



INSOLVENCY PROFESSIONAL AGENCY  
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# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*When values are clear, decisions are easy.*

## ➤ **Corporate guarantee liability is “financial debt” under IBC: Supreme Court**

The Supreme Court on Tuesday held that liabilities arising from corporate guarantees fall within the definition of “financial debt” under the Insolvency and Bankruptcy Code (IBC), 2016 and lenders enforcing such guarantees are entitled to be treated as financial creditors. [State Bank of India v. Doha Bank]

A Bench of Justices PS Narasimha and Alok Aradhe held,

"A liability arising from the corporate guarantee squarely falls within the ambit of financial debt as defined under Section 5(8) of the Code. The amount of any liability in respect of any of the guarantees for money borrowed against the payment of interest is a “financial debt” within Section 5(8) of the Code."

The case arose from a consortium lending structure led by State Bank of India, along with Bank of India, UCO Bank, Syndicate Bank, Oriental Bank of Commerce and Indian Overseas Bank.

These banks extended large rupee loans - over ₹6,000 crore to Reliance Communications and ₹735 crore to Reliance Telecom. To secure these loans, Reliance Infratel (the corporate debtor) executed corporate guarantees in favour of the consortium through a security trustee. This made SBI and the other consortium lenders beneficiaries of the guarantees, entitling them to invoke the guarantees upon default.

When defaults occurred and the corporate insolvency resolution process (CIRP) was initiated, the SBI-led consortium filed claims as financial creditors based on these guarantees. However, Doha Bank challenged their status, arguing that the guarantees were invalid and unenforceable.

**Source: Bar and Bench**

**Read Full news:** [Corporate guarantee liability is “financial debt” under IBC: Supreme Court](#)

## ➤ **SC upholds SBI-led banks as financial creditors in Reliance Infratel case**

In a significant verdict, the Supreme Court of India on Tuesday ruled that liabilities arising from corporate guarantees squarely constitute “financial debt” under the Insolvency and Bankruptcy Code (IBC).

A bench comprising justices P S Narasimha and Alok Aradhe upheld the validity and enforceability of corporate guarantees and recognised a consortium of banks led by State Bank of India (SBI) as financial creditors in the insolvency proceedings of Reliance Infratel Limited (RITL).

**Source: *The Hindu Business Line***

**Read Full news:** [SC sets aside NCLT, NCLAT orders in Reliance Infratel insolvency case - The HinduBusinessLine](#)

## ➤ **Omkar Speciality Chemicals Announces Capital Restructuring Plan Under Insolvency Resolution Process**

Omkar Speciality Chemicals Limited, currently under the Corporate Insolvency Resolution Process (CIRP), has announced a comprehensive restructuring plan following its approved Resolution Plan under the Insolvency and Bankruptcy Code, 2016. The company was admitted into CIRP via order dated December 5, 2022.

### **Capital Restructuring Framework**

The restructuring plan encompasses five key steps designed to reorganize the company's capital structure and ensure regulatory compliance. The plan was communicated to both BSE Limited and National Stock Exchange of India Limited on April 28, 2026, by Ajit Kumar, Chairperson of the Monitoring Committee.

**Source: *India IPO***

**Read Full news:** [Omkar Speciality Chemicals Announces Capital Restructuring Plan Under Insolvency Resolution Process](#)



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