial assistance to discharge its outstanding statutory liabilities.
7. The Corporate Debtor is a company incorporated on 17.05.2000 under the Companies Act, 1956, and has been engaged in the business of transport, storage and communications for over 23 years. The relevant constitutional and statutory documents, including the Memorandum and Articles of Association, Certificate of Incorporation, company master data and audited financial statements, are produced as Annexures A-1(a) to A-1(g). The petitioner stated that the error relating to the name of the lender in the financial statements for FY 2014–15 was subsequently rectified in the re-certified financial statements for FY 2015–16.
8. During the course of its business, the Corporate Debtor incurred substantial liabilities towards the Service Tax Department. Owing to financial difficulties, it was unable to discharge the statutory dues within the prescribed time, resulting in recovery and penal proceedings being initiated against it.
9. In these circumstances, one of the Directors of the Corporate Debtor approached the Financial Creditor and requested financial assistance of

Rs. 1,50,00,000/- (Rupees One Crore Fifty Lakhs Only), which was to be utilised for clearing the outstanding statutory dues of the Corporate Debtor. The Financial Creditor agreed to extend the said financial assistance as a loan to the Corporate Debtor.

10. As the bank accounts of the Corporate Debtor were frozen pursuant to the proceedings referred to above, the Corporate Debtor specifically requested that the loan amount be remitted directly to the Service Tax Department on its behalf. Accordingly, the Financial Creditor remitted a sum of Rs. 1,50,00,000/- directly to the Service Tax Department towards the statutory liability of the Corporate Debtor. The payment was made as a financial accommodation on behalf of the Corporate Debtor and was treated by the parties as a loan advanced to the Corporate Debtor. The said transaction is evidenced by the relevant financial statements and the taxpayer counterfoil, which is annexed as Annexure A-2 with the petition.

11. Thereafter, despite repeated demands for repayment, the Corporate Debtor acknowledged its inability to immediately repay the amount and requested further time. In acknowledgment of its subsisting liability, the Corporate Debtor executed a Promissory Note dated 23.03.2015 in favour of the Financial Creditor, thereby affirming its obligation to repay the amount advanced.

12. Subsequently, the parties entered into a Memorandum of Agreement dated 18.12.2015, whereby the Corporate Debtor expressly acknowledged the outstanding liability and undertook to repay the same within a period of 10 years. The contractual repayment period expired on 19.12.2025. The agreement further provided for payment of agreed compensation by the Corporate Debtor.

13. The Petitioner submitted that the Corporate Debtor failed and neglected to discharge its liability even upon expiry of the agreed repayment period. Accordingly, the Financial Creditor, through his Advocate, issued a Legal Notice dated 15.06.2026 calling upon the Corporate Debtor to pay the outstanding amount within 15 days of receipt thereof, failing which appropriate legal proceedings would be initiated.
14. It is further submitted that the Legal Notice was duly received by the Corporate Debtor. However, the Corporate Debtor neither issued any reply disputing the liability nor made any payment towards the outstanding debt. The failure of the Corporate Debtor to respond to the demand or discharge the admitted liability constitutes a continuing default.
15. The date of default, as claimed by the Financial Creditor, is 19.12.2025, being the date on which the agreed period for repayment under the Memorandum of Agreement expired. As on 20.07.2026, the amount due and payable is Rs. 1,88,40,329/- (Rupees One Crore Eighty-Eight Lakhs Forty Thousand Three Hundred Twenty-Nine Only), comprising the principal outstanding of Rs. 1,80,00,000/-, inclusive of agreed compensation of Rs. 30,00,000/-, together with interest calculated at the agreed rate of 8% per annum. The Financial Creditor further claims interest at the contractual rate from the date of default until realisation, together with applicable incidental expenses.
16. It is stated that the financial accommodation extended by the Financial Creditor to the Corporate Debtor, the Promissory Note dated 23.03.2015, the Memorandum of Agreement dated 18.12.2015, the relevant financial statements, confirmation of accounts and the other documents produced along with the Petition establish the existence of a financial debt within

the meaning of Section 5(8) of the Insolvency and Bankruptcy Code, 2016. The said financial debt became due and payable upon expiry of the agreed repayment period and has remained unpaid.

