

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOCHI BENCH

CP (IBC)/8/KOB/2026

(Under Section 7 of IBC, 2016, read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

Date of Institution:01.04.2026

Order Delivered on: 28.04.2026

In the matter of:

Axis Bank Ltd Vs M/s. IMOST Academy (India) Private Limited

MEMO OF PARTIES:

Axis Bank Ltd

Registered office at Trishul 3rd Floor, Opp. Samartheshwar Temple, Near Law Garden, Ellisbridge, Ahmedabad, Gujarat, India, 380006 and acting through its Mega Wholesale Banking Centre, 3801 Prakash Bhavan, Ravipuram, South P.O, Kochi, Kerala 682 016.

...Petitioner/Financial Creditor

-Vs-

M/s. IMOST Academy (India) Private Limited

Door No. 1/32 Maliakal House,
Puthuval Road, Njarakkal,
Ernakulam, Kerala 682 505.

...Respondent/Corporate Debtor

Coram:

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

Appearances:

For the Petitioner/Financial Creditor: Mr. Irshan Ravindran, Advocate

For the Respondent/Corporate Debtor: Mr. Aravind Sreekumar, Advocate

ORDER

1. The Petitioner/Financial Creditor, the Axis Bank Limited, has filed the present petition under Section 7 of the Insolvency and Bankruptcy Code, 2016, read with 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 the Corporate Debtor, **M/s. IMOST Academy (India) Private Limited**.
2. Part I of the petition sets out the details of the Financial Creditor from which it is evident that the Financial Creditor is registered under the Companies Act, 1956, as a banking company within the meaning of the Banking Regulation Act, 1949, with Corporate Identification Number: L65110GJ1993PLC020769 and is represented by the Assistant Vice President through Power of Attorney.
3. As per Part II of the Petition, the Corporate Debtor is a Private Limited Company incorporated under the provisions of the Companies Act, 2013, with Corporate Identification Number: U80302KL2014PTC037125 and having its registered office at Door No.1/32, Maliakal House, Puthuval Road, Njarakkal, Ernakulam, Kerala – 682 505. The Petitioner has invoked the jurisdiction of this Bench of NCLT to adjudicate this Company Petition.
4. As per Part III of the petition, the Financial Creditor has proposed the name of M/s. AAA Insolvency Professionals LLP, 63, First Floor, Okhla Estate Phase III (near Modi Mill), New Delhi – 110 020.
5. Part IV of the application signifies the amount of debt to the tune of Rs. 5,70,84,211.69/- (Rupees Five Crores Seventy Lakhs Eight-four thousand Two hundred eleven and sixty-nine paise only) as on 22.02.2026.

6. Part V of the application describes the particulars of Financial Debt; documents, records and evidence of default as described below:

- i. Sanction letter dated 17.10.2019 as Annexure A7.
- ii. Term Loan Agreement dated 28.10.2019 as Annexure A8.
- iii. Letter dated 20.06.2024 titled "Acknowledgement of Debt" as Annexure A18.
- iv. Recall cum Guarantee Invocation Notice dated 26.09.2024 as Annexure A19.
- v. Addendum to Notice under Recall cum Guarantee Invocation Notice dated 27.12.2024 as Annexure A20.
- vi. Deed of Guarantee dated 29.10.2019 and 22.11.2019 as Annexure A22 A23.
- vii. Deed of Hypothecation dated 22.11.2019 as Annexure A24.
- viii. CIBIL Report dated 03.03.2026 as Annexure A26.
- ix. Copy of the Certificate under Section 2A of the Bankers' Book of Evidence Act as Annexure A27.
- x. Statement of Accounts for demonstrating disbursement of the sanctioned amounts as Annexure A28.
- xi. Audited Financial Statements of FY 2019-20, FY 2020-21, FY 2022-23 and FY 2023-24 as Annexures A32, A31, A30 and A29, respectively.

