

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019

in

CP (IB) No.82/MB.II/2018

*Application under section 30(6) for approval of Resolution Plan
under section 31(1) of the Insolvency and Bankruptcy Code, 2016*

Manish Baldeva [*Resolution Professional of
Print House (India) Private Limited*] ...

Applicant

Along with

MA No.3137/2019

in

MA No.2972/2019

in

CP (IB) No.82/MB.II/2018

1. Pramod Hendre
2203, Heritage
Hiranandani Gardens
Adi Sankaracharya Marg, Powai
Mumbai 400 076

2. Nandkumar Hendre
2403, Heritage
Hiranandani Gardens
Adi Sankaracharya Marg, Powai
Mumbai 400 076 ...

Applicants

In the matter of

CP (IB) No.82/MB.II/2018

Print House (India) Private Limited ...

Corporate Debtor

Order pronounced on : 23rd June, 2020

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

Coram:

Mr. Rajasekhar V.K. : Member (Judicial)
Mr. Chandra Bhan Singh : Member (Technical)

Appearances:

For the Applicant (MA 2972/2019) : (1) Mr. Shyam Kapadia i/b Ms. Khushboo Shah Rajani, Advocates a/w Mr. Ayush J. Rajani, Practising Chartered Accountant, i/b AKR Advisors LLP for the Resolution Professional (RP).
(2) Mr Manish Baldeva, RP in person.
For the Applicant (MA 3137/2019) : Mr Tapan Agarwal, Advocate.

COMMON ORDER

*(MA 2972/2019 in CP (IB) 82/2018 and
MA 3137/2019 in MA 2972/2019 in CP (IB) 82/2018)*

Per: Rajasekhar V.K., Member (Judicial)

MA 2972/2019 in CP (IB) 82/2018:

1. This is an Application moved on 30 August 2019 by Shri Manish Baldeva, Resolution Professional of Print House (India) Private Limited, by invoking the provisions of section 30(6) of the Insolvency and Bankruptcy Code, 2016 read with regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 for approval of a Resolution Plan in respect of Print House (India) Private Limited, against whom Corporate Insolvency Resolution Proceedings (CIRP) has been initiated *vide* order dated 9th October 2018 in CP (IB) No.82/MB.II/2018.

2. The Applicant states that the underlying company petition in CP (IB) No.82/MB.II/2018 was filed by Print House (India) Private Limited, the Corporate Debtor, under section 10 of the Insolvency and Bankruptcy Code 2016 (the “Code”). After considering the merits of the case, the said Petition was admitted *vide* order dated 9th October 2018, Initially, Mr. Venkata Suryanarayanarao Nagulpati Rao (*IBBI Reg. No. IBBI/IPA-001/IP-P00534/2017-18/10959*) was appointed as the Interim Resolution Professional. He was later replaced by Mr. Vinit Gangwal (*IBBI Reg. No. IBBI/IPA-002/IP-N0091/2017-18/10235*) *vide* Order dated 12 October 2018.
3. The IRP made public announcements on 17 October 2018 in *Loksatta* (Marathi Edition) and Financial Express (English Edition) newspapers on 20 October 2019 regarding initiation of CIRP and called for proof of claims from the financial and operational creditors, workers and employees of the Company in the specified forms till 31 October 2018.
4. The claims of financial and operational creditors as exist as on the date of filing the present application is as follows:

I. Claims of Financial Creditors:

(Amount in rupees)

| Sl. No. | Name of the financial Creditor | Amount Claimed | Amount admitted | Voting Share |
|---------|--|----------------|-----------------|--------------|
| 1 | Pegasus Asset Reconstruction Private Limited | 46,70,70,366 | 46,70,70,366 | 70.05% |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| Sl. No. | Name of the financial Creditor | Amount Claimed | Amount admitted | Voting Share |
|---------|---|---------------------|---------------------|----------------|
| 2 | Sumitomo Mitsui Finance and Leasing Company Limited | 19,96,63,085 | 19,96,63,085 | 29.95% |
| | Total | 66,67,33,451 | 66,67,33,451 | 100.00% |

II. Claims of Operational Creditors*:

***Operational Creditors other than Employees and Workmen**

(Amount in rupees)

| Sl. No. | Name of the financial Creditor | Amount Claimed | Amount admitted |
|---------|---|---------------------|------------------|
| 1 | NMMC Cess Officer | 12,24,232 | 5,13,254 |
| 2 | Commissioner of Customs | 7,06,48,768 | - |
| 3 | Deputy Municipal Commissioner (Revenue) | 8,30,44,835 | - |
| 4 | EPF | 29,13,346 | 29,13,346 |
| | Total | 15,78,31,181 | 34,26,600 |

The Applicant submits that no claims have been received from any of the employees and workers of the Corporate Debtor, since the same was being fully paid during the CIRP Period.

5. The Applicant states that a total of 18 CoC meetings have been held during CIRP period, as follows:

| Particulars | Date of CoC Meeting |
|-----------------------------|--------------------------------|
| 1 st COC Meeting | 15 th November 2018 |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| Particulars | Date of CoC Meeting |
|------------------------------|--------------------------------|
| 2 nd COC Meeting | 28 th December 2018 |
| 3 rd COC Meeting | 14 th January 2019 |
| 4 th COC Meeting | 22 nd February 2019 |
| 5 th COC Meeting | 03 rd April 2019 |
| 6 th COC Meeting | 13 th May 2019 |
| 7 th COC Meeting | 23 rd May 2019 |
| 8 th COC Meeting | 27 th May 2019 |
| 9 th COC Meeting | 04 th June 2019 |
| 10 th COC Meeting | 10 th June 2019 |
| 11 th COC Meeting | 17 th June 2019 |
| 12 th COC Meeting | 11 th July 2019 |
| 13 th COC Meeting | 06 th August 2019 |
| 14 th COC Meeting | 12 th August 2019 |
| 15 th COC Meeting | 16 th August 2019 |
| 16 th COC Meeting | 19 th August 2019 |
| 17 th COC Meeting | 21 st August 2019 |
| 18 th COC Meeting | 26 th August 2019 |

6. The Applicant submits that in terms of the provisions of section 25(2)(h) of the Code, Expressions of Interest (EoI) from potential resolution applicants were invited for the purpose of submission of resolution plans for the Corporate Debtor.
7. The Applicant submits that the Eligibility Criteria for receipt of Resolution Plan was discussed in the 02nd CoC meeting held on 28 December 2018 while deciding to approve issuance of EoI, set forth eligibility criteria for resolution applicant as under:

- (a) Net worth of ₹10 crore;
- (b) At least 10 years of experience in managing printing business, having average annual turnover for last three years of ₹20 crore and above.
8. Accordingly, the first advertisement inviting EoI was published in *Free Press Journal* (English) and *Navshakti* (Marathi) on 31 December 2018, for receipt of EoI by 15 January 2019 and receipt of Resolution Plan by 01 March 2019.
9. The Applicant submits that since no resolution applicants were showing interest for submitting EoI, in the 5th CoC meeting held on 03 April 2019, the CoC members changed the eligibility criteria as follows:
- (a) For individuals: Net worth at least ₹5 crore.
- (b) For Corporates: Net worth at least ₹15 crore.
10. Subsequently, the second advertisement inviting EoI on 03 April 2019 was published in *Nav Bharat Times* (Hindi), *The Economic Times* (English) and *Maharashtra Times* (Marathi) for receipt of EoI by 15 April 2019 and receipt of Resolution Plan by 31 May 2019.
11. The Applicant submits that two EoIs were received in the second round, one from Mr. Shubham Jadhav and other from Ms. Sucheta Sunil Khandekar. However, both were rejected by the CoC due to non-eligibility on account of failure to meet the net worth criterion.
12. The Applicant submits that since the CIRP period was to expire on 15 April 2019, in the 5th CoC meeting held on 03 April 2019, a resolution for extension of CIRP period by 90 days was approved and accordingly an application bearing No.1304/2019 was filed under the

provisions of section 12(2) of the Code which was allowed by this Bench *vide* an Order dated 15 April 2019, thereby extending the Corporate Insolvency and Resolution Process till 14 July 2019.

13. A third EoI dated 23 May 2019 was published in *Nav Bharat Times* (Hindi), *Economic Times* (English) and *Maharashtra Times* (Marathi) for receipt of EoI by 31 May 2019 and receipt of Resolution Plan by 25 June 2019.
14. The Applicant submits that three prospective Resolution Applicants showed interest, which was recorded in the 9th CoC meeting held on 04 June 2019:
 - (a) Sify Technologies Limited;
 - (b) Staple Pins Private Limited; and
 - (c) Next Orbit Ventures Fund.
15. During the 9th CoC meeting the CoC members decided to obtain a Bank Guarantee from the Successful Resolution Applicant for ₹1,50,00,000/- (Rupees one crore and fifty lakh only) and suggested changes for Bid Evaluation Matrix.
16. The Applicant submits that subsequently during the 10th CoC meeting held on 10 June 2019, the CoC members suggested a few changes to the Request For Proposal (RFP) to the Resolution Plan and authorised the erstwhile RP to issue the Request for Resolution Plan (RFRP) and Bid Evaluation Matrix (Qualitative and Quantitative Criteria) to those applicants whose EoI had been accepted. The Performance Guarantee was agreed to be increased to ₹5,00,00,000/- (Rupees five crore only).

17. Subsequently, at the 11th CoC meeting held on 17 June 2019, the CoC members noted the final list of Resolution Applicants which included:
 - (a) Sify Technologies Limited;
 - (b) Staple Pins Private Limited; and
 - (c) Next Orbit Ventures Fund.

18. The Applicant submits that the erstwhile RP had valued the assets of Corporate Debtor by appointing two Registered Valuers to conduct valuation of assets of Corporate Debtor. The Fair Value and Liquidation value arrived at by one valuer was ₹87.32 crore and ₹44.85 crore respectively. Similarly, the Fair Value and Liquidation value arrived at by the other valuer was ₹96.23 crore and ₹60.01 crore respectively. The average of the Fair and Liquidation value thus came to ₹91.77 crore and ₹52.43 crore respectively.

19. The Applicant submits that in the 11thCoC meeting held on 17 June 2019, a resolution was proposed and passed for changing the Resolution Professional and appointing the present Applicant, Mr. Manish Kumar Baldeva, as the Resolution Professional. An application was also filed which was allowed by this Bench *vide* Order dated 02 August 2019.

20. The Applicant submits that an application was filed for exclusion of days from the CIRP period, which was allowed by this Bench *vide* Order dated 02 August 2019. Thereby the CIRP period stood extended till 01 September 2019. The present application for approval of Resolution Plan was filed on 30 August 2019.

21. The Applicant submits that on 12 August 2019, the 14th CoC meeting was held, wherein it was decided to open the sealed envelopes containing the Resolution Plans received from two prospective Resolution Applicants while the Applicant was to scrutinise the resolutions plans in accordance with the provisions of section 30 of the Code and regulations 37, 38 and 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, and present such resolution plans which conformed to the conditions stipulated in section 30(2) of the Code, before the CoC for its approval in the next Committee meeting.
22. The Applicant submits that thereafter, during the 15th CoC meeting held on 16 August 2019, the RP tabled his compliance report to the CoC members after examining both the Resolution Plans. The CoC decided first to call upon Mr. Ajay Jalan, representative of Next Orbit Ventures Fund to discuss his plan. After detailed deliberations with the CoC members, the RP suggested to the said Resolution Applicant to carry out necessary modifications to its plan to make it compliant with the Code and Regulations and also revise the proposal by 19 August 2019.
23. The Applicant submits that subsequently, Mr. Vijay Pasupathy, representative of Sify Technologies Limited, was invited to discuss his Plan. After detailed deliberations with the CoC members, The RP suggested to the said Resolution Applicant to carry out necessary modifications to its plan to make it compliant with the Code and Regulations and also revise the proposal by 19 August 2019.

24. The Applicant states that subsequent to detailed deliberations with both the prospective Resolution Applicants, based on their requests for a short extension till 21 August 2019 for providing a final Resolution Plan, the CoC decided to extend the timeline of submission of final revised resolution plans by both the Resolution Applicants by 22 August 2019 without any further extensions.
25. The Applicant submits that on during 18th CoC meeting held on 26 August 2019, the ex-Director/Promoter Mr. Pramod Hendre, *vide* his letter dated 26 August 2019, submitted his proposal for withdrawal of application under section 12A of the Code along with Form FA as required under regulation 30A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. After detailed deliberation with the suspended Director/Promoter on his proposal, the CoC unanimously rejected the said proposal.
26. The Applicant submits that after providing detailed reasons for rejection of the section 12A proposal by the suspended Director/Promoter, the CoC deliberated and examined both the Resolution Plans filed by Next Orbit Ventures Fund and Sify Technologies Limited. The Applicant/RP had also examined both the plans in detail and evaluated the same based on the evaluation matrix which was approved by the CoC members.
27. The Applicant submits that after going through various aspects of both the plans during the 18thCoC meeting held on 26 August 2019, the CoC evaluated both the plans as per Evaluation Matrix determined and the plans were rated, which is as under:

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| Sl. No. | Name of Applicant | Weighted Score as per quantitative parameters | Weighted Score as per qualitative parameters | Total score |
|---------|---------------------------|---|--|-------------|
| 1. | Next Orbit Ventures Fund | 17.82 | 4.62 | 22.44 |
| 2. | Sify Technologies Limited | 72.60 | 21.25 | 93.85 |

28. After discussion, both the plans were put to vote, and the Plan submitted by Sify Technologies Limited stood approved by the CoC. The Applicant submits the details of physical voting by CoC members during the 18th CoC meeting held on 26 August 2019 as follows:

| Item No. | Particulars | Vote by Pegasus Asset Reconstruction Pvt. Ltd. <i>(voting share 70.05%)</i> | Vote by Sumitomo Mitsui Finance & Leasing Co. Ltd. <i>(voting share 29.95%)</i> | Result |
|----------|---|--|--|-----------------|
| 1 | Revised final Resolution Plan submitted by Next Orbit Ventures Fund | Voted against the plan | Abstained from voting | Rejected |
| 2 | Revised final Resolution Plan submitted by Sify Technologies Ltd | Voted for the plan | Abstained from voting | Approved |

29. The Applicant submits that the Resolution Plan dated 22 August 2019 of Sify Technologies Limited was approved with requisite majority in accordance with section 30 (4) of the Code.

30. The Applicant submits details of various compliances as envisaged within the Code and the CIRP Regulations which requires a Resolution Plan to adhere to, which is reproduced hereunder:

I. Submission of Resolution Plan in terms of sub-section (2) of section 30 of the Code (as amended vide Amendment dated 16 August 2019):

| <i>Clause of s.30(2)</i> | <i>Requirement</i> | <i>How dealt with in the Plan</i> |
|---------------------------------|---|---|
| (a) | Plan must provide for payment of CIRP cost in priority to repayment of other debts of CD in the manner specified by the Board. | <i>Chapter IV; Part E, F, and G at Pages 30 to 32 of the Resolution Plan.</i> |
| (b) | (i) Plan must provide for repayment of debts of OCs in such manner as may be specified by the Board which shall not be less than the amount payable to them in the event of liquidation u/s 53; or (ii) Plan must provide for repayment of debts of OCs in such manner as may be specified by the Board which shall not be not less than 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, whichever is higher and | <i>Chapter IV; Part E, F, and G at Pages 30 to 32 of the Resolution Plan, along with Addendum Letter from Corporate Debtor attached to the Resolution Plan.</i> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| <i>Clause of s.30(2)</i> | <i>Requirement</i> | <i>How dealt with in the Plan</i> |
|--------------------------|---|---|
| | provides for 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. | |
| (c) | Management of the affairs of the Corporate Debtor after approval of the Resolution Plan. | <i>Chapter V at Pages 33 & 34 of the Resolution Plan.</i> |
| (d) | Implementation and Supervision. | <i>Chapter VI at Pages 35 to 37 of the Resolution Plan.</i> |
| (e) | Plan does not contravene any of the provisions of the law for the time being in force. | No specific statement to this effect is provided in the Resolution Plan. |
| (f) | Conforms to such other requirements as may be specified by the Board. | Necessary compliance as required under the provisions of regulations 37 and 38 of CIRP Regulations is detailed hereunder. |

II. Measures required for implementation of the Resolution Plan in terms of Regulation 37 of CIRP Regulations:

| <i>Particulars</i> | <i>Relevant Page of the Revised Resolution Plan dealing aforesaid compliance with Regulation</i> |
|---|--|
| <i>A resolution plan shall provide for the measures, as may be necessary, for insolvency resolution of the corporate debtor for maximisation of value of its assets, including but not limited to the following:-</i> | |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| <i>Particulars</i> | <i>Relevant Page of the Revised Resolution Plan dealing aforesaid compliance with Regulation</i> |
|---|--|
| (a) transfer of all or part of the assets of the corporate debtor to one or more persons; | <i>Not Proposed by RA</i> |
| (b) sale of all or part of the assets whether subject to any security interest or not; | <i>Not Proposed by RA</i> |
| (c) the substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor with one or more persons; | <i>Not Proposed by RA</i> |
| (d) cancellation or delisting of any shares of the corporate debtor, if applicable; | <i>Not Proposed by RA</i> |
| (e) satisfaction or modification of any security interest; | <i>Page Nos.48 & 49 of the Resolution Plan.</i> |
| (f) curing or waiving of any breach of the terms of any debt due from the corporate debtor; | <i>Not Proposed by RA</i> |
| (g) reduction in the amount payable to the creditors; | <i>Page Nos.30 and 32 of the Resolution Plan.</i> |
| (h) extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor; | <i>Not proposed by RA</i> |
| (i) of the constitutional documents of the corporate debtor; | <i>Not proposed by RA</i> |
| (j) issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests, or other appropriate purpose; | <i>Not proposed by RA</i> |
| (k) change in portfolio of goods or services produced or rendered by the corporate debtor; | <i>Not proposed by RA</i> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| <i>Particulars</i> | <i>Relevant Page of the Revised Resolution Plan dealing aforesaid compliance with Regulation</i> |
|---|--|
| (l) change in technology used by the corporate debtor; and | <i>Not proposed by RA</i> |
| (m) obtaining necessary approvals from the Central and State Governments and other authorities. | <i>Chapter V, Page Nos.37 and 38 of the Resolution Plan</i> |

III. Mandatory contents of Resolution Plan in terms of Regulation 38 of CIRP Regulations:

| <i>Reference to relevant Regulation</i> | <i>Requirement</i> | <i>How dealt with in the Plan</i> |
|---|---|---|
| 38(1) | The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors. | <i>Chapter IV; Part E, F, and G at Pages 30 to 32 of the Resolution Plan.</i> |
| 38(1A) | A resolution plan shall include a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors of the corporate debtor. | <i>Page Nos.28 to 38 of the Resolution Plan.</i> |
| 38(1B) | A resolution plan shall include a statement giving details if the resolution applicant or any of its related parties has failed to | <i>Chapter VI, Page No.50 of the Resolution Plan</i> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| <i>Reference to relevant Regulation</i> | <i>Requirement</i> | <i>How dealt with in the Plan</i> |
|---|--|---|
| | implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past. | |
| 38(2) | A resolution plan shall provide: | |
| | (a) the term of the plan and its implementation schedule; | <i>Page No.39 of the Resolution Plan.</i> |
| | (b) the management and control of the business of the corporate debtor during its term; and | <i>Page Nos.33 and 34 of the Resolution Plan.</i> |
| | (c) adequate means for supervising its implementation. | <i>Page Nos.35 to 38 of the Resolution Plan. The Resolution Plan also provides for appointment of "Monitoring Agent."</i> |
| 38(3) | A resolution plan shall demonstrate that – | <i>Chapter III at Page No.14 of the Resolution Plan.</i> |
| | (a) it addresses the cause of default; | |
| | (b) it is feasible and viable; | |
| | (c) it has provisions for its effective implementation; | |

| <i>Reference to relevant Regulation</i> | <i>Requirement</i> | <i>How dealt with in the Plan</i> |
|---|--|-----------------------------------|
| | (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. | |

31. The Applicant submits that the successful Resolution Applicant has submitted a certificate of eligibility under section 29A of the Code.
32. The Applicant has filed a Compliance Certificate in prescribed form, *i.e.*, Form 'H' dated 29 August 2019 in compliance with regulation 39(4) of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, which has been annexed as Annexure 11 to the Application.

