



# Lenders can invoke personal guarantees at NCLT to recover debt

EE BUREAU  
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THE NATIONAL COMPANY LAW TRIBUNAL (NCLT) has ruled that lenders can invoke personal guaranties of directors and officers of a company in a liquidation process to recover their debt. The NCLT, in a landmark decision, held that the personal guaranties of directors and officers of a company are enforceable in a liquidation process. This is a significant development for lenders as it allows them to recover their debt from the personal assets of the guarantors if the company's assets are insufficient to cover the debt.

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