

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL**  
**PRINCIPAL BENCH, NEW DELHI**  
**Comp. App. (AT) (Ins) No. 1955 of 2024**  
**&**  
**I.A. No. 7250 of 2024**

**IN THE MATTER OF:**

**Kuldeep Verma**

**...Appellant(s)**

**Versus**

**Government of Kerala & Ors.**

**...Respondent(s)**

**Present:**

**For Appellant** : Mr. Vivek Sibal, Sr. Advocate with Mr. Rahul Sharma,  
Mr. Shubham Shekhar, Mr. Himanshu Singh,  
Advocates.

**For Respondents** :

**O R D E R**  
**(Hybrid Mode)**

**28.10.2024:** Heard Counsel for the Appellant.

2. This appeal has been filed against the order dated 31.07.2024 passed by National Company Law Tribunal, New Delhi Bench (Court-II) in CA - 1297/2020.

3. This appeal has been filed by the liquidator of Corporate Debtor. The submission of the Counsel for the Appellant is that the liquidator proposed sale of the shares of subsidiary company namely, M/s Hindustan Newsprint Ltd. which was approved by the Adjudicating Authority on 25.11.2019 and

the Govt. of Kerala has offered to purchase the share for amount of Rs. 25 Cr. Payable in 3 months.

4. It is submitted that Govt. of Kerala backed out from the purchase of the shares. Hence, the IA 1297/2020 was filed by the appellant seeking direction to the Govt. of Kerala to purchase the shares and pay the consideration which has been rejected by the Adjudicating Authority.

5. It is submitted that moratorium under Section 14 was applicable with regard to the corporate debtor and assets of Hindustan Newsprint Ltd. shares belong to the Hindustan Paper Corporation Ltd.

6. We have considered the submission and perused the record.

7. This court notes that the State of Kerala has offered to purchase the shares of subsidiary which also had the approval of the NCLT on 25.11.2019 however the subsidiary company M/s Hindustan Newsprint Ltd. went to the CIRP on 28.11.2019 subsequent to the approval by the NCLT which was reason for the State of Kerala to back out from the transaction and it has refused to purchase the same.

8. We are of the view that a purchaser backing out from the transaction the consequences as available in law have to followed and take recourse, but no direction could be issued to compel the State to purchase the share. The

Adjudicating Authority did not commit any error in rejecting the IA filed by the liquidator.

9. We do find any ground to warrant any interference. The appeal is disposed of.

10. IA No. 7250/2024- Sufficient cause has been shown for condonation of 12 days' delay in filing the appeal. Delay condoned.

**[Justice Ashok Bhushan]**  
**Chairperson**

**[Barun Mitra]**  
**Member (Technical)**

*sr/nn*