Details of Resolution Plan/Payment Schedule

33. The Applicant submits the relevant information with regard to the amount claimed, amount admitted and the amount proposed to be paid by the Resolution Applicant, *i.e.*, Sify Technologies Limited, under the said Resolution Plan is tabulated as under:

| Sr. No | Financial Creditor (two in number) | Amount Claimed (in Rs.) | Amount Admitted (in Rs.) | % share in COC | Amount proposed in Resolution Plan |
|--------|--------------------------------------|-------------------------|--------------------------|----------------|------------------------------------|
| 1 | Pegasus Asset Reconstruction Pvt Ltd | 46,70,70,366 | 46,70,70,366 | 70.05 | 40,00,00,000/- |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| Sr. No | Financial Creditor (two in number) | Amount Claimed (in Rs.) | Amount Admitted (in Rs.) | % share in COC | Amount proposed in Resolution Plan |
|---|--|-------------------------|--------------------------|----------------|------------------------------------|
| | | | | | [₹40 crore] |
| 2 | Sumitomo Mitsui Leasing & Finance Co Ltd | 19,96,63,085 | 19,96,63,085 | 29.95 | 2,50,00,000/- [₹2.50 crore] |
| Total Claim of Financial Creditors | | 66,67,33,451 | 66,67,33,451 | 100.00 | |

34. Summary of the financial proposal/payment under the Resolution Plan dated 22 August 2019 of Sify Technologies Limited as provided under “Chapter IV - Financial Proposal” is tabulated hereunder for sake of clarity:

| Particulars | Amount of claim admitted by the RP [Rs in Cr.] | Amount proposed under the Resolution Plan [Rs in Cr.] | Payment Schedule as per the Resolution Plan. |
|--------------------------------|---|---|--|
| Payment of CIRP Cost | N.A | At actuals | Will be paid on actuals |
| Payment to Financial Creditors | <u>Pegasus Asset Reconstruction Pvt. Ltd.</u> (₹46.70 crore) | <u>Pegasus ARC</u> : ₹40.00 crore | Pegasus ARC to be paid ₹40 crore in full and final settlement. The payment to be made as per following milestones: <ul style="list-style-type: none"> • Upfront payment – ₹36 crore |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| Particulars | Amount of claim admitted by the RP [Rs in Cr.] | Amount proposed under the Resolution Plan [Rs in Cr.] | Payment Schedule as per the Resolution Plan. |
|------------------------------------|---|--|--|
| | | | <ul style="list-style-type: none"> Balance payment of ₹4 crore – quarterly payment of ₹2 crore each |
| | Sumitomo: ₹19.96 crore | Sumitomo: ₹2.5 crore | Sumitomo to be paid Rs 2.5 Cr in full and final settlement |
| Payment to Workmen/ Employee | 0.00 | 0.00 | No claims have been filed by employees and workers as per Information Memorandum. |
| Operational Creditors | 0.00 | 0.00 | No claim from operational creditor has been admitted |
| Payment to Statutory Dues | 6.90 | 6.90 | <ul style="list-style-type: none"> 100% of admitted Statutory Claim will be paid upfront 100% of EPF Claim will be paid upfront Full and final settlement of admitted statutory claims. |
| Payment to tenants under sub-lease | 1.93 | 1.93 | <ul style="list-style-type: none"> Payment will be made on delivery of the premises. |
| Provision for revival of the | NA | 5.58 | <ul style="list-style-type: none"> ₹5.58 crore is set aside to fund to cover any unforeseen contingencies |

| Particulars | Amount of claim admitted by the RP [Rs in Cr.] | Amount proposed under the Resolution Plan [Rs in Cr.] | Payment Schedule as per the Resolution Plan. |
|---|---|--|---|
| corporate debtor | | | and for revival of the company. |
| Total Amount payable under the Resolution Plan | | 56.91 | |

35. The Resolution Plan defines “*Effective Date*” as the date of the Adjudicating Authority Approval Order plus 30 Business Days thereafter.

Details on Management/Implementation and Reliefs as per the Resolution Plan – Salient Features

36. The Resolution Plan also provides for –
- (a) Management of Company after Resolution in Chapter V; and
 - (b) Term and implementation of the resolution plan in Chapter VI. This chapter also provides for appointing Monitoring Agent during the implementation period of the Resolution Plan.

Reliefs and Concessions

37. Some of the important concessions and reliefs sought by the Resolution applicant from the Adjudicating Authority are set out below for the successful implementation of the Resolution Plan. Some of the important ones are as under:

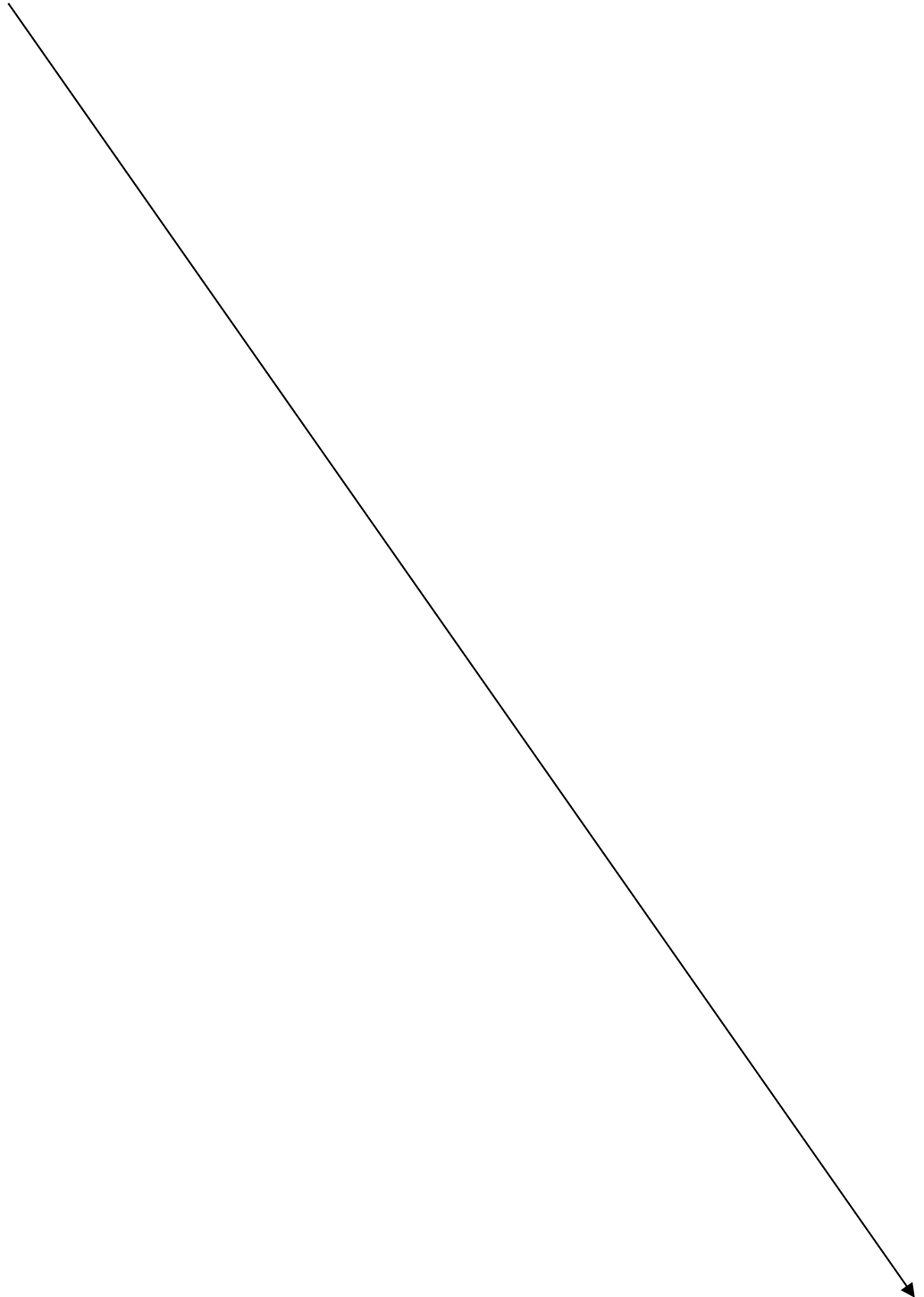
- (a) Waiver from the levy of stamp duty and fees by the stamp authorities and Ministry of Corporate Affairs, applicable in relation to this Resolution Plan and its implementation.
 - (b) An order directing MIDC/Lessor to accord expeditiously their consent/ approval/ sanction/No-objection Certificate for transfer of lease in favour of the Resolution Applicant.
 - (c) All licences, approval and consents available to the Company for conduct of its business shall be transferred in the name of and for the benefit of the Company to continue the business on a going concern basis.
 - (d) Waiver of any income-tax and Minimum Alternate Tax (MAT) liability or consequences (including interest, fine, penalty, etc) on the Company, Resolution Applicant and its shareholders on account of various steps as proposed in the Resolution Plan.
 - (e) Any requirements to obtain waivers from any Tax Authorities including in terms of section 79 of the Income Tax Act is deemed to have granted upon approval of this Resolution Plan on the Effective Date.
38. The Resolution Plan as annexed to the Application is reproduced herein below for ready reference:

RESOLUTION PLAN
PROPOSED
IN RESPECT OF
Print House (India) Private Limited

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

Submitted By:
Sify Technologies Limited
(Resolution Applicant)



ANNEXURE A

Table of Contents

| | |
|---|-----|
| <u>CHAPTER I – DEFINITIONS AND INTERPRETATIONS</u> | 25 |
| <u>CHAPTER II – ABOUT THE RESOLUTION APPLICANT</u> | 32 |
| <u>CHAPTER III – UNDERSTANDING OF THE COMPANY</u> | 39 |
| <u>CHAPTER IV – FINANCIAL PROPOSAL</u> | 60 |
| <u>CHAPTER V – MANAGEMENT OF COMPANY AFTER RESOLUTION</u> ... | 67 |
| <u>CHAPTER VI – TERM AND IMPLEMENTATION OF THE RESOLUTION PLAN</u> | 70 |
| <u>CHAPTER VII – MANDATORY CONTENTS OF THE RESOLUTION PLAN</u> | 76 |
| <u>CHAPTER VIII – RELIEFS AND CONCESSIONS, DIRECTIONS AND KEY ASSUMPTIONS</u> | 91 |
| <u>CHAPTER IX – MISCELLANEOUS</u> | 98 |
| <u>CHAPTER X – ADDITIONAL TERMS</u> | 104 |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

ANNEXURE B

| <i>Sr. No.</i> | <i>Particulars</i> |
|---------------------------|--|
| <i>1</i> | <i>Appendix 2 Resolution Plan</i> |
| <i>2</i> | <i>Appendix 3 Bank Guarantee</i> |
| <i>4</i> | <i>Appendix 5 Undertaking by Resolution Applicant(s)</i> |
| <i>5</i> | <i>Appendix 6 Format for Power of Attorney</i> |
| <i>7</i> | <i>Appendix 6B Format for Board Resolution</i> |
| <i>10</i> | <i>Appendix 9 Composition and Ownership Structure of the Resolution Applicant(s)</i> |
| <i>11</i> | <i>Appendix 10 29A Affidavit</i> |

CHAPTER I – DEFINITIONS AND INTERPRETATIONS

1. DEFINITIONS

In this Resolution Plan, the following words and expressions shall have the following meanings:

| | |
|--|---|
| <i>Adjudicating Authority</i> | <i>means the Hon'ble National Company Law Tribunal, Mumbai Bench.</i> |
| <i>Adjudicating Authority Approval Order</i> | <i>means the order passed by the Adjudicating Authority, approving the resolution plan of the Resolution Applicant under Section 31 of the Code.</i> |
| <i>Applicable Law</i> | <i>means all applicable laws, regulations, rules, guidelines, circulars, re-enactments, revisions, applications and adaptations thereto made from time to time and in force and effect, judgments, decrees, injunctions, writs and orders of any Court, arbitrator or governmental agency or authority, rules, regulations, orders and interpretations of any governmental authority, Court or statutory or other body applicable for such transactions including but not limited to the Code, CIRP Regulations, Companies Act, 1956 / 2013 (as applicable), Competition Act, 2002 , Foreign Exchange Management Act, 1999 , Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, each as amended from time to time and such other law as may be applicable to the Company and the Resolution Applicant.</i> |
| <i>Approved Resolution Plan</i> | <i>means the Resolution Plan submitted by the Successful Resolution Applicant approved by the Adjudicating Authority and CoC.</i> |
| <i>Associate Company</i> | <i>means in relation to another company, means a company in which the Resolution Applicant has a significant influence in terms of the Companies Act of 2013, and includes an Affiliate of the Resolution Applicant having such influence and includes a joint venture company.</i> |
| <i>Banks / FIs / Lenders</i> | <i>means the following Financial Creditors of the Company:</i> <i>a. Pegasus Asset Reconstruction Private Limited; and</i> <i>b. Sumitomo Mitsui Leasing and Finance Company Limited.</i> |
| <i>Board / Board of Directors</i> | <i>means Board of directors of the Company as constituted by the Resolution Applicant in accordance with this Resolution Plan.</i> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| | |
|-------------------------------------|---|
| <i>CIRP</i> | <i>means the corporate insolvency resolution process of the Company conducted in accordance with the Code and the CIRP Regulations.</i> |
| <i>CIRP Costs</i> | <i>means the aggregate of (i) fee payable to the Resolution Professional; (ii) all reasonable out of pocket expenses; (iii) all Taxes related thereto, as agreed between Resolution Professional and the CoC; and (iv) Interim Finance Cost (if applicable) notified to the Resolution Applicant in writing prior to the issuance of the Adjudicating Authority Approval Order approving the Resolution Plan.</i> |
| <i>CIRP Period</i> | <i>means the period of one hundred eighty days from the date of admission of the CIRP application by the Adjudicating Authority or as extended subject to approval by the CoC and Adjudicating Authority</i> |
| <i>CIRP Regulations</i> | <i>means Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2018 amended up to date.</i> |
| <i>Code</i> | <i>means the Insolvency and Bankruptcy Code, 2016, as amended from time to time.</i> |
| <i>Company or Corporate Debtor</i> | <i>means Print House (India) Private Limited, a company incorporated in India under the Companies Act of 1956 with CIN U85110MH1987PTC042166 and having its registered office at R/847/2, T.T.C Industrial Estate Area, MIDC, Rabale, Navi Mumbai – 400 701.</i> |
| <i>Committee of Creditors / CoC</i> | <i>means Committee of Creditors of the Company constituted by the Resolution Professional in accordance with the provisions of the Code.</i> |
| <i>Companies Act</i> | <i>means the Companies Act 2013 and includes all the rules, regulations, notifications, guidelines, circulars thereunder</i> |
| <i>Connected Person</i> | <i>shall have the meaning ascribed to the term under Regulation 38 of the CIRP Regulations, as may be applicable.</i> |
| <i>Control</i> | <i>means a person holding more than 50% (fifty percent) of the voting share capital of a company or the ability to appoint majority of the directors on the board of a company or the ability of a person to direct or cause direction of the management and policies of a company, whether by operation of law or by contract or otherwise.</i> |
| <i>Designated Lender</i> | <i>means, a member of the Committee of Creditors designated by the Committee of Creditors to perform such functions on behalf of the Committee of Creditors as stated in the RFRP or as may be</i> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| | |
|-------------------------------------|---|
| | <i>prescribed by the Committee of Creditors during the Resolution Plan Process</i> |
| <i>Debt</i> | <i>shall mean, debt as defined under the IBC, due from or owed by the Corporate Debtor.</i> |
| <i>Definitive Agreement</i> | <i>shall mean the binding agreement(s), to be entered by the Successful Resolution Applicant(s) for the purposes of implementing the Approved Resolution Plan.</i> |
| <i>Effective Date</i> | <i>means the date of the Adjudicating Authority Approval Order plus 30 Business Days thereafter, being the date on which all documentation and requirements as per the Resolution Plan is completed and the Resolution Applicant is able to take complete control of the Company, its assets and its business or such other date as may be mutually decided between Resolution Applicant and the Resolution Professional.</i> |
| <i>Equity</i> | <i>mean any amount invested in the Corporate Debtor towards subscription to issued and paid up equity share capital (including share premium) and shall also include any warrants or instruments compulsory convertible into exchangeable with, the equity share capital, both present and future</i> |
| <i>Existing Equity Shareholders</i> | <i>means the of the Equity Shares of the Company comprising existing Share Capital</i> |
| <i>Existing Share Capital</i> | <i>means the total issued, subscribed and paid-up share capital of the Company being INR 6,60,00,540/- (Indian Rupees Six Crores Sixty Lakhs Five Hundred and Forty Only).</i> |
| <i>Financial Creditors</i> | <i>means the financial creditors (as defined under Section 5(7) of the Code) of the Company, whose claims have been admitted by the Resolution Professional under the Code.</i> |
| <i>Force Majeure</i> | <i>means any of the following which prevents or is likely to prevent the implementation of the Resolution Plan:</i> <i>(a) war, hostilities, terrorism, revolution, riot or civil disorder;</i> <i>(b) flood, storm, earthquake or any other natural event;</i> <i>(c) change in any law or any change in the interpretation or enforcement of any law;</i> <i>(d) act or order of any Governmental Authority;</i> <i>(e) order of any court or other judicial body.</i> |
| <i>Governmental Authority</i> | <i>Includes (i) any national, federal, state, country, municipal, local or foreign government or any entity exercising executive, legislative,</i> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| | |
|-------------------------------------|---|
| | <i>judicial, regulatory, taxing or administrative functions of or pertaining to government in any jurisdiction, (ii) any public international organisation, (iii) any agency, division, bureau, department, or other political subdivision of any government, entity or organisation described in the foregoing clauses (i) or (ii) of this definition, (iv) any company, business, enterprise or other entity owned, in whole or in part, or controlled by any government, entity, organisation or other Person described in the foregoing clauses (i), (ii) or (iii) of this definition.</i> |
| <i>Group Company(s)</i> | <i>Group Company(s) of any Company shall mean and include (i) a Company which, directly or indirectly, holds 26% (twenty six percent) or more of the share capital of the said Company; (ii) a Company in which the said Company, directly or indirectly, holds 26% (twenty six percent) or more of the share capital; (iii) a Company in which the said Company, directly or indirectly, has the power to direct or cause to be directed the management and policies of such Company whether through the ownership of securities or agreement or any other arrangement or otherwise; (iv) a Company which, directly or indirectly, has the power to direct or cause to be directed the management and policies of the said Company whether through the ownership of securities or agreement or any other arrangement or otherwise; or (v) a Company which is under common Control with the said Company.</i> |
| <i>IBBI</i> | <i>means the Insolvency and Bankruptcy Board of India</i> |
| <i>Implementation Period</i> | <i>means the period commencing from the date of the Adjudicating Authority Approval Order till the Effective Date.</i> |
| <i>Information Memorandum</i> | <i>means the information memorandum of the Company, prepared by the Resolution Professional under the provisions of Code and CIRP Regulations, as provided to the Resolution Applicant.</i> |
| <i>Insolvency Commencement Date</i> | <i>means October 12, 2018 being the date of order passed by the Adjudicating Authority, admitting the application of the Company and commencing the CIRP of the Company.</i> |
| <i>Lease Agreement</i> | <i>means lease agreement dated March 13, 2016 executed between the Company and MIDC</i> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| | |
|---|---|
| <i>Liquidation Value</i> | <i>Since the liabilities are far in excess of the assets, for the purpose of this plan, the value is assigned to be NIL</i> |
| <i>Mandatory Approvals</i> | <i>means the approvals as listed in Schedule I hereto</i> |
| <i>Material Adverse Effect</i> | <i>Any event (including any force majeure event), change, development (including any change in Applicable Law), circumstance, effect or other matter that has, or could reasonably be expected to have, either individually or in the aggregate with all other events, changes, developments, circumstances, effects or other matters, with or without notice, lapse of time or both, a material adverse effect on (i) the business, property, condition (financial or otherwise) or prospects of the Company; or (ii) the ability of the any Person to consummate the transactions contemplated by this Resolution Plan.</i> |
| <i>Monitoring Agent</i> | <i>means the Resolution Applicant or such other person as may be agreeable to the Resolution Applicant and CoC</i> |
| <i>Other Creditors</i> | <i>means a creditor other than Financial Creditor or Operational Creditor as per regulation 9-A of CIRP Regulation.</i> |
| <i>Operation Creditors</i> | <i>means the operational creditors (as defined under Section 5(20) of the Code) of the Company, whose claims have been admitted by the Resolution Professional under the Code.</i> |
| <i>Person</i> | <i>means any person (including a natural person), sole proprietorship, corporation, body corporate, partnership, joint venture, estate, trust, company, unincorporated association or organisation, firm, Governmental Authority or other enterprise, association, organisation or entity whether required to be incorporated or registered under Applicable Law.</i> |
| <i>Request for Resolution Plans or RFRP</i> | <i>means this document including all the appendices hereto, for the purposes of setting out the process for submission of Resolution Plan and selection of Successful Resolution Applicant(s) and shall include all supplements, modifications, amendments, alterations or clarifications thereto issued in accordance with the terms of the RFRP.</i> |
| <i>Resolution Applicant</i> | <i>means Sify Technologies Limited</i> |
| <i>Resolution Plan</i> | <i>means this resolution plan, as proposed by the Resolution Applicant by way of submission of its bid to the Resolution Professional</i> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| | |
|--|--|
| <i>Resolution Professional</i> | <i>means Resolution professional of the Company appointed by the Adjudicating Authority</i> |
| <i>Required Approvals</i> | <i>means the approvals, consents, no-objections, sanctions required to be obtained by the Resolution Applicant under Applicable Laws.</i> |
| <i>RBI</i> | <i>means the Reserve Bank of India.</i> |
| <i>Related Party</i> | <i>with reference to a company shall have the meaning ascribed to it under the Companies Act, 2013 and under the Code.</i> |
| <i>SEBI</i> | <i>means the Securities and Exchange Board of India</i> |
| <i>Statutory Creditors</i> | <i>means the Operational Creditors of the Company which are Governmental Authorities.</i> |
| <i>Successful Plan</i> | <i>means the Resolution Plan as approved by the Committee of Creditors, in accordance with the terms of this RFRP or such other additional terms as may be prescribed by the Committee of Creditors or the Applicable Laws, including documents and information, as may be required herein</i> |
| <i>Successful Resolution Applicant(s)</i> | <i>means, the Resolution Applicant(s) whose Resolution Plan is approved by the Committee of Creditors under sub section (4) of section 30 of the Code and which the Resolution Professional shall submit to the Adjudicating Authority under sub section (6) of section 30 read with regulation 39 of CIRP Regulations for approval.</i> |
| <i>Virtual Data Room or VDR or Data Room</i> | <i>means the virtual / electronic / physical data room maintained by the Resolution Professional or any person on his behalf, created for the proposed resolution applicants to access information in relation of the Company in order to conduct a due diligence of the business and operations of the Company.</i> |

