

RESOLUTION PLAN
(REVISED)

BODHTREE CONSULTING LIMITED

Corporate Debtor

Resolution Applicants

Santosh Kumar Vangapally
(Suspended Director of
Corporate Debtor)

1. Definitions and Interpretations & Background:

1.1 Definitions:

Approval Date	Approval Date shall mean date of approval of this Resolution Plan by the NCLT under Section 31(1) of the Code by way of an Order.
CIR Regulations	Means the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process against Corporate Persons) Regulations, 2016
CoC	Means the committee of financial creditors that has been constituted pursuant to Section 21 of the Code by the Resolution Professional.
Code	Means the Insolvency and Bankruptcy Code, 2016;
Company and/or Corporate Debtor	Company and/or Corporate Debtor means Bodhtree Consulting Limited, incorporated under the Companies Act, 1956 in India with CIN No. L74140TG1982PLC040516
Completion Date	Means the date on which all measures specified in the Resolution Plan have been implemented, being a day not later than 90 days from the Effective Date or such other date as may be mutually agreed between the Resolution Applicant and the members of the CoC who consent to this Resolution Plan;
Companies Act	Means the Companies Act, 2013
Creditors	Creditors shall mean collectively all financial and operational creditors of the Company including statutory dues.
Debt	Debt means a liability of the Company or any of the assets of the Company in respect of a claim which is due from any person and includes a financial debt and operational debt.
Effective Date	As defined in Clause 11.3
Financial Creditors	Financial Creditors shall mean Financial Creditors within the meaning of the Code and shall include all secured and unsecured creditors.
IC Date	Means the insolvency commencement date, i.e. 20 th February, 2023;
Information Memorandum	Means the information memorandum prepared by the Resolution Professional Pursuant to Regulation 36 of the CIR Regulations, and made available to the Resolution Applicant;
IRP Cost(s)	Shall have the meaning assigned to 'insolvency resolution process costs' under the Code read with the CIRP Regulations;
Lead Member	Means the entity designated to be the lead member by the members of a consortium for submitting the Resolution Plan as a Resolution Applicant(s) on behalf of such consortium.
Liquidation Value"	Means the estimated realisable value of the asset of the Corporate Debtor, if the Corporate Debtor were to be liquidated and determined in accordance with Regulation 35 of the CIR Regulation".
Monitoring Agency	Means Authority who shall supervise and monitor the implementation of Resolution Plan for its term.
"NCLT" or Adjudicating Authority	Means the Hon'ble National Company Law Tribunal, Hyderabad Bench
NCLAT	Means the Hon'ble National Company Law Appellate Tribunal;
Reconstituted Board	Means the board of directors in the Corporate Debtor, reconstituted in accordance with this plan
Resolution Applicant	Means - Mr. Santosh Kumar Vangapally
Resolution	Means this resolution plan dated 28.07.2023 submitted to the Resolution

Plan” or “Plan	Professional and the CoC for the proposed insolvency resolution of the Corporate Debtor in accordance with the Code;
Resolution Professional	Means Mr.Sreenivasa Rao Ravinuthala having Registration No. IBBI/IPA-003/IP- N00081/2017-2018/10704 , who has been appointed as the resolution professional for the Corporate Debtor;
SEBI	Means the Securities and Exchange Board of India
Stock Exchanges	The National Stock Exchange of India Limited and Bombay Stock Exchange Limited
Takeover Code	Means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Upfront Amount	Means the part consideration to be paid by the Resolution Applicant to Financial Creditor within 30 days from the effective date

2. BACKGROUND

2.1 Corporate Insolvency Process:

- CIRP was initiated on an Application filed by Crayon Software India Private Limited under section 9 of The Insolvency and Bankruptcy Code, 2016, the said application was admitted by the Hon'ble NCLT, Hyderabad Bench-I vide Order no. CP (IB) No. 271/9/HDB/2020 ("CIRP Order") dated 20.02.2023.
- The Adjudicating Authority (Hon'ble NCLT) by order dated 01st June, 2023 appointed Mr. Sreenivasa Rao Ravinuthala, as Resolution Professional replacing Ms. Azra Banu, RP.
- The RP made public announcements in the newspapers regarding initiation of the corporate insolvency resolution process and called for proof of claims from the financial and operational creditors, workers and employees of the Corporate Debtor in the specified forms.
- The RP made a public announcement in Form G, calling for Expression of Interest for submission the Resolution Plan on 28/04/2023.
- The RP made another public announcement in Form G, calling for Expression of Interest for submission of the Resolution Plan on 31/05/2023

2.2 Corporate Debtor Overview

Bodhtree Consulting Limited is a Public Limited Company incorporated on 16.07.1982 having CIN no. L74140TG1982PLC040516. Its registered office is at Level-2,Wing-A, Melange towers Patrikanagar, Madhapur, Hitech City Hyderabad, Telangana, 500081 India. The Company is listed on the recognized stock exchanges such as BSE Limited ("BSE") and National Stock Exchange Limited ("NSE").

It is indulged in ITES (IT Enabled Services), enabling the enterprises to transform their business using the power of cloud, analytics and digital solutions and streamlines key business processes by deploying enterprise applications, integrating applications with their IT infrastructure and maintaining them.

Presently Company is listed in both the Stock Exchanges (NSE & BSE) with ISIN: INE104F01011. Company's shares are actively being traded in BSE and trading of company's shares was temporarily suspended in NSE.

2.3 Shareholding Pattern of Corporate Debtor

Particulars	No. of Shareholders	No of shares	% of total
Promoters	3	82,27,100	41.22
Public	4602	1,17,31,136	58.78
Total	4605	1,99,58,236	100.00

2.4 Financial statements

The financials of Corporate Debtor are available as on 31/12/2022. As per Information memorandum provided by the Resolution Professional, the financial statements of Corporate Debtor are drawn till 20th February, 2023 (Insolvency commencement date). The Corporate Debtor is having wholly owned subsidiary Bodhtree Human Capital Private Limited (CIN No.U74900TG2016PTC103679).

3. Liquidation Value

As per the Information Memorandum, the aggregate value of the total assets of the Company is less than the total admitted claims. It is assumed that the liquidation value will not be adequate to fully settle the claims of unsecured Financial creditors and operational creditors, (other than workmen's dues for the period of 24 months preceding the IC Date) including claims from the government, government agencies and all other debts and dues, and the shareholders.

4. Particulars of the Resolution Applicant

4.1 Identity

This proposed Resolution Plan has been submitted by Resolution Applicant Mr. Santosh Kumar Vangapally (Suspended Director, Bodhtree Consulting Limited). The Resolution Applicant is supported by his Associate, Mr. Prem Anandh Amarnathan for contribution of resolution amount. The Profiles of the Resolution Applicant and his associate are as under.

PROFILE OF MR. SANTOSH KUMAR VANGAPALLY:

- Mr. Santosh Kumar Vanagapally (DIN:09331903), aged 53 Years, has been working as Whole Time Director of the Corporate Debtor since October 2021. He has more than TWO (2) decades of experience in the fields of IT, Aviation and Real estate industries. He had very successful stint in various capacities in the industry, heading Operations, Customer care, banking process and project management.
- Proven track record in leading key business initiatives & strategies to meet changing customer needs / expectations.
- Efficient planning to increase market share, sales volume, bolstering bottom line & achieving gross profit objectives with product wise performance goals of business unit in a manner that is sustainable, process driven & consistent to company strategies
- Effective leadership with excellent motivational skills to sustain growth momentum while motivating peak individual performances
- Very well connected with present Telangana & AP Governments.

PROFILE OF MR. PREM ANANDH AMARNATHAN (ASSOCIATE OF RESOLUTION APPLICANT/ INVESTOR)

- Prem Amarnathan is the Principal Partner for APA Ventures Inc.
- He earned his Master of Business Administration from Edith Cowan University from Perth, Australia in 2001.
- Served as the Business Development Analyst for Li-Sci Teck Inc. /Futura Ventures from 2003- 2006
- Since 2007, Prem has leveraged his expertise in partnership development and negotiating skills through his role in Business Development for APA Ventures Inc.
- He has spent over 15 years using his skills in marketing and sales strategies, profit maximization, partnership development, and operations management to increase profits and customer service for multiple companies.



a. Details of Contribution of resolution amount

S.No	Name of the Contributors	Category	Contribution (Rs. in crores)	%
1	Santosh Kumar Vangapally	Resolution Applicant	3.00	20
2	Prem Anandh Amarnathan	Associate (Investor)	12.00	80
	TOTAL		15.00	100

4.2 No disqualification under Section 29A of the Code

The Resolution Applicant confirms that it and connected persons are not disqualified under Section 29A of the Code, as per the provisions of IBC as applicable to MSME.

4.3 Neither the resolution applicant nor any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past.

4.4 Understanding the "Cause of default"

Resolution Applicant has analyzed the exact "causes of default" and outlining hereunder the factors contributed to the present status of the Corporate Debtor;

- Company had been earning profits for last 3 years.
- Company had not defaulted to any Financial Institution as on the date of CIRP
- Company earned total revenue of Rs.40.56 crores for the nine month period ended Dec'22. (PY-106.27 crs)
- However, company started incurring losses since Sept'22 due to higher expenses in work execution
- Dispute with the supplier/ operational creditor resulted in litigation before NCLT leading to CIRP
- Liquidity crunch to make payment of all the dues simultaneously.
- Delay in realization of receivables, especially from Bodhtree Consulting INC, USA
- Management inability to resolve issues with the suppliers

5. BASIS OF PREPARATION

5.1 The preparation of the Resolution Plan is based on the Information Memorandum provided to the Resolution Applicant by the Resolution Professional and the independent assessment made by the Resolution Applicant

5.2 The Resolution Applicant also reserves right to bring on board any of the persons which includes High Net Worth Individuals, bodies corporate whether incorporated in India or outside India, Individuals, whether they are existing shareholders of the Corporate Debtor or not, as investors to invest in equity to fund part of the resolution amount mentioned in this resolution plan. However they would not be considered as Promoters.



