



N. Sasidharan Nair
Chairman



Public Sector Restructuring and
Internal Audit Board
Department of Industries & Commerce

27th December 2019
HNL/I-1162/2019-20/D-534

Shri Kuldeep Verma,
Liquidator of Hindustan Paper Corporation Ltd.,
46, B B Ganguly Street, Unit 501
Kolkata-700012

Dear Shri Kuldeep Verma,

Sub: Purchase of shares of Hindustan Newsprint Limited ("HNL") held by Hindustan Paper Corporation Limited ("HPCL").

Ref: Order of the Hon'ble National Company Law Tribunal, New Delhi Bench dated 25-11-2019

As you are aware, pursuant to your application filed in the (IB)-418(ND) 18 before the Hon'ble National Company Law Tribunal, New Delhi Bench ("NCLT Delhi"), the Bench was pleased to pass an order dated 25-11-2019 permitting you to sell HPCL's holding in HNL to the Government of Kerala for a sum of Rs. 25 crores to be paid within the timelines permitted as per the IBBI (Liquidation Process) Regulations 2016 ("Regulations"). It is pertinent to note that the said sale by you to the Government of Kerala is a private sale, and not one by way of auction, and as such, no timelines are stipulated for private sale in the Regulations.

By way of this letter, we wish to bring to your kind attention of certain developments that have taken place pursuant to the order of the NCLT Delhi. One of the creditors of HNL had moved the National Company Law Tribunal, Chennai Bench, seeking initiation of Corporate Insolvency Resolution Process (CIRP) against HNL, which was subsequently

transferred to the National Company Law Tribunal, Kochi Bench ("NCLT Kochi"). Despite informing the NCLT Kochi of the order passed by the NCLT Delhi, the NCLT Kochi, on 28-11-2019, admitted the application filed by a creditor of HNL under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC") and appointed an Interim Resolution Professional (IRP). A copy of the order dated 28-11-2019 passed by the NCLT Kochi is enclosed herewith for your kind consideration.

In view of the fact that CIRP against HNL has been initiated, the Government of Kerala has taken a decision to wait till the CIRP against HNL is completed before purchasing the shares. For the same, the Government of Kerala is taking steps to settle the major creditors of HNL. However, in view of the fact that the CIRP has been admitted and there are several liabilities of HNL which are outstanding, the Government does not believe it is in its best interest at the moment to purchase the shares of a company which is under CIRP. Citing the above circumstances, the Government of Kerala proposes to approach the NCLT Delhi requesting enlargement of time to purchase the shares of HNL held by HPCL.

In view of the above, since the present sale is one by way of private sale, you are requested to keep the transaction alive and permit the Government of Kerala to purchase the shares of HNL held by HPCL after the CIRP against HNL reaches fruition.

Yours faithfully



N.Sasidharan Nair

Chairman, RIAB

Encl- Copy of order of the Hon'ble NCLT, Kochi bench .