

Supreme Court upholds order directing Operational Creditor to pay CIRP costs, fees after dismissal of insolvency plea

CASE TITLE	Rajkumar Brothers and Production Private Limited Vs. Harish Amilineni Shareholder and erstwhile Director of Amilinn Technologies Private Limited & Anr. ¹
CASE CITATION	Civil Appeal No. 4044 of 2020
DATE OF ORDER	22.01.2021
COURT/TRIBUNAL	Supreme Court of India
CASES REFERRED	-
SECTION/REGULATION REFERRED	Section 62 of IBC, 2016

Brief of the case:

An appeal was preferred by the Operational Creditor whereby NCLAT had set aside the order of NCLT admitted the Section 9 application, holding that there were pre-existing disputes between the Respondent and the Appellant. Appellant in the instant appeal challenged the impugned order to the extent that Operational Creditor to pay the CIRP costs

Decision:

Dismissing the appeal filed by the Operational Creditor, Hon'ble Supreme Court held that,

“The Respondent (Corporate Debtor) having succeeded, cannot be saddled with the costs of the Corporate Insolvency Resolution Process (CIRP) initiated at the behest of the Appellant or with the fees of the Interim Resolution Professional (IRP). The direction does not warrant interference in appeal.”

¹ <https://ibbi.gov.in/uploads/order/b6479f07619ddc378623d3a5b7a3c1d1.pdf>