2. INTERPRETATION

In this Resolution Plan, unless the context otherwise requires:

- a. headings and bold typeface are for convenience and reference only and shall be ignored for the purpose of interpretation and construction of the relative provisions of this Resolution Plan;*
- b. any reference to a clause or schedule is a reference to a clause in or Schedule to this Resolution Plan, except as expressly provided otherwise herein;*
- c. the Schedules annexed hereto shall constitute integral part of this Resolution Plan;*
- d. words of any gender are deemed to include the other gender;*

-
- e. *the singular includes the plural and vice versa and, in particular (but without limiting the generality of the foregoing), any word or expression defined in the singular has the corresponding meaning when used in the plural and vice versa;*
- f. *the terms “hereof”, “herein”, “hereby”, “hereto” and derivative or similar words refer to this entire Resolution Plan or specified sections of this Resolution Plan as the case may be;*
- g. *reference to any of the words “include”, “including”, “for example”, “such as”, is not used as, nor it is to be interpreted as, a word of limitation and when introducing an example or examples of a similar kind;*
- h. *any reference to a statute, ordinance, code or other law includes regulations and other instruments under it and amendments or re-enactments of any of them;*
- i. *if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated inclusive of that day;*
- j. *a reference to “month” shall mean an English calendar month and reference to “year” shall mean an English calendar year, except as expressly provided otherwise in this Resolution Plan;*
- k. *the values given herein are approx. values and the same shall be rounded off to the nearest rupee;*
- l. *if a word or phrase is defined, parts of speech and other grammatical forms of that word or phrase shall have a corresponding meaning;*
- m. *any reference to time is a reference to Indian Standard Time; and*
- n. *reference to anything including any amount is a reference to the whole and each part of it.*

CHAPTER II – ABOUT THE RESOLUTION APPLICANT

1. BACKGROUND

Incorporated in the year 1995 as Satyam Infoway Limited, Sify Technologies Limited has become one of the major integrated Information Communication Technology (ICT) solutions and service provider in India. Operating in domestic and international market, with large infrastructure facilities in Mumbai, Chennai, Noida, Bangalore, Hyderabad and telecom infrastructure across 1600 towns in India, Sify's revenue streams originate from the following segments—telecom services, data centre services, cloud and managed services, applications integration services, and technology integration services. Mr. Raju Vegesna, a technocrat, is the Chairman, Managing Director and holds about 86% stake in the Sify. Sify is listed in NASDAQ (USA) since 1999.

Sify has also four wholly owned subsidiaries—Sify Technologies (Singapore) Pte Limited, Sify Technologies North America Corporation, Sify Infinit Spaces Limited and Sify Data and Managed Services Limited.

2. QUALITATIVE PARAMETERS

A. Experience of the Resolution Applicant

Sify Technologies Limited (“Sify”) is one of the largest integrated ICT Solutions and Services companies in India, offering end-to-end solutions with a comprehensive range of products, delivered over a common telecom data network infrastructure reaching more than 1600 cities and towns in India. This telecom network today connects 45 Data Centres across India, including Sify's 6 concurrently maintainable Data Centres across the cities of Chennai, Mumbai, Delhi, and Bengaluru. In the year 1998, Sify was the first private Indian ISP to provide internet access services. The Internet café and voice and data services for international call centres were pioneered by Sify. Sify has successfully connected and continued to maintain 28000+ locations for a Government organisation for more than 7 years till now. Sify also runs and manages mission-critical network of member banks and financial institutions that enables RTGS/NEFT transactions across banks.

Sify is among the earliest to invest in the Data Center (“DC”) landscape in the country with its first DC in Vashi, Mumbai in the year 2000. Sify has continued to expand in Navi Mumbai with its next DC in Airoli, Navi Mumbai and third data center in Rabale, Navi Mumbai. Currently, Sify is one of the largest datacenter providers in the country with 6 concurrently maintainable data centers. Currently Sify has more than 5,00,000 square feet of operational data center space and about 2,50,000 square foot of data center under construction in

Navi Mumbai hosting several leading multi-national and Indian institutions contributing to the Maharashtra exchequer.

B. Financial Strength

As on 31 March 2019

Equity (including reserves and surplus): INR 1,077 Cr
Total Assets : INR 2,982 Cr
Fixed Assets : INR 863 Cr
Investment : INR 65 Cr

C. External Credit Rating

CARE report has been included in Annexure

D. Availability of additional collateral security and personal/corporate guarantee

Sify has total net worth of INR 1077Cr and unutilised fund and non-fund based limits available with consortium of bankers is INR 223 Cr as on June 30,2019

E. Ability to turnaround distressed companies

Sify has expanded the data center presence in Navi Mumbai region by 35 % over the last 3 years and is among the market leaders in data center space. Sify has adequate capital and technological capabilities to expand the data center business in the region. Sify has proposed to invest additional capital of INR 90 Cr in the immediate future for the construction of data center towards revival of the corporate debtor's business. With growing market demand fuelled by adoption of new-age technologies/applications by companies across the world, Sify has been able to build a huge funnel of customers for its data center business. The proposal by the Government of India to adopt Data privacy/data protection policies has complimented Sify's strategy to invest in data centers.

The demand for data storage space has grown exponentially over the last few years with more MNCs setting up office in India. The Data Centre business is at very nascent stage with huge business opportunity. Sify is a pioneer and one of the first to adopt new business opportunities in the everchanging digital world. Sify strongly believes and has the ability to transform the slow growing printing business to establish world class Data Centre, in the process generating employment & revenue for the Government. Sify has already made Navi Mumbai as the most sought after destination for MNC and Indian Institution for storing data with 5 lac Sq.ft of DC operations. As there is huge demand for the Data

Centre Space, it is prudent to transform the existing business for the benefit of all the stakeholders. This transformation will fuel digital growth, revenue and employment in the State making Maharashtra as the Tech State of the Country.

The Printing business is undergoing digital evolution requiring huge investments to keep pace with fast changing environment. Print House India Private Limited (PHIPL)'s existing business will require infusion of capital to effect a turnaround.

Sify has the resources and the ability to support any turnaround effort including restructuring of the business based on a critical evaluation of the business and establishing the viability of the same. Sify has been actively evaluating strategies to continue operations of PHIPL and intends to identify potential operating partners with interests in the printing business Further Sify intends to optimally utilise the infrastructure of PHIPL to to expand its core data centers business. The real estate currently leased by the company can be gainfully put to use as an operating asset by Sify. Sify has been in operating businesses ranging from telecom to application services for more than 20 years. As a reputed strategic investor, Sify would operate the entity with the intention to continuing the business and not focus purely on return on investment and exit.

Further, Sify will be investing additional capital to convert the existing infrastructure into data center pods. The expected initial capital investment is around INR 90 Cr. The assessment of investment to be made, capacity to be created and the capacity that could be sold can be done only after detailed assessment of the structural design and stability of the building.

Additionally, vacant lands situated in the corporate debtor's property at Navi Mumbai shall be converted to data centers over the period based on customer demands. The investments are expected to be around INR 300 Cr for this future expansion. Sify is committed to putting assets of the corporate debtor to gainful use based on a long term commitment to the business.

A plain read of the objective of the Insolvency and Bankruptcy Code, 2016 and as stated in its preamble is also to ensure maximisation of value of assets in the resolution process in a time bound manner. The maximisation of value of assets might be based only on the core business, sale of non-core assets or establishment of new businesses with better future prospects utilising the existing assets of the corporate debtor. Sify's plan to leverage the surplus real estate and assets of PHIPL for its data center's business achieves this objective by infusing capital in a future ready IT services business while exploring viability of the printing business of PHIPL.

F. *Credibility of the Resolution Applicant and Connected Persons*

Credit opinion from banker has been included in Annexure

3. *KEY MANAGEMENT PERSONNEL INCLUDE*

- a. Mr Raju Vegesna- Chairman and Managing Director*
- b. Mr M P Vijay Kumar - Chief Financial Officer*
- c. Mr V Ramanujan - Company Secretary*

A. *Experienced Operations team*

Sify has been in the business of providing data center services from the year 2000. From 7300 Square foot in the year 2000 to about 6,00,000 square foot of data center space in the year 2019, Sify has grown to be one of the largest datacenter providers in the country. Sify hosts many multi-national and Government organisations in the data centers. Sify has been maintaining 100% uptime in operating its data centers. We are present in Mumbai in the business of data center for over 18 years. The entire construction, operations, maintenance and 24x7 support is done by the local resident team. Currently the operations are managed at 3 facilities in the region. Sify has invested more than INR 400 Cr in Navi Mumbai for construction of data centers. Sify has developed 4th generation SDA (SifyDatacenter Architecture) and operate on an ITIL-based service delivery framework. We have proven experience in construction of green-field data centers, construction of data centers in pre-constructed facilities and successful operation of data centers over the period.

B. *Strong finance and strategy team*

Sify's finance team is headed by Mr M P Vijay Kumar who is the chief financial officer and has been associated with the company for over 12 years. He has been instrumental in seeing the company pass through tough times of global economic downturn, contraction of domestic demand during high inflationary period and change in business model of Sify pursuant to changing market conditions driven by change in customer preferences. Sify has grown at CAGR of 14 % over the last 5 years. The cash reserve of the company has up by 50 % over the last 5 years.

Sify's strategy is headed by Mr. David Nishball who is the chief strategy officer. He has been with Sify for over 10 years. He has vast global industry experience in network and data center businesses across geographies. He has led the transformation of Sify's business model over the periods. He has been key in strategising data center business growth in Sify. Sify's data center capacity has grown at 35 % over last 3 years.

4. PROFILES OF TURNAROUND EXPERT

The turnaround of business will be led by a team of experts comprising multi-disciplinary professionals

| | |
|--------------------------------|---|
| <i>Mr M P Vijay Kumar</i> | <i>Chief Financial Officer</i> |
| <i>Mr C R Rao</i> | <i>Chief Operations Officer</i> |
| <i>Mr. Rajesh Tirumalaraju</i> | <i>Head – Regulatory affairs</i> |
| <i>Mr. Roopesh Kumar</i> | <i>Chief Architect – Data center</i> |
| <i>Mr. Sreejith Pillai</i> | <i>Head of operations – Data center</i> |
| <i>Mr. Lalith Sharma</i> | <i>Head – Human Resources</i> |
| <i>Mr. Srinivasa Moorthy</i> | <i>Head – Administration</i> |

5. RELEVANT CASE STUDIES

Sify was the first private ISP in India, running chain of internet cafes and broadband to home connectivity across India in the early 2000s. With the advent of wired broadband to home at affordable prices and other mobile internet technologies, cyber cafes and dedicated broadband services were becoming irrelevant around 2006-07. This led to change in strategy for the telecom business. From being a consumer driven service provider, Sify transformed to enterprise class internet service provider catering to needs of corporate customers. Currently, Sify has more than 1 lakh end points connected on the network. Sify expanded the spectrum of services from network to data centers to managed services and moving up the value chain by providing applications and technology integration services. Consequently, we are covering the entire gamut of ICT requirements of enterprise customers. Sify caters to over 8000 enterprise customers. Sify has moved from being a INR 544cr company in the year 2006-07 to about INR 2200 Crs in the year 2018-19, a CAGR of 17%.

6. KYC DETAILS

All KYC details, Certificate of Incorporation / Registration, details of the Directors of the Resolution Applicant have been submitted with the Resolution Plan. The Resolution Applicant will provide any other details to the Resolution Professional as and when required.

7. PROMOTERS, PERSONS IN MANAGEMENT AND CONTROL AND CONNECTED PERSONS

*The details of promoters, persons in management / control and connected persons of the Resolution Applicant, as referred to in Section 29A of the Code, and Regulation 38(3) of the CIRP Regulations (“**Connected Persons**”) is set-out below:*

| | |
|--|---------------------------------------|
| <i>Mr. Raju Vegesna</i> | <i>Chairman and Managing Director</i> |
| <i>Mr. M P Vijay Kumar</i> | <i>Chief Financial Officer</i> |
| <i>Mr. Kamal Nath</i> | <i>Chief Executive Officer</i> |
| <i>Mr. C R Rao</i> | <i>Chief Operations Officer</i> |
| <i>Mr. Ramanujan V</i> | <i>Company Secretary</i> |
| <i>Mr. Ananda Raju Vegesna</i> | <i>Executive Director</i> |
| <i>Mrs. Bala Saraswathi Raju Vegesna</i> | <i>Director</i> |

8. DETAILS OF THE RESOLUTION APPLICANT AND CONNECTED PERSONS

- a. *No conviction for any offence, if any, during the preceding five years: The Resolution Applicant or the Connected Persons have NOT been convicted of any offence during preceding five years.*
- b. *No criminal proceedings pending: There are no criminal proceedings pending against the Resolution Applicant or the Connected Persons.*
- c. *No disqualification, if any, under Companies Act, 2013, to act as a director: The Resolution Applicant is not a natural person, and it cannot be appointed as a director under the Companies Act. Accordingly, the provisions regarding disqualification do not apply to the Resolution Applicant.*
- d. *Not identified as a wilful defaulter, if any, by any bank or financial institution or consortium thereof in accordance with the guidelines of the RBI: The Resolution Applicant or the Connected Persons have NOT been recognised as a wilful defaulter by any bank of financial institution or consortium thereof in accordance with the guidelines of the RBI.*
- e. *No debarment, if any, from accessing to, or trading in, securities markets under any order or directions of the Securities and Exchange Board of India: The Resolution Applicant or the Connected Persons have NOT been debarred from accessing to or trading in securities market under any order or directions of the Securities and Exchange Board of India.*
- f. *Transactions with the corporate debtor in the preceding two years: The Resolution Applicant or the Connected Persons did NOT have any dealings with the Corporate Debtor in the preceding two years*

9. NO DISQUALIFICATION UNDER SECTION 29A OF THE CODE

The Resolution Applicant confirms that it is eligible to submit a resolution plan in accordance with Section 29A of the Code. In addition, to the best of the knowledge of the Resolution Applicant, this Resolution Plan is not in contravention of provisions of the Applicable Law.

10. PROMOTERS OF THE CORPORATE DEBTOR

- a. *In relation to the disclosure regarding “persons who will be promoters or in control of the business of the Corporate Debtor during the implementation of the Resolution Plan”, the Resolution Applicant hereby states that from the Effective Date until the appointment of the Board, the Monitoring Agent will be in the management or control of the business of the Corporate Debtor.*
- b. *On and after the Effective Date, the Resolution Applicant will implement the Resolution Plan and become the promoter of the Corporate Debtor and will be in control of the business of the Corporate Debtor.*

CHAPTER III – UNDERSTANDING OF THE COMPANY

About business

Sify understands from the Information Memorandum that Print House (India) Private Limited is based in the city of Mumbai with an infrastructure spread over 1.35 lakhs sq. feet. It is one of the India's largest print production company, with a presence of more than two decades in the printing industry.

Sify further understands from the Information Memorandum that as technology improved and to economise the print productions, the Company consolidated its infrastructure to offer the support strength to its manufacturing process. Having achieved that, the Company encouraged to develop innovative technologies in the entire process of what the Company offers to their clients from the idea stage to final production and logistics across the globe with value adds at every stage for customer, catering to some of India's top corporate.

The Company has following area of expertise in the production of:

- a. Sales collaterals and point of sales material;*
- b. Innovative Products – designing and fabrication;*
- c. Financial communication;*
- d. The investor communication division;*
- e. Publications;*
- f. Variable Printing; and*
- g. Packaging – carton printing and innovative packaging solutions.*

The Company has incurred heavy losses because of various unforeseen reasons such as:

- a. Heavy interest cost;*
- b. Bad and doubtful debts;*
- c. Labour problems;*
- d. Decline in market with adoption of e-media by many corporate and individuals; and*
- e. Delay in recovery from debtors.*

In addition to the core printing business, the company also derives a significant proportion of revenue and profits from sub-leasing its premises to third parties. As per the IM, a part of the property of the corporate debtor has been sub-leased to three different tenants.

