

# 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

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### 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

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