IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT -II

IA No.3385/2022

In

C.P. (IB) No. 380/MB/2018

Under Section 60(5) of Insolvency and Bankruptcy Code, 2016

Mr. Ashish Singh

(Liquidator of M/s RRC International Freight Services Limited)

Having address at- GF 14, Tower- A, The Corenthum, A-41, Sector-62,
Noida- 201301, India

…. Applicant

Versus

CIRP Consultancy Services Private Limited

Having address at- F.F.-10-Office, Third Eye Residency-1, Near Kameshwar Flat, Opp. Sangath -4, Motera Ahmedabad,
Gujarat- 380005

…. Respondent

In the matter of

Indiabulls Housing Finance Ltd.

…Financial Creditor

Versus

M/s RRC International Freight Services Limited

…Corporate Debtor

IA No. 3385/2022
In
C.P. (IB) No. 380/MB/2018

Order Delivered on :- 16/01/2024

Coram:

Mr. Anil Raj Chellan **Mr. Kuldip Kumar Kareer**
Member (Technical) **Member (Judicial)**

Appearances:

For the Applicant : Adv. Amey Hadwale

ORDER

Per: - Coram.

1. The present Interlocutory Application is filed by Mr. Ashish Singh, the liquidator of RRC International Freight Services Limited ('the Corporate Debtor') seeking substitution of CIRP Consultancy Private Limited ('the Assignee') in all legal proceedings pursuant to the Deed of Assignment dated 21.03.2022 executed in its favour.

Facts of the Case:-

2. The Corporate Debtor was admitted to Corporate Insolvency Resolution Process ('CIRP') pursuant to an order of this Tribunal dated 26.12.2018 under the provisions of the Insolvency and Bankruptcy Code, 2016 ('the Code'). Mr. Ashish Singh was initially appointed as the Interim Resolution Professional and thereafter as Resolution Professional.
3. As there was no viable Resolution Plan, this Tribunal vide its order dated 22.10.2019 allowed the commencement of liquidation proceedings in respect of the Corporate Debtor and appointed Mr. Ashish Singh, the Applicant

herein as liquidator ('Liquidator') under the Code for liquidating the estate of the Corporate Debtor.

4. In the process, the Liquidator with the approval of the stakeholders sold the fixed assets and realised Rs. 3,17,93,080/- which was, thereafter, distributed among the stakeholders of the Corporate Debtor in accordance with Section 53 of the Code.

5. The Applicant/Liquidator vide Deed of Assignment dated 21.03.2022 also assigned certain Not Readily Realisable Asset ('NRRA') in favour of the Assignee, in accordance with Regulation 37A of IBBI (Liquidation Regulations), 2016('Liquidation Regulations'). The NRRA assigned by the Applicant consists of the amounts (receivables) to be recovered as per the audited books of the Corporate Debtor, the recoveries, if any, under the preferential and fraudulent transaction applications, and the assets covered under the criminal complaint filed for theft of Corporate Debtor's assets.

6. The Deed of Assignment provides that the Assignee shall exercise all the rights of the Applicant in pursuing the recovery, the proceeds from the NRRA shall be credited in an escrow account, and the proceeds shall be distributed between the Assignee and the stakeholders in the ratio of 50: 50 as per the Deed of Assignment.

7. In the above background, the Applicant sought the permission of this Tribunal to substitute the name of Liquidator with the Assignee in all legal proceedings and other actions pending in respect of NRRA.

<u>Analysis and decision</u>:-

8. It is observed that an amount of Rs. 128 lakhs is remaining as receivable in the books of the Corporate Debtor which needs to be recovered through various proceedings. The preferential and fraudulent transactions to the extent of Rs. 508.55 lakhs is identified in the CIRP/Liquidation proceedings and related applications are pending before this Tribunal. Though there is no certainty with respect to realisation/recovery of the said amounts, the Applicant, with the approval of the stakeholders, assigned the NRRA assets in favour of the Assignee under a Deed of Assignment dated 21.03.2022 for the purpose of pursuing recovery.

9. Regulation 37A of Liquidation Regulations permits a Liquidator to assign or transfer 'Not Readily Realisable Asset' through a transparent process, in consultation with the stakeholders' Consultation Committee for a consideration to any person, who is eligible to submit a Resolution Plan for Insolvency Resolution of the Corporate Debtor. The Deed of Assignment states that the Assignee is eligible to submit a Resolution Plan for Insolvency Resolution of the Corporate Debtor and the Liquidator has consulted the Stakeholder's Consultation Committee before assigning the NRRA.

10. In view of the above, we consider it appropriate to **allow substitution of the Applicant with Assignee in all proceedings** and other actions in respect of NRRA assets. Hence, **IA No. 3385/2022 stands allowed**.

Sd/-	**Sd/-**
ANIL RAJ CHELLAN	**KULDIP KUMAR KAREER**
(MEMBER TECHNICAL)	**(MEMBER JUDICIAL)**