About financial performance and Corporate Governance

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

The financial performance of the company over last 5 years is as follows:

| Particulars (in Rs. Cr) | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Revenue | 20.59 | 29.26 | 32.79 | 22.96 | 32.22 |
| Profit/(Loss) | (4.08) | (10.16) | (14.28) | (4.73) | 2.45 |
| Net-worth | (23.79) | (19.71) | (9.54) | 4.74 | 9.47 |

The plant and machinery used by the company and the printing technology employed by the company has now become old. Owing to employing older printing technology the business has suffered de-growth with revenues reducing from INR 32.2 Cr (FY'14) to INR 20.5 Cr (FY'18) and profit of INR 2.5 Cr (FY'14) reducing to a loss of INR 4.1 Cr (FY'18). These incremental losses over the last three years has led to its net-worth being eroded and reduced to (INR 23.8 Cr) in FY'18.

1. MANAGEMENT

Pursuant to the CIRP Order, the management of the affairs of the Company has been vested with the Resolution Professional of the Company. Further in terms of Section 17(1)(b) of the Code, the Board of Directors have been suspended with effect from October 12, 2018 and functions of the board of directors have been vested with the Resolution Professional as per the provisions of the Code.

2. BRIEF FINANCIALS OF THE COMPANY

Brief Financial of the Company as provided in the Information Memorandum and uploaded on the Virtual Data Room

| Particulars | As at October 17, 2018 | FY 2017-18 |
|--------------------------------|-----------------------------------|-----------------------------------|
| | (Provisional) | (Audited) |
| Particulars | As at October 17, 2018 | April to Mar 12 months |
| Equity and liabilities | | |
| Shareholders' funds | | |
| Share capital | 66,000,540 | 66,000,540 |
| Reserves and surplus | (409,657,821) | (303,960,276) |
| | (343,657,281) | (237,959,736) |
| Non-current liabilities | | |
| Long-term borrowings | 6,845,750 | 9,935,003 |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| <i>Particulars</i> | <i>As at October 17, 2018</i> | <i>FY 2017-18</i> |
|--|-----------------------------------|--------------------|
| | <i>(Provisional)</i> | <i>(Audited)</i> |
| <i>Other Long-term liabilities</i> | 19,362,052 | 19,362,052 |
| <i>Long-term provision</i> | 4,461,275 | 4,816,275 |
| | 30,669,077 | 31,569,924 |
| <i>Current Liabilities</i> | | |
| <i>Short-term borrowings</i> | 505,119,950 | 387,949,928 |
| <i>Trade payables</i> | 67,876,712 | 57,350,712 |
| <i>Other current liabilities</i> | 271,115,769 | 330,054,742 |
| <i>Short-term provisions</i> | 1,103,641 | 1,103,641 |
| | 845,216,071 | 776,459,023 |
| | | |
| <i>Total</i> | 532,227,868 | 570,069,210 |
| | | |
| <i>Assets</i> | | |
| <i>Non-current assets</i> | | |
| <i>Property, Plant and Equipment</i> | | |
| <i>Tangible asset</i> | 331,648,601 | 355,538,047 |
| <i>Non-current investments</i> | 4,913,460 | 4,913,460 |
| <i>Long-term loans and advances</i> | 98,701,421 | 102,017,338 |
| <i>Other non-current assets</i> | 14,810,059 | 16,772,559 |
| | 450,073,540 | 479,241,404 |
| | | |
| <i>Current assets</i> | | |
| <i>Inventories</i> | 21,207,812 | 20,227,907 |
| <i>Trade receivables</i> | 42,212,379 | 48,280,971 |
| <i>Cash and bank balance</i> | 750,984 | 8,851,430 |
| <i>Short-term loans and advances</i> | 17,055,753 | 12,527,566 |
| <i>Other current assets</i> | 927,400 | 939,932 |
| | 82,154,328 | 90,827,806 |
| | | |
| <i>Total</i> | 532,227,868 | 570,069,210 |

3. **CORPORATE STRUCTURE**

Shareholding pattern as provided in the Information Memorandum

| Name of the Shareholder | % of shareholding | No of Shares | Share capital (in Rs) |
|--------------------------------|--------------------------|---------------------|------------------------------|
| <i>Pramod P Hendre</i> | <i>13.96</i> | <i>9,21,250</i> | <i>92,12,500</i> |
| <i>Nandkumar P Hendre</i> | <i>13.12</i> | <i>8,66,250</i> | <i>86,62,500</i> |
| <i>Nandkumar Hendre (HUF)</i> | <i>12.87</i> | <i>8,49,680</i> | <i>84,96,800</i> |
| <i>Kunal H Hendre</i> | <i>10.42</i> | <i>6,87,500</i> | <i>68,75,000</i> |
| <i>Upasana N Hendre</i> | <i>10.42</i> | <i>6,87,500</i> | <i>68,75,000</i> |
| <i>Prathamesh P Hendre</i> | <i>10.42</i> | <i>6,87,500</i> | <i>68,75,000</i> |
| <i>Runali P Hendre</i> | <i>10.42</i> | <i>6,87,500</i> | <i>68,75,000</i> |
| <i>Pramod P Hendre (HUF)</i> | <i>10.04</i> | <i>6,62,820</i> | <i>66,28,200</i> |
| <i>Parinita Hendre</i> | <i>4.16</i> | <i>2,75,000</i> | <i>27,50,000</i> |
| <i>Tanishq Hendre</i> | <i>4.15</i> | <i>2,75,000</i> | <i>27,50,000</i> |
| <i>Jer Nariman Khursedji</i> | <i>0.01</i> | <i>27</i> | <i>270</i> |
| <i>Nariman Khursedji</i> | <i>0.01</i> | <i>27</i> | <i>270</i> |
| Total | 100.00 | 66,00,054 | 6,60,00,540 |

4. **BRIEF DESCRIPTION OF THE PROPERTY**

- a. Pursuant to an order dated August 04, 2004, Maharashtra Industrial Development Corporation (“**Lessor**”) bearing no. MHP/TTC/CaseNo4,701/3736 allotted land admeasuring 12,416.00 sq. meters comprising of Plot No. R-R-847/2 in T.T.C. Industrial Area to the Company for setting up of industrial unit for manufacturing of printing, promotion, packaging and publishing.
- b. The lease has been made with respect to piece of land known as Plot No. R-847/2 in the Trans Thane Creek Industrial Area, within the village limits of Rabale and within the limit of Navi-Mumbai Municipal Corporation, Taluka and Registration Sub-District Thane admeasuring 12416 sq. mtrs. and more particularly set out in Schedule III hereto (“**Premises**”) between the Lessor and the Company on March 13, 2006 (“**Lease Deed**”).
- c. The Lease Deed has been registered with the Sub-Registrar of Assurances, Thane - 8 bearing registration number 1398 of 2006.

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

- d. *The lease is granted by the Lessor under the Lease Deed for a period of 95 years (“Term”) computed from the first day of October 2004 subject nevertheless to the provisions of Maharashtra Land Revenue Code, 1996 and the rules thereunder*
- e. *As per the Lease Deed, the Company shall on or before 20th day of October 2007 commence and at its own expense and in substantial and workman like manner and in strict accordance with plans, elevation, details and specifications approved by the Executive Engineer, in charge of the Industrial Area and the building regulations, build and completely finish fit for occupation to the satisfaction of the Executive Engineer the said building and other structures thereon at least 6200 sq. meters of plot area for the use as an industrial factory and shall obtain a building completion certificate to that effect.*
- f. *In light of the above, the Company constructed the said building and this regard obtained a building completion certificate dated May 27, 2009 from the Lessor whereby the Lessor has certified that the Company has completed the factory building on the Premises in accordance with building plans approved vide office letter No. DE/MHP(C)/R-847/2/1724 dated October 20, 2006. The details of units constructed are as given below:*

| <i>Built up area in sqm</i> | <i>Ground flr. m2</i> | <i>Mazz. fl. m2</i> | <i>1st fl. m2</i> | <i>2nd fl. m2</i> | <i>3rd fl. m2</i> | <i>4th fl. m2</i> | <i>Total</i> |
|---|---------------------------|-------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|--------------|
| <i>1st BCC No. DE/MHP(C)/R- 847/2/1714 dated 19.10.2006</i> | 3626.5 2 | 448.50 | - | - | - | - | 4075.02 |
| <i>2nd Approval No. DE/MHP(C)/R- 847/2/1724 dated 20.10.2006</i> | 1804.5 8 | - | 1804.5 8 | 1804.5 8 | 1420.6 2 | 20.88 | 10390.2 6 |
| <i>Total</i> | 5431.1 0 | 448.50 | 1804.5 8 | 1804.5 8 | 1420.6 2 | 20.88 | 10930.2 6 |
| Grand Total – 10930.26 | | | | | | | |

- g. *Subsequent to the above, following property are given on rent:*

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| <i>Name of the Party</i> | <i>Area</i> | <i>Lease State Date</i> | <i>Lease end date</i> | <i>Escalation clause</i> | <i>Security Deposit</i> | <i>Rent (including maintenance/ month)</i> |
|---|---|-------------------------|-----------------------|--------------------------|-------------------------|--|
| <i>Emerson Process Management (India) Private Limited</i> | <i>3rd floor, 20,500 SFT</i> | <i>15.11.2014</i> | <i>15.11.2019</i> | <i>5%</i> | <i>32,54,052</i> | <i>766,919</i> |
| <i>NRB Bearing Limited</i> | <i>2nd floor, 20,500 SFT</i> | <i>03.06.2016</i> | <i>02.06.2021</i> | <i>5%</i> | <i>77,08,000</i> | <i>10,54,725</i> |
| <i>PAR Formulations Private Limited</i> | <i>1st Floor, 21,120 SFT</i> | <i>24.08.2017</i> | <i>23.03.2022</i> | <i>15%</i> | <i>84,00,000</i> | <i>11,13,446</i> |
| Total | | | | | 1,93,62,052 | 29,35,090 |

5. CLAIMS ADMITTED AS PER THE CODE

5.1. FINANCIAL CREDITORS

As per the Information Memorandum, following are the admitted claims of the Financial Creditors:

| <i>Sr. No</i> | <i>Financial Creditor</i> | <i>Amount Claimed</i> | <i>Amount Admitted</i> | <i>% share in COC</i> | <i>Security</i> |
|---------------|---|-----------------------|------------------------|-----------------------|-------------------------------------|
| <i>1</i> | <i>Pegasus Asset Reconstruction Private Limited</i> | <i>46,70,70,366</i> | <i>46,70,70,366</i> | <i>70.06</i> | <i>As per Part A of Schedule IV</i> |
| <i>2</i> | <i>Sumitomo Mitsui Leasing and Finance Co Limited</i> | <i>19,96,63,085</i> | <i>19,96,63,085</i> | <i>29.94</i> | <i>As per Part B of Schedule IV</i> |
| | TOTAL | 66,67,33,451 | 66,67,33,451 | 100 | |

5.2. OPERATIONAL CREDITORS

5.2.1. EMPLOYEE OUTSTANDING

As per the Information Memorandum, following are the claims of the Employees:

| <i>Total Number of Employees</i> | <i>Total outstanding as on October 17, 2018 (excluding gratuity)</i> | <i>Gratuity dues of workers, in case of discharge</i> | <i>Leave encashment dues of the employees in case of discharge</i> |
|----------------------------------|--|---|--|
| 70 | 11,19,573 | 3,45,47,543 | - |

5.2.2. WORKER OUTSTANDING

| <i>Sr. No.</i> | <i>Name of the Employees</i> | <i>Total outstanding as on October 17, 2018 (excluding gratuity)</i> | <i>Gratuity dues of workers, in case of discharge</i> | <i>Leave encashment dues of the employees in case of discharge</i> |
|----------------|------------------------------|--|---|--|
| 1 | Vyankatesh Gadgil | 10,931 | 7,06,320 | - |
| 2 | Laxman Tukaram Raut | 6,376 | 5,61,168 | - |
| 3 | Shekhar Desai | 12,113 | 7,21,164 | - |
| 4 | Jagdish Desai | 10,247 | 6,56,208 | - |
| 5 | Kumar Vijay Sukale | 7,182 | 5,65,164 | - |
| 6 | Manoj Madhukar Gaokar | 9,929 | 6,66,444 | - |
| 7 | Datta Vitthal Gondhale | 9,966 | 5,49,696 | - |
| 8 | Sanjay Trimbyak Karbhari | 11,235 | 5,55,768 | - |
| 9 | Sanjay Choudhary | 8,444 | 5,11,296 | - |
| 10 | Rahul Jaitpal | 10,071 | 6,01,464 | - |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| Sr. No. | Name of the Employees | Total outstanding as on October 17, 2018 (excluding gratuity) | Gratuity dues of workers, in case of discharge | Leave encashment dues of the employees in case of discharge |
|----------------|------------------------------|--|---|--|
| 11 | Barkhu Safar Yadav | 10,835 | 5,86,644 | - |
| | Total | 1,06,789 | 66,81,336 | - |

5.2.3. OPERATIONAL CREDITORS OTHER THAN EMPLOYEES AND WORKMEN

The Company has, during the course of its business and operations, incurred operational debts from Operational Creditors. As per the Information Memorandum, the following is the list of claims filled by operational creditors which are admitted / still being verified / under reconciliation by the Resolution Professional:

| Sr. No. | Name of the creditor | Amount Claimed | Amount admitted | Amount o/s as per books of accounts |
|----------------|---|-----------------------|------------------------|--|
| 1 | NMMC Cess Officer | 12,24,232 | 5,13,254 | - |
| 2 | Commissioner of Customs | 7,06,48,768 | - | - |
| 3 | Deputy Municipal Commissioner (Revenue) | 8,30,44,835 | - | - |
| 4 | EPF | 29,13,346 | - | - |
| | Total | 15,78,31,181 | 5,13,254 | - |

5.3. CLAIMS NOT FILED BY FINANCIAL CREDITORS AND OPERATIONAL CREDITORS

As per the Information Memorandum, we understand that total claims of Rs. 15,24,12,504 and Rs. 6,84,65,807 of the Financial Creditors and Operational Creditors respectively, have not been filed before the Resolution Professional.

5.4. DETAILS OF AMOUNT DUE TO AND FROM RELATED PARTIES

As per the Information Memorandum, the following is the list of the amounts due to and from the Relation Parties filled which are admitted / still being verified / not claimed:

| Sr. No | Name of the Related Party | Description of relationship | Type | Amount as on 17.10.2018 (as per PFS) | Amount as on 31.03.2018 (as per Audited financials) | Amount as on 31.03.2017 (as per Audited financials) |
|---------------|---|---|-------------|---|--|--|
| 1 | Pramod Hendre | Director and Shareholder | Loan | 4,12,14,042 | 3,42,26,182 | 2,55,81,022 |
| 2 | Nandkumar P. Hendre | Director and Shareholder | Loan | 3,05,42,533 | 3,29,47,408 | 2,53,47,469 |
| 3 | Upasana N Hendre | Relative of Directors | Loan | 10,54,400 | - | 10,00,000 |
| 4 | Parinita N Hendre | Relative of Directors | Loan | - | - | 25,00,000 |
| 5 | Runali P Hendre | Relative of Directors | Loan | 1,05,000 | - | - |
| 6 | Tanishq Enterprise (Prop Pramod Hendre) | Enterprises over which director is able to exercise significant influence | Loan | 71,65,000 | - | - |
| 7 | Kunal Enterprise (Prop Nandkumar Hendre) | Enterprises over which director is able to exercise significant influence | Loan | 78,48,547 | - | - |
| 8 | Saffron Spice Hospitality Private Limited | Enterprises over which director is able to exercise | Loan | 1,93,54,900 | 2,47,04,900 | 2,69,99,900 |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| <i>Sr. No</i> | <i>Name of the Related Party</i> | <i>Description of relationship</i> | <i>Type</i> | <i>Amount as on 17.10.2018 (as per PFS)</i> | <i>Amount as on 31.03.2018 (as per Audited financials)</i> | <i>Amount as on 31.03.2017 (as per Audited financials)</i> |
|--|----------------------------------|---|------------------------------|---|--|--|
| | | <i>significant influence</i> | | | | |
| <i>Total due from related parties (A)</i> | | | | <i>10,72,84,421</i> | <i>9,18,78,490</i> | <i>8,14,28,391</i> |
| <i>1</i> | <i>Pramod Hendre</i> | <i>Director & Shareholder</i> | <i>Director remuneration</i> | <i>57,825</i> | <i>1,35,250</i> | <i>1,88,300</i> |
| <i>2</i> | <i>Nandkumar Hendre</i> | <i>Director & Shareholder</i> | <i>Director remuneration</i> | <i>1,30,862</i> | <i>1,05,422</i> | <i>3,07,300</i> |
| <i>3</i> | <i>Prathmesh P Hendre</i> | <i>Relative of Directors</i> | <i>Salary</i> | <i>1,16,000</i> | <i>55,000</i> | <i>14,900</i> |
| <i>4</i> | <i>Runali P Hendre</i> | <i>Relative of Directors</i> | <i>Salary</i> | <i>21,964</i> | <i>48,014</i> | <i>-</i> |
| <i>5</i> | <i>Tanishq P Hendre</i> | <i>Relative of Directors</i> | <i>Salary</i> | <i>23,300</i> | <i>23,300</i> | <i>-</i> |
| <i>6</i> | <i>Upasana N Hendre</i> | <i>Relative of Directors</i> | <i>Salary</i> | <i>1,39,710</i> | <i>1,02,062</i> | <i>-</i> |
| <i>7</i> | <i>Parinita N Hendre</i> | <i>Relative of Directors</i> | <i>Salary</i> | <i>-</i> | <i>-</i> | <i>24,200</i> |
| <i>8</i> | <i>Nandkumar Hendre</i> | <i>Director & Shareholder</i> | <i>Loan</i> | <i>1,87,01,981</i> | <i>-</i> | <i>-</i> |
| <i>9</i> | <i>Kunal Enterprise</i> | <i>Enterprises over which directors is able to exercise significant influence</i> | <i>Sundry creditors</i> | <i>82,68,678</i> | <i>-</i> | <i>-</i> |
| <i>10</i> | <i>Tanishq Enterprise</i> | <i>Enterprises over which directors is able to exercise</i> | <i>Sundry creditors</i> | <i>68,25,775</i> | <i>-</i> | <i>-</i> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| <i>Sr. No.</i> | <i>Name of the Related Party</i> | <i>Description of relationship</i> | <i>Type</i> | <i>Amount as on 17.10.2018 (as per PFS)</i> | <i>Amount as on 31.03.2018 (as per Audited financials)</i> | <i>Amount as on 31.03.2017 (as per Audited financials)</i> |
|----------------|--|------------------------------------|-------------|---|--|--|
| | | <i>significant influence</i> | | | | |
| | Total due to related parties (B) | | | 3,42,62,795 | 4,69,048 | 5,34,700 |
| | Net amount due from related parties (A-B) | | | 7,30,21,626 | 9,14,09,442 | 8,08,93,691 |

