



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"Always do your best. What you plant now, you will harvest later."

➤ **SBI Classifies Reliance Communications Loan Account As Fraud Amid Insolvency Proceedings**

India's largest bank, State Bank of India (SBI), has labelled the loan account of Anil Ambani's Reliance Communications as "fraud". This decision follows a series of show cause notices issued to the company in December 2023, March 2024, and September 2024. SBI concluded that Reliance Communications failed to justify non-compliance with loan terms and account irregularities.

Reliance Communications is currently undergoing a corporate insolvency resolution process (CIRP) since 2019. A resolution plan has been approved by creditors and is awaiting final approval from the National Company Law Tribunal (NCLT). The loans mentioned in SBI's letter dated June 23, 2025, relate to the period before CIRP began.

SBI's fraud identification committee decided to classify the account as "fraud" after reviewing Reliance Communications' responses. The bank plans to report both Reliance Communications and Anil Ambani to the Reserve Bank of India (RBI). This move comes months after Canara Bank also classified the company's account as "fraud" in November 2024.

In February 2025, however, the Bombay High Court stayed Canara Bank's action due to a lack of borrower hearing, which is required under RBI guidelines. This legal intervention highlights procedural concerns in such classifications. During CIRP, Reliance Communications is shielded from any lawsuits or proceedings against it. According to Section 32A of the Insolvency and Bankruptcy Code (IBC), once NCLT approves the resolution plan, the company will be immune from liabilities for offences committed before CIRP started.

Source: Goodreturns

Read Full news: [SBI Classifies Reliance Communications Loan Account As Fraud Amid Insolvency Proceedings - Goodreturns](#)

➤ **NCLT Initiates Insolvency Proceedings Against Dilip Chhabria Design Guarantor Kiran Kumar Jain**

The National Company Law Tribunal (NCLT) has admitted a petition filed by Cosmos Co-operative Bank Ltd (the Financial Creditor) to initiate a personal insolvency resolution process against Kiran Kumar Jain, personal guarantor (respondent) to M/s. Dilip Chhabria Design Pvt. Ltd. (the Corporate Debtor). The petition was filed under Section 95 of the Insolvency and Bankruptcy Code, 2016 (IBC), seeking to recover a total outstanding debt of Rs 42.02 crore as of November 30, 2020.

In its order, the NCLT noted: "The fact of disbursal prior to the issuance of the Bank Guarantee is confirmed from the bank statement of the loan account and the cash credit account, which show a debit balance. Since there is an existing debt disbursed prior to the execution of the guarantee by the Respondent, and the Respondent made himself liable for the credit facilities already granted, the deed of guarantee binds him in relation to obligations arising from credit facilities disbursed before the execution of the guarantee."

Source: Free Press Journal

Read Full news: [NCLT Initiates Insolvency Proceedings Against Dilip Chhabria Design Guarantor Kiran Kumar Jain](#)

➤ **SAM, AZB, Khaitan act on Vadraj Cement Corporate Insolvency Resolution Process**

Shardul Amarchand Mangaldas & Co, AZB & Partners, and Khaitan & Co have acted on the successful implementation of a ₹1,800 crore resolution plan in the Corporate Insolvency Resolution Process of Vadraj Cement Limited.

The resolution applicant, Nuvoco Vistas Corporation Limited, a part of the Nirma Group undertook the acquisition through its wholly owned subsidiary Vanya Corporation Limited. SAM advised the Committee of Creditors, led by Punjab National Bank, on this CIRP. The transaction team was led by Soummo Biswas (Partner), Parth Gokhale (Partner), Yugal Jain (Principal Associate), Ritika Sharma (Associate) and Amandeep Saini (Associate).

Source: Bar and Bench

Read Full news: [SAM, AZB, Khaitan act on Vadraj Cement Corporate Insolvency Resolution Process](#)