17. The amount in default is above the minimum threshold prescribed under Section 4 of the Insolvency and Bankruptcy Code, 2016. Despite repeated demands and the issuance and receipt of the Legal Notice dated 15.06.2026, the Corporate Debtor has failed to discharge its financial liability. The default has therefore continued unabated.
18. In the aforesaid circumstances, the Financial Creditor is constrained to invoke the jurisdiction of this Hon'ble Tribunal under Section 7 of the Insolvency and Bankruptcy Code, 2016, seeking initiation of the Corporate Insolvency Resolution Process against the Corporate Debtor, M/s. Indiavision Satellite Communications Limited.
19. In view of the existence of a financial debt and the occurrence of default, and the Corporate Debtor having failed to discharge its admitted and matured liability, the Financial Creditor submitted that the present application under Section 7 of the Insolvency and Bankruptcy Code, 2016 is liable to be admitted and the Corporate Insolvency Resolution Process be commenced against the Corporate Debtor in accordance with law.

**ANALYSIS AND FINDINGS:**

20. This Petition is filed under Section 7 of the Code against the Corporate Debtor for initiation of the Corporate Insolvency Resolution Process. It is a unique case where the notice sent to the Corporate Debtor was received back unclaimed. Upon being intimated by the Petitioner, the Promoter/Managing Director of the Corporate Debtor entered appearance through an Advocate and expressed his inability to appear on

behalf of the Corporate Debtor, primarily with the alleged excuse that there exist no Board and that the financial affairs of the Corporate Debtor had not been properly maintained for a considerable period.

21. Observing the principles of natural justice, this Adjudicating Authority had no other option but to direct publication of a public notice in two daily newspapers, one of which was in the vernacular language. Accordingly, publication in two newspapers, namely, Mangalam (Malayalam Daily) and Financial Express (English Daily), was effected on 25.08.2026, calling upon the Corporate Debtor to enter appearance on 07.09.2026. However, nobody appeared on behalf of the Corporate Debtor.

22. The learned Counsel who had earlier entered appearance on behalf of the Managing Director-cum-Promoter attempted to intervene, but he was not permitted to make any submission without filing a Vakalatnama and without entering appearance on behalf of the Corporate Debtor. The matter was accordingly adjourned awaiting appearance on behalf of the Corporate Debtor. When nobody appeared even thereafter, the Respondent/Corporate Debtor was proceeded as *ex parte.*

23. Therefore, there is no defence from the Respondent, as the Corporate Debtor is *ex parte*. However, in our opinion, in such circumstances, the duty of this Adjudicating Authority is all the more onerous to go into the depth of the matter and evaluate the things in the right perspective to adjudicate the matter in a fair and judicious manner. The absence of the Corporate Debtor cannot, by itself, be treated as an admission of the claim made by the Financial Creditor. The Adjudicating Authority is required to independently examine whether the statutory requirements for admission of an application under Section 7 of the Code are satisfied or not.

24. In the present case, nobody has appeared on behalf of the Corporate Debtor to contest the claim or to assist and apprise this Adjudicating Authority from the perspective of the Corporate Debtor. The absence of a contest cannot operate to the disadvantage of the Corporate Debtor by treating every document produced by the Petitioner as conclusively established. On the contrary, the responsibility of the Adjudicating Authority to scrutinise the documents and the surrounding circumstances becomes more significant and onerous.

25. Now, coming to the facts of the case, it is alleged that the Petitioner remitted certain amounts towards payment of taxes on behalf of the Corporate Debtor directly to the Tax Department.

26. Further, it is gathered that thereafter, one Mr. Jamaludheen Farooquee, in his individual capacity, executed a Demand Promissory Note undertaking to repay the amount, without any stipulation regarding interest and with an undertaking to make payment within 365 days. Though seal of the company and a stamp of the Company were affixed on the revenue stamp and his signature was put beneath the stamp, the body of the Demand Promissory Note clearly reflects that it was executed by Mr. Jamaludheen Farooquee in his individual capacity. The Demand Promissory Note is reproduced as under:

**PROMISSORY NOTE**

**Amount: Rs 1,5000000 ( Rupees One Crore and Fifty Lakh Only)**

**Date: 25/03/2015**

**Place: Kochi**

**For value received, I, Jamaludheen Farooquee, Indiavision Satellite Ltd, 6th floor, Tutus tower, Padivattam, Edappally, Kochi 24, Kerala State (Borrower) promised to pay to the Nasar M K , Villa #3, Zealot Orchid Garden, Edassery Thazham road, Civil Station (po), Kozhikode 20 (Lender) within 365 days time.**

KOCHI-24

**(Borrower)**

**Jamaludheen Farooquee**
**Indiavision Satellite Ltd**
**6th floor, Tutus tower**
**Padivattam, Edappally,**
**Kochi 24, Kerala State**

For INDIAVISION SATELLITE COMMUNICATIONS LTD.