6. Statement pursuant to Regulation 38(1A) of the CIRP Regulations how the Resolution Applicant dealt with interests of all the stakeholders including financial and operational creditors of the Corporate Debtor:

Name of the Creditor	Admitted ClaimRs.	Resolution amountRs.	(%)	Upfront cash payment Rs.	Total Settlement amount Rs.
CRIP Cost (estimated)	6,00,000	6,00,000	100%	6,00,000	6,00,000
<u>Secured Financial Creditor</u>					
i. HDFC Bank Ltd					
Cash Credit	7,99,91,630	7,99,91,630	100%	7,99,91,630	7,99,91,630
BG	5,87,46,500	5,87,46,500	100%	5,87,46,500	5,87,46,500
BBG WC Term Loan	4,097	4,097	100%	4,097	4,097
Auto Loan	8,72,440	8,72,440	100%	8,72,440	8,72,440
Total: 13,96,14,667	13,96,14,667	13,96,14,667	100%	13,96,14,667	13,96,14,667
<u>Un-Secured Financial Creditor</u>					
i. Related Parties	83,67,000	--	--	--	--
<u>Operational Creditors</u>					
i. Operational creditors (others)	21,05,53,131	21,05,531	1%	21,05,531	21,05,531
ii. Related parties	40,39,70,000	--	--	--	--
Government Dues*	20,34,73,449	89,507	0.04%	89,507	89,507
Total liabilities as per Information Memorandum	96,65,78,247	14,24,09,705		14,24,09,705	14,24,09,705
<u>Other estimated liabilities (not claimed)</u>					
- Interest on HDFC Bank dues outstanding (from ICD till full payment of dues after approval of Resolution Plan by AA)	65,00,000	65,00,000	100%	65,00,000	65,00,000
- PF dues	35,00,000	35,00,000	100%	35,00,000	35,00,000
- IBBI (fee on realizable value to creditors on approval of Resolution Plan) (141809705X0.25%)	3,54,525	3,54,525	100%	3,54,525	3,54,525
Total Liabilities	97,68,32,772	15,27,64,230		15,27,64,230	15,27,64,230

* BSE dues of Rs.88,500/- and ESIC dues of Rs.1,007/- are proposed to be paid in full.



6.1 Insolvency resolution process cost: (Amounting Rs.6,00,000/-)

We have made a provision of Rs.6.00 lakhs towards Insolvency Resolution Process cost. We undertake to pay the full amount of Insolvency Resolution Process cost, upfront on approval of the Resolution Plan by the Adjudicating Authority.

- a. Section 30(1)(a) of the Code requires payment of IRP Costs in priority to other creditors. The IRP Costs shall be paid within 30 days from the date of approval of this Plan by the NCLT.

6.2 Liquidation value to Employee's and Workmen priority dues: (NIL)

No claims from Employees and Workmen were received. Hence no provision is made for payment.

6.3 Debt owed to Financial Creditors

a) Secured Financial Creditor: (HDFC Bank Ltd)

i) As per the admitted claim (Amounting Rs.13,96,14,667/-)

The facilitywise admitted claims of secured Financial Creditor are as under

Cash Credit -	Rs.7,99,91,630.14
BG-	Rs. 5,87,46,500.00
BBG WC Term Loan-	Rs. 4,097.00
Auto Loan-	Rs. 8,72,440.00
Total:	Rs.13,96,14,667.14

The verified debt owed to HDFC Bank Limited, secured financial creditor is Rs. 13,96,14,667 (Rupees Thirteen Crores ninety six lakhs fourteen thousand six hundred sixty seven only).

The Secured Financial Creditor (HDFC Bank Ltd) be paid an amount of Rs. 13,96,14,667/- (Rupees Thirteen Crores ninety six lakhs fourteen thousand six hundred sixty seven only) i.e., 100% of their admitted claims upfront within 30 days of the approval of resolution plan by the Hon'ble NCLT as full and final settlement. The payment is to be utilized as under

Payment towards dues under Cash Credit -	Rs. 7,99,91,630
Payment towards dues under BBG WC Term Loan-	Rs. 4,097
Payment towards dues under Auto Loan-	Rs. 8,72,440
Payment towards 100% cash margin for the live outstanding BGs-	Rs. 5,87,46,500
Total	<u>Rs. 13,96,14,667/-</u>

ii) Estimated interest on the dues outstanding i.e., Cash Credit, BBG WC Term Loan and Auto Loan (from ICD till full payment of dues after approval of Resolution Plan by AA)

The Resolution Plan provides for an amount of Rs.65,00,000/- (Rupees Sixty five lakhs only) towards the estimated liability towards payment of interest on the dues outstanding with HDFC Bank for the period Insolvency Commencement Date till full payment of dues after approval of Resolution Plan by AA).

We undertake to pay the full amount of interest on the dues outstanding with HDFC Bank for the period Insolvency Commencement Date till full payment, upfront on approval of the Resolution Plan by the Adjudicating Authority.

iii) Payment towards cash margin for live and outstanding BGs:

1. An amount of Rs. 5,87,46,500/- (which is part of Resolution amount to be paid to the Secured Financial Creditor (HDFC Bank) towards BG liability is to be kept as 100% margin money for the BGs in force.
2. The amount should be released to the Company, on expiry of the validity of the BG or on return of the BG, whichever is earlier.
3. The amount is to be utilized by the Bank for the specific purpose of providing 100% cash margin for the BGs as per the admitted claim only.
4. Further an amount equivalent to additional 25% margin on the BGs be retained by HDFC Bank from the existing deposits (amounting to Rs.3.16 crs approx.) of Corporate Debtor kept under lien by the Bank.
5. The amount provided as additional margin of 25% should be released to the Company, when the accounts with HDFC Bank are upgraded from NPA or on expiry of the validity of the BG or on return of the BG, whichever is earlier

b) Un-Secured financial Creditors (Amounting Rs.83,67,000/-)

i) Related Parties

The verified debt owed to un-secured financial Creditors (Related Parties) is Rs.83,67,000/- (Rupees Eighty three lakhs sixty seven thousand only).

No amount will be paid to the un-secured financial creditors (Related Parties) under this plan.

ii) Payment Terms

Pursuant to approval of this Resolution Plan by the NCLT, and upon payment of settlement amount on Completion date in accordance with this Plan, the following shall apply to the payments to the Financial Creditors pursuant to this Clause 6.3:

- a) The entire debt due to the Financial Creditors shall stand satisfied, settled and extinguished, and no claims whatsoever shall subsist and the securities for any debt due to the Secured financial creditors shall stand unconditionally released.

- b) No cost, interest, charges, or the like, penal or otherwise, including in respect of the right to recompense, shall be payable to any Financial Creditor in addition to what is specified in Clause 6.3 of this plan.
- c) Any credit balances/ FDs/ Financial Investments lying in the Corporate Debtors account with the Financial Creditor shall be released to be used by the SRA, on full payment of the claim amount as per proposed Resolution Plan. The amount so received will be utilized for the working capital needs of the Corporate Debtor only.
- d) The FDs kept as lien for securing BG to be released and after retaining an amount towards additional 25% margin on outstanding live BGs, Balance amount to be credited to the account of Corporate Debtor

6.4 Amount due to the government or governmental authorities

The aggregate amount admitted towards government agencies as of the IC Date, by the Resolution Professional is Rs. 20,34,73,449/- (Rupees Twenty crores thirty four lakhs seventy three thousand four hundred forty nine only).

Since the liquidation value of the corporate debtor is not adequate to cover the dues of the all the claimants, the amount proposed to be paid under the plan is as under.

Sl. No	Name of the Statutory creditor	Amount claimed (In Rs.)	Resolution amount (In Rs.)
1	Employee State Insurance Corporation	1,007	1,007
2	Dy Commissioner, Income Tax Circle-1	5,18,30,100	--
3	BSE	88,500	88,500
4	Assistant commissioner of Central Tax, GST	15,15,53,842	--
	TOTAL	20,34,73,449	89,507

An amount of Rs.89,507/- (Rupees Eighty nine thousand five hundred seven only) will be paid to the statutory creditors (ESIC-Rs.1007/- & BSE- Rs.88,500/-), up front within 30 days of the date of approval of this Plan by the Hon'ble NCLT

Under the provisions of CGST / Telangana GST, the dues of GST do not come under the Secured Creditor and hence no amount is proposed to be paid in settlement of dues as on CIRP date

- (a) Upon approval of this plan by the Hon'ble NCLT, all dues under the provisions of Income Tax Act, and indirect taxes (including but not limited to, the Central Excise Act, 1944, the Finance Act, 1994 (Service Tax), the Customs Act, 1962, the Central Sales tax Act, 1956, the Goods and Services Tax Act, 2017) if any including taxes, penalties, interest, fines, unpaid TDS/TCS in relation to any period prior to the Completion Date, shall stand extinguished and the Corporate Debtor shall not be liable to pay any amount against such demand. All, assessments/Appellate or other proceedings pending in case of the Corporate Debtor, on the date of the order of NCLT relating to the period prior to that date, shall stand terminated and all consequential liabilities, if any, stand abated and should be considered to be not payable by the Corporate Debtor. All notices proposing to initiate any proceedings against the Corporate Debtor in relation to the period prior to the date of NCLT order and pending on that date, shall stand abated and should not be proceeded against. Post the order of the NCLT, no re-assessment/revision or any other

proceedings under the provisions of the Income Tax Act / under any other acts towards statutory payments shall be initiated on the Corporate Debtor in relation to period prior to acquisition of control by the Resolution Applicant and any consequential demand should be considered non-existing and as not payable by the Corporate Debtor. Any proceedings which were kept in abeyance in view of the insolvency process or otherwise shall not be revived post the order of NCLT.