5.5. Details of Material Litigation

As per the Information Memorandum, the following are the list of material litigation filed by / or against the Company:

| <i>Sr. No.</i> | <i>Financial year / Period</i> | <i>Background</i> |
|----------------|--------------------------------|---|
| 1 | 2014-15 | <p><i>Assessing officer (A.O.) passed assessment order on 29/12/2016 and determined the liability of INR 98,51,200/-.</i></p> <p><i>Following claims of assessee was disallowed by A.O.:</i></p> <ul style="list-style-type: none"> <i>a) Provident Fund</i> <i>b) Disallowance of payment of provident fund of earlier period</i> <i>c) 14A Disallowance</i> <i>d) Interest free advances to group concerns</i> <i>e) Penal interest</i> <i>f) Interest against fixed deposit</i> <i>g) Insurance claim written off</i> <i>h) Interest on TDS</i> <i>i) Prior period expenses</i> <i>j) TDS Credit</i> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| Sr. No. | Financial year / Period | Background |
|----------------|--------------------------------|--|
| | | <p><i>As against the abovementioned order, assessee has filed an appeal with CIT (A)-24, Mumbai on 30/01/2017.</i></p> <p style="text-align: center;"><u>CURRENT STATUS</u></p> <p><i>No date for hearing is decided till date</i></p> |
| 2 | 2013-14 | <p><i>Assessing officer (A.O.) passed assessment order on 08/03/2016 and disallowed following claims of assessee and made the addition in income of Rs 1,02,61,542/-,as there was already a loss there is no demand raised in the assessment order:</i></p> <p><i>a) 14A Disallowance</i> <i>b) TDS Credit</i></p> <p><i>As against the abovementioned order, assessee has filed an appeal with CIT (A)-24, Mumbai on 14/04/2016.</i></p> <p style="text-align: center;"><u>CURRENT STATUS</u></p> <p><i>No date for hearing is decided till date.</i></p> |
| 3 | July 2008 to May 2010 | <p><i>Commissioner of Central Excise, Mumbai-III passed order on 14/10/2014 and determined the liability of Rs 1,05,15,382/- towards central excise duty not paid as Corporate Debtor's contention is that goods which are manufactured are covered under exemption and department is of the view that it is subject to duty.</i></p> <p><i>As against the abovementioned order, assessee has filed an appeal with CESTAT, Mumbai on 29/12/2016.</i></p> <p style="text-align: center;"><u>CURRENT STATUS</u></p> <p><i>No date for hearing is decided till date.</i></p> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| Sr. No. | Financial year / Period | Background |
|----------------|--------------------------------|--|
| 4 | January 2013 – December 2013 | <p><i>Om Logistics Limited has sent a demand notice under Rule 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rule, 2016 for Rs 2,80,894/- on 26/07/2018.</i></p> <p><i>Om Logistics Limited has also filed civil petition in Civil court in the year 2015.</i></p> <p style="text-align: center;"><u>CURRENT STATUS</u></p> <p><i>Since application filed by Print House (India) Private Limited u/s 10 of Insolvency and Bankruptcy Act, 2016(IBC) is admitted on 17.10.2018, no further action under IBC can be initiated. Operational Creditor can file their claim with the Resolution Professional. Hearing for Civil case is fixed on 14/06/2019 in Belapur.</i></p> |
| 5 | 2013-14 | <p><i>Deputy Commissioner of Sales tax (E-006), passed an order on 28/02/2018 and determined the liability of Rs 35,52,351/- in respect of VAT and disallowed the claim of dealer regarding goods return and also liability of Rs 6,66,156 was determined by disallowing goods return claim and claim regarding C Form not received.</i></p> <p style="text-align: center;"><u>CURRENT STATUS</u></p> <p><i>No Appeal against the order passed is filed</i></p> |
| 6 | 2010-11 | <p><i>Deputy Commissioner of Sales tax (E-007), passed best judgment order on 31/07/2014 as no one has attended the assessment proceedings and determined the liability of Rs 1,33,63,592/- in respect of VAT and Rs 6,907/- in respect of CST.</i></p> <p style="text-align: center;"><u>CURRENT STATUS</u></p> <p><i>The assessment completed and refund order passed and received a refund of Rs. 1,95,656. CST- NIL</i></p> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| Sr. No. | Financial year / Period | Background |
|----------------|--------------------------------|--|
| 7 | 2009-10 | <p><i>Deputy Commissioner of Sales tax (E-007), passed order on 30/03/2014 and determined the liability of Rs 3,87,06,792/- in respect of VAT and Rs 22,25,417/- in respect of CST.</i></p> <p><i>As against the abovementioned order, assessee has filed an appeal with Joint Commissioner of Sales Tax (Appeals), Raigad. In Appeal matter was transferred to Deputy Commissioner of Sales tax (E-007), for assessment.</i></p> <p style="text-align: center;"><u>CURRENT STATUS</u></p> <p><i>No date is fixed for hearing as on date.</i></p> |
| 8 | 2012-13 | <p><i>Deputy Commissioner of Sales tax (E-006), passed order on 09/10/2018 which was received on 20/10/2018 and determined the liability of Rs 7,59,977/- in respect of VAT and Rs 24,596/- in respect of CST.</i></p> <p style="text-align: center;"><u>CURRENT STATUS</u></p> <p><i>No Appeal against the order passed is filed.</i></p> |
| 9 | 2007-08-2016-17 | <p><i>Assessee has while paying TDS on Labour payment, director's remuneration etc. inadvertently deposited the TDS in wrong TAN number instead of company's TAN number. Interest on late payment of TDS for various years is also reflecting in TRACES website. TAN Number in which payment was made does not exist and therefore the liability of 98,37,120(Including Interest) is still reflecting in TRACES website.</i></p> <p style="text-align: center;"><u>CURRENT STATUS</u></p> <p><i>Assessee has followed up with the concerned officer for rectification but officer is unable to rectify as TAN number is not reflecting in online system and</i></p> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| Sr. No. | Financial year / Period | Background |
|----------------|--------------------------------|---|
| | | <i>therefore the demand of Rs 98,37,120 is still reflecting in Traces.</i> |
| 10 | November 2009 – September 2014 | <p><i>Print House (India) Private Limited has failed to pay its dues related to employee's provident fund on time and therefore Assistant P.F. Commissioner, Thane has passed an order on 27/03/2015 and determined the damages of Rs 22,14,380/- and interest of Rs 12,99,952/- under section 14B & 7Q of Employee's Provident Fund and Misc. Provisions Act, 1952.</i></p> <p><i>As against the said order of Assistant P.F. Commissioner, Thane, Print House (India) Private Limited has filed an appeal with "THE HON'BLE EMPLOYEES'S PROVIDENT FUND APPELLATE TRIBUNAL, DELHI" on 11/05/2015. The said matter got transferred to THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL NO-1, MUMBAI.</i></p> <p><u>CURRENT STATUS</u></p> <p><i>Assessee has paid interest of Rs 12,99,952/- against interest on 22/08/2018 and next date of hearing is fixed at 20/05/2019.</i></p> |
| 11 | 2011-12 | <p><i>Print House (India) Private Limited (Corporate Debtor) placed an order for batteries of 12 volts 100 AH, Rocket make SMF, batteries for the UPS for printing machines vide purchase order no-PH/PUR/04/00-RB/2035 dated 07/02/2011 and paid an advance of 50% amounting to Rs 1,28,948 on 08/02/2011 but batteries was not delivered by Unitek Power Solutions (I) Ltd & Ors. (Creditor) The Corporate Debtor has cancelled the order and sent various reminders for refund of advance given but creditor has not refunded the said amount in spite of repeated reminders.</i></p> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| Sr. No. | Financial year / Period | Background |
|----------------|--------------------------------|--|
| | | <p><i>Therefore, Corporate Debtor has filed a suit in the court of Civil Judge (J.D.) Vashi on 21/01/2014.</i></p> <p><u>CURRENT STATUS</u></p> <p><i>The Next date of hearing is fixed on 06/08/2019</i></p> |
| 12 | Upto March 2017 | <p><i>On 15/03/2018 Assistant Commissioner of Navi Mumbai Municipal Corporation has issued a notice for making outstanding payment of Property tax along with penalty and interest up to March 2017 amounting to Rs 7,22,32,708/-. On 20/07/2018 Recovery Officer of Navi Mumbai Municipal Corporation has issued a notice for making payment of outstanding dues amounting to Rs 7,62,30,551/- within TWO days otherwise water supply connection will be disconnected.</i></p> <p><i>Corporate Debtor has written a letter to make payment of Rs 10,00,000/- on 20/07/2018 with a condition that this payment should be adjusted against principal and not against interest.</i></p> <p><u>CURRENT STATUS</u></p> <p><i>No reply of NMMC is received after letter written by Corporate Debtor on 20/07/2018.</i></p> |
| 13 | 2007 – 08 | <p><i>Cess Officer passed best judgment order on 03/07/2018 as no one has attended the assessment proceedings and determined the liability of Rs 10,06,033 including interest and penalty.</i></p> <p><i>As against the abovementioned order, Corporate Debtor has filed an appeal with Deputy Commissioner of Cess, NMMC, Navi Mumbai on 23/08/2018.</i></p> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| Sr. No. | Financial year / Period | Background |
|--------------------|------------------------------------|---|
| | | <p style="text-align: center;"><u>CURRENT STATUS</u></p> <p><i>Next date of hearing is not fixed till date.</i></p> |
| 14 | 2011 | <p><i>In the year 2011 following are the employees who has filed suit in labour court in Mumbai.</i></p> <p><i>1 Dyandeshwar Chopade</i></p> <p><i>2 Rakmi Jadhav</i></p> <p><i>3 Sunil Shinde</i></p> <p><i>4 Sunny Tak</i></p> <p><i>5 Shivaji Kasurde</i></p> <p><i>6 Baburao Ghanekar</i></p> <p><i>7 Ramesh Chavan</i></p> <p><i>8 Pravin Salvi</i></p> <p><i>9 Santosh Gaikwad</i></p> <p><i>10 Pradeep Shinde</i></p> <p><i>11 Sachin Tadkar</i></p> <p><i>12 Santosh D Sawant</i></p> <p><i>13 Suresh Dinga</i></p> <p><i>Amount of their claim is not determinable as on date</i></p> <p style="text-align: center;"><u>CURRENT STATUS</u></p> <p><i>Next date of hearing is not fixed till date.</i></p> |
| 15 | 2010 | <p><i>In the year 2010, Mumbai Shramik Sangh has filed a suit in Labour Court at Thane on behalf of ex-employee Sandip Pawar for not paying minimum wages and for engaging in unfair labour practice.</i></p> <p style="text-align: center;"><u>CURRENT STATUS</u></p> <p><i>Next date of hearing is fixed on 03/06/2019.</i></p> |
| 16 | 2010 | <p><i>In the year 2010, Mumbai Shramik Sangh has filed a suit in Labour Court at Thane on behalf of 17 employees for not paying minimum wages and for engaging in unfair labour practice and exploiting the workers and not maintaining proper records as required under various laws.</i></p> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| Sr. No. | Financial year / Period | Background |
|----------------|--------------------------------|--|
| | | <p>1 Sandesh Surve 2 Sharad Bhoir 3 Tukaram Parab 4 Vijay Sonate 5 Vilas Monte 6 Ravindra Parab 7 Vishal Kadu 8 Mangesh Gurav 9 Vikas Tamankar 10 Laxman Parab 11 S Belose 12 MahendraRevale 13 Manoj Badane 14 Kamlesh Sigwan 15 Mangesh Retawadekar 16 Vinod Chaudhary</p> <p><u>CURRENT STATUS</u></p> <p>Next date of hearing is fixed on 12/06/2019.</p> |
| 17 | 2017 | <p>In the year 2017 Ex-employee Ravindra Ramchandra Gurav has filed a writ petition in Bombay High Court on account of dispute related to wages and termination of employment. Amount of claim is not determinable.</p> <p><u>CURRENT STATUS</u></p> <p>No date of hearing is fixed as on date.</p> |
| 18 | 2010 | <p>In the year 2010 Ex-employee Hemant Talati has filed a suit in Labour Court on account of dispute related to wages and termination of employment. Amount of claim is not determinable.</p> <p><u>CURRENT STATUS</u></p> <p>Final date of hearing was on 30/11/2017, awaiting order of the Hon'ble Court.</p> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| <i>Sr. No.</i> | <i>Financial year / Period</i> | <i>Background</i> | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------|--------------------------------|--|----------------|--------------------|--|---|------------|-----------|---|------------|-------------|---|------------|----------|---|------------|-------------|---|------------|-------------|---|------------|-----------|--|---------------------|---------------------------|
| 19 | 2014 | <p><i>In the year 2014 Mumbai Shramik Sangh on behalf of Ex-employee Uday Chavan has filed a suit in Labour Court on account of suspension from employment. Amount of claim is not determinable.</i></p> <p style="text-align: center;"><u>CURRENT STATUS</u></p> <p><i>Next date of hearing is fixed on 03/06/2019.</i></p> | | | | | | | | | | | | | | | | | | | | | | | | |
| 20 | 2008 | <p><i>On 30/10/2018 Assistant Director General of Foreign Trade issued a show cause notice under section 14 of Foreign Trade (Development & Regulation (FTDR) Act 1992 as amended in 2010 for non-fulfilment of 6 EPCG and Advance licence obtained in the year 2008.</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;"><i>Sr. No.</i></th> <th style="text-align: center;"><i>Licence No.</i></th> <th style="text-align: center;"><i>Duty saved value as per notice received</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">0330020466</td> <td style="text-align: center;">15,65,842</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">0330020002</td> <td style="text-align: center;">1,66,75,620</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">0330020001</td> <td style="text-align: center;">3,35,368</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">0330021084</td> <td style="text-align: center;">3,49,74,365</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">0330020003</td> <td style="text-align: center;">1,20,02,198</td> </tr> <tr> <td style="text-align: center;">6</td> <td style="text-align: center;">0330020123</td> <td style="text-align: center;">20,88,820</td> </tr> <tr> <td></td> <td style="text-align: right;"><i>Total</i></td> <td style="text-align: center;"><i>6,76,42,213</i></td> </tr> </tbody> </table> <p style="text-align: center;"><u>CURRENT STATUS</u></p> <p><i>No reply to said notice is given</i></p> | <i>Sr. No.</i> | <i>Licence No.</i> | <i>Duty saved value as per notice received</i> | 1 | 0330020466 | 15,65,842 | 2 | 0330020002 | 1,66,75,620 | 3 | 0330020001 | 3,35,368 | 4 | 0330021084 | 3,49,74,365 | 5 | 0330020003 | 1,20,02,198 | 6 | 0330020123 | 20,88,820 | | <i>Total</i> | <i>6,76,42,213</i> |
| <i>Sr. No.</i> | <i>Licence No.</i> | <i>Duty saved value as per notice received</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 0330020466 | 15,65,842 | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 0330020002 | 1,66,75,620 | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | 0330020001 | 3,35,368 | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | 0330021084 | 3,49,74,365 | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | 0330020003 | 1,20,02,198 | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | 0330020123 | 20,88,820 | | | | | | | | | | | | | | | | | | | | | | | | |
| | <i>Total</i> | <i>6,76,42,213</i> | | | | | | | | | | | | | | | | | | | | | | | | |

5.6. Ongoing assessments

As per the Information Memorandum, the Resolution Applicant understands that following are the ongoing assessments against the Company:

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| Sr. No. | Financial Year / Period | Background |
|----------------|--------------------------------|---|
| 1 | 2017-18 | <p>Notice u/s 143(2) of the Income Tax Act, 1961 was issued on 09/08/2018 for computer aided scrutiny asking for any evidence to be submitted in support of return of income filed by the Company.</p> <p>Corporate Debtor replied to this notice on 16/08/2018 requesting to issue the questionnaire and Notice u/s 142(1) of Income Tax Act, 1961 asking for the required details for compliance with the said notice.</p> <p style="text-align: center;"><u>CURRENT STATUS</u></p> <p>As on date no reply is received from the assessing officer.</p> |
| 2 | 2014-15 | <p>Notice u/s 301 & VI B under MVAT Act, 2002 and Central Sales Tax Act, 1956 is received on 19/11/2018 for regular assessment.</p> <p style="text-align: center;"><u>CURRENT STATUS</u></p> <p>Submission of various documents asked for is submitted on 18/12/2018, next date of hearing is not fixed yet. Order passed on 29/03/2019 but the same order is sent for rectification.</p> |

5.7. DETAILS OF THE GUARANTORS GIVEN IN RELATION TO THE DEBTS OF THE CORPORATE DEBTOR

| Sr. No. | Name of the Guarantor | Description of Relationship | Beneficiary Name | Amount |
|----------------|------------------------------|------------------------------------|--|---------------|
| 1 | Mr. Pramod Hendre | Related | Pegasus Asset Reconstruction Private Limited | 46,70,70,366 |
| 2 | Mr. Nandkumar Hendre | Related | Pegasus Asset Reconstruction Private Limited | |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| | | | | |
|---|-----------------------------|--------------------|--|---------------------|
| 3 | <i>Mr. Suhas Joshi</i> | <i>Non-Related</i> | <i>Pegasus Asset Reconstruction Private Limited</i> | |
| 4 | <i>Mr. Pravin Harid</i> | <i>Non-Related</i> | <i>Pegasus Asset Reconstruction Private Limited</i> | |
| 5 | <i>Ms. Upasana Hendre</i> | <i>Related</i> | <i>Pegasus Asset Reconstruction Private Limited</i> | |
| 6 | <i>Ms. Runali Hendre</i> | <i>Related</i> | <i>Pegasus Asset Reconstruction Private Limited</i> | |
| 7 | <i>Mr. Pramod Hendre</i> | <i>Related</i> | <i>Sumitomo Mitsui Finance & Leasing Co. Limited</i> | <i>19,96,63,085</i> |
| 8 | <i>Mr. Nandkumar Hendre</i> | <i>Related</i> | <i>Sumitomo Mitsui Finance & Leasing Co. Limited</i> | |
| | <i>Total</i> | | | <i>66,67,33,451</i> |

CHAPTER IV – FINANCIAL PROPOSAL

A. BRIEF SUMMARY

The Resolution Applicant proposes the following financial proposal relating to the Corporate Debtor which has been detailed below. Further there are certain claims which have been mentioned in the Information Memorandum but have not been filed as a claim with the Resolution Professional, these have been addressed in Section G ii) under the Chapter IV Financial Proposal:

| Particulars | Amount Rs Cr | Remarks |
|--|-------------------------|--|
| <i>Payment of CIRP Process Cost</i> | <i>At actuals</i> | <i>Will be paid on actuals Based on declaration by RP and CoC, we understand that as on 19 Aug'19 all CIRP dues had been paid.</i> |
| <i>Payment to Workmen / Employees Dues</i> | <i>0.00</i> | <i>No claims have been filed by employees and workers as per Information Memorandum. It is proposed that any retiral payments due to employees and workers, (except promoter group and relatives of Directors / Management) actively on the rolls as per information contained in the IM and after due verification will be paid out in full. The approval of this resolution plan would be deemed as a notice of discharge of the employees related to the promoter group or any relatives of the Directors / Management of the corporate debtor and all their claims whether received or not received by the Resolution Professional shall stand extinguished and no further payment is due.</i> |
| <i>Payment to Financial Creditors</i> | <i>42.5</i> | <i>The Financial Creditors are proposed to be settled based on the security class: FC secured by charge on Land and Buildings will be paid INR 40 Cr. in full and final settlement. The payment to be made as per following milestones: Upfront payment – INR 36 Cr (within 30 days from Effective Date)</i> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| <i>Particulars</i> | <i>Amount Rs Cr</i> | <i>Remarks</i> |
|---|-------------------------|--|
| | | <p><i>Balance payment of INR 4 Cr – quarterly payment of INR 2.00 Cr each beginning from 60 days from Effective Date</i></p> <p><i>FC secured by charge on Plant and Machinery will be paid INR 2.5 Cr in full and final settlement within 30 days from the Effective Date</i></p> |
| <p><i>Operational Creditors (Other than Statutory Dues)</i></p> | 0.00 | <p><i>No claim from operational creditor has been admitted</i></p> |
| <p><i>Payment to Statutory Dues</i></p> | 6.90 | <p><i>Admitted Statutory Dues claim:</i> 100% of admitted Statutory Claim of INR 5,13,254 will be paid an upfront payment (within 30 days from the Effective Date)</p> <p><i>EPF Claim:</i> 100% of EPF Claim of INR 29,13,346 (based on email communication from RP dated 22 Aug'19) will be paid an upfront payment (within 30 days from the Effective Date)</p> <p><i>Statutory Dues as per RP email dated 22 Aug'19:</i> RA agrees to set aside an aggregate amount of INR 6,56,56,440 for full and final settlement of admitted statutory claims. RA understands (based on email communication from RP) that aggregate statutory dues being claimed and presently under verification are INR 21,88,54,800. The amount being set aside is to settle all admitted claims on pro-rata basis in case the claims exceed the amount provided for. INR 6,56,56,440 is set aside for all such outstanding admitted claims (whether submitted or not submitted). These will be paid within 30 days of Effective Date.</p> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| <i>Particulars</i> | <i>Amount Rs Cr</i> | <i>Remarks</i> |
|--|--------------------------------|---|
| <i>Payment to tenants under sub-lease (Refund of Security Deposit)</i> | <i>1.93</i> | <i>Payment will be made on delivery of the premises, net of any amount recoverable as dues against the tenancy.</i> |
| <i>Provision for revival of the corporate debtor</i> | <i>5.58</i> | <i>INR 5.58 Cr. is set aside, fund to cover any unforeseen contingencies and admission of OC claims under verification currently funds needed for revival of the company provides for payment of any employee claims that might be admitted by the RP Any such claims that are under verification by the RP will be paid on a pro rate basis from this contingency fund and it is capped at a maximum of INR 5.58 Cr All other balance unpaid claims would be deemed to have been extinguished.</i> |
| Total | 54.99 | |

The Resolution Applicant is also agreeable to assign all recoveries from all the Related Parties as specified in section 5.4 of this Resolution Plan. The debt in this case could be assigned to the COC members and they will have to take necessary steps for recovery of the same as they deem fit.