Resident Director

**(Lender)**

**Nasar M K**
**Villa #3, Zealot Orchid Garden**
**Edassery Thazham road, Civil Station (po)**
**Kozhikode 20**

TRUE COPY

27. The language used, and the manner in which the names of the borrower and lender have been entered in the aforesaid Demand Promissory Note indicate that they have been described in their individual capacities.
28. On 15.12.2015, the Petitioner entered into a Memorandum of Agreement with the Respondent, setting out the details of the previous transaction

and the execution of the Demand Promissory Note. Under the said Agreement, the Respondent agreed, inter alia, as follows:

**2. Repayment**

The First Party irrevocably undertakes and covenants that it shall, on or before the expiry of the tenure of this Agreement, pay to the Second Party the entire principal amount of Rs.1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) together with such additional compensation as may be agreed between the Parties. The liability of the First Party to repay the principal amount and such compensation shall remain absolute, unconditional and immediately enforceable

**3. Forbearance**

In consideration of the acknowledgments and undertakings contained herein, the Second Party agrees that, during the subsistence of this Agreement, it shall refrain from initiating any civil or criminal proceedings against the First Party or its Directors solely for recovery of the aforesaid debt, provided that the First Party faithfully complies with every obligation under this Agreement.

Notwithstanding anything contained herein, the Second Party shall be entitled to initiate appropriate proceedings immediately upon any breach of this Agreement or upon any act indicating inability or refusal on the part of the First Party to honour its obligations.

**4. Acknowledgment of Debt**

The First Party hereby irrevocably, unequivocally and unconditionally admits, acknowledges and confirms that it is lawfully and validly indebted to the Second Party in the sum of Rs.1,50,00,000/- (Rupees One Crore Fifty Lakhs Only), which liability is admitted to be subsisting, enforceable and legally recoverable. The First Party further declares that no part of the said liability has been discharged, waived, adjusted, satisfied or otherwise extinguished.

**5. Extension of Limitation**

The Parties expressly acknowledge that this Agreement constitutes a written and signed acknowledgment of liability within the meaning of Section 18 of the Limitation Act, 1963, thereby giving rise to a fresh period of limitation

Cont…4

For INDIAVISION Satellite Communications Ltd

Authorised Signatory

*Road, Civil Station P.O, Kozhikode-20 hereinafter referred to as the "Second Party "*

***BACKGROUND***

*1. The First Party, being in urgent need of financial assistance for meeting its statutory liabilities and operational requirements, approached the Second Party during March 2015 seeking financial accommodation.*
*2. Acting solely on the request and assurances of the First Party and reposing complete faith and confidence in its representations, the Second Party advanced to the First Party a sum of Rs.1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) as a financial accommodation, on the clear understanding that* ***the said amount would be repaid within a period of six months.***
*3. Subsequently, the bank accounts and assets of the First Party came to be attached by the Service Tax Authorities, as a consequence whereof the First Party expressed its inability to honour its repayment obligations within the agreed period.*
*4. In acknowledgment of the aforesaid liability and as security for repayment, the First Party executed a Promissory Note dated 25 May 2015 in favour of the Second Party, unequivocally acknowledging its liability to repay the said amount.*
*5. The financial constraints of the First Party continuing unabated, the Parties have, after mutual discussions, agreed to record the subsisting liability of the First Party and the terms governing repayment thereof by executing this legally binding Agreement.*
***TERMS OF THIS AGREEMENT***
***1. Tenure***
*The tenure and validity of this Agreement shall be 10 years from the date of execution of this Agreement by both Parties. commencing from the date of execution of this Agreement. The First Party further agrees that it shall not, in any future proceeding, contend that the claim of the Second Party is barred by limitation in respect of the liability acknowledged herein.*
*6. Continuing Liability and no novation*
*The liability acknowledged herein shall constitute a continuing and subsisting liability and shall continue until the entire amount payable together with all agreed compensation and other lawful dues has been fully discharged. The Parties expressly agree that this Agreement is executed only for recording and reaffirming the existing liability of the First Party and shall not operate as a novation, substitution, discharge, accord and satisfaction or extinguishment of any existing right, remedy or security available to the Second Party.*
***7. Default***
*Upon failure of the First Party to comply with any obligation contained herein, or upon expiry of the tenure without repayment in full, the entire outstanding amount shall become immediately due and payable without any further demand or notice, and the Second Party shall be entitled to institute appropriate civil, criminal* ***or insolvency proceedings*** *in accordance with law…………..*[·]

