

Learning Curve-471

January 08, 2021

IRP has no vested legal interest and he has no right to continue once the decision is taken by the Committee of Creditors to replace him.

CASE TITLE	Ranjeet Kumar Verma (Erstwhile IRP) v. Committee of Creditors of Straight Edge Contract Pvt. Ltd. (Through Resolution Professional) ¹
CASE CITATION	Company Appeal (AT) (Insolvency) No. 1129 of 2020
DATE OF ORDER	04.01.2021
COURT/TRIBUNAL	NCLAT, New Delhi
CASES REFERRED	-
SECTION/REGULATION REFERRED	Section 22(2) of IBC- Replacement of Interim Resolution Professional (IRP)

Brief of the case:

An Appeal was filed by the IRP against his replacement by another Resolution Professional with 100% vote share of the Committee of Creditors. The contention raised was that the Committee of Creditors was related to the 'Corporate Debtor' and the decision was taken collusively.

Decision:

Hon'ble NCLAT dismissed the appeal observing that Section 22 gives the right of replacement of IRP to COC and held that,

"In the instant case, it is not disputed that the replacement has been done by the Committee of Creditors with 100% vote share, the requisite vote share being 66%. It is indisputable that the Appellant has no vested legal interest and he has no right to continue once the decision is taken by the Committee of Creditors to replace him. He has no locus standi to maintain the Appeal as he cannot claim invasion of any of his legal rights and under the I&B Code, we say so because the Interim Resolution Professional is not a stake holder. That apart, Committee of Creditors which decided to replace Appellant was itself constituted by the Appellant and he would not be permitted to argue that the constitution of Committee of Creditors was bad."



QR CODE FOR FULL ORDER/JUDGEMENT:

¹ <https://nclat.nic.in/Useradmin/upload/13203901765ff430f388c66.pdf>