

Ministry of Finance**Government issued Advisory to PSBs to moot action against personal guarantors of corporate debtors****Posted On: 19 SEP 2020 8:14PM by PIB Delhi**

The [Insolvency and Bankruptcy \(Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors\) Rules, 2019](#) empowering creditors to file insolvency application against personal guarantors to corporate debtors before the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016. This was stated by Shri Anurag Singh Thakur, Union Minister of State for Finance & Corporate Affairs in a written reply to a question in Lok Sabha today.

In the context of the above, the Department of Financial Services had issued as [advisory dated 26.8.2020](#) to Public Sector Banks that they may consider putting in place a mechanism for monitoring the cases which may require initiation of individual insolvency process before NCLT against personal guarantors to corporate debtors, and that they may also consider setting up an information technology system to collate data regarding personal guarantors to corporate debtors for requisite follow-up and consequential action, the Minister stated in the written reply.

Source : PIB dated 19.09.2020.

- - -

Disclaimer: While every effort is made to avoid any mistake or omission, this document including case-summary/brief about the decision/ add. info/headnote/ judgment/order/ act/ rule/ regulation/ circular/ notification is being circulated on the condition and understanding that the publisher would not be liable in any manner by reason of any mistake or omission or for any action taken or omitted to be taken or advice rendered or accepted on the basis of this document. The authenticity of this text must be verified from the original source. Read more [here](#).