[·] It is also significant that the stamp of the Corporate Debtor appearing on the Demand Promissory Note and the Memorandum of Agreement case different, notwithstanding that both documents were executed in the same year, which further raises doubt regarding the circumstances surrounding their execution. It is also noteworthy that the Memorandum of Agreement, stated to have been executed in 2015, specifically refers to “insolvency proceedings” in the event of default. Such terminology was not ordinarily or commonly

29. There are other stipulations regarding tenure, value and money, default, acknowledgement of debt, continuity of liability, waiver and notice. The transaction, therefore, culminated in different stages, which require to be considered with reference to the stipulated period for repayment:
    a. The actual payments were made on 16.03.2015 and 19.03.2015. However, there was no stipulation as to the time within which the amount was to be repaid.
    b. A Demand Promissory Note was executed on 25.03.2015. Thereafter, a Memorandum of Agreement dated 08.12.2015 was entered into, which contained a recital that the money would be repaid within six months, whereas the Demand Promissory Note stipulated a period of one year. The Memorandum of Agreement thereafter extended the repayment period to ten years.
    c. The amount involved at the stage of the initial payments and amount referred in the Demand Promissory Note was Rs.1,50,00,000/-; however, at the stage of the Memorandum of Agreement the amount was stated to be Rs.1,50,00,000/- together with such additional compensation as might be agreed between the parties.

30. The compensation was, however, not agreed upon at any point of time. Neither its nature nor its quantum, mode of payment, percentage, or the basis or benchmark on which it was to be calculated has been specified. The Agreement merely refers, in an articulated manner, to "such additional compensation as may be agreed between the Parties".

used during that period, particularly before the enactment of the Insolvency and Bankruptcy Code, 2016, and the inclusion of such a reference is therefore rather striking. However, it is made clear that this Adjudicating Authority has not based its order on this observation; rather has considered all other facts and circumstances to arrive at its fine conclusion.

31. Though, in the Demand Notice dated 15.06.2026, the Petitioner claimed Rs.1,50,00,000/- towards principal and Rs.30,00,000/- towards compensation, making a total claim of Rs.1,80,00,000/-, interest has also been claimed to arrive at the total amount of Rs.1,88,40,329/-. However, the Petitioner has failed to specify on what date the parties allegedly met and agreed to the amount of Rs.30,00,000/- as compensation, or what criteria were adopted in arriving at the said amount. The entire Company Petition is conspicuously silent as to with whom the Petitioner allegedly agreed upon or settled the amount of compensation, and further as to why the Petitioner did not attempt to serve notice upon the Corporate Debtor through such person.

32. We are particularly surprised to note that the alleged Memorandum of Agreement itself bears such nomenclature and purports to record an earlier transaction while simultaneously extending the repayment period for ten years. The alleged document was executed on stamp paper purchased in the name of Mr. Jamaludheen Farooquee. The purpose for which the stamp paper was purchased is not mentioned. The parties in the alleged Memorandum of Agreement are Petitioner and Corporate Debtor. More importantly, the person in whose name the stamp paper was purchased is not shown as a party to the alleged Agreement in his individual capacity.

33. Though the alleged Agreement was executed on behalf of the Company and there is a reference to authority in favour of the signatory, there is no reference to any Board Resolution, resolution number or date by which the Board of Directors of the Corporate Debtor authorised the signatory to enter into such an arrangement on behalf of the Company. This assumes significance because the alleged Agreement does not merely

acknowledge an earlier transaction but materially alters and extends the repayment arrangement for a period of ten years.

34. The timing and circumstances surrounding the execution of the alleged Agreement also require scrutiny. The underlying transaction is stated to have taken place in March 2015, whereas the alleged Agreement was executed in December 2015. In such circumstances, when the document is sought to be relied upon as the basis for extending the repayment period and acknowledging a subsisting liability, the absence of any contemporaneous material explaining why the Agreement was executed after such a considerable interval, coupled with the unexplained purchase of the stamp paper in the name of a person who is not a party to the Agreement, creates a serious doubt as to the circumstances in which the alleged Agreement came to be executed.

35. A close scrutiny of the documents further reflects that the alleged payments were made by two tranches directly to the Tax Department; there is no written request from the Respondent seeking such payment on its behalf. Further, there is no resolution passed by the Board of Directors of the Corporate Debtor authorising or approving the payment of such statutory dues by the Petitioner on behalf of the Corporate Debtor. In the absence of any such request or Board authorisation, the material placed on record does not satisfactorily establish that the payments made by the Petitioner to the Tax Department were made pursuant to a financial accommodation formally sought or authorised by the Corporate Debtor.