- (b) Upon approval of this resolution plan by the NCLT all liabilities (including without limitation, for any penalty, interest, fines or fees) or obligations of the Corporate Debtor in relation to: (A) any investigation, inquiry or show-cause whether civil or criminal; (B) any non-compliance of provisions of any laws, rules, regulations, directions, notifications, circulars, or guidelines, shall stand permanently extinguished and the Corporate Debtor shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

6.5 Any remaining debts and dues including Operational Creditors

a) Operational Creditors other than employees, workmen and government agencies:

Since the liquidation value of the corporate debtor is not adequate to cover the dues of the all the claimants, the amount proposed to be paid under the plan is as under.

The amount payable to the operational creditors other than employees and workmen and government agencies is Rs.61,45,23,131/- (Rupees Sixty one crores forty five lakhs twenty three thousand one hundred thirty one only), which includes Related party dues of Rs.40,39,70,000/- (Rupees Forty crores thirty nine lakhs seventy thousand only).

An amount of Rs.21,05,531/- (Rupees twenty one lakhs five thousand five hundred thirty one only) will be paid to unrelated party operational creditors @1% of their admitted claims, under this plan. The amount shall be paid up front within 30 days of the date of approval of this Plan by the NCLT

The operational creditors settlement amount will be paid on priority over financial creditor, in compliance of the provisions of Code.

b) Other estimated Liabilities (amounting Rs.1,03,54,525/-)

S.No	Particulars	Amount (Rs.)
1	Interest on HDFC Bank dues outstanding (from ICD till full payment of dues after approval of Resolution Plan by AA)	65,00,000
2	PF dues to be paid to EPFO	35,00,000
3	IBBI towards fee @0.25% on realizable value to creditors on approval of Resolution Plan	3,54,525
	Total	1,03,54,525

An amount of Rs.1,03,54,525/- (Rupees On crore three lakhs fifty four thousand five hundred and twenty five only) is provided under the plan to be utilized for estimated liabilities other than the admitted claims. The amount will be paid within 30 days of the date of approval of this Plan by the NCLT

Resolution Applicant undertakes to pay any differential amount towards the PF dues upon reconciliation of the dues with PF dept.

Resolution Applicant undertakes to pay any differential amount towards the interest dues upon computation of actual dues upto the full payment to the Bank.

Other than the liabilities admitted based on the claims submitted by the Operational Creditors, no other liabilities in the books of accounts / out of the books of accounts shall be payable in the future and taken as if those liabilities no more exist.

6.6 Shareholders and other Persons

The existing shareholders, shall not be paid any amount for the cancellation and reduction of their share capital and any claims in relation thereto shall stand extinguished without any payment or recourse.

7. Limit on Liability

"Notwithstanding anything contained in this Resolution Plan, in no event the total payments by the Resolution Applicant to its stakeholders as mentioned in the Clause 6 of the this resolution plan, shall exceed Rs. 14,62,64,230/- (Rupees Fourteen crores sixty two lakhs sixty four thousand two hundred thirty only). However, this amount is subject to the total Resolution Process cost to be incurred by the Resolution Professional until the Completion date".

8. Details of Business Turnaround of the Corporate Debtor

8.1 Rationale behind change of business activities

No change of business activity is proposed. Since the company is already having a good client base, management of the affairs more efficiently with timely intervention/ resolution of issues will drive the growth of the company.

Keeping in view all these developments, Resolution Applicant proposes to carry Information Technology and related ITes services in the Company. Resolution Applicants are well versed with the technological advancements and its niche areas. Opportunities are huge and growth potential from this activities is immense. Maximizing the shareholders wealth is sole motto in continuing in this field.

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for IT firms in India. Export revenue of the industry is expected to grow 7-9 per cent year-on-year to US\$ 135-137 billion in FY19. The industry is expected to grow to US\$ 350 billion by 2025.

8.2 Restructuring of a corporate debtor under Regulation 37 of the CIRP

The Code has defined resolution plan as a plan for insolvency resolution of a corporate debtor as a going concern. Further, Regulation 37 of the CIRP Regulations permits restructuring of a corporate debtor by way of merger/consolidation or sale/transfer of assets of the corporate debtor pursuant to the resolution plan.

This business model has significant potential for growth and is capable of attracting a separate set of investors, strategic partners, creditors and other stakeholders.

No restructuring by way of merger/ consolidation or sale/ transfer of assets is proposed in the resolution plan, as the same is not considered necessary for resolution of the Corporate Debtor

9. Source of Funds

9.1 In this Resolution Plan:

- i. The total amount Rs. 15,27,64,230/- (Rupees Fifteen crores twenty seven lakhs sixty four thousand two hundred thirty only) is proposed to be paid settled in cash up- front within 30 days of the date of approval of this Plan by the Hon'ble NCLT as full and final settlement to secured financial Creditor, Operational Creditors, Govt. creditors, other estimated liabilities and Corporate Insolvency Resolution Process cost.
- ii. The aforesaid amount of Rs. 15,27,64,230/- (Rupees Fifteen crores twenty seven lakhs sixty one thousand seven hundred thirty only) shall be funded by the Resolution Applicant.

9.2 The Resolution Applicant confirms that it has sufficient funds to make the payments described above and/or has the ability to raise such amounts from other sources.

9.3 The Network of the Resolution Applicant, as on 25.07.2023 as per Network Certificate dated 26.07.2023 is Rs.9.17 crores (Rupees Nine crores and seventeen lakhs. The applicant is also supported by his Associate Mr. Prem Anandh Amarnathan, HNI & NRI who is having Network of USD 18.746 mio (equivalent to Rs.150 crores) as on 11.04.2023 as per Network statement dated 26.07.2023 Mr. Prem Anandh has submitted his commitment letter dated 24.07.2023 committing an amount of Rs.12.00 crores towards his contribution for taking up equity in the Company as part of Resolution Plan submitted by the Resolution Applicant, Mr. Santosh Kumar Vangapally. Thus the applicant at any point of time is able to get the funds of Rs. 15,27,61,730 (Rupees Fifteen crores twenty seven lakhs sixty one thousand seven hundred thirty only) and settle out the aforesaid resolution amount.

9.4 The Resolution Applicant proposes to infuse further funds for working capital needs of the Corporate Debtor, as and when required. This shall be by way of issuance of shares to the Resolution Applicant against the subscription/money received.

9.5 The following funds are proposed by the Resolution Applicant to settle all the claims and for business needs of Corporate Debtor as described below:

S. No	Payments	Claims Settlement	Working Capital	Contingencies	Total
1	For Settlement of claims & payment of other estimated liabilities, Working Capital and contingencies	15,27,64,230	4,50,00,000	22,35,770	20,00,00,000

10. Treatment and Interests of Stakeholders

As set out in Clause 6 above, this Resolution Plan has adequately dealt with the interests of all the stakeholders keeping in view of the liquidation value of the corporate debtor.

11. Assumptions

The Resolution Applicant has prepared this Resolution Plan on the basis of certain assumptions set out below, and has assumed that upon approval of this Resolution Plan by the NCLT, the Corporate Debtor and the Resolution Applicant, as the case may be, shall be entitled to the following, failing which the Resolution Applicant shall be entitled to make adjustments to the amounts to be paid pursuant to this Resolution Plan, or, at its discretion, seek appropriate reliefs from the NCLT or other authority:

11.1 Inquiries, investigations etc.

Upon approval of this Resolution Plan by the NCLT, all inquiries, investigations and proceedings whether civil or criminal, or other judicial, regulatory or administrative proceedings against, the Corporate Debtor, in relation to any period prior to the Completion Date, shall stand withdrawn or dismissed and all liabilities or obligations in relation thereto, will be deemed to have been written off in full and permanently extinguished.

11.2 Income Tax and other exemption

- The actions undertaken pursuant to the implementation of the Resolution Plan shall be deemed to be exempt from any tax obligation under various taxing statutes, including but not limited to Sections 50B, 50C, 50CA, 56 and 115JB under the Income-tax Act as well as the Central Goods and Services Tax Act, 2017 (as amended from time to time), State Goods and Services Tax Act, 2017 (as amended from time to time) and the provisions of the Indian Stamp Act, 1899 (as amended from time to time) and other laws relating to payment of stamp duty applicable in any state.
- The Corporate Debtor shall be entitled to carry forward the unabsorbed depreciation and accumulated losses and to utilize such amounts to set off future tax obligations.

11.3 Effectiveness of this Resolution Plan

This Resolution Plan shall come into effect on the date of approval of this Plan by the NCLT (Effective Date").

12. MEASURES UNTIL COMPLETION DATE

12.1 Management of the affairs of corporate debtor after approval of the Resolution Plan

A committee consisting of the Resolution Professional, the members of the COC (Finance Creditor) and nominees of the Resolution Applicant ("Monitoring Agency") shall manage the Corporate Debtor during the Interim Period.

13. STEPS FOR COMPLETION AND COMPLETION DATE ACTIONS

The steps to Completion and Completion Date Actions are also described below.