B. CIRP COSTS

The Resolution Applicant proposes that CIRP Costs shall be paid upfront from the Upfront Payment (defined hereunder), in priority to the repayment of any other debt amount. It is envisaged that CIRP cost will be paid on actuals within 30 days from the Approved Resolution Plan.

C. UPFRONT PAYMENT

The Resolution Applicant proposes to pay an upfront amount of INR 38.5 Cr to Financial Creditors for the purpose of payments set out above (“Upfront Payment”).

D. PAYMENTS TO FINANCIAL CREDITORS

i. As per the information provided in the Information Memorandum, the admitted debt of:

- *Financial Creditor secured by Land and Buildings – INR 46,70,70,366 (Indian Rupees Forty Six Crores Seventy Lakhs Seventy Thousand Three Hundred and Sixty Six Only)*
 - *Financial Creditor secured by Plant and Machinery – INR 19,96,63,085 (Indian Rupees Nineteen Crores Ninety Six Lakhs Sixty Three Thousand and Eighty Five Only)*
- ii. *The Resolution Applicant proposes an upfront payment of INR 36 Cr. for Financial Creditor secured by Land and Building and INR 2.5 Cr. for Financial Creditor secured by Plant and Machinery (“**Upfront Payment**”) to be remitted as per dates in the indicative activity schedule given in this Resolution Plan (“**Payment Schedule**”). Further there are quarterly instalments proposed as per payment schedule mentioned earlier.*
- iii. *The Resolution Applicant understands from the Information Memorandum that total claims of INR 15,24,12,504/- (Indian Rupees Fifteen Crore Twenty Four Lakhs Twelve Thousand Five Hundred and Four Only) by the Financial Creditor have not been filed by the Financial Creditors. We propose NIL payment towards the unclaimed amount and the dues shall be deemed extinguished.*

E. PAYMENT TO OPERATIONAL CREDITORS (WORKMEN AND EMPLOYEES)

- i. As provided by the Resolution Professional in the Information Memorandum, the workmen and employees (as Operational Creditors) have outstanding dues of INR 5,15,33,601 (Indian Rupees Five Crores Fifteen Lakhs Thirty Three Thousand Six Hundred and One Only) (which includes the amount payable as gratuity in case of discharge) which has not been claimed by workmen and employees.*
- ii. The Resolution Applicant would like to continue employment of all employees and workmen as appearing on active rolls of the Company as per the IM shared. The Resolution Applicant however reserves the right to verify employment details of the workmen and employees from Resolution Professional/Monitoring Agent on successful closure of the resolution process. The Resolution Applicant also reserves the right to modify their existing terms of employment on conditions which are not more onerous than existing employment contract with the company.*
- iii. Sify is committed to putting in reasonable effort to upskill employs and engage them in future operations with a role that might be commensurate with their qualifications and experience. Sify will reserve the right to transfer employees as required based on business exigencies with reasonable terms/redeploy to new activities/new positions that are not more onerous vis-à-vis current terms of employment. The employees will be paid the due retirals as indicated in the IM after validation by the Resolution Applicant on their discharge.*
- iv. Notwithstanding anything contained in this resolution plan, the Approval of this Resolution Plan shall be deemed to be a notice of discharge from employment for the Promoter Group and relatives of Directors/Management team of the Corporate Debtor. Further, no amount shall be payable to any of the Promoters Group or relatives of Directors/Management Team in any event.*

PAYMENT TO OTHER OPERATIONAL CREDITORS (STATUTORY CREDITORS)

- i. As per the Information Memorandum provided to the Resolution Applicant, the claims filed by other Operational Creditors including the statutory creditors are INR 5,13,254/- (Indian Rupees Five Lakhs Thirteen Thousand Two Hundred and Fifty Four Only) which has been admitted by the Resolution Professional and Rs. 6,84,65,807 of the Operational Creditors respectively, have not been filed before the Resolution Professional. The Resolution Application proposes the amount of INR 5,13,254 (Indian Rupees Five Lakhs Thirteen Thousand Two*

-
- Hundred and Fifty Four Only) will be paid to settle admitted statutory dues of the Company on the dates as per the indicative activity schedule given in this Resolution Plan.*
- ii. *As per the email communication from RP dated 19 Aug'19, EPF has filed a claim of INR 29,13,346 (Indian Rupees twenty nine Lakhs Thirteen Thousand Three Hundred and Forty six Only), this amount will be paid an upfront payment (within 30 days from the Effective Date).*
- iii. *Statutory Dues as per RP email dated 22 Aug'19: RA agrees to set aside an aggregate amount of INR 6,56,56,440 for full and final settlement of admitted statutory claims. RA understands (based on email communication from RP) that aggregate statutory dues being claimed and presently under verification are INR 21,88,54,800.*
- a. *The amount being set aside is to settle all admitted claims on pro-rata basis in case the claims exceed the amount provided for.*
- b. *INR 6,56,56,440 is set aside for all such outstanding admitted claims (whether submitted or not submitted). These will be paid within 30 days of Effective Date.*
- iv. *In terms of the Code, the payment due to Operational Creditors should not be less than the liquidation value payable to the operational creditors in the event of a liquidation of the corporate debtor under Section 53 of the Code. This would imply that the Operational Creditors have the right to demand amounts that would be payable to them under a liquidation scenario. Resolution Applicant proposes to pay recoveries to operational creditors in similar proportion to the recoveries of financial creditors only to the extent of admitted claims by the Resolution Professional. Accordingly, the Resolution Applicant seeks a waiver of the remaining dues of operational creditors which have not been admitted by Resolution Professional.*

F. PROPOSAL FOR OTHER CREDITORS (not covered above)

- i. *Other statutory dues and funds for revival: INR 5.58 Cr. is set aside to fund to cover any unforeseen contingencies and admission of OC claims under verification currently and funds needed for revival of the company*
- a. *This contingency also provides for payment of any employee claims that might be admitted by the RP.*
- b. *Any such claims that are under verification by the RP will be paid on a pro rate basis from this contingency fund and it is capped at a maximum of INR 5.58 Cr.*

- c. *This settlement will be on pro-rate basis as claims are admitted and no further payments are envisaged.*
- ii. *In relation to any other actual or potential third parties (including financial/operational creditors, existing shareholders and/or other stakeholders) whose claims have not been covered above, there will be no funds available for payment to them as the Liquidation Value is insufficient to satisfy the claims of even the Financial Creditors in full. Therefore, NIL payment has been proposed under the Resolution Plan towards payment to such creditors and/or stakeholders and no source has been identified for such payment under this Resolution Plan.*
- iii. *Further, in relation to claims not filed by creditors as per the Information Memorandum, there will be no consideration available for any current or future liabilities. Aggregate claims which are mentioned in the Information Memorandum but have not been filed with the Resolution Professional are as below:*

| <i>Sr. No.</i> | <i>Name of Party</i> | <i>Amount outstanding as per books of accounts as on 17.10.2018 (INR)</i> |
|----------------|------------------------------|---|
| <i>1.</i> | <i>Financial Creditors</i> | <i>15,24,12,504</i> |
| <i>2.</i> | <i>Operational Creditors</i> | <i>6,84,65,807</i> |
| | <i>Total</i> | <i>22,08,78,311</i> |

G. PROPOSAL FOR TENANTS UNDER SUB-LEASE

- i. *As per Information Memorandum provided to the Resolution Applicant, the property has been sub-leased to three different tenants. The Resolution Applicant proposes to terminate the existing sub-lease and repay the security deposit on delivery of the premises.*

CHAPTER V – MANAGEMENT OF COMPANY AFTER RESOLUTION

1. CONTROL OF THE COMPANY

In order to ensure that the Resolution Plan is implemented in accordance hereof and that the obligations undertaken herein are adhered to in letter and spirit, an appropriate Monitoring Agent shall be appointed.

2. CAPITAL REDUCTION

The entire shareholding of the Existing Equity Shareholders of the Corporate Debtor shall be subject to a capital reduction process and shall be reduced to nil and no consideration shall be paid for the same.

Accounting Treatment: The equity share capital held by the Existing Equity Shareholders shall be reduced the balance shall be adjusted with accumulated losses and assets of the Corporate Debtor shall be suitably impaired to reflect the current value.

Subsequent to the cancellation of the existing share capital, the entire share capital of the Corporate Debtor will be held by the Resolution Applicant.

The approval of this Resolution Plan by the Adjudicating Authority shall be deemed to have all the procedural requirements as required under the Applicable Laws.

For avoidance of doubt, the approval of the CoC to the Resolution Plan shall be deemed to be consent of the Financial Creditors to such capital reduction and that each of the Financial Creditors, if so required shall provide its consent in the form that is required by the Adjudicating Authority under the Applicable Laws.

3. EXISTING EMPLOYEES

The Resolution Applicant will make endeavours to ensure continuity of maximum existing employees of the Company however Resolution Applicant reserves right to take any decision with respect of continuity of existing employees.

4. MANAGEMENT AND CONTROL OF THE COMPANY POST APPROVAL OF THE RESOLUTION PLAN BY THE ADJUDICATING AUTHORITY

- (a) *During the Implementation Period, the Company will be monitored by the Monitoring Agent, as constituted by the Resolution Applicant in concurrence with the Resolution Professional and the CoC, in carrying out the day to day functions of the Company.*
- (b) *The Monitoring Agent shall be constituted comprising of 2 members of the Resolution Applicant (to be identified by the Resolution Applicant) and 1 representative of Financial Creditors (Financial Creditors to be identified by the CoC). The Monitoring Agent shall carry on its duty under the Applicable Laws. The existing directors of the Company shall vacate the office on the Effective Date and should ensure filing of the relevant forms for induction of new directors as envisaged under the Resolution Plan. However, the day to day operations and the management of the Company shall be carried out by the Monitoring Agent, as appointed. The Monitoring Agent may appoint a professional agency to manage day to day operations of the Company.*
- (c) *The Monitoring Agent shall be vested with all the power of the Board of Directors as envisaged under Companies Act, 2013 (amended from time to time).*
- (d) *The Resolution Applicant and Financial Creditors reserve the right to change their nominees to the aforesaid Monitoring Agent, if required for better and effective management of the assets.*
- (e) *All fees payable to the Monitoring Agent (including any legal costs which have arisen or may arise out of or in connection with the CIRP of the Company) shall be met out of the accruals of the Company and to the extent the internal accruals are not sufficient to meet the aforesaid costs and expenses, the same shall be paid by the Resolution Applicant, as consideration for fulfilling their respective obligations during this Implementation Period.*

5. MANAGEMENT BY EXPERIENCED PROFESSIONALS

5.1 Implementation and Supervision of the Resolution Plan after the Effective Date

After the Effective Date, the implementation of the Resolution Plan will be supervised by a suitable management team deployed by the Resolution Applicant.

5.2 Formation of Board

It is proposed that upon the Resolution Applicant acquiring control over the Company, the existing Board will be replaced by new Board of Directors

constituted with adequate representation from the member of the Resolution Applicant and independent directors in compliance with Applicable Laws.

5.3 Appointment of CEO, CFO, COO and CS

- (a) *The appointment of Chief Executive Officer, Chief Operating Officer and Chief Financial Officer and Other Key personnel shall be decided at the appropriate time. The Resolution Applicant reserves the right to replace the key management personnel of the Company with the appropriate persons of its choice. The profile and experience statement of the proposed key management positions is set out in Chapter II of this Resolution Plan.*
- (b) *It is hereby clarified that the managerial personnel appointed by the Resolution Applicant pursuant to this Clause shall not be liable for any past non-compliances with the provisions of Applicable Laws by the erstwhile key managerial personnel of the Company.*

6. MANAGERIAL COMPETENCE AND TECHNICAL ABILITIES

6.1 Appointment of Auditors (Statutory and Internal)

The Resolution Applicant shall have the right to replace the existing auditors (Statutory and Internal) of the Company and appoint new auditors as deemed fit by the Resolution Applicant upon acquisition of the control over the Company by the Resolution Applicant pursuant to the Resolution Plan.

6.2 Appointment of Turnaround experts

The Resolution Applicant has an experienced technical team to restore the Corporate Debtor to operational viability. The Resolution Applicant plans to use its in-house turnaround experts as set out in Chapter II. In addition to the above, the Resolution Applicant also plans to induct few more technical experts from the industry, if necessary.

**CHAPTER VI – TERM AND IMPLEMENTATION OF THE
RESOLUTION PLAN**

1. Term of the Plan

The term of the Resolution Plan shall commence on the date on which the Adjudicating Authority approves the Resolution Plan in accordance with Section 31 of the Code and shall continue until the Effective Date. Notwithstanding anything to the contrary contained in this Resolution Plan, no part of this Resolution Plan shall become effective or enforceable until either (i) the Resolution Plan is approved by the Adjudicating Authority in the manner proposed by the Resolution Applicant and approved by the CoC; or (ii) if approved by the Adjudicating Authority with any variance, in the form and substance acceptable to the CoC and the Resolution Applicant. Upon approval of the Resolution Plan by the Adjudicating Authority, this Resolution Plan shall ipso facto form part of the Adjudicating Authority Approval Order approving the Resolution Plan.

Pursuant to Section 31 of the Code, the Resolution Plan shall, upon the approval by the Adjudicating Authority be binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan.

2. Implementation and Supervision of the Resolution Plan after the Effective Date

After the Effective Date, the implementation of the Resolution Plan will be supervised by suitable management team deployed by the Resolution Applicant.

3. Implementation Agencies

3.1 Appointment of Monitoring Agent

The Monitoring Agent shall be appointed in order to manage and control of the business of the Company. The Monitoring Agent shall have the powers of the board of the Company vested in him/her, in trust and for the benefit of Resolution Applicant, and no other person or stakeholders and shall act in accordance with the instructions of the Monitoring Committee.

3.2 Replacement of the Board of Directors of the Company

The Board of Directors of the Company, post the approval of the Resolution Plan by Adjudicating Authority, shall be replaced by the Monitoring Agent.

3.3 Monitoring Agent

The Monitoring Agent shall be established for monitoring the implementation of the Resolution Plan. The Monitoring Agent will be comprised of two (2) members representing the Resolution Applicant, with each member representing the Financial Creditors and the Resolution Applicant, provided however that members representing the Financial Creditors, through its representatives, shall have participation in the Monitoring Agent at all times.

3.4 Monitoring Agent's Costs-

The fee payable to the Monitoring Agent shall be borne out of cash flows of the business of Company against the consideration of the Monitoring Agent fulfilling the obligations under the Resolution Plan.

3.5 Consultation with Resolution Applicant

- (a) *Notwithstanding anything to the contrary contained in the Resolution Plan but subject to (b) below, considering the technical/ operational expertise of the Resolution Applicant, all operations related decisions shall be taken by the Monitoring Agent after due consultation with the Resolution Applicant.*
- (b) *Prior to the Effective Date, the Company shall not, without the prior written consent of the Resolution Applicant or unless approved by the Monitoring Agent, undertake any of the following other than as contemplated herein:*
- i. The sale, transfer, mortgage, charge, pledge, creation of a lien, lease, exchange or other disposition of assets or any interest therein or sale or disposition of any part of the undertaking and/ or goodwill of the Company;*
 - ii. raising of any financing;*
 - iii. debt/ lease financing and capital expenditure in excess of INR 5,00,000 (Indian Rupees Five lakhs only);*
 - iv. any transactions with related parties of the Company or with any connected persons of the Company;*
 - v. any major changes in the Company's accounting policies;*
 - vi. any appointments, removal or variations in terms of engagement of key managerial personnel;*
 - vii. mergers, acquisitions, disinvestments, creation of subsidiaries, consolidation, reconstitution, reconstruction, recapitalisation, reorganisation or other business combination involving the Company;*
 - viii. the institution, withdrawal or settlement of any material litigation, legal action or proceedings or dispute in which the Company is a party;*
 - ix. distribution of capital or profits by dividends, capitalisation of reserves or otherwise;*

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

-
- x. *issuance or grant of securities, equity-linked instruments or any option in any form to acquire/ subscribe to Equity Shares of the Company or any form of capital restructuring and altering rights of any class of shareholders;*
 - xi. *early repayment of debt or guarantee of any amount in excess of INR 5,00,000 (Indian Rupees Five lakhs only);*
 - xii. *amendment to the constitutional documents;*
 - xiii. *any change in business scope, any diversification into business areas unrelated to its existing businesses and/or acquisition, disposition or dilution of a substantial interest in any other business, company, partnership or sole proprietorship;*
 - xiv. *entering into any compromise with any of the creditors or any class of them by the Company with regard to any debts;*
 - xv. *Transfer/ movement of assets (whether or not appearing in Fixed Asset Register) and inventories lying at different locations of Company, without prior consent of the Resolution Applicant.*
 - xvi. *appointment or removal or change of the statutory auditors and internal auditors of the Company or change in any policy on financial matters such as significant accounting practices and depreciation practices;*
 - xvii. *the increase, reduction, sub-division, cancellation or variation of the Company's authorised or issued share capital;*
 - xviii. *provision of loans to any person;*
 - xix. *formation, constitution or re-constitution of any committees;*
 - xx. *not make capital expenditures other than in the ordinary course of business consistent with past practice/ in excess of INR 5,00,000 (Indian Rupees Five lakhs only);*
 - xxi. *not enter into or amend any agreement or incur any commitment which involves or may involve total annual expenditure in excess of INR 5,00,000 (Indian Rupees Five lakhs only);*
 - xxii. *acceptance of deposits;*
 - xxiii. *Prosecution or settlement of any claim or legal action, admission of any claim or giving any relief to any person or waiver of any claim against any party, grant of indemnity, guarantee or any form of assurance or support or security to any person, enforcement of indemnity against any person, defence of a claim of indemnity initiated by a third party, action against key personnel of the Company or defence of any action initiated by key personnel or third party;*
 - xxiv. *Any decision which would create or is reasonably likely to create a direct obligation or liability to the Company as a shareholder, any material change in the nature of the business of the Company.*

- (c) *Further, the Company shall:*
- i. *carry on its business in the ordinary course of business consistent with past practice, use its best efforts to preserve intact its present business organisation, keep available the services of its present officers and significant employees, and preserve its relationships with persons having business dealings with it;*
 - ii. *use best efforts to maintain all government approvals and other consents necessary for, or otherwise material to, its business;*
 - iii. *promptly advise the Resolution Applicant of any event, occurrence, fact, condition, change, development or effect that, individually or in the aggregate, could have or result in a situation that is or could be (or could reasonably be expected to) a Material Adverse Effect.*

3.6 *Sharing of Information*

- (a) *The Monitoring Agent, Resolution Professional and the Financial Creditors shall be obliged to share/ provide all necessary information/data/ compliance support to Resolution Applicant as may be reasonably requested for the implementation of the Resolution Plan.*
- (b) *The Financial Creditors and Monitoring Agent shall provide necessary support and resolve issues arising out of the Resolution Applicant's due diligence to the satisfaction of Resolution Applicant.*
- (c) *The Monitoring Agent shall cease its functioning on the Effective Date. On and from the Effective Date, the management and control of the Company shall be vested in the Resolution Applicant.*

4. *Implementation of the Resolution Plan*

The broad steps for the implementation of the Resolution Plan are as follows:

- (a) *Obtaining / Transfer of Approvals*
Upon receipt of the Adjudicating Authority Approval Order, unless compliance is waived in accordance with the Adjudicating Authority Approval Order or any exemption is made available under Applicable Law, the Company shall, and the Monitoring Agent shall assist and direct the Company to obtain transfer of or fresh material approvals that are required for the purpose of the operations of the Company's business in accordance with Applicable Law as a going concern (including the Mandatory Approvals identified in Schedule I).