36. The common seal of the Company is also absent from the Memorandum of Agreement. Further, the stamp paper on which the Memorandum of Agreement was executed was purchased on 04.12.2015 in the name of Mr. Jamaludheen Farooquee, who was not a party to the alleged

Memorandum of Agreement executed on 18.12.2015 in his individual capacity. These are the documents upon which the Petitioner relies in support of its claim.

37. The ten-year repayment clause stipulated in the Agreement is also an unusual clause, particularly when the person allegedly entering into the transaction on behalf of the Company was not shown to have any valid authorisation from the Company. The Demand Promissory Note contemplated repayment within 365 days, whereas the subsequent Agreement extended the repayment period to ten years. There is no satisfactory material before us explaining the circumstances which necessitated such an extraordinary extension of time, that too during the subsistence of the prescribed repayment period of 365 days. There is also no material to demonstrate any corresponding change in the financial or commercial circumstances of the Corporate Debtor which would justify such extension.

38. We are not called upon to examine the commercial wisdom of the parties in the ordinary sense. However, when such document is relied upon to establish the very foundation of a financial debt under Section 7 of the Code, the circumstances surrounding its execution cannot be completely disregarded. The absence of corporate authorisation, coupled with the unusual extension of the repayment period and the absence of a definite mechanism for determining compensation, assumes significance in determining the evidentiary value of the document.

39. The Petitioner has also annexed certain financial documents relating to the financial years 2013-14, 2014-15 and 2015-16. However, the Petitioner has failed to annex any document relating to the financial years subsequent to 2015-16 which would demonstrate the continued

reflection of the alleged liability in the books of account of the Corporate Debtor.

40. A further discrepancy has also come to the notice of this Adjudicating Authority from the relevant financial statements. In the financial year 2014-15, an amount of Rs.1 crore is shown against the name of P. A. Hamza, whereas, in the financial year 2015-16, the said amount appears to have been reflected in the name of the present Petitioner, with reference to P. A. Hamza. No satisfactory explanation or supporting material has been placed on record as to how or why the amount standing in the name of P. A. Hamza came to be subsequently reflected in the name of the Petitioner. The relevant pages of the financial statements are reproduced below: -

| | | |
|---|---|---|
| **UNSECURED** | | |
| LOANS | | |
| FROM RELATED PARTIES | | |
| DR.LALITHA | 11,00,000.00 | 11,20,233.00 |
| ROY M MATHEW | 16,00,000.00 | 16,00,000.00 |
| M M RAMACHANDRAN | 5,00,000.00 | 5,00,000.00 |
| JAMALUDHEEN FAROOUEE | 1,66,00,190.00 | - |
| MUTHOOT MINI FINANCIERS PRIVATE LIMITED. | 4,87,52,434.43 | 87,84,093.43 |
| INDIA VISION TELECASTING ENTERPRISE (P) LTD | 79,94,740.00 | - |
| FROM OTHERS | | |
| NAZAR M.K | 50,00,005.00 | - |
| P.A HAMZA | 1,00,00,000.00 | - |
| RAFEEQ MOIDEEN & SAIRA BANU | 50,00,000.00 | - |
| ALLUNGAL MOHAMMED | 50,00,000.00 | - |
| | **10,93,90,738.62** | **1,92,46,980.62** |

| | | |
|---|---|---|
| **UNSECURED** | | |
| LOANS | | |
| FROM RELATED PARTIES | | |
| DR.LALITHA | 11,00,000.00 | 11,00,000.00 |
| ROY M MATHEW | 16,00,000.00 | 16,00,000.00 |
| M M RAMACHANDRAN | 5,00,000.00 | 5,00,000.00 |
| JAMALUDHEEN FAROOUEE | 1,61,54,190.00 | 1,66,00,190.00 |
| MUTHOOT MINI FINANCIERS PRIVATE LIMITED. | 4,87,52,434.43 | 4,87,52,434.43 |
| INDIA VISION TELECASTING ENTERPRISE (P) LTD | 79,94,740.00 | 79,94,740.00 |
| FROM OTHERS | | |
| NAZAR M.K | 50,00,005.00 | 50,00,005.00 |
| NAZAR M.K (P.A HAMZA) | 1,00,00,000.00 | 1,00,00,000.00 |
| RAFEEQ MOIDEEN & SAIRA BANU | 50,00,000.00 | 50,00,000.00 |
| ALLUNGAL MOHAMMED | 50,00,000.00 | 50,00,000.00 |
| | **11,06,34,832.62** | **10,93,90,738.62** |