13.1 "Completion Day" Corporate Actions

a) Reconstitution of the board of directors:

- i. The Directors of the Corporate Debtor immediately prior to the Completion Date, shall be deemed to have resigned and shall vacate their office, without the need for any further act or deed.
- ii. The persons nominated by the Resolution Applicant pursuant to the clauses hereunder, including whole time director, if any, shall be appointed as directors of the Corporate Debtor, without any further act or deed, pursuant to the order of the NCLT.
- iii. The Reconstituted Board shall also authorize persons to operate all bank accounts of the Corporate Debtor in existence on or after the Completion Date.

The Reconstituted Board will have the following members, and their profiles are as under.

1. Mr. Santosh Kumar Vangapally – Whole Time Director
2. Mr. Maruti Venkata Subba Rao Poluri – Independent Director
3. Mr. Ravinder Reddy Surkanti – Independent Director
4. Mr. Nirvigna Kotla – Director (Technical)

1. PROFILE OF MR. SANTOSH KUMAR VANGAPALLY (WHOLE TIME DIRECTOR):

- Mr. Santosh Kumar Vangapally (DIN:09331903), aged 53 Years, has been working as Whole Time Director of the Corporate Debtor since October 2021. He has more than TWO (2) decades of experience in the fields of IT, Aviation and Real estate industries. He had very successful stint in various capacities in the industry, heading Operations, Customer care, banking process and project management.

- Proven track record in leading key business initiatives & strategies to meet changing customer needs / expectations.
- Efficient planning to increase market share, sales volume, bolstering bottom line & achieving gross profit objectives with product wise performance goals of business unit in a manner that is sustainable, process driven & consistent to company strategies
- Effective leadership with excellent motivational skills to sustain growth momentum while motivating peak individual performances
- Very well connected with present Telangana & AP Governments.

2. PROFILE OF MR. MARUTI VENKATA SUBBA RAO POLLURI (INDEPENDENT DIRECTOR)

- Mr. P.M.V.Subba Rao, aged 63 years, is a Company Secretary and Insolvency Professional. He has number of degrees viz., M.Com, M.B.A, LL.M, FCS, PGDAOR.
- He has decades of experience as Company Secretary and is also a Registered Insolvency Professional
- He has vast experience in his field, and has high reputation in the Society.

3. PROFILE OF MR. RAVINDER REDDY SURAKANTI (INDEPENDENT DIRECTOR)

- Mr. Ravinder Reddy is a Chartered Accountant AND Company Secretary with more than a decade of experience in the profession.
- He is presently practicing with R.S.Reddy & Co, Chartered Accounts
- He is also a director in M/s. RRK ENTERPRISE PRIVATE LIMITED, ABHIGNA REALTY PRIVATE LIMITED, and NIVEDITHA INFRA PRIVATE LIMITED.
- Worked as Company Secretary for M/s. BIRTHPLACE HEALTH CARE PRIVATE LIMITED, from 01st October 2021 to 09th May 2023
- Worked as Company Secretary for M/s. LG Polymers India Private Limited, Vishakapatnam from 29th July 2016 to 7th January 2021
- Worked with LOTUS GROUP of companies as Compliance officer cum Head of the Accounts department from 2012-2014

4. PROFILE OF MR. NIRVIGNA KOTLA (DIRECTOR TECHNICAL):

- Having nearly a decade of experience in Production Support and Maintenance in the Telecom Domain & E-Commerce Domain.
- Good hands-on experience on WebLogic Application Server 10.3.6/12.1.3 in various environments
- Good experience in Amazon Web Services (AWS), Creating EC2 Instances, and configuring all necessary services.
- Hands-on experience in AWS with provisioning & resource management and setting up Enterprise Infrastructure on Amazon Web Service (AWS).

- Working as Technical Consultant in Mouritech, from Oct 2020 to April 2023
- Worked as a Technical Consultant in the Quality Council of India (QCI), from Dec 2018 to Aug 2020.
- Worked as a WebLogic Administrator in JDA Software pvt ltd, Bangalore from Dec 2015 to Sep 2017.
- Worked as a software engineer in Object One Information Systems Limited, from Nov 2013 to Nov 2015.

b) Meeting of the Reconstituted Board

On the Completion Date, the Reconstituted Board shall conduct a meeting to implement the actions set-out in this Clause 13 without any further act or deed and shall not require any additional approval from the shareholders, regulatory authorities or otherwise.

c) Cancellation/Reduction of Existing Share Capital

- i) The Information Memorandum states that total issued, subscribed and paid up equity capital of the Corporate Debtor is Rs. 19,95,82,360 consisting of 1,99,58,236 equity shares of Rs.10/- each fully paid up.
- ii) On the Completion Date, the Corporate Debtor shall undertake a capital reduction and cancellation of existing equity shareholding, 100% to the existing promoters and to the extent of 90% to shareholders other than existing promoters, whereby the equity share capital of the Corporate Debtor shall stand reduced to Rs. 1,17,31,140 (Rupees One crore seventeen lakhs thirty one thousand one hundred forty only) consisting of 11,73,114 (Eleven lakhs seventy three thousand one hundred fourteen only) equity shares of Rs.10/- each fully paid up. In other words, the Corporate Debtor shall issue and allot One Equity Share of Rs.10/- each for every 10 Equity Shares held by the Shareholders to other than existing promoters (as Completion date as Record Date);
- iii) The cancellation shall not require any payment by the Corporate Debtor to any of the shareholders except by issue of One Equity Share of Rs.10/- each for every 10 Equity Shares held by the Shareholders other than existing promoters as on the Completion date (as Record Date) There will be a complete extinguishment of the equity share capital held by the existing promoters of the Company.
- iv) Any fractional share arising out of such reduction shall be rounded off to 1 (One) Share. No retail shareholders shall be eliminated pursuant to the capital reduction.
- v) The cancellation and re-issue of equity to all the shareholders shall be pursuant to the order of the NCLT and shall not require any other procedure as required under the Companies Act, including that under Section 66 of the Companies Act or regulations of the SEBI.
- vi) The Cancellation shall not require the consent of any of the creditors of the Corporate Debtor or approval of the shareholders of the Corporate Debtor, and as the Resolution Plan, upon being approved by the NCLT shall be binding on the Corporate Debtor and all its stakeholders.

vii) The equity shares issued as aforesaid to the shareholders shall rank pari-passu to the existing shares of the Company and shall be listed forthwith in the stock exchanges where it is presently listed.

d) Contemporaneous issue of Shares to the existing equity shareholders, and to Resolution Applicant and his Associate (Investor) on the Completion date:

i) Allotment of equity shares to the Resolution Applicant

- a. 1,60,00,000 (One Crore sixty lakhs only) equity shares Rs. 10/- each to the Resolution Applicant and the investor against the infusion of funds;
- b. Upon simultaneous cancellation of existing equity shares and re-issue of shares to shareholders and allotment of shares to the Resolution Applicant and the investor, the share holding pattern of the Corporate Debtor is as follows:

S. No	Shareholders Category	Allotment of Shares	Total Shares	(%)
1	Public:After reduction		11,73,114	6.83%
2	<u>i. New Promoter (Resolution Applicant):</u>	40,00,000	40,00,000	23.29%
	<u>ii. Associate of RA (Investor) Mr. Prem Anandh Amarnathan</u>	1,20,00,000	1,20,00,000	69.88%
	Total		1,71,73,114	100%

SEBI / BSE / NSE / Any Statutory authorities, on approval of the Resolution Plan by the Hon'ble NCLT, deemed to have been approved the above cancellation of existing promoter's share, reduction of public shareholding and fresh issue of shares new proposed promoter /associate (investor)

e) Other Actions

With effect from the Completion Date:

- i) The Resolution Applicant will become the promoters of the Corporate Debtor and be in management and control of the business of the Corporate Debtor.
- ii) The Control of the Corporate Debtor shall be transferred to the Resolution Applicant and the Reconstituted Board.
- iii) On the Completion date, the Bank Accounts of the Corporate Debtor in existence shall only be operated by the persons authorized by the Resolution Applicant.
- iv) Further on Completion date, Board Resolutions will be passed by the new Management of Corporate Debtor to open new Bank Accounts along with approval of their operation by the officials of the new management of the Corporate Debtor.
- v) The CoC shall be dissolved with effect from the Completion Date.

13.2 Corporate Actions and Other Compliances

- a) The Corporate Debtor shall take appropriate corporate actions necessary for the implementation of all the provisions of the Resolution Plan, which includes;
- i) filing of appropriate documents or forms with amongst others, to the Registrar of Companies and Ministry of Corporate Affairs;
 - ii) issuance of shares as provided in the Resolution Plan; and
 - iii) Filing of appropriate documents or forms with SEBI and Stock Exchanges where the shares of the Corporate Debtor listed for obtaining exemptions and listing of additional issue of equity shares and reduction of share capital and other compliances as per the governing law.

b) Exemptions sought under existing applicable laws

i) Under Companies Act 2013

It is specifically provided under section 30 (2) (e) of the Code that Resolution plan should not contravene any of the provisions of the law for the time being in force;

As per Explanation Clause to Section 30(2)(e) "For the purposes of clause (e), if any approval of shareholders is required under the Companies Act, 2013 or any other law for the time being in force for the implementation of actions under the resolution plan, such approval shall be deemed to have been given and it shall not be a contravention of that Act or law".

Regulation 39(6) of the CIRP Regulations provides that "a provision in a resolution plan which would otherwise require the consent of the members of the corporate debtor under the terms of the constitutional documents, shareholders' agreement, or other document of a similar nature, would take effect notwithstanding that such consent has not been obtained".

