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NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI BENCH

(IB)-418(ND)18

CORAM:

PRESENT: MR. L.N. GUPTA
HON'BLE MEMBER(T)

MS. INA MALHOTRA
HON'BLE MEMBER (J)

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING BEFORE NEW DELHI BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 25.11.2019.

NAME OF THE COMPANY: M/s. Alloys & Metals (INDIA) V/s. M/s. Hindustan Paper Corporation Ltd.

SECTION OF THE COMPANIES ACT: U/s. 9 of IBC Code, 2016

<u>S.NO.</u>	<u>NAME</u>	<u>DESIGNATION</u>	<u>REPRESENTATION</u>	<u>SIGNATURE</u>
Present:		Mr. Vivek Sibal, Mr. Rahul Sharma, Advocates for the Liquidator		
		Mr. Ravi Prakash, CGSC, Mr. Prashant Rana, Mr. PRemtosh Mishra, Mr. Mayank Tripathi, Mr. Aditya Swaroop, Mr. Swaroopanand Mishra, Mr. Aabhas Kshetarpal, Advocates for the Government of Kerala.		

ORDER

The Ld. Liquidator has prayed for certain directions from this Bench keeping in view that a resolution process of their wholly owned subsidiary namely, M/s. Hindustan Newspaper Ltd. (HNL) is also under consideration before the NCLT Kochi Bench. The liquidator of Hindustan Paper Corporation Ltd. (HPCL) i.e. the Corporate Debtor before us has prayed for permission to sell their entire shareholding in HNL to the Government of Kerala, for a negotiated price of Rs. 25 Crores. It is submitted that the operation of HNL has been suspended since December, 2018. Its liability to various creditors extends to

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more than Rs. 405 Crores. In the event of its going into resolution the value of shares held by HPCL in HNL will be reduced to zilch.

2. Ld. Liquidator has appraised this Bench, that pursuant to the direction of the Hon'ble NCLAT, he had explored the possibility of any viable scheme u/s 230-232 of the Companies Act, 2013 but had not received any proposal. However, he has received a proposal from the Government of Kerala for sale of their entire holding in Hindustan Newspaper Ltd. During the course of negotiation, apart from the price, it was also undertaken by the Government of Kerala that they would clear all existing liabilities of HNL and would also invest further amounts in re-starting its operation. The payment is also agreed to be paid by the Government of Kerala within three months as per regulations framed by the IBBI.

3. Due notice was issued to the Union of India (Department of Heavy Industries). Ld. counsel appearing for them has pointed out that as per the provisions of Section 34(2) read with Section 35 (1)(f) of the Code, once a liquidator is appointed, all decisions fall within his jurisdiction and he is vested with full right to take appropriate steps for maximizing the assets of the Corporate Debtor under liquidation.

4. After hearing the aforesaid submissions, this Bench is of the view that the prayer made by the liquidator merits consideration. This Bench is satisfied that the transaction negotiated by the Ld. Liquidator is in the best interest, not only of the Corporate Debtor but also of its subsidiary HNL. Besides receiving a sum

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of Rs. 25 Crores to meet the liability towards the unpaid employees, it is noticed that the sale is a government to government transaction. Accordingly, approval of this proposal shall ensure that the employees of HNL and its other existing liabilities shall be taken care of by the Government of Kerala. In the event of HNL going into a Resolution Process, the share value shall be reduced to NIL. The Government of Kerala would also be entitled to re-enter and repossess the land, allotted to HNL in terms of its allotment of the land and its employees shall be left at large to fend for themselves.

5. Though the liquidator has full authority to take the aforesaid decision but since he has approached this Adjudicating Authority, we accord our approval and grant permission to the liquidator to sell HPCL's holdings in HNL to the Government of Kerala for a sum of Rs. 25 Crores to be paid by them within the time lines permitted as per IBBI (Liquidation process) Regulation, 2016.

6. Petition is disposed off in terms of the above. Copy of the order be given Dasti.

Sd
(L.N. Gupta)
Member (T)



Sd
(Ina Malhotra)
Member (J)

Sd 29.11.19
Deputy Registrar
National Company Law Tribunal
CGO Complex, New Delhi-110003