7. Facts of the case and submissions made by Petitioner:

- i. The Corporate Debtor, M/s. IMOST Academy (India) Private Limited is a privately owned educational institution located in Ernakulam, Kerala. In 2019, the Corporate Debtor approached the Financial Creditor to avail credit facilities/financial assistance for the procurement of land, the construction of buildings, and the procurement of equipment for setting up a training institute.

- ii. The Petitioner submitted that, at the request of the Corporate Debtor, the Financial Creditor sanctioned and disbursed the following credit facilities under the SME Plus Scheme as primary facilities: (a) a Term Loan of Rs.6,50,00,000/- pursuant to the Term Loan Agreement dated 28.10.2019; and (b) a Working Capital Loan (Cash Credit) of Rs.75,00,000/- pursuant to the sanction letter and the Working Capital Loan Agreement dated 28.10.2019.
- iii. It is further submitted that the Financial Creditor, from time to time, extended additional facilities to the Corporate Debtor under the Emergency Credit Line Guarantee Scheme (ECLGS), namely: (a) Working Capital Term Loan (ECLGS-1) of Rs.85,00,000/- pursuant to sanction letter dated 29.08.2020 read with the Link Document-cum-Amendment Agreement dated 07.09.2020; (b) Working Capital Term Loan (ECLGS-2) of Rs.42,50,000/- pursuant to sanction letter dated 28.09.2021 read with the Link Document Agreement dated 29.09.2021; and (c) Working Capital Term Loan (ECLGS-3) of Rs.56,63,000/- pursuant to sanction letter dated 04.07.2022 read with the Link Document-cum-Amendment Agreement dated 08.07.2022.
- iv. It is submitted that, due to the Corporate Debtor's default in repayment and its admission of liability in its letter dated 20.06.2024, the loan accounts were classified as Non-Performing Assets (NPA) on 29.06.2024, and the loan was recalled. A Recall Notice dated 26.09.2024 was issued to the Corporate Debtor, seeking repayment of Rs.5,06,30,863.95/- within seven days. The Recall Notice was subsequently amended on 27.12.2024, wherein the Financial Creditor clarified that the amount in default was Rs. 5,84,90,703.71/-.

- v. As on 22.02.2026, the Corporate Debtor is in default of Rs. 5,70,84,211.69/- (Rupees Five Crore Seventy Lakh Eighty-Four Thousand Two Hundred Eleven and Sixty-Nine Paise only). The debt exceeds the threshold limit of Rs. 1 crore prescribed under the IBC, 2016, and the matter falls within the jurisdiction of this Adjudicating Authority.
 - vi. Since no action to settle the debt has been made by the Corporate Debtor, the Financial Creditor proceeds under IBC, 2016, to initiate the Corporate Insolvency Resolution Process against the Corporate Debtor.
 - vii. The petition has been filed by the Financial Creditor on 01.04.2026 and states that the petition is filed within the period of limitation under the IBC, 2016.
8. The Respondent filed its reply, submitting that the Petitioner/Financial Creditor has already initiated insolvency proceedings under Section 7 of the IBC, 2016, against the guarantor, i.e., M/s. Euro Tech Maritime Academy Private Limited by filing CP(IB)/10/KOB/2025. Vide order dated 22/08/2025, this Tribunal has already admitted the said petition, and the CIRP process has been initiated against the guarantor. After inviting claims, the Committee of Creditors was constituted, and the Petitioner is one of its members. The Petitioner has filed a claim of Rs. 5,27,02,475/-, which has been duly admitted by the Resolution Professional. For the same claim, the Petitioner has initiated the present proceedings. However, the Petitioner has failed to disclose the initiation of the earlier process. Therefore, the present petition is vitiated by the suppression of material facts.