"Resolution Applicant shall be allowed to dispense with the requirement of shareholders' approval if any required under Companies Act, 2013 or under the constitutional documents for the implementation of the Resolution Plan".

ii) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

A) Exemption from making open offer under Takeover Regulations

Under Regulation 10 (1)(da) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, an **"acquisition pursuant to a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016"** were exempt from the obligation to make an open offer under Regulations 3 and 4 of the Takeover Regulations.

Accordingly, the acquisition of shares and voting rights by the Resolution Applicant shall be exempt from making an open offer under the Takeover Regulations pursuant to the resolution plan being approved under the Code.

B) Holding beyond the maximum permissible non-public shareholding

Under Second proviso to Regulation 3(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations

"Acquisition pursuant to a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016 shall be exempt from the obligation under the proviso to the sub regulation (2) of regulation 3"

Accordingly, the acquisition of shares and voting rights by the **Resolution Applicant and his Associate (Investor)** beyond maximum permissible non-public shareholding is allowed pursuant to the resolution plan being approved under the Code

SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009

Exemption from the preferential issue guidelines

Ordinarily, the issuance of securities by a listed company to persons other than its existing shareholders, being a "preferential issue", requires compliance with the provisions of Chapter VII of the SEBI (ICDR) Regulations 2009.

However, Regulation 70(1) (c) of the SEBI (ICDR) Regulations 2009, stipulates that Chapter VII of the ICDR Regulations (relating to preferential offers) will not apply to securities issued ***"in terms of the resolution plan approved by the Tribunal under the Insolvency and Bankruptcy Code"***

Accordingly, the issuance of equity shares to the Resolution Applicant **and his Associate (Investor)**, shall be exempt from the requirements of Chapter VII of the ICDR Regulations (except the lock-in provisions), pursuant to the resolution plan being approved under the Code.

14. MANAGEMENT OF THE AFFAIRS OF THE CORPORATE DEBTOR AFTER THE TERM OF RESOLUTION PLAN

With effect from the Completion Date, the Corporate Debtor shall be managed by professional/persons nominated by the Resolution Applicant.

The management of day to day affairs of the Company will be done by the Whole Time Director (Resolution Applicant) and his Team.

The Core Team consists of the Whole time Director, Technical Director and CFO supported by senior manager level employees.

Profiles of Whole Time Director Mr. Santosh Kumar Vangapally, Director Technical Mr. Nirvigna Kotla are furnished above in Para 13.1.a.

Profile of CFO Mr.Bhanu Dinesh Alava is furnished hereunder.

- Had an experience of more than 15 years in various capacities in various organizations.
- Presently working as Finance Manager in Vwin Project Consultants Private Limited
- Previously worked as Deputy Manager - Finance Organization: Next Education India Private Limited; Consultant-(F & A) Organization: Vasista Foundation For Management Research; In-Country Accounts & Administrative Assistant in USAID-MSUIHDA
- He had the following achievements to his credit
- Associated with technology team on building mobile applications having wallets and provided inputs on RBI guidelines and other financial aspects on developing money wallets.
- Established Internal controls to clients
- Developed the financial modelling on UK based agricultural Projects. Vwin Project Consultants Pvt Ltd on
- Developed the process of Employee payout system in Next Education of India Private Limited
- Associated with Management on establishing Cost Accounting policy in Next Education India Private Limited
- Designed IHDA Financial Protocol
- Active role in Establishing an USAID-MSU-IHDA Head office at Hyderabad, Delhi and Chennai
- Designed budgets for the period 2008-09, 2009-10 & 2010-11 with elaborated study to Indian Horticulture Development Alliance project and all budgets were approved by Project sponsors USAID-MSU

15. SUPERVISION OF THE RESOLUTION PLAN

The Monitoring Agency shall supervise the Resolution Plan during the Interim Period, in accordance with Clause 12.

15.1 Resolution Applicant confirms that resolution plan submitted, does not contravene any of the Provisions of the law for time being in force

15.2 The Resolution Applicant shall bear all the expenses/payment for the Monitoring Agency for supervision of the Resolution Plan.

16. TERM OF THE PLAN AND IMPLEMENTATION SCHEDULE

16.1 The term of this Resolution Plan shall be from the Effective Date until the Completion Date.

16.2 The indicative implementation schedule for this Resolution Plan is set-out below:

S. No	Dates	Timelines (days)
1	Effective Date	Approval of this Resolution Plan by the NCLT
2	Completion Date	Effective Date+ 90 days

17. COMPLIANCE WITH REGULATION 38(3) OF THE CIRP REGULATIONS

17.1 As per regulation 38(3) of the CIRP Regulations, "a resolution plan shall demonstrate that :

- a) It addresses the cause of default;
- b) It is feasible and viable;
- c) It has provisions for its effective implementation;
- d) It has provisions for approvals required and the timeline for the same; and
- e) The resolution applicant has the capability to implement the resolution plan."

17.2 The Resolution Applicant hereby is providing the details and references to the clauses of the Resolution Plan as the case maybe, in relation to compliance with the said regulation:

a) Addressing the cause of default

The Resolution Applicant has addressed the cause of default in detail at Clause 4.4 above.

The Resolution applicant is determined to revive the operations of the Corporate Debtor with its resolution strategy given in Clause 8

b) Feasibility and viability of the resolution plan

The Resolution Applicant has detailed the feasibility and viability of resolution plan in following different sections:

Sources of Funds: The Resolution Applicant has provided the details of complete sources of funds as required to meet the proposed payments under the Resolution Plan. The said details are mentioned in clause 9 above.

Operational Mode: The Resolution Applicant shall provide for the required working capital as proposed in the Resolution Plan to ensure continuity of the business activities of Corporate Debtor. The Resolution Applicant has also identified the core team with required expertise to ensure implementation of Resolution Plan. The details regarding Core Team are mentioned in Clause 14. As per resolution plan, it is rendered that with the infusion of funds and introduction of Core team the operations of the Corporate Debtor shall be commercially viable, generate employment, generate value to all the stakeholders, and generate revenue for the exchequer.

c) Effective implementation

As stated earlier, the Resolution Applicant is determined to revive the operations of the Corporate Debtor, the Resolution Applicant has detailed the provisions to ensure effective implementation under Clause 6,8 and 9,14 of the Resolution Plan.

d) Capability of Resolution Applicant to implement the Resolution Plan

The Resolution Applicant has sufficient sources of funds (by way of its own net worth / support from high net worth investors), necessary industry expertise and experience as well as the manpower to implement the Resolution Plan as per the clauses stated herein. The capability of the Resolution Applicant to implement the resolution plan is detailed in Clause 6 and 8.

18. Other Terms and conditions

18.1 Binding Effect:

The Resolution Plan once approved by Hon'ble Adjudicating Authority shall be binding on the Corporate Debtor, its members, its promoters, all holders of claims, Resolution Applicant and all other parties in interest and each of their respective successors and assigns in accordance with Section 31(1) and 238 of the Code.

19. Effect of the order of NCLT

- a) A certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan, it the same shall constitute a conclusive evidence of the rights and entitlements of the Corporate Debtor as provided in the Resolution Plan and the settlement of claims with the financial creditors and discharge and extinguishment of all other claims and obligations, rights and entitlements of operational creditors and other creditors in accordance with the Resolution Plan by deemed satisfaction, discharge or extinguishment.
- b) The mere production and delivery of a certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan shall constitute proof of amendment of any constitutional documents of the Corporate Debtor, change in the management of the Corporate Debtor, cancellation of the share capital of the Corporate Debtor and deemed listing of the shares of the Corporate Debtor, or revisions in agreements or arrangements by modification or cancellation thereof, without any further act or deed and shall become effective and binding on the Resolution Applicant only after the Completion Date.

20. The Resolution Applicant prays for suitable / appropriate orders from the Hon'ble Adjudicating Authority for:

- 20.1 Resolution Applicant's envisage reliefs or exemptions sought from the SEBI/Stock Exchange Regulations, restricted only to the extent which are permissible under the respective laws/statutes/policies.

a) Continuation of Stock exchange listing "active" status

"Corporate Debtor's listing "active" status shall be continued in the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), without any interruption or suspension pursuant to the resolution plan being approved under the Code.

The Corporate Debtor shall take appropriate corporate actions necessary like filing of appropriate documents or forms with SEBI and Stock Exchanges for the listing status continuation and for obtaining exemptions and listing of additional issue of equity shares and reduction of share capital and other compliances as per the rules and regulations.

b) Under Companies Act, 2013 [Clause 13.2 (b) (i)]

i) Restructuring of Share Capital

The Section 66 of Companies Act 2013, which is the governing provision for Reduction of Share Capital of a company which permits every company to reduce the share capital after passing the special resolution and subject to confirmation by the Tribunal.

With effect from the date of the Completion Date, the Resolution applicant shall restructure the Share capital of Corporate Debtor by way cancellation and re-issue of equity to all the shareholders as mentioned in Clause 13.1, and shall not require to follow any other procedure as required under the Companies Act, including that under Section 66 of the Companies Act or regulations of the SEBI..

c) Under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011

i) Exemption from making open offer

Regulation 3 & 4 of the Take-Over Regulations, which provides for the obligation to the acquirer to make an open offer while acquiring more than 26% of the shares of public listed companies.