41. This discrepancy assumes significance because the Petitioner claims to have independently advanced Rs.1,50,00,000/- to the Corporate Debtor and directly paid the same to the Tax Department. If the financial statements themselves contain a different description of the underlying liability or creditor, it was incumbent upon the Petitioner to place before this Adjudicating Authority the relevant material explaining the change and establishing the connection between the earlier entry and the amount allegedly advanced by the Petitioner. Further, the bank statements of the Petitioner for the relevant dates, evidencing the source and movement of the amount allegedly advanced by him, have also not been placed on record. Consequently, the material placed before us does not establish whether the amount allegedly paid to the Tax Department was in fact sourced from the Petitioner or from P. A. Hamza, particularly when the financial statements initially reflected the liability in the name of P. A. Hamza and subsequently reflected the same in the name of the Petitioner, with reference to P. A. Hamza. In the absence of such contemporaneous banking records, the claim that the amount was independently advanced by the Petitioner assumes further significance and requires proper substantiation.

42. The Petitioner has failed to place sufficient contemporaneous material establishing that the payment of Rs.1,50,00,000/- made to the Tax Department constituted an independent financial accommodation advanced by him to the Corporate Debtor. The mere fact that the payment was made to the Tax Department cannot, by itself, establish that the entire amount was advanced by the Petitioner, particularly in the absence of the Petitioner's bank statements for the relevant dates to demonstrate that the funds so paid actually originated from the Petitioner and not from P.

A. Hamza. The manner in which the said payment is reflected in the financial statements of the Corporate Debtor, the subsequent change in the name of the person to whom the liability is attributed, and the absence of the Petitioner's bank statements for the relevant dates showing the source and movement of the said amount, have not been satisfactorily explained. These circumstances assume significance in determining whether the amount claimed by the Petitioner represents a financial accommodation independently advanced by him to the Corporate Debtor.

43. These discrepancies assume further significance in the context of the threshold prescribed under Section 4 of the Code. The amount claimed in the present Petition is above the statutory threshold. However, if the amount of Rs.1 crore reflected in the financial statements against the name of P. A. Hamza is excluded from the alleged liability of the Petitioner, the amount which remains attributable to the Petitioner would fall below the threshold prescribed under Section 4 of the Code. We are not making a final determination merely on the basis of the said entry, but the Petitioner was required to satisfactorily explain the same, particularly when the threshold requirement itself is a condition precedent for invoking the jurisdiction under Section 7 of the Code.

44. The subsequent execution of the Demand Promissory Note and the Memorandum of Agreement may, on the face of it, appear to give the transaction the character of a financial debt. However, the mere mention of an interest or compensation clause would not, by itself, determine the validity or character of the underlying transaction. The transaction has to be considered in its entirety and in the light of the material placed before the Adjudicating Authority.

45. In the present case, there is no formal request from the Corporate Debtor seeking the alleged financial accommodation. There is no Board Resolution authorising the borrowing or accepting the terms contained in the Demand Promissory Note or the subsequent Memorandum of Agreement. There is also no satisfactory explanation for the manner in which the liability is reflected in the financial statements. Therefore, the alleged Memorandum of Agreement cannot be read as conclusively establishing all the terms and conditions contained therein. At the most, having regard to the circumstances of the case, the said document may be looked into for the limited collateral purpose of examining whether there was an earlier transaction and whether there was an acknowledgement of such transaction. It cannot, however, automatically be treated as establishing a fresh or independently enforceable financial debt incorporating all the terms and conditions contained therein.

46. The question of limitation also requires consideration. The initial payments were admittedly made in March 2015. The Demand Promissory Note thereafter contemplated repayment within 365 days. The subsequent Memorandum of Agreement sought to extend the repayment period to ten years.

47. In the absence of a valid and enforceable corporate agreement extending the repayment period in the manner claimed by the Petitioner, the subsequent document cannot mechanically be treated as postponing the accrual of the liability for all purposes. If the Memorandum of Agreement is considered only as an acknowledgement of the earlier transaction, its effect, if any, would have to be examined in the light of Section 18 of the Limitation Act, 1963. In such circumstances, a fresh period of limitation, if otherwise legally available, would have to be reckoned from the date of

such acknowledgement. The mere recital in the Agreement that the parties intended to extend limitation cannot, by itself, override the statutory requirements governing limitation.