- (b) Corporate Approvals of the Resolution Applicant
The Resolution Applicant shall procure all necessary corporate approvals required by it to approve and perform the Resolution Plan.

5. Treatment of Workmen and Employees

- (i) *Monitoring Agent shall within 10 (ten) days of the Adjudicating Authority Approval Order approving the Resolution Plan, notify the Resolution Applicant of the final:*
- (a) *list of workmen and employees of the Company;*
 - (b) *their name, designation, job description, and undertaking of the Company to which they relate;*
 - (c) *their period of service with the Company;*

6. Receivables

All receivables of the Company under its various arrangements, agreements and contracts with third parties and/or receivables arising out of benefits, grants, privileges provided by any Governmental Authority and/or any payments due/that will become due in the future from any third party (whether a claim for such an amount has been made or not) shall continue to exist and shall not get extinguished upon the approval of the Resolution Plan by the Adjudicating Authority unless specifically provided for in the Resolution Plan.

7. INDICATIVE TIMELINE FOR IMPLEMENTATION

Following are the indicative timelines for implementation:

| Sr. No. | INDICATIVE ACTIVITY SCHEDULE Activity | Timeline (Days) |
|---|---|---|
| Phase 1- Approval Process | | |
| 1 | <i>Approval of Resolution Plan by the Committee of Creditors</i> | |
| 2 | <i>Application to Adjudicating Authority</i> | |
| 3 | <i>Approval of Resolution Plan by Adjudicating Authority and receipt of Adjudicating Authority Order plus up to 30 Business days (Effective Date)</i> | T |
| 4 | <i>Appointment of Monitoring Agent</i> | T+15 |
| 5 | <i>Intimation to Committee of Creditors, Tax authorities and various other statutory authorities</i> | T+25 |
| 6 | <i>Notice of the Company's Website</i> | |
| 7 | <i>Intimation to all Financial and Operational Creditors, existing shareholders and other stakeholders</i> | |
| 8 | <i>Completion of Due diligence by Resolution Application</i> | T+45 |
| Phase 2- Implementation of Resolution Plan | | |
| 1 | <i>Take-Over of the management and control by the Resolution Applicant</i> | T+60 |
| 2 | <i>Reconstitution of Board, Appointment of CEO and other key employees, appointment of Auditors.</i> | T+60 |
| Phase 3 – Settlement/Deal Closure of Creditors/ Achievement of Completion Date | | |
| 1 | <i>Payment of CIRP Cost</i> | Within 30 days of approval of plan by the AA |

The above schedule is only an estimate and the actual time of completion of approval from authorities and regulators may be different. The implementation timelines indicated above may accordingly change and this Resolution Plan will be implemented in accordance with such approvals and changed timelines.

**CHAPTER VII – MANDATORY CONTENTS OF THE RESOLUTION
PLAN**

1. *Insolvency resolution process cost*

- (a) *As per the Code, the CIRP Costs are to be paid in priority over payments to be made to any other debt and the CIRP Costs shall, amongst other things, include the costs, fees and charges incurred by the Resolution Professional, in running the operations of the Corporate Debtor as a going concern.*
- (b) *The Resolution Professional has mentioned that there all CIRP costs have been paid and presently no costs remain outstanding.*
- (c) *On the Effective Date, the Resolution Professional shall provide a statement, containing details of the CIRP Costs as approved by the CoC from time to time, to the Resolution Applicant, and the same will be paid in full and priority to any other creditors of the company within the timelines, given under the Code and / or CIRP Regulations, from the Effective Date. The Resolution Applicant will infuse additional funds (if needed), by way of equity or any other appropriate means, to meet the CIRP Costs.*
- (d) *The Resolution Applicant and its Group Company(ies) have sufficient funds and do not envisage any challenge in terms of source for the payments.*

2. *Debt owed to Financial Creditors*

(a) *Payment Terms:*

- (i) *Payment towards CIRP Process Cost, Workmen liabilities and Operational Creditors: Payment towards CIRP Process Cost, workmen / employee liabilities and other Operational creditors claim shall be paid as contemplated in this Resolution Plan. In any event, the same shall be paid in priority over any payment to be made to Financial Creditors*
- (ii) *Payment to Financial Creditors: Financial Creditors (irrespective of whether assenting or dissenting) shall be paid the amount as outlined in this Resolution Plan after any payment towards CIRP Process Cost, Workmen/Employees Payout and payment to Operational Creditors*

- (iii) *Source of Funds: In any event, the Resolution Applicant may utilise their investments to fund the Upfront Payment and subsequent milestone payments for Financial Creditors from internal accruals or borrowed funds or such other means as deemed fit by Resolution Applicant.*
- (b) *Any Encumbrance, or any other form of collateral (whether over immovable, movable assets, fixed deposits or cash or any other rights or privileges and including without limitation, any guarantee, security, letter of credit or pledge provided by the Existing Promoters of the Company) that was created/granted/arranged in connection with any Operational Debt or any other debt or obligation of the Company, at any time prior to the Effective Date, shall automatically be released and all liabilities and obligations of the Company and any third party (including the Existing Promoters) on behalf of the Company in relation to such Encumbrance or other form of collateral shall stand permanently extinguished on the approval of this Resolution Plan by the Adjudicating Authority, without the requirement of any further action on part of any party. All title deeds and other documents (including charge documents, if any) held by the Financial Creditors or on their behalf shall be immediately returned to the Company.*
- (c) *Financial Creditors shall, however, be free to proceed against guarantee as outlined in this Resolution Plan. In any such event, the guarantors shall not be entitled for any subrogation rights for the amounts paid under such guarantee obligations. Such beneficiary Financial Creditor shall indemnify Resolution Applicant to the extent of amount received under the guarantee obligation, in the event subrogation right is upheld by any Judicial / Quasi-judicial forum.*
- (d) *Any and all rights and entitlements of any actual or potential third party, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, in relation to any period prior to the Effective Date or arising on account of the acquisition of control by the Resolution Applicant over the Company pursuant to this Resolution Plan, shall be deemed to be permanently extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company or the Resolution Applicant shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto.*

3. *Payment to workmen / employee dues*

- (a) The Resolution Applicant would like to continue employment of such employees and workmen of the Company as determined as suitable by the Resolution Applicant after receiving requisite details of the workmen and employees from Resolution Professional/Monitoring Agent on successful closure of the resolution process.*
- (b) Sify is committed to putting in reasonable effort to upskills employs and engage them in future operations with a role that might be commensurate with their qualifications and experience. Sify will reserve the right to transfer employees as required based on business exigencies with reasonable terms that are not onerous vis-à-vis current terms of employment.*
- (c) In case of any exits the retiral amount and dues as indicated in the IM shared and duly vetted by the RA shall be paid to the employees (except employees related to the promoters / directors of the corporate debtor*
- (d) Further, the approval of this resolution plan would be deemed as a notice of discharge of the employees related to the promoter group or any relatives of the Directors/ Management of the corporate debtor and all their claims whether received or not received by the Resolution Professional shall stand extinguished and no further payment is due.*

4. *Proposal for Statutory Liabilities including outstanding Governmental Authority Dues, Tax, etc.:*

- (a) As per the Information Memorandum provided to the Resolution Applicant, the claims filed by other Operational Creditors including the statutory creditors are INR 5,13,254/- (Indian Rupees Five Lakhs Thirteen Thousand Two Hundred and Fifty Four Only) which has been admitted by the Resolution Professional and Rs. 6,84,65,807 of the Operational Creditors respectively, have not been filed before the Resolution Professional. The Resolution Application proposes the amount of INR 5,13,254 (Indian Rupees Five Lakhs Thirteen Thousand Two Hundred and Fifty Four Only) will be paid to settle admitted statutory dues of the Company on the dates as per the indicative activity schedule given in this Resolution Plan (“Payment Schedule”)*
- (b) As per the email communication from RP dated 19 Aug’19, EPF has filed a claim of INR 29,13,346 (Indian Rupees twenty nine Lakhs Thirteen*

Thousand Three Hundred and Forty six Only), this amount will be paid an upfront payment (within 30 days from the Effective Date).

- (c) Statutory Dues as per RP email dated 22 Aug'19: RA agrees to set aside an aggregate amount of INR 6,56,56,440 for full and final settlement of admitted statutory claims. RA understands (based on email communication from RP) that aggregate statutory dues being claimed and presently under verification are INR 21,88,54,800.*
- (d) The amount being set aside is to settle all admitted claims on pro-rata basis in case the claims exceed the amount provided for.*
- (e) INR 6,56,56, 440 is set aside for all such outstanding admitted claims (whether submitted or not submitted). These will be paid within 30 days of Effective Date.*
- (f) In terms of the Code, the payment due to Operational Creditors should not be less than the liquidation value payable to the operational creditors in the event of a liquidation of the corporate debtor under Section 53 of the Code. This would imply that the Operational Creditors have the right to demand amounts that would be payable to them under a liquidation scenario. Resolution Applicant proposes to pay recoveries to operational creditors in similar proportion to the recoveries of financial creditors only to the extent of admitted claims by the Resolution Professional. Accordingly, the Resolution Applicant seeks a waiver of the remaining dues of operational creditors which have not been admitted by Resolution Professional.*
- (g) Other statutory dues and funds for revival: INR 5.58 Cr. is set aside to fund to cover any unforeseen contingencies and admission of OC claims under verification currently and funds needed for revival of the company.
 - (i) This contingency also provides for payment of any employee claims that might be admitted by the RP.*
 - (ii) If there are no such future claims as mentioned above, then the amount will be added to the payment to financial creditors. The amount will be paid in same proportion as being considered in the financial proposal.*
 - (iii) Any such claims that are under verification by the RP will be paid on a pro rate basis from this contingency fund and it is capped at a maximum of INR 5.58 Cr.*
 - (iv) This settlement will be on pro-rate basis as claims are admitted and no further payments are envisaged.**

- (h) *Accordingly, all Claims or demands[other than those specified in points a) b) c) d) and e) above] made by, or liabilities or obligations owed or payable to or assessed by, the governmental authorities including but not limited to the Central government, the State governments, any regulatory or local authority or body or any agency or instrumentality thereof, in relation to any Taxes, including all such dues, duties, direct or indirect, penalties, fees, interest, fines, levies, cesses, assessments or additions or any other charges or payments whatsoever (including without limitation, the Operational Creditor Claims, the Tax or liabilities and any liabilities in relation to any consent, permission, privilege, entitlement, exemption, benefit, licence or approval granted to the Company or in relation to the Company, whether or not such consent, permission, privilege, entitlement, exemption, benefit, licence or approval is subsisting, lapsed or expired), whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the Provisional Balance Sheet, the balance sheets of the Corporate Debtor or the profit and loss account statements of the Corporate Debtor or the List of Creditors, in relation to any period prior to the Effective Date or arising on account of the acquisition of control by the Resolution Applicant over the Company pursuant to this Resolution Plan, will be written off in full and will be deemed to be permanently extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Corporate Debtor or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto. It is also proposed that no interest or penalty should be levied on the crystallised statutory liabilities with respect to the statutory liabilities of the Company prior to the Effective Date.*
- (i) *Specifically, all dues under the provisions of Applicable Laws relating to Taxes (including without limitation, the Taxes claims and liabilities dues) whether admitted or not, due or contingent, whether or not set out in the Provisional Balance Sheet, the balance sheets of the Company or the profit and loss account statements of the Company or the List of Creditors, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, in relation to any period prior to the Effective Date or arising on account of the acquisition of control by the*

Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan, shall stand extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company shall not be liable to pay any amount against such dues. All notices, ongoing assessments, appellate or other proceedings pending or threatened in relation to the Company, in relation to any period prior to the Effective Date or arising on account of the acquisition of control by the Resolution Applicant over the Company pursuant to this Resolution Plan, shall stand terminated and withdrawn and all consequential liabilities, if any, shall stand extinguished and be considered as not payable by the Company by virtue of the order of the Adjudicating Authority approving this Resolution Plan and any reassessment, revision or other proceedings under the provisions of the Applicable Laws relating to Taxes would be deemed to be barred in relation to any period prior to the Effective Date, by virtue of the order of the Adjudicating Authority approving this Resolution Plan.

- (j) *Any and all rights and entitlements of the Governmental Authorities including but not limited to the Central government, the State governments, any regulatory or local authority or body or any agency or instrumentality thereof (or any other party or entity (under any agreement, lease, licence, approval, consent or permission), whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, in relation to any period prior to the Effective Date or arising on account of the acquisition of control by the Resolution Applicant over the Company pursuant to this Resolution Plan, shall be deemed to be permanently extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company or the Resolution Applicant shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto.*

5. ***Proposal for Operational Creditors (excluding statutory dues, employees and workmen):***

- (a) *As per the List of Creditors, no claims have been filed by Operational Creditors (excluding employees and Workmen, statutory dues). In terms of the Code, the payment due to operational creditors should not be less than the liquidation value payable to the operational creditors in the event of a liquidation of the corporate debtor under Section 53 of*

*the Code. This would imply that the operational creditors have the right to demand amounts that would be payable to them under a liquidation scenario. However, the Liquidation Value is not sufficient to cover debt of the Financial Creditors of the Company in full, therefore, the Liquidation Value of the Operational Creditors or the other creditors or stakeholders of the Company (including dues to employees (other than Workmen), government dues, taxes) is **NIL**. Accordingly, the Resolution Applicant seeks a waiver of all the sum due towards payment of Operational Creditors.*

- (b) *Any and all other Claims or demands made by, or liabilities or obligations owed or payable to (including but not limited to any Operational Debt, any demand for any losses or damages, indemnification, principal, interest, compound interest, penal interest, liquidated damages, and other charges already accrued/ accruing or in connection with any third party Claims) any actual or potential Creditor, vendor, contracting counterparty, Governmental Authority, claimant or any other person whatsoever (including but not limited to the Operational Creditors and its promoters, directors and other related parties of the Company and/ or the Existing Promoters) (singular as "**Third Party**" and collectively as "**Third Parties**"), whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the Provisional Balance Sheet, the balance sheets of the Company or the profit and loss account statements of the Company or the List of Creditors, in relation to any period prior to the Effective Date or arising on account of the acquisition of control by the Resolution Applicant over the Company pursuant to this Resolution Plan, will be written off in full and shall be deemed to be permanently extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.*
- (c) *In the event, if any additional claim filed by the Operational Creditor (excluding employees and workman) is admitted before the Adjudicating Authority approval date of the Resolution Plan, the same shall be not paid by the Resolution Applicant. Further all the liabilities*

and obligations arising from such additional claims shall stand permanently extinguished.

6. Proposal for other Stakeholders (including other Creditors):

- (a) *In relation to any other actual or potential third parties (including creditors, existing shareholders and/or other stakeholders) whose claims have not been covered above, there will be no funds available for payment to them as the Liquidation Value is insufficient to satisfy the claims of even the Financial Creditors in full. Therefore, **NIL** payment has been proposed under the Resolution Plan towards payment to such creditors and/or stakeholders and no source has been identified for such payment under this Resolution Plan.*
- (b) *Any and all claims or demands in connection with or against the Company (including any demand for any losses or damages or in connection with any third party claims or any investigations by any governmental bodies or authorities such as the Central Bureau of Investigation, Enforcement Directorate, Enforcement Directorate (PMLA)) by or to any other stakeholder (including any other actual or potential creditor, if any or any counter-party, including any subsidiary, joint venture or associate) whether under Applicable Law, equity or contract, whether admitted or not, due or contingent, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the Provisional Balance Sheet, the balance sheets of the Company or the profit and loss account statements of the Company or the List of Creditors, and all inquiries, investigations or proceedings in relation to the foregoing, whether civil or criminal, in relation to any period prior to the Effective Date or arising on account of the acquisition of control by the Resolution Applicant over the Company pursuant to this Resolution Plan, shall be settled at **NIL** value at par with Claims of Operational Creditors as set out in this Resolution Plan.*
- (c) *All liabilities in relation to any letters of credit, letters of undertaking, guarantees, counter guarantees, corporate guarantees, bank guarantees, performance guarantees or other contingent or future claims, liabilities and/or commitments of any nature whatsoever (including without limitation, the Tax, the Operational Creditor Claims and liabilities), issued by, or on behalf of, or at the behest of, the*

Company, or incurred or undertaken by the Company (as the case maybe), in relation to any period prior to the Effective Date or arising on account of the acquisition of control by the Resolution Applicant over the Company pursuant to this Resolution Plan, whether asserted or unasserted, whether admitted or not, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, whether or not set out in the Provisional Balance Sheet, the balance sheets of the Company or the profit and loss account statements of the Company or List of Creditors, will be written off in full and will be deemed to be permanently extinguished, by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto

7. *Proposal for existing tenants under sub-lease:*

- (a) The payment for the tenants under sub-lease shall be restricted to the refund of the security deposit adjusted for any amount recoverable towards payment for tenancy period.*
- (b) All the rights and liabilities under the sub-lease agreements shall stand extinguished by virtue of order of the Adjudicating Authority approving this Resolution Plan.*

8. *Treatment of amounts claimed under ongoing litigations:*

- (a) All claims arising out of inquiries, investigations, notices, causes of action, suits, claims, disputes, litigation, arbitration or other judicial, regulatory or administrative proceedings against, the Company or the affairs of the Company, pending or threatened, present or future and the proceedings (under Section 138 of the Negotiable Instruments Act, 1881, the Operational Creditor claims and the Tax related claims or liabilities in relation to any period prior to the Effective Date or on account of acquisition of control by the Resolution Applicant over the Company pursuant to this Resolution Plan, shall be settled at NIL value at par with the treatment accorded to the Operational Creditors of the Company as set out in the Resolution Plan.*
- (b) It is clarified that the Existing Shareholders, managers, directors, officers, employees, workmen or other personnel of the Company shall continue to be liable for all the claims, demand, obligations, penalties*

etc. arising out of any (i) proceedings, inquiries, investigations, orders, show causes, notices, suits, litigation etc (including those arising out of any orders passed by the Adjudicating Authority pursuant to Sections 43, 45, 49, 50, 66, 68, 70, 71, 72, 73, 74 of the Code), whether civil or criminal, pending before any authority, court, tribunal or any other forum prior to the Effective Date or (ii) that may arise out of any proceedings, inquiries, investigations, orders, show cause, notices, suits, litigation etc (including any orders that may be passed by the Adjudicating Authority pursuant to Sections 43, 45, 49, 50, 66, 68, 70, 71, 72, 73, 74 of the Code), whether civil or criminal, that may be initiated or instituted post the approval of the Resolution Plan by the Adjudicating Authority on account of any transactions entered into, or decisions or actions taken by, such Existing Shareholders, managers, directors, officers, employees, workmen or other personnel of the Company, and the Company or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

9. *Limit on Liability*

- (a) *Notwithstanding anything contained in this Resolution Plan, in no event the total cash payments by the Resolution Applicant or the Corporate Debtor to its stakeholders, for claims relating to a period prior to the Effective Date (including claims recognised in this Resolution Plan and claims that may arise in future), shall not exceed INR66,72,46,705 (Indian Rupees Sixty six crore seventy two lakh forty six thousand seven hundred and five only);*
- (b) *the approval of this Resolution Plan by the Adjudicating Authority, and in the case of creditors proposed to be paid pursuant to this Plan, upon the receipt by such creditors of such amounts, any and all rights and entitlements of any actual or potential creditors of the Corporate Debtor, or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan, shall stand permanently extinguished and the Corporate Debtor or the Resolution Applicant shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto.*
- (c) *All claims that may arise in the future, including any claims from dues arising under any law for the time being in force and payable to any*

person, including a counterparty to a contract or to the Central Government, any State Government or any local authority, resulting from a contract, statute, judicial proceeding or otherwise, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, in relation to any period prior to the Completion Date, including any claims with respect to any litigation or other proceedings of the Corporate Debtor, shall stand permanently extinguished and the Corporate Debtor or the Resolution Applicant shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto.

