

F. No. 24/02/2020- BOA-II  
**Government of India**  
**Ministry of Finance**  
**Department of Financial Services**

3<sup>rd</sup> floor, Jeevan Deep Building  
Parliament Street, New Delhi - 110 001  
Dated: 26<sup>th</sup> August 2020

To:

1. Chairman  
State Bank of India
2. Managing Director and CEO  
Nationalised banks

Subject: Initiation of individual insolvency process against personal guarantors to corporate debtors before the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016

Sir/madam,

The Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019, which have come into force with effect from 1.12.2019, empower creditors to file insolvency application against personal guarantors to corporate debtors before the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016.

2. In this connection, banks 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. Banks may also consider setting up IT system to collate data regarding personal guarantors to corporate debtors in all such cases for the requisite follow up and consequential action.

Yours faithfully,



(Jnanatosh Roy)  
Under Secretary

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