

Insolvency and Bankruptcy Hotline

July 08, 2022

SUPREME COURT: PERSONAL GUARANTORS CAN BE MADE LIABLE UNDER INSOLVENCY CODE PRIOR TO ANY ACTION AGAINST PRINCIPAL BORROWER

This article was originally published by IBC Laws on July 06, 2022.



INTRODUCTION

A recent pronouncement of the Supreme Court in Mahendra Kumar Jajodia v. State Bank of India *(2022) ibclaw.in 32 SC* provides further clarity on the (a) right of creditors to initiate insolvency resolution process against personal guarantors of the principal borrower; and (b) timing and jurisdiction to exercise such a right. We have discussed these aspects below.

For complete article, please click [here](#).

— Adimesh Lochan, Arjun Gupta & Sahil Kanuga

(The authors would like to thank Rakshita Shukla (Institute of Law, Nirma University) for her contribution to this article.)

You can direct your queries or comments to the authors

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Research Papers

Fintech

May 05, 2025

Medical Device Industry in India

April 28, 2025

Clinical Trials and Biomedical Research in India

April 22, 2025

Research Articles

2025 Watchlist: Life Sciences Sector India

April 04, 2025

Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

Audio

CCI's Deal Value Test

February 22, 2025

Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

Click here to view Hotline archives.

Video

Vyapak Desai speaking on the danger of deepfakes | Legally Speaking with Tarun Nangia | NewsX

April 01, 2025

**SIAC 2025 Rules: Key changes &
Implications**

February 18, 2025