Regulation 10 (1) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations says-*The following acquisitions shall be exempt from the obligation to make an open offer under regulation 3 and regulation 4 subject to fulfilment of the conditions stipulated therefor-*

Regulation 10(1)(da) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations says an "acquisition pursuant to a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016" were exempt from the obligation to make an open offer under Regulations 3 and 4 of the Takeover Regulations.

Hence, the Resolution applicant shall be exempt from the obligation to make an open offer under the Takeover Regulations consequent to the acquisition of shares of the Corporate Debtor pursuant to the resolution plan being approved under the Code

ii) Holding beyond the maximum permissible non-public shareholding

An acquirer who holds more than 25% but less than maximum permissible non-public shareholding shall further acquire more than 5% in a company unless an open offer is being given under the Takeover guidelines.

Under Second proviso to Regulation 3(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations

"Acquisition pursuant to a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016 shall be exempt from the obligation under the proviso to the sub regulation (2) of regulation 3"

Accordingly, the acquisition of shares and voting rights by the **Resolution Applicant and his Associate (Investor)** beyond maximum permissible non-public shareholding is allowed pursuant to the resolution plan being approved under the Code

iii) Reclassification of Promoters pursuant to Resolution plan approval:

SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

As per Regulation 31A (9) of SEBI LODR Regulations 2015

"The provisions of sub-regulations 3, 4 and clauses (a) and (b) of sub-regulation 8 of SEBI (LODR) Regulations shall not apply, if re-classification of promoter(s)/ promoter group of the listed entity is as per the resolution plan approved under section 31 of the Insolvency Code, subject to the condition that such promoter(s) seeking re-classification shall not remain in control of the listed entity"

Accordingly, the Corporate Debtor, shall be exempt from the regulations of 31A of the SEBI, LODR Regulations 2015 to classify existing promoters as public and Resolution Applicant as promoter. pursuant to the Completion Date.

iv) Minimum Public Shareholding in the Listed Companies

As per Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, every Company is required to maintain at least 25% public shareholding, on a continuous basis for listing.

Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 says-

"The listed entity shall comply with the minimum public shareholding requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957"

Rule 19A of the Securities Contracts (Regulation) Rules, 1957 says-

"Every listed company [other than public sector Company] shall maintain public shareholding of at least twenty five per cent"

Rule 19 A (5) of Securities Contracts (Regulation) Rules, 1957 says-

"Where the public shareholding in a listed company falls below twenty-five per cent, as a result of implementation of the resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016, such company shall bring the public shareholding to twenty-five per cent within a maximum period of three years from the date of such fall, in the manner specified by the Securities and Exchange Board of India:

Provided that, if the public shareholding falls below ten per cent, the same shall be increased to at least ten per cent, within a maximum period of eighteen months from the date of such fall, in the manner specified by the Securities and Exchange Board of India."

Accordingly, Resolution Applicant will be allowed to increase the public shareholding to at least ten per cent and twenty-five per cent, within a maximum period of eighteen months and three years respectively from the date of such fall (date of allotment of shares upon approval of the plan by the NCLT), in the manner specified by the SEBI.

d) SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009

i) Exemption from the preferential issue guidelines

As per Regulation 70(1) (c) of the SEBI (ICDR) Regulations 2009- Chapter VII of the ICDR Regulations (relating to preferential issue) shall not apply to securities issued ***"in terms of the resolution plan approved by the Tribunal under the Insolvency and Bankruptcy Code"***.

"Provided that the lock-in provisions of this Chapter shall apply to preferential issue of equity shares mentioned in clause 70(1) (c)".

Hence, Issuance of shares to Resolution applicant and his Associate shall be exempt from the requirements of Chapter VII of the ICDR Regulations related to preferential issue of shares except lock-in provisions.

20.2 Specific prayer is being made to Adjudicating Authority to give relief from the following:

a) Notice of demand relating to prior period:

The Income-Tax Department has issued re-opened the assessments of the Corporate Debtor for the years 2012-13, 2013-14, and determined the tax liability ex-parte and issued notice of demand for the payment of tax under Section 143 1a, and 154 of the Income-tax Act, 1961 as follows:

S.No	Date of order	Assessment years	Amount (Rs.)
1	15/10/2020	2015	12,07,610
2	27/03/2021	2019	1,77,49,470
3	28/12/2021	2020	3,28,73,020
		Total	5,18,30,100

It is presumed that The Corporate Debtor has disputed the assessment and has appealed against the orders.

Resolution Applicant specifically prays to the Adjudicating Authority to pass an order, extinguishing completely the above liability/demand for tax and the Corporate Debtor shall not be held liable for the above demand for tax pursuant to the approval of this resolution plan by the Hon'ble NCLT.

During the moratorium period, the GST Department has issued notice of demand for the payment of tax under Section 74, 74 (1) and 122 of CGST Act 2017/ TGST Act 2017 read with Section 20 of IGST Act, 2017 as follows:

S.No	Notice of demand	Amount (Rs.)
1	04/05/2023	15,15,53,842
	Total	15,15,53,842

The declaration of moratorium under Section 14 (1) (a) of IBC prohibits such actions. Since the above claims are not admitted by the Resolution Professional in the Information Memorandum, Resolution Applicant or Corporate Debtor as case may be, have no obligation, liability or duty whatsoever in relation to above liability.

Resolution Applicant specifically prays to the Adjudicating Authority to pass an order, extinguishing completely the above liability/demand for tax and the Corporate Debtor shall not be held liable for the above demand for tax pursuant to the approval of this resolution plan by the Hon'ble NCLT.

20.3 Other Concessions, reliefs and dispensations

- a) On the Completion Date and simultaneously with cancellation of shares pursuant to sub-Clause 13, the Corporate Debtor shall issue and allot One Equity Share of Rs.10/- each fully paid up for every 10 Equity Shares held by the Shareholders other than promoters, and further issuance of 1,60,00,000 (On crore sixty lakhs only) equity shares of Rs. 10/- each fully paid up to the Resolution Applicant and the investor against funds infused.

The equity shares issued as aforesaid to the shareholders shall rank pari-passu to the existing shares of the Company and shall be listed forthwith in the stock exchanges where it is presently listed.

- b) The cancellation and re-issue of equity to all the shareholders shall become effective on or after the Completion Date and shall not require any other procedure as required under the Companies Act, including that under Section 66 of the Companies Act or regulations of the SEBI..

- c) All Charges, encumbrances created by Secured Creditors with ROC shall stand discharged and satisfied and shall be removed by nullifying any liability on the Completion Date.
- d) Commitments and Contingent liabilities mentioned in the Information Memorandum against which no claim has been ascertained till the initiation of the insolvency proceedings shall be written off in full and shall stand permanently extinguished and the Corporate Debtor shall at no point of time be held responsible or liable in relation thereto.
- e) Clearance from the secured financial creditors and filing of satisfaction of charge by them.
- f) Relief from all claims, liabilities, obligations or guarantees from the books or out of books of the Corporate Debtor.
- g) Existing Share Capital shall extinguish without any payment to the present/existing shareholders. The amount bid by the bidder, towards the purchase consideration of acquiring the Corporate Debtor as a going concern, shall be considered as paid-up share capital.
- h) The present directors shall submit their resignations and new directors as proposed by the bidder may be taken on the Board of Directors and necessary papers be filed with the Registrar of Companies ('ROC').
- i) The ROC shall waive off all penalties for non-compliances by the erstwhile management and to allow the new management to file the old records such as Balance Sheets, Annual Reports, Other Returns etc. without any penalty.
- j) All approvals, licenses and benefits in the name of the Corporate Debtor, i.e., Bodhtree Consulting Limited. shall continue with the new management subject to payment of renewal fees without any penalties.
- k) The new management shall not be responsible to any statutory liabilities outstanding as on the completion date which arise due to past deeds.
- l) The management shall be eligible for any losses as per Income Tax Act to offset against the further profits.
- m) The new management is entitled to get all the rights, title and interest whole and every part of the Corporate Debtor.
- n) Any proceedings pending against the Corporate Debtor (other than against the erstwhile promoters or former members of the management of the Corporate Debtor) as on date of effective date with respect to its liabilities, enquiries, investigations, assessments, claims, disputes, litigations etc. would not have any bearing against the Resolution Applicant.
- o) The existing share capital of the Corporate Debtor would stand cancelled without any consideration to the shareholders.
- p) The board of the Corporate Debtor could be reconstituted, and necessary filings could be made with the RoC concerned.
- q) The Registrar of Companies shall waive the penal charges, if any, for any non-compliance by the erstwhile Board, Resolution Professional and Liquidator, as the case may be, which shall include, but not limited to, the waiver of penalties under all applicable provisions of Companies Act, 2013, which provides for late fee charges, penalty, penal interest, etc.
- r) Waiver of the past liabilities of the Corporate Debtor in inquiries, investigations, assessments, notices, causes of action, suits, claims, disputes, litigations, arbitration or

other judicial, regulatory or administrative proceedings against or in relation to, or in connection with the Corporate Debtor prior to the date of the judgment.

- s) The non-compliance of provisions of any of the laws, rules, regulations, directions, notifications, circulars, guidelines, policies, licenses, approvals, consents or permissions, prior to the date of acquisition, stands extinguished qua the bidder.
- t) The new management shall not be liable for any payment arising out of the contingent liabilities on account of bank guarantees.
- u) In case of non-maintenance of requisite record or non-filing of the returns by the Corporate Debtor, which has resulted in lapsing/ ineligibility of the said benefits, under the new GST regime, benefits to be available on retrospective basis/reinstated, without fees/penalties.