48. We may also observe that the initial transaction and the subsequent document have to be distinguished. The original payment was made in March 2015, while the Demand Promissory Note contemplated repayment within 365 days. The subsequent Agreement, if not capable of being accepted as a valid corporate instrument extending the repayment period, cannot be used merely by its nomenclature to create a fresh date of default in the year 2025.

49. This Adjudicating Authority also called for a report from the RoC. As per the report of the RoC, the Corporate Debtor had filed its financial statements only up to the year 2014, though the status of the Company continues to be shown as "Active". It appears that, probably on account of subsisting charges in favour of some financial creditors, the name of the Company has not been struck off in terms of Section 249(3) of the Companies Act, 2013.

50. From the report of the RoC and the documents submitted by the Petitioner, one thing is clear: the Company has not been regularly filing its Balance Sheets and financial statements with the RoC for several years. It appears to be in a dormant or non-functioning state for a considerable period.

51. The object of the resolution process is to revive a going concern. In the present case, if we allow the insolvency process under Section 7 of the Code, the same would not appear to serve the object of a meaningful resolution process, particularly having regard to the present status of the Company. Even the Petitioner, who is not aware of the details of the

Company, its assets or its financial position and who was unable to serve notice upon the Corporate Debtor, would not be in a position to identify or bring forth anything material which could facilitate a meaningful resolution process.

52. We are conscious that the fact that a Corporate Debtor is dormant or non-functioning, by itself, may not constitute an independent ground for refusing to initiate Corporate Insolvency Resolution Process where the statutory requirements under Section 7 of the Code are otherwise clearly established. However, in the present case, the status of the Corporate Debtor is not being considered in isolation. It assumes significance when considered cumulatively with the discrepancies surrounding the alleged financial transaction, the absence of corporate authorisation, the inconsistencies in the financial statements, the unexplained compensation, the unusual extension of the repayment period and the uncertainty regarding the underlying liability.

53. The aforesaid principle also finds support from the decision of the Hon'ble National Company Law Appellate Tribunal in ***FedEx Express Transportation and Supply Chain Services (India) Pvt. Ltd. v. Zipker Online Services Pvt. Ltd.,*** **[2024] ibclaw.in 326 NCLAT**, wherein, while considering the maintainability of proceedings against a company whose name had been struck off, the Hon'ble Appellate Tribunal reiterated the fundamental object of the Code and observed that the Code is not a debt recovery mechanism but a mechanism for revival of a company which has fallen into debt. It was observed as follows:

> *56. Thus, the mechanism of winding up is applied for the recovery of debt. On the other hand, it has been repeatedly held by the Hon'ble Supreme Court that the Code is not a debt recovery mechanism but a mechanism for revival of a company fallen in debt. It has been held that*

> *the Code is a beneficial legislation intended to put the corporate debtor back on its feet and is not a mere money recovery legislation. The CIRP is not intended to be adversarial to the CD but is aimed at protecting the interests of the CD. The primary focus of the legislation is thus to ensure the revival and continuation of the CD by protecting the CD from its own management and from a corporate death by liquidation. The preamble of the Code speaks of maximisation of value of assets of the CD and balancing the interests of all the stakeholders with an object to keep the CD as a going concern.*

54. The aforesaid observations assume significance in the present case, where the material on record indicates that the Corporate Debtor has not been carrying on regular business operations and has not maintained regular statutory filings for a considerable period. In such circumstances, the initiation of Corporate Insolvency Resolution Process cannot be viewed merely as a means of facilitating recovery of the amount claimed by the Petitioner, particularly when the foundational basis of the alleged financial debt itself remains doubtful.

55. The aforesaid principle has also been reiterated by the Hon'ble Supreme Court in ***Anjani Technoplast Ltd. v. Shubh Gautam,*** **[2026] ibclaw.in 209 SC**, wherein the Hon'ble Supreme Court emphasised that the Insolvency and Bankruptcy Code is not a debt recovery legislation and that its primary object is the revival and continuation of the Corporate Debtor as a going concern. The Hon'ble Supreme Court further observed that the question whether initiation of Corporate Insolvency Resolution Process is justified has to be examined in the facts and circumstances of each case and that the insolvency process cannot be permitted to be used as a substitute for a recovery mechanism. The said principle assumes significance in the present case, where the foundational basis of the alleged financial debt itself is surrounded by material discrepancies and,

on the material placed before us, no meaningful resolution of the Corporate Debtor can reasonably be foreseen.

