

# INSTITUTE OF INSOLVENCY PROFESSIONALS

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Learning Curve-519

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**"After the Resolution Plan's approval and implementation, no direction can be issued to the erstwhile Resolution Professional on account of any belated and settled claim."**

<b>CASE TITLE</b>	Ram Ratan Kanoongo Vs. Veda Kumar Nimbagal & Ors. <sup>1</sup>
<b>CASE CITATION</b>	Company Appeal (AT) (Insolvency) No. 906 of 2020
<b>DATE OF ORDER</b>	17.03.2021
<b>COURT/TRIBUNAL</b>	NCLAT, New Delhi
<b>CASES REFERRED</b>	Essar Steel India Ltd. Committee of Creditors v. Satish Kumar Gupta
<b>SECTION/REGULATION REFERRED</b>	Section 31 of IBC

## **Brief of the case**

This Appeal emanated from the impugned Order dated 04 August 2020 passed by the National Company Law Tribunal, Hyderabad Bench, issuing a direction to the RP to make payment of the salary to the Applicant as per amount acknowledged by the RP, in accordance with the provision of IBC, 2016 and Regulations thereof. The issue arose in the appeal that whether the Adjudicating Authority can issue the directions to erstwhile Resolution Professional once the Resolution Plan under Section 31 of the IBC, 2016 has been approved, and the Resolution Professional has been discharged of his duties?

## **Decision**

Hon'ble NCLAT allowed the appeal with following observation:

*"39... Any claim for the CIRP period could have been raised before approval of a Resolution Plan. After the Resolution Plan's approval and implementation, no direction can be issued to the erstwhile Resolution Professional on account of any belated and settled claim. Successful Resolution Applicant cannot be burdened with the claim/dues of the Corporate Debtor.*

*40. Based on the above discussion, we find that the Adjudicating Authority has erred in issuing directions to the erstwhile Resolution Professional to make payment of the salary to the Appellant"*



QR CODE FOR FULL ORDER/JUDGEMENT:

<sup>1</sup><https://nclat.nic.in/Useradmin/upload/11089552856051da82c023b.pdf>