21. Compliance of the Resolution Plan with the various provisions of the Code and CIR Regulations.

Section 30 (2) of the Code:

a) The Resolution Plan shall provide for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the payment of other debts of the corporate debtor;

The same is complied as detailed in Clause 6.1 of the Resolution Plan

b) The Resolution Plan provides for the payment of debts of operational creditors in such manner as may be specified by the Board which shall not be less than-

- i) the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or
- ii) the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53,

The same is complied as detailed in Clause 6.5 (a) of the Resolution Plan

c) whichever is higher, and provides for the payment of debts of financial creditors, who do not vote in favour of the resolution plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.

Complied. There is only one Financial Creditor with voting rights in the COC and the FC is being paid full claim amount. Hence there will be no dissenting Financial Creditor, with voting rights.

d) The Resolution Plan shall provide for the management of the affairs of the Corporate Debtor after approval of the resolution plan

The same is complied as detailed in Clause 12.1 of the Resolution Plan

e) The Resolution Plan shall provide for the implementation and supervision of the resolution plan.

The same is complied as detailed in Clause 12.1 of the Resolution Plan

f) The Resolution Plan shall provide the declaration to the effect that the Resolution Plan does not contravene any of the provisions of the law for the time being in force

The Resolution Applicant hereby declare that the Resolution Plan does not contravene any of the provisions of the law for the time being in force and the same is included in the Resolution Plan.

g) The Resolution Plan shall conform to the requirements as may be specified by the Board

All the requirements as specified by the Board are conformed.

Regulation 37 of CIRP Regulations:

(A) **Regulation 37 of CIRP Regulations**, a resolution plan shall provide for the measures, as may be necessary for insolvency resolution of the Corporate Debtor for maximization of value of its assets, including but not limited to the following:

a) transfer of all or part of the assets of the Corporate Debtor to one or person;

All the assets will continue to be with the Corporate Debtor as per Resolution Plan, as the same is not required for insolvency resolution of the Corporate Debtor

b) sale of all or part of the assets whether subject to any security interest or not;

No assets are proposed to be sold as per Resolution Plan, as the same is not required for insolvency resolution of the Corporate Debtor

(ba) restructuring of the corporate debtor, by way of merger, amalgamation and demerger;

No merger, amalgamation and/ or demerger is proposed in the Resolution Plan

c) substantial acquisition of shares of the Corporate Debtor, or the merger or consolidation of the Corporate Debtor with one or more persons;

Resolution Applicant and the investors will have substantial acquisition of shares as detailed under Clause 13.1. (d) of Resolution Plan

(ca) cancellation or delisting of any shares of the Corporate Debtor, if applicable;

Cancellation/ Reduction of shares are as detailed under Clause 13.1. (c) of Resolution Plan

d) satisfaction or modification of any security interest

Satisfaction and release of security interest is as detailed in Clause 6.3.b (ii) of Resolution Plan

e) curing or waiving of any breach of the terms of any debt due from the Corporate Debtor;

No waiver of terms of debt from the Secured Financial Creditor is proposed in the Resolution Plan

f) reduction in the amount payable to the creditors;

Total amount payable to the creditors under Resolution amount is Rs.14,18,09,705/- against admitted claim amount of Rs.96,69,78,247/-. Details are as furnished under Clause 6 of the Resolution Plan

g) extension of a maturity date or a change in interest rate or other terms of a debt due from the Corporate Debtor

Not sought from the Secured Financial Creditor as the claim amount is proposed to be paid fully upfront.

h) amendment of the constitutional documents of the Corporate Debtor;

No amendment of MOA&AOA (constitutional documents) are proposed in the Resolution Plan

i) issuance of securities of the Corporate Debtor, for cash, property, securities, or in exchange for claims or interests, or other appropriate purpose;

No issuance of securities proposed in the Resolution Plan

j) change in portfolio of goods or services produced or rendered by the Corporate Debtor
No change in the portfolio of goods or services proposed in the Resolution Plan

k) change in technology used by the Corporate Debtor; and
No change in the technology used by the Corporate Debtor is proposed in the Resolution Plan

l) List and status of necessary approvals from the Central/ State Governments and other authorities.

All the existing approvals from the Central/ State Government and authorities to continue as sought in Clause 20.3. (j) of the Resolution Plan

m) sale of one or more assets of corporate debtor to one or more successful resolution applicants submitting resolution plans for such assets; and manner of dealing with remaining assets

No sale of assets considered in the Resolution Plan

Regulation 38 of CIRP Regulations:

1. The amount payable under a resolution plan:

(a) The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors.

Yes. Amount payable to the operational creditors as per resolution plan will be paid in priority over financial creditors.

(b) to the financial creditors, who have a right to vote under sub-section (2) of section 21 and did not vote in favour of the resolution plan, shall be paid in priority over financial creditors who voted in favour of the plan

Complied. The only Financial Creditor with voting rights is being paid fully. Hence no dissenting Financial Creditor with voting rights.

2. The Resolution Plan shall provide:

a. the term of the plan and its implementation schedule; ***Detailed under Clause 16 of Resolution Plan***

b. the management and control of the business of the corporate debtor during its term; ***Detailed under Clause 14 of Resolution Plan*** and

c. adequate means for supervising its implementation. ***Detailed under Clause 15 of Resolution Plan***

3. The Resolution Plan shall demonstrate that–

- a. it addresses the cause of default; ***Detailed in Clause 17.2. a) of the Resolution Plan***
- b. it is feasible and viable; ***Detailed in Clause 17.2. b) of the Resolution Plan***
- c. it has provisions for its effective implementation; ***Detailed in Clause 17.2. c) of the Resolution Plan***
- d. it has provisions for approvals required and the timeline for the same; **Yes.** and
- e. the Resolution Applicant has the capability to implement the resolution plan. ***Detailed in Clause 17.2. d) of the Resolution Plan***

The details of status of compliance of the provisions of Section 30 of the Code and Regulation 37,38 of the CIR Regulations is summarized below:

Section of the Code / Regulation No.	Requirement with respect to Resolution Plan	Clause of Resolution Plan	Compliance (Yes / No)
Section 30(2)	Whether the Resolution Plan-		
	(a) provides for the payment of insolvency resolution process costs?	6.1	Yes
	(b) provides for the payment to the operational creditors?	6.5	Yes
	(c) provides for the management of the affairs of the corporate debtor?	12	Yes
	(d) provides for the implementation and supervision of the resolution plan?	15 & 16	Yes
	(e) contravenes any of the provisions of the law for the time being in force?	15.1	Yes
Regulation 37(ca)	Cancellation or delisting of any shares of the corporate debtor, if applicable	13.1 (c)	Yes
Regulation 37(i)	issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests, or other appropriate purpose	Not issued any shares	Yes
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders;	6	Yes
Regulation 38(1B)	(i) Whether the Resolution Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code	4.3	Yes
Regulation 38(2)	Whether the Resolution Plan provides:		
	(a) the term of the plan and its implementation schedule;	16	Yes
	(b) for the management and control of the business of the corporate debtor during its term;	12.1	Yes
	(c) adequate means for supervising its implementation;	15	Yes

38(3)	Whether the resolution plan demonstrates that – (a) it addresses the cause of default; (b) it is feasible and viable; (c) it has provisions for its effective implementation; (d) it has provisions for approvals required and the timeline for the same; (e) the resolution applicant has the capability to implement the resolution plan;	17.2 (a) 17.2 (b) 17.2 (c) 17.2 (d) 17.2 (e)	Yes Yes Yes Yes Yes
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.		

22. OTHER MANDATORY CONTENTS OF RESOLUTION PLAN

- I. In case if the Resolution Professional is of opinion that the corporate debtor has been subjected to the any Preferential, Undervalued, Extortionate & Fraudulent transactions under section 43, 45, 49, 50 & 66 respectively or establishes the same from the report of the transaction auditor appointed by him during the CIRP period, the resolution professional shall make a transaction application with the Adjudicating Authority for appropriate relief. If there are, any recovery/ realization amount is made from the said transactions (Preferential, Undervalued, Extortionate & Fraudulent transactions), the said recovery /realization amount would not belong to the corporate debtor but would be distributed to the financial creditors of the corporate debtor. The recovery/realization amount would be allocated to the financial creditors of the corporate debtor in the same proportion as the funds would be allocated to the creditors in the resolution plan.
The cost of the litigation during the period post approval of resolution plan, if pursued by RP shall be borne by financial creditors/stakeholders and proper provision would be made in the CIRP cost.

Since the financial Creditors is being paid fully, the recovery/ realization amount made from the PUF transactions, would belong to the Corporate Debtor and the Creditors will not have any right over the same post implementation of Resolution Plan. However the Resolution Applicant will meet the cost of litigation during the period post approval of resolution plan till completion of Resolution Plan implementation. Post implementation, the Corporate Debtor under the management of the Resolution Applicant will pursue the litigation to its logical end.



- II. Any delay in the approving of the Resolution Plan by the COC or the Adjudicating Authority or any Appellate Authority, shall not be a ground or reason for the Resolution Applicant to withdraw the Resolution Plan.

Resolution Applicant will not withdraw the Resolution Plan on the ground or reason for delay in approving the Resolution Plan by COC or the Adjudicating Authority.

- III. Any waiver made or sought in the Resolution Plan by the resolution applicant which is not approved by the Adjudicating Authority or any Appellate Authority while approving the resolution plan, shall not entitle the applicant to withdraw the Resolution Plan on the ground that the said waiver has not been allowed by the authority.