56. Where there is no reasonable prospect of achieving a meaningful resolution, the insolvency process cannot be permitted to satisfy the whims of a creditor. The object of the Code cannot be reduced to permitting an insolvency process where no meaningful resolution is reasonably contemplated.

57. The following circumstances, considered cumulatively, prevent us from admitting the present Petition under Section 7 of the Code:
    a. The source of the alleged financial accommodation remains unestablished, as the Petitioner has not produced his bank statements for the relevant dates, particularly when the financial statements initially reflected the amount of Rs.1 crore in the name of P. A. Hamza and subsequently in the name of the Petitioner with reference to P. A. Hamza. The discrepancy regarding the Rs.1 crore entry assumes significance in the context of the statutory threshold under Section 4 of the Code, since the amount attributable to the Petitioner may fall below the prescribed threshold if the said amount is not established as his liability.
    b. There is no satisfactory evidence of corporate authorisation or board resolution for the alleged financial accommodation.
    c. The circumstances surrounding the Memorandum of Agreement remain unexplained, particularly as it was executed several months after the original transaction, on stamp paper purchased in the name of a person who was not a party to the Agreement in the individual capacity.

d. The alleged compensation of Rs.30,00,000/- remains unsubstantiated, as there is no material to establish when, with whom, or on what basis the said compensation was agreed.

e. The ten-year repayment period is not satisfactorily established, particularly when the Demand Promissory Note contemplated repayment within 365 days, and no satisfactory explanation has been furnished for the subsequent extension. The plea of default on 19.12.2025 is consequently not satisfactorily established, particularly in the absence of a legally enforceable basis for treating the subsequent Agreement as having extended the repayment period for ten years and the resulting limitation implications.

f. The Corporate Debtor has remained in a dormant or non-functioning state for a considerable period, with no regular statutory filings for several years, which, when considered along with the aforesaid circumstances, further militates against the initiation of a meaningful resolution process.

g. Though there may have been a transaction between the Petitioner and the Tax Department and a subsequent agreement between the Petitioner and the Corporate Debtor, the material on record is insufficient to establish that the amount allegedly paid by the Petitioner constitutes a "financial debt" within the meaning of Section 5(8) of the Code in the account of the Corporate Debtor, particularly in the absence of evidence that the Corporate Debtor had sought, authorised, or validly undertaken the alleged financial accommodation.

58. The individual facts noticed by this Adjudicating Authority may not, when considered in isolation, be sufficient to stop the insolvency process.

However, the cumulative effect of these circumstances is of a high magnitude and creates a substantial barrier to the initiation of the Corporate Insolvency Resolution Process. This Adjudicating Authority cannot initiate an insolvency process merely to satisfy a recovery claim when, on the material available before it, the foundational requirements of a genuine and legally enforceable financial debt have not been satisfactorily established.

59. The cumulative circumstances noticed above also render the alleged transaction doubtful for the purpose of invoking the insolvency jurisdiction. The Petitioner may have other remedies available in law, if otherwise maintainable, for establishing and recovering any legally enforceable amount. However, the extraordinary remedy under Section 7 of the Code cannot be permitted to operate merely as a substitute for such recovery proceedings when the statutory foundation for commencement of Corporate Insolvency Resolution Process has not been satisfactorily established.

60. The absence of a contest by the Corporate Debtor does not relieve the Petitioner of the burden of establishing the foundational requirements of Section 7 of the Code. In fact, where the Corporate Debtor has remained absent, and there is nobody to place its records or explain the circumstances surrounding the transaction, this Adjudicating Authority is required to exercise greater caution and not treat the allegations and documents of the Petitioner as automatically admitted.

61. In view of the foregoing, we find no merit in the Petition and, accordingly, the relief sought under Section 7 of the Code cannot be granted. The Petition is, therefore, liable to be rejected.

62. Accordingly, this Petition filed by M. K. Nazar under Section 7 of the Insolvency and Bankruptcy Code, 2016, seeking initiation of the Corporate Insolvency Resolution Process against M/s Indiavision Satellite Communications Limited, is hereby **rejected**. **CP(IBC)/21/KOB/2026** stands **dismissed.**
63. The Registry is hereby directed to send e-mail copies of this order forthwith to all the parties and their counsel for information and to take necessary steps.
64. Let the certified copy of this order be issued upon compliance with the requisite formalities.
65. File be consigned to records

**Sd /-**
**RAVICHANDRAN RAMASAMY**
**(MEMBER TECHNICAL)**

**Sd /-**
**VINAY GOEL**
**(MEMBER JUDICIAL)**

Signed on this 24th day of September, 2026.

*A**
*Steno_A*