

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. _____ OF 2026
[SPECIAL LEAVE PETITION (C) NO. 15538/2026]

MANA RAM AND COMPANY

Appellant (s)

VERSUS

AXIS BANK LIMITED & ORS.

Respondent(s)

O R D E R

1. Leave granted.
2. This appeal is directed against the Judgment dated 25.03.2026 passed by the High Court of Judicature for Rajasthan at Jodhpur, by which the High Court has dismissed the appeal of the appellant preferred under Section 75 of the Provincial Insolvency Act, 1920 [in short, 'the Act'] and has upheld the order dated 10.03.2026 of the Trial Court.
3. The facts giving rise to filing of this appeal briefly stated are that the appellant is a sole proprietorship firm engaged in the business of trading, transportation and procurement of oil and mustard seeds. Some time in the year 2019, the appellant availed the cash-credit facility from Respondent No. 1 - Bank for expansion of its business.
4. According to the appellant, due to circumstances beyond its control, its business collapsed. The appellant was unable to manage his debts aggregating to approximately Rs.11.17 Crores.

5. The appellant filed an insolvency petition under Section 7 of the Act to be adjudged as an insolvent. The Trial Court, by an order dated 10.03.2026, held that the appellant had arrayed 23 respondents, including the banks and companies and the petition was effectively filed against the corporations. The trial court therefore concluded that the petition is not maintainable under Section 8 read with Section 10(1)(a) of the Act. The High Court in an appeal held that the bar under Section 10(1)(a) of the Act is not attracted, but, affirmed the order of the trial court on the ground that the petition presented by the appellant under Section 7 of the Act was barred under Section 8 of the Act.

6. Learned counsel for the appellant has submitted that the High Court as well as the Trial Court have misinterpreted Sections 8 and 10(1)(a) of the Act while passing the impugned order. On the other hand, learned counsel for the respondents has supported the order passed by the High Court and has submitted that no interference in this appeal is called for.

7. We have considered the submissions made by learned counsel for the parties. Sections 8 of the Act reads as under :-

"8. No insolvency petition shall be presented against any corporation or against any association or company registered under any enactment for the time being in force."

8. Thus, a careful scrutiny of Section 8 of the Act reveals that the same bars a petition against any corporation or any association or company registered under any enactment for the time being in force. The bar under Section 8 of the Act is inapplicable as the appellant had filed the petition as an individual debtor seeking his own adjudication as insolvent and not against any company or corporation. The trial court as well as the High Court have erred in interpreting Section 8 of the Act.

9. In this view of the matter, the impugned judgments dated 10.03.2026 and 25.03.2026 passed by the trial court and the High Court are set aside. The petition filed by the appellant under Section 7 is restored. The trial court shall proceed to deal with the same in accordance with law.

10. The appeal is allowed. There shall be no order as to costs.

11. Pending interlocutory application(s), if any,
is/are disposed of.

.....J.
[PAMIDIGHANTAM SRI NARASIMHA]

.....J.
[ALOK ARADHE]

NEW DELHI;
SEPTEMBER 18, 2026.

ITEM NO.30

COURT NO.4

SECTION XV

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition(s) for Special Leave to Appeal (C) No(s). 15538/2026

[Arising out of impugned final judgment and order dated 25-03-2026 in SBCMA No. 1225/2026 passed by the High Court of Judicature for Rajasthan at Jodhpur]

MANA RAM AND COMPANY

Petitioner(s)

VERSUS

AXIS BANK LIMITED & ORS.

Respondent(s)

IA No. 131903/2026 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT, IA No. 131905/2026 - EXEMPTION FROM FILING O.T.

Date : 18-09-2026 This matter was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE PAMIDIGHANTAM SRI NARASIMHA
HON'BLE MR. JUSTICE ALOK ARADHE

For Petitioner(s) : Mr. Divyansh Tiwari, AOR
Mr. Pulkit Arora, Adv.
Mr. Arnav Mehta, Adv.

For Respondent(s) : Mr. Anupam Singh, AOR
Ms. Roshni Nathwani, Adv.

Ms. Swati Bhardwaj, Adv.
Ms. Aditi, Adv.
Mr. Akhil Sresth, Adv.
M/s. Parekh & Co., AOR

Mr. Abhimanyu Tewari, AOR
Mr. Shravil Budkulia, Adv.
Mr. Siddhant Saroha, Adv.

Mr. Prateek Gupta, Adv.
Mr. Pulkit Agarwal, Adv.
Mr. Krishna Dev Jagarlamudi, Adv.

UPON hearing the counsel the Court made the following
O R D E R

1. Leave granted.

2. The civil appeal is allowed in terms of the signed order.
3. Pending interlocutory application(s), if any, is/are disposed of.

(JAYANT KUMAR ARORA)
ASTT. REGISTRAR-cum-PS

(NIDHI WASON)
ASSISTANT REGISTRAR

(Signed order is placed on the file)