Resolution Applicant will not withdraw the Resolution Plan on the ground or reason that the waivers sought in the Resolution Plan were not approved by the Adjudicating Authority or any Appellate Authority

- IV. Any Personal Guarantee given by the Directors/Promoters or any other person of the corporate debtor or corporate guarantee given to any financial creditor will not be absolved and any such conditions in the resolution plan would not be acceptable. The financial creditor will have the right to enforce and proceed against the said Guarantees (Personal and Corporate Guarantees) to recover any amount of deficit between the amount of claim and amount recovered under the resolution plan.

This clause is not applicable as entire claim amount of the Financial Creditor is being paid upfront on approval of the Resolution Plan by the Adjudicating Authority.

- V. Any assets which are not owned by the corporate debtor and are mortgaged to the financial creditors/lenders/banks to secure the credit facility given to the corporate debtor, would not be the part of resolution plan and the financial creditors/lenders/banks will have all rights to proceed against the same and can enforce the security interest against those assets, unless specifically approved by COC and the Adjudicating Authority.



The Financial Creditor should release all the assets (whether owned by Corporate Debtor or others) held by them as primary or collateral security for securing the credit facility given to the corporate debtor, on payment of the claim amount as per the Resolution Plan approved by the Adjudicating Authority.

- VI. Details of any required approvals and the timeline within which such required approvals will be obtained. The Resolution Applicant(s) shall bear the responsibility for obtaining any required approvals for the implementation of the Resolution Plan at its own cost and efforts.

Resolution Applicant will bear the responsibility for obtaining any required approvals for the implementation of the Resolution Plan at its own cost and efforts.

- VII. The resolution plan should provide for detailed business plan to revive the Corporate Debtor. The COC shall consider feasibility, viability, and such other parameters of the Resolution Plan. However, in case the entire amount of resolution plan is offered as upfront on approval of the resolution plan from Adjudicating Authority, then such detailed business plan may not be required and the Resolution Applicant may provide the objective of such acquisition and means to protect the interest of human resources, workmen, employees, customers and overall economy of the Country.

Since the entire amount of resolution plan is offered as upfront on approval of the resolution plan by Adjudicating Authority, detailed business plan is not required, as provided in the RFRP.

However, since the resolution plan considers continuation of existing activity, with improvements in management, reduction in liabilities, expenses including finance cost, and effective resolution of issues for better profitability and cash flow management, the interests of human resources, workmen, employees, customers will be protected, contributing to the growth of the economy of the country.

The existing work orders will be executed efficiently by the new Core Team, supported by existing staff and business of around Rs100.00 crores is anticipated in next Financial Year which will strengthening the bottomline of the company with good profits.

The company has reported a turnover of Rs.104.19 crs for FY2021-22 and Rs.36.97 crores during FY2023 upto the ICD i.e., 20.02.2023. While continuing with the ongoing orders, Resolution Applicant is positive of the company achieving around 20 crores of turnover during current year and Rs.100.00 crore next Financial Year 2023-24. Company has earned net profit of Rs.0.69 crores during FY2021-22 for a turnover of Rs.104.19 crores, Resolution Applicant is anticipating a net profit of more than Rs1.00 crore for the FY 2023-24.

Some of the clients who will be targeted for additional business are HSBC Electornics Data Processing India Pvt Ltd, Andhra Pradesh Technologies Services Ltd, ITC Infotech India Limited, National Informatica Center, NTPC Ltd, Aptions LLC, ITC Infotech India Ltd, Infosys Pvt Ltd.

- VIII. The Resolution plan submitted by the resolution applicant must be unconditional i.e. without any conditions precedent attached to it. Any conditions imposed by the resolution applicant on the resolution plan will not be adhered by the RP and the COC. In case, any condition is provided in the resolution plan by any of the Prospective Resolution Applicants, then rejection of the condition by NCLT would not be a reason to withdraw the resolution plan.

The Resolution Applicant, reiterates that the resolution plan submitted is unconditional i.e., without any conditions precedent attached to it.

- IX. Any cash/bank balance in the accounts of corporate debtor as on the date of approval of resolution plan by appropriate adjudicating authority would be distributed between financial creditors and would not form part of the resolution plan.

Since the Financial Creditor is getting fully paid of his claim amount as upfront on approval of resolution plan by the Adjudicating Authority, any credit balances/ FDs (other than amount to be kept as additional margin for BGs)/ Financial Investments lying in the Corporate Debtors account with the Financial Creditor shall be released to the account of Corporate Debtor account, on full payment of the claim amount and interest dues as per proposed Resolution Plan. The amount so received will be utilized for the working capital needs of the Corporate Debtor only.

- X. The resolution plan would provide for complete payment of gratuity if any, due to Workmen and employees of the Corporate Debtor and the due diligence about the gratuity obligation and liability of the corporate debtor would be entirely on the resolution applicant. The prospective resolution applicant can provide for taking over the entire obligation of gratuity in the resolution plan

The Resolution Applicant undertakes to take over the entire obligation of gratuity, as and when the demand arises. There are no claims received for payment of gratuity during the CIRP period, till submission of the Resolution Plan

- XI. The resolution plan would provide for payment of dues of Provident Fund in full as part of the resolution plan in addition to the amount offered to creditors against their claims. The prospective resolution applicant may also provide to take over the PF payment obligation after understanding the genuineness and authenticity of the demand and may also represent before EPFO or file an appeal for any unreasonable demand of PF, interest or damages from EPFO.

The Resolution Plan has provided for payment of dues of Provident Fund outstanding as per the Audited Financial Statements for the FY 2022-23. Any demand raised subsequently, will also be paid after completion of implementation of Resolution Plan and after scrutiny and reconciliation with the EPFO.

- XII. The resolution plan would provide for payment of dues of ESIC in full or part as part of the resolution plan in addition to the amount offered to creditors against their claims. The prospective resolution applicant may also provide to take over the ESIC payment obligation after understanding the genuineness and authenticity of the demand and may also represent before ESIC or file an appeal for any unreasonable demand of ESIC, interest or damages from ESIC. The demand of ESIC dues are part of the dues of workmen and employees.

Resolution Plan has provided for payment of dues of ESIC in full as per admitted claim.



- XIII. If there are any debts owed to the statutory authority for which security interest has been created by operation of law or by specific transaction by statutory authority (including attachment) before commencement of CIRP of Corporate Debtor, then in view of the judgement passed by the Hon'ble Supreme Court in *Civil Appeal No. 1661 of 2020 in the matter of State Tax Officer (1) versus Rainbow Papers Limited*, such dues shall be termed as Secured Operational Creditor.

Compliance of other terms of RFRP:

Clause 11 (I): The entire consideration offered by the Resolution Applicant in the Resolution Plan shall be binding on the Resolution Applicant.

II. The Prospective Resolution Applicant shall furnish the following declaration:

- (a) The Resolution Applicant expressly waives his right to pursue the Corporate Guarantee and Personal Guarantees of the original promoters of the Corporate Debtor in favor of the Financial Creditors and the Financial Creditors shall be free to pursue the remedies available under prevailing laws against the promoters/ Corporate Guarantors at their own cost and any amount recovered from such an action shall accrue exclusively to the Financial Creditor and the Resolution Applicant shall have no right over such recoveries.

This clause is not applicable as entire claim amount of the Financial Creditor is being paid upfront on approval of the Resolution Plan by the Adjudicating Authority.

- (b) That Prospective Resolution Applicant expressly agrees that once the resolution plan is approved by the COC and submitted to NCLT for approval, in the event NCLT does not grant all the reliefs sought by the prospective resolution applicant, he will still go ahead with the Resolution Plan and will not withdraw from the process. If he withdraws from the process the EMD and Performance Security shall stand forfeited.



The Resolution Applicant expressly agrees that once the resolution plan is approved by the COC and submitted to NCLT for approval, in the event NCLT does not grant all the reliefs sought by the prospective resolution applicant, he will still go ahead with the Resolution Plan and will not withdraw from the process. If he withdraws from the process the EMD and Performance Security shall stand forfeited.


(c) That the Prospective Resolution applicant expressly agrees that any credit balances / FDs / Financial Investments lying in the Corporate Debtors account shall accrue to the creditors and he shall not have any right to the same.

Since the claim amount of the Financial Creditor is proposed to be paid in full, any credit balances/ FDs/ Financial Investments lying in the Corporate Debtors account with the Financial Creditor shall be released to the account of Corporate Debtor account, on full payment of the claim amount as per proposed Resolution Plan. The Resolution Applicant declares that the amount so received will be utilized for the working capital needs of the Corporate Debtor only.

(d) Statement giving details if the Prospective Resolution Applicant or any of its related party has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority, at any time in the past.

The Resolution Applicant hereby declares that the Resolution Applicant or any of its related party has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority, at any time in the past.

Clause 13 (I) (f): The Prospective Resolution Applicant(s) hereby agrees and releases the RP and the members of the CoC, irrevocably, unconditionally, fully and finally, from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and / or performance of any obligations set out under this RFRP, and / or in connection with the process of submission of Resolution Plan, and waives any and all rights and/or claims the prospective Resolution Applicant may have in this respect, whether actual or contingent, whether present or in future.



22. Conclusion:

The Resolution Plan has taken into consideration the best interest of all the stakeholders involved in the Corporate Insolvency Resolution Process of the Corporate Debtor in such a way to enable maximization of the economic value of the assets of the Corporate Debtor.

The Resolution Applicant will whole heartedly commit to the resolution process and request the committee and Hon'ble Adjudicating Authority to consider and approve the Resolution Plan submitted herewith in the best interest of the all the stakeholder involved.

For and on behalf of the Resolution Applicant



Santosh Kumar Vangapally
Authorised Signatory

Date: 11/08/2023
Place: Hyderabad