



Guarantor - If the intent been to make the directors personally liable for the outstanding liabilities of the company also, it could have been so provided in the letter of guarantee

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Guarantor - Letters of [guarantee](#) signed by the directors of the company did not make any mention of any old transactions, it was held that had the intent been to make the directors personally liable for the outstanding liabilities of the company also, it could have been so provided in the letter of guarantee and the directors were thus not personally liable for the dues of prior to the date they signed the letter of guarantee. It was further held that since the deed of guarantee was drafted by the bank, in case of doubt, had to be read against the bank. (It is common knowledge that [banking](#) documents are in standard form, got prepared by the bank, with signatures of the borrowers, guarantors etc. being obtained thereon) - [bank guarantee](#) - Guarantor.

*Central Bank of India v. Virudhunagar Steel Rolling Mills Ltd. (2015) 16 SCC 207*

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