ANALYSIS & FINDINGS:

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9. Have heard both sides and have perused the records. The present proceedings have been filed by the Financial Creditor against the Corporate Debtor for the initiation of CIRP and are not meant for the recovery of dues or enforcement of securitisation measures. Consequently, this Adjudicating Authority is to decide whether this Petition can be admitted or not in the light of defences raised by the Respondent.
10. Having considered the submissions made on behalf of the Respondent, it is pertinent to note that the liability of the borrower and the guarantor is joint, several, and coextensive. The Financial Creditor has the discretion to proceed against the borrower, the guarantor, or both. In fact, CP(IB)/10/KOB/2025 was filed by the Financial Creditor to initiate CIRP against M/s. Euro Tech Maritime Academy Private Limited for the default committed by the said Corporate Debtor for the credit facilities availed by that Company. The said Petition was admitted on 22.08.2025, and the Financial Creditor has filed its claim in respect of the guarantee given by the said Corporate Debtor for the present Corporate Debtor. At this stage, the filing of a claim before the Resolution Professional in the insolvency process against the Corporate Guarantor does not preclude the Petitioner from pursuing its remedy under Section 7 of the IBC, 2016, against the borrower. At this stage, such a plea is not available to the respondent.
11. In this regard, reliance is also placed on the judgment of the Hon'ble National Company Law Appellate Tribunal in ***Mr. Babumanoharan Jai Kumar Christhuran v. Indian Bank, (2022) ibclaw.in 260 NCLAT***, wherein it has been categorically held that there is no bar under the Insolvency and Bankruptcy Code, 2016, to initiate a simultaneous Corporate Insolvency Resolution Process against the Principal Borrower as well as the Corporate Guarantor. The Hon'ble Appellate Tribunal, after considering the statutory framework and the judgment

of the Hon'ble Supreme Court in *Laxmi Pat Surana v. Union Bank of India, Civil Appeal 2734 of 2020 dated 26.03.2021*, held that the liability of the guarantor is co-extensive with that of the principal borrower, and the Financial Creditor is entitled to proceed against both, either jointly or severally, for the same debt and default. It was further observed that there is no bar under the IBC, 2016, to initiate CIRP against both the Principal Borrower and the Corporate Guarantor simultaneously, and the Financial Creditor is entitled to proceed against either or both for the same debt, in view of their co-extensive liability.

12. The above position is further strengthened by the judgment of the Hon'ble Supreme Court in *BRS Ventures Investments Ltd. v. SREI Infrastructure Finance Ltd. and Anr., (2024) ibclaw.in 170 SC*, wherein it has been held that the liability of the principal borrower and the guarantor is distinct, though co-extensive, and the creditor is entitled to proceed against either or both. The Hon'ble Supreme Court categorically held that even where a part of the debt is recovered from the guarantor, including through a resolution plan, the liability of the principal borrower does not stand extinguished to the extent of the remaining debt. It was further held that the Insolvency and Bankruptcy Code, 2016, permits separate as well as simultaneous proceedings against the corporate debtor and the corporate guarantor under Section 7, and such proceedings are legally maintainable.

13. The insolvency process cannot be treated as a recovery mechanism. The Financial Creditor has an independent and concurrent right to proceed against the borrower, irrespective of any action taken against the Corporate Guarantor in respect of the same loan account. In view of the settled legal position, including the judgments cited above, the objection raised by the Corporate Debtor is devoid of merit and is liable to be rejected.

14. This Adjudicating Authority is required to proceed where the debt and default are established, and the cause of action is within limitation, and the amount subject matter of the proceedings is above the threshold.
15. It is alleged that the Respondent has some international commitments with offshore companies. If the insolvency process is initiated against the respondent, it would have a negative impact on its image in the international market. Having considered the submission made on behalf of the Respondent, this Adjudicating Authority is of the opinion that such a defence is not tenable once debt and default are established on such grounds, the insolvency petition cannot be declined.
16. The Petitioner has duly proved, on record, the existence of debt and default under Section 7 of the IBC, 2016. The amount claimed is more than Rupees 1 crore, which is the threshold as per Section 4 of IBC, 2016. The loans sanctioned constitute a financial debt within the meaning of Section 5(8) of the Code, being disbursed against consideration for the time value of money.
17. The Petitioner has placed on record a recall notice dated 26.09.2024. The claim is within the limitation period calculated from the date of execution of the loan documents and commission of default. The Respondent has failed to point out any material irregularity in the Petition so filed. The scope of adjudication at this stage is limited. Accordingly, this Adjudicating Authority is satisfied that a financial debt exists, and the Corporate Debtor has committed default in repayment, and finds no legal impediment to initiate the process under section 7 of IBC,2016 against the Respondent on the default reported by the Petitioner against the Respondent based on the material available on record.
18. In light of the above facts and circumstances, it is hereby ordered as follows: -

