

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL, NEW
DELHI**

Company Appeal (AT) (Insol.) No. 92 of 2017 along with

Company Appeal (AT) (Insol.) No. 93 of 2017

IN THE MATTER OF:

Ferro Alloys Corporation Ltd **...Appellant**

Vs.

Rural Electrification Corporation Ltd. **... Respondent**

With

Rai Bahadur Shree Ram & Co. Pvt. Ltd. **...Appellant**

Vs.

Rural Electrification Corporation Ltd. **... Respondent**

Present: For Appellant:- Dr. Abhishek Manu Singhvi, Senior Advocate instructed by Shri Ashutosh Khaitan, Shri N.S. Ahluwalia, Shri Sumesh Dhawan, Shri Anish Dayal, Shri Avishkar Singhvi, Ms. Vatsala Kak and Shri A. Sharma, Advocates

For Respondent : Ms. Manju Bhuteria, Shri Ajay Bhargava, Ms. Vanita Bhargava and Shri Rohan Jetly, Advocates

ORDER

13.07.2017 One of the questions arises in these cases is whether Insolvency Resolution Process under section 7 of Insolvency and Bankruptcy Code, 2016 can be initiated against the guarantor one of the Corporate Debtor within the meaning of sub-section (8) of section 3 without initiation of Insolvency Resolution Process against the borrower the other Corporate Debtor within the meaning of sub-section (8) of Section 3?

Let notice be issued on respondents. Ms. Manju Bhuteria, Advocate accepts notice on behalf of Respondents. No further notice need be issued to them. It is desirable to give an opportunity to the principal debtor, who borrowed the money from the Financial Creditor and for the said reason we allow the appellant to implead the principal debtor, as Respondent No.2 to the appeal.

Let notice be issued on newly impleaded Respondent no.2 by Speed Post. Requisites along with process fee be filed by tomorrow. If the appellant provides e-mail address of the respondent no.2, let notice also be issued through e-mail.

During the pendency of the appeal, Interim Resolution Professional will ensure that the appellant remain as ongoing company, will not pass any order detrimental to the functioning of the appellant company and will not to take any policy decision against its interest except in the manner prescribed under Insolvency and Bankruptcy Code, 2016.

Post the matter on 27th July, 2017.

(Justice S.J. Mukhopadhaya)
Chairperson

(Balvinder Singh)
Member(Technical)

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