- i. The Petition bearing **CP(IB)/8/KOB/2026** filed by the Axis Bank Limited, the Petitioner/Financial Creditor, under Section 7 of the Code read with Rule 4(1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating CIRP against **M/s. IMOST Academy (India) Private Limited**, the Respondent/Corporate Debtor, is hereby **ADMITTED**.
- ii. There will be a moratorium under Section 14 of the Code.
- iii. The moratorium shall have effect from the date of this order till the completion of the CIRP or until the Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 of IBC, 2016 or passes an order for liquidation of Corporate Debtor under section 33 of the Code, as the case may be.
- iv. Public announcement of the CIRP shall be made immediately as specified under Section 13 of the code, read with Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016.
- v. The Financial Creditor has proposed the name of **AAA Insolvency Professionals LLP (Insolvency Professional Entity)**, IBBI Registration Number: IBBI/IPE- 002/IPA-1/2022-23/50001, address at: **64, First Floor, Okhala Estate Phase III (near Modi Mill), New Delhi - 110 020**, email: info@aaainsolvency.com, as Interim Resolution Professional, and they had already filed their written communication in the format prescribed Form 2 of the Rule 9 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. They have made a declaration that no disciplinary proceedings are pending against them with the Board of Insolvency Professionals of the Institute of

Cost Accountants of India. AAA Insolvency Professionals LLP has made all necessary disclosures in accordance with the requirements of the IBBI Regulations, 2016. Accordingly, the entity satisfies the requirement of Section 7(3)(b) of the Code. Hence, this Adjudicating Authority appoint **AAA Insolvency Professionals LLP** as the **Interim Resolution Professional** of the Respondent/Corporate Debtor.

- vi. The IRP shall carry out its functions as contemplated by Sections 15 to 21 of the Code.
- vii. During the CIRP period, the management of the Corporate Debtor shall vest with the IRP or, as the case may be, the RP in terms of Section 17 of the IBC,2016. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP within one week from the date of receipt of this order, in default of which coercive steps will follow.
- viii. The IRP/RP shall submit to this Adjudicating Authority periodical reports concerning the progress of the CIRP in respect of the Corporate Debtor.
- ix. The Petitioner/Financial Creditor shall deposit a sum of Rs.2,00,000/- (Rupees Two Lakhs only) with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to the approval of the Committee of Creditors (CoC).
- x. In terms of Section 7 (7) of the Code, the Registry is hereby directed to communicate a copy of this Order to the Financial

Creditor, the corporate debtor and IRP by Speed Post & e-mail immediately, and in any case, not later than two days from the date of this order.

- xi. Additionally, the Financial Creditor shall serve a copy of this Order on the IRP and on the Registrar of Companies, Kerala, by all available means for updating the Master Data of the Corporate Debtor. The Registrar of Companies shall send a compliance report in this regard to the Registry of this Tribunal within seven days from the date of receipt of a copy of this Order.
- xii. The Registry is further directed to send a copy of this Order to the Insolvency and Bankruptcy Board of India for its record.

19. The Registry is directed to send e-mail copies of this order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.

20. Certified Copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

21. File be consigned to records.

Sd/-
VINAY GOEL
(MEMBER (JUDICIAL))

Signed on this the 28th day of April, 2026.

JL/Steno
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