10. CLAIMS BY THE COMPANY

All existing and future claims by the Company and all its existing and future rights, entitlement, etc. with Governmental Authorities or any other Person (including third parties) shall not be affected and shall remain enforceable after the Effective Date and on and from the Effective Date, such claims, entitlements and rights etc., shall be deemed to vest in the Company. Nothing in this Resolution Plan shall be deemed to affect the rights of Company to recover from such asset, claims or rights against any Person and there shall be no set-off of any such amounts recoverable by the Company or any liability of third party towards the Company (as vested in Company) extinguished pursuant to this Resolution Plan

11. INTERESTS OF ALL STAKEHOLDERS

The Resolution Plan proposed by the Resolution Applicant adequately deals with the interests of all stakeholders, including Financial Creditors and Operational Creditors, of the Company, in the following manner:

- (a) Employees/Workmen: The Current plan proposes to continue the services of approx. 70 active employees and workmen as on the rolls of the company on current date. The Resolution Applicant further undertakes to provide adequate training and upskilling opportunities to employees so that they may find suitable employment within the corporate debtor.*
- (b) Banks/FIs: Financial Creditors shall be paid a sum of INR 42.5 cr. towards full and final settlement of their claims in the manner set out*

in the Resolution Plan. However, it is hereby clarified that such payment shall not absolve or be treated as a waiver of the obligation of the existing promoters of corporate debtor or affect the rights of the Financial Creditors to initiate or continue the proceedings against the existing promoters of corporate debtor and the Financial Creditors shall have full discretion to take such steps as they deem appropriate for recovery of such amounts from the existing promoters of corporate debtor.

- (c) *Operational creditors (statutory dues):*
- (i) *Admitted Statutory Dues claim: 100% of admitted Statutory Claim of INR 5,13,254 will be paid an upfront payment (within 30 days from the Effective Date)*
 - (ii) *EPF Claim: 100% of EPF Claim of INR 29,13,346 (based on email communication from RP dated 19 Aug'19) will be paid an upfront payment (within 30 days from the Effective Date)*
 - (iii) *Admitted Statutory Dues claim All remaining claims from statutory authorities (whether admitted or not admitted) will be settled at 30% of the aggregate amount. RA understands (based on email communication from RP) that aggregate statutory dues are INR 21,88,54,800. RA therefore agrees to set aside a fund to cover all other statutory creditors (apart from admitted statutory claim and EPF claim). This amount of INR 6,56,56,440 in full and final settlement within 30 days from the Effective Date for all such outstanding claims.*
- (d) *Operational Creditors: Since the likely liquidation value to other Operational Creditors is NIL it is proposed that NIL value be paid to the other operational creditors*
- (e) *Tenants of sub-lease arrangement: The tenants shall be paid a sum of INR 1,93,62,052 (Indian Rupees One Crore Ninety Three Lakhs Sixty Two Thousand and Fifty Two only) towards repayment of security deposit adjusted for any amount recoverable towards payment for tenancy period.*

12. TREATMENT OF EXISTING SECURITY AND GUARANTEE

- (a) *We understand that the Company has created a charge on its immovable fixed assets, movable fixed assets (Plant & Machinery) and its current assets in favour of the Banks/FIs. All encumbrances/charges created over the assets of the Company shall be released on the payment to the Financial Creditors.*
- (b) *On and after the Final Payment being made to the Financial Creditors (but in any case within a period 15 days thereof), the Banks/FIs shall make appropriate filings with the Ministry of Corporate Affairs/ Registrar of Companies for modification of the charges (in terms of payments agreed to be made herein).*
- (c) *The Financial Creditors shall be free to pursue any remedy they may have against Existing Shareholders/ existing promoters/guarantors/ any other such third parties.*

13. ALL OTHER LIABILITIES AND DEBTS

(a) ***Contingent Liabilities***

All liability, present or future, arising on account of any contingent liability shall be extinguished automatically, as on the Effective Date, without any further action or step on the part of any parties. The Resolution Applicant shall not, in any manner whatsoever, at present or in future, be directly or indirectly responsible or liable for any such contingent liability.

(b) ***New Claims***

Any new claim submitted to the Resolution Professional by any creditor, after the approval of the Resolution Plan by the Committee of Creditors shall not be eligible for consideration and/or payment under the Resolution Plan and shall be deemed to have been extinguished.

(c) ***Treatment of Related Party Claims***

All claims on the Company by any Related Party and all liabilities of the Company towards any Related Party, as on and for the period prior to Effective Date, shall stand extinguished automatically, as on the Effective Date, pursuant to the Adjudicating Authority Approval

Order, without any further action or step on the part of any Person. The Resolution Applicant shall not, in any manner whatsoever, at present or in future, be directly or indirectly responsible or liable for such claims/liabilities.

(d) Treatment of Contractual Claims and Liabilities

Except as otherwise provided in this Resolution Plan, all liabilities (statutory or otherwise) of the Company, arising from any contractual arrangements (including manpower contracts) entered into by the Company, any claims against the Company, or liabilities of the Company, arising or having crystallised prior to the Effective Date shall be deemed to be cancelled and written off on the Effective Date pursuant to Adjudicating Authority Approval Order. Further, any claim against the Company, arising from any contractual arrangements (including manpower contracts), whether set out herein or not, whether admitted or not, due or contingent, asserted or unasserted, present or future, whether or not set out in the Information Memorandum, the balance sheet or the books of accounts of the Corporate Debtor, in relation to any period prior to the Effective Date, will be deemed to be permanently extinguished by virtue of the Adjudicating Authority Approval Order and the Resolution Applicant shall, at no point, be made directly or indirectly responsible or liable for the same.

It is clarified that all shareholders' agreements, sale purchase agreements, share subscription agreements and any other agreements governing the affairs of the Company and/ or governing the inter-se rights of the shareholders shall stand terminated, without any recourse against the Resolution Applicant.

(e) Treatment of all other unspecified liabilities and/ or claims

All other liabilities of the Company (to the extent not specified and/ or dealt with in this Resolution Plan), including but not limited to contingent liabilities, statutory liabilities, customer claims, supplier claims, duties, responsibilities and all other obligations of any nature whatsoever and all dues payable to the other creditors, including any claims or demands or liabilities in connection with or against the Company, whether under Applicable Law, equity or contract, whether admitted or not, due or contingent, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the Information

Memorandum, the balance sheet or the books of accounts of the Corporate Debtor, in relation to any period prior to the Effective Date shall stand extinguished on the Effective Date pursuant to the Adjudicating Authority Approval Order.

14. *HANDOVER OF ASSETS*

All movable and immovable fixed assets and tangible inventories such as stocks and spares shall be reconciled, identified and provided for in the custody of the Resolution Applicant, free of any encumbrances.

15. *The Resolution Applicant hereby confirms that–*

- (a) the Resolution Applicant or any of its related parties has not failed to implement or contribute to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past;*
- (b) this Resolution Plan addresses the cause of default;*
- (c) this Resolution Plan is feasible and viable;*
- (d) this Resolution Plan has provisions for its effective implementation;*
- (e) this Resolution Plan has provisions for approvals required and the timeline for the same; and*
- (f) the Resolution Applicant has the capability to implement the Resolution Plan.*

**CHAPTER VIII – RELIEFS AND CONCESSIONS, DIRECTIONS AND
KEY ASSUMPTIONS**

1. RELIEFS AND CONCESSIONS

Part A: As discussed with CoC

In addition to the approval sought hereinabove, the Resolution Applicant requests the Adjudicating Authority for the reliefs and concessions set out below for the successful implementation of the Resolution Plan. By approving this Resolution Plan, the Adjudicating Authority shall approve the waivers, reliefs and concessions listed below:

- (a) Waiver from the levy of stamp duty and fees by the stamp authorities and Ministry of Corporate Affairs, applicable in relation to this Resolution Plan and its implementation, including particularly for increase in the authorised capital and cancellation / reduction in the paid-up share capital as envisaged under the Resolution Plan.*
- (b) An order directing MIDC / Lessor to accord expeditiously their consent/ approval/ Sanction/No-objection Certificate for transfer of lease in favour of the Resolution Applicant on going concern basis. Further, any penalty or fee or lease rent that is due or is chargeable upon such transfer shall be waived and completely relinquished.*
- (c) All licences, approval and consents available to the Company for conduct of its business shall be transferred in the name of and for the benefit of the Company to continue the business on a going concern basis.*
- (d) Waiver of any income-tax and Minimum Alternate Tax (MAT) liability or consequences (including interest, fine, penalty, etc) on the Company, Resolution Applicant and its shareholders on account of various steps as proposed in the Resolution Plan, including but not limited to liabilities if any under Section 28, Section 43, Section 50 CA, Section 56, Section 79 and Section 115JB of the Income-tax Act, 1961, including, without limitation:
 - i. Waiver of any Tax or MAT liability to the Resolution Applicant on account of purchase of Equity Shares of the Company in accordance with Chapter V;*
 - ii. Waiver of stamp duty and MIDC transfer charges with regards to the transfer of assets from Company to Sify;*
 - iii. Waiver of MAT and income tax implication arising due to write back/write off of liabilities in the books of accounts of the Company without any impact on brought forward tax and books loss/depreciation, pursuant to this Resolution Plan.**

- (e) *Any requirements to obtain waivers from any Tax Authorities including in terms of Section 79 of the Income Tax Act is deemed to have granted upon approval of this Resolution Plan on the Effective Date.*
- (f) *Waiver from the levy of stamp duty and fees by the stamp authorities and Ministry of Corporate Affairs, applicable in relation to this Resolution Plan and its implementation, including particularly for increase in the authorised capital and cancellation / reduction in the paid-up share capital as envisaged under the Resolution Plan.*

Part B: Other Reliefs and Concessions sought

In addition to the approval sought hereinabove, the Resolution Applicant requests the Adjudicating Authority for the reliefs and concessions set out below for the successful implementation of the Resolution Plan. By approving this Resolution Plan, the Adjudicating Authority shall approve the waivers, reliefs and concessions listed below:

- (a) *The Company and the Resolution Applicants shall be granted an exemption from all taxes, levies, fees, transfer charges, transfer premiums, and surcharges that arise from or relate to implementation of the Resolution Plan, since payment of these amounts may make the Resolution Plan unviable.*
- (b) *All Governmental Authorities, including but not limited to the RBI, the Ministry of Environment, the Central and State Pollution Boards to waive any non-compliances by the Company on or prior to the Effective Date.*
- (c) *Waiver of any property tax, whether or not claimed, whether or not filed, whether or not crystallised, whether or not accrued, whether or not admitted, whether or not notional, whether or not known, whether due or contingent, whether or not disputed, present or future, whether or not being adjudicated in any proceedings, whether or not decreed, whether or not reflected in the financial statements of the Company, or whether or not reflected in any record, document, statement, statutory or otherwise, arising prior to the Effective Date shall be deemed to have been irrecoverably waived and permanently extinguished and written off in full with effect from the date of Adjudicating Approval Order.*
- (d) *The relevant Governmental Authorities shall not initiate any investigations, actions or proceeding in relation to any non-compliances with Applicable Law by the Company during the period prior to the Effective Date. Neither shall the Resolution Applicant, nor the Company, nor their respective directors, officers and employee appointed on and as of the Effective Date be liable for any violations, liabilities, penalties or fines with respect to or pursuant to the Company not having in place requisite licences and approvals required to undertake its business as per Applicable Law, or any non-compliances of Applicable Law by the Company. Further, the relevant Governmental Authorities will provide a reasonable period*

-
- of time after the Effective Date, for the Resolution Applicant to assess the status of any non-compliances under the Applicable Law (including with respect to applicable environmental laws, directions or orders by the Ministry of Environment and Forest, permits clearances and forest related clearances) and to procure that the Company regularises such non-compliances under the Applicable Law existing prior to the Effective Date.*
- (e) *Any and all dues to, liabilities or obligations payable to, claims, counter-claims, demands, actions or penalties, made or imposed by or any arrears, dividend or obligations owed or payable to (including but not limited to all interests, damages, losses, expenses and third party claims), and any right, title, interest enjoyed by, any actual or potential other stakeholders of the Company including any Group Company(ies) whether under law or otherwise, whether or not claimed, whether or not filed, whether or not crystallised, whether or not accrued, whether or not admitted, whether or not notional, whether or not known, whether due or contingent, whether or not disputed, present or future, whether or not being adjudicated in any proceedings, whether or not decreed, whether or not reflected in the financial statements of the Company, or whether or not reflected in any record, document, statement, statutory or otherwise, arising prior to or after the Effective Date, but pertaining to period prior to the Effective Date, and / or arising in connection with assignment or acquisition of shares of the Company or conversion of the Debt into Equity or in any other manner as a result of or in connection with this Resolution Plan, shall be deemed to have been irrecoverably waived and permanently extinguished and written off in full with effect from the date of Adjudicating Approval Order. To give effect to such waiver and extinguishment, any contract, agreement, deed or document, whether oral or written, expressed or implied, statutory or otherwise, pursuant to which any such dues, liabilities, obligations, claims, counterclaims, demands, actions, penalties, right, title or interest in claimed (other than as specifically mentioned herein) shall stand modified with effect from the date of Adjudicating Approval Order without any further act, deed and approval of the Resolution Plan by Adjudicating Authority shall be deemed to be sufficient notice which may be required to be given to any person for such matters and no further notice shall be required to be given.*
- (f) *The Ministry of Corporate Affairs and/ or the Adjudicating Authority shall exempt compliance with the provisions of Chapter XV of the Companies Act, 2013 (and the corresponding rules issued under the Companies Act, 2013), in respect of schemes of arrangement contemplated under the Plan. The Company shall be granted waiver/exemption from compliance of provisions of Companies Act and other Applicable Laws for removal of both statutory and internal auditors of the Company and appointment of new auditors.*
- (g) *Directions from Adjudicating Authority to Resolution Professional / Monitoring Agent to ensure all the assets shall be fully insured till the time their possession is handed over to the new management / Resolution Applicant.*

- (h) Any approvals that may be required from Governmental Authorities (including tax authorities) in connection with the implementation of the Resolution Plan including on account of change in ownership/ control of the Company shall be deemed to have been granted on the Effective Date.
- (i) Upon approval of the Resolution Plan by the Adjudicating Authority, all non-compliances, breaches and defaults of the Company for the period prior to the Effective Date (including but not limited to those relating to tax), shall be deemed to be waived by the concerned Governmental Authorities. Immunity shall be deemed to have been granted to the Company from all proceedings and penalties under all Applicable Laws for any non-compliance for the period prior to the Effective Date and no interest/penal implications shall arise due to such non-compliance/default/breach prior to the Effective Date. This includes, without limitation, waiver/extinguishment of:
- i. Liability in respect of past dues of listing fees or any kind of fees and/or penalties to be paid for any period prior to the Effective Date for non-compliances of corporate actions/ disclosures/ corporate governance/ revival of trading activity of the Company;
 - ii. Any liability, fees, penalties of any kind payable to Regulators by the Company for any non-compliance or default, breach, violation prior to the Effective Date, under Foreign Exchange Management Act, 1999, Foreign Trade Policy of the Government of India, 100% Export Oriented Unit related regulations, Companies Act, 1956 and Companies Act;
 - iii. Liability in respect payment of any statutory dues or amounts payable to the employees of the Company under laws relating to payment of gratuity, bonus, provident fund leave encashment and any similar amounts
- (j) Waiver/extinguishment of any tax (including but not limited to income-tax and MAT) and duty (including interest, fine, penalty, etc.) and legal liability pertaining for the period prior to the Effective Date such as any kind of existing and/or future litigation/assessment/scrutiny/contingency etc.,
- (k) From the Effective Date, all inquiries, investigations and proceedings, whether civil or criminal, suits, claims, disputes, proceedings in connection with the Company or affairs of the Company, including proceedings before any courts, tribunals, authorities, pending or threatened, present or future in relation to any period prior to the Effective Date, or arising on account of implementation of this Resolution Plan shall stand withdrawn and dismissed and all liabilities and obligations therefore, whether or not set out in the balance sheets of the Company or the profit and loss account statements of the Company will be deemed to have been written off fully, and permanently extinguished and no adverse orders passed

in the said matters should apply to the Company or the Resolution Applicant. Upon approval of this Resolution Plan, all new inquiries, investigations, notices, suits, claims, disputes, litigations, arbitrations or other judicial, regulatory or administrative proceedings will be deemed to be barred and will not be initiated or admitted against the Company in relation to any period prior to the Effective Date.

- (l) No Governmental Authority (including regulatory, judicial and quasi-judicial authority) shall issue any orders, directions, decrees, judgments etc. that will be in contravention of the provisions of the Resolution Plan.*
- (m) Notwithstanding anything to the contrary contained in this Resolution Plan, the Resolution Applicant agrees and confirms that there are no conditions, assumptions and/or qualifications for effectiveness of the Resolution Plan by the Resolution Applicant, whether before approval by the Adjudicating Authority or thereafter until the Effective Date other than the list of Mandatory Approvals as set out in Schedule I hereto and apart from the ones stated in this Resolution Plan*

It is understood that the concessions, waivers and exemptions asked above are an integral part of the Resolution Plan. Hence if any of these waivers and exemptions are not granted and/or rejected the same will have an adverse impact on the business condition of the Company, its stakeholders and inter alia may result in failure of the Resolution Plan to resolve insolvency.

2. KEY DIRECTIONS

- (a) The Resolution Applicant has been prepared this Resolution Plan with a view to maximise the value of the Company to resolve insolvency and improve utilisation of such resources (in line with the legislative mandate of the Code). It is imperative that the following directions are granted by the Adjudicating Authority, which directions are reasonable and just, in view of the present condition of the business of the Company. In the event the directions are denied or rejected by the Adjudicating Authority, the same will have an adverse impact on the business condition of the Company, its stakeholders and inter alia may result in failure of the Resolution Plan to resolve insolvency. It is hereby clarified that unless a direction is specifically denied or rejected by the Adjudicating Authority, the same shall be deemed to have been granted.*
- (b) Direction to the relevant collector/department of stamps for waiver from the levy of stamp duty applicable in relation to this Resolution Plan and its implementation as envisaged under the Resolution Plan.*
- (c) The Company and the Resolution Applicant shall be granted an exemption from all taxes, levies, fees, transfer charges, transfer premiums, and surcharges that arise from or relate to implementation of the Resolution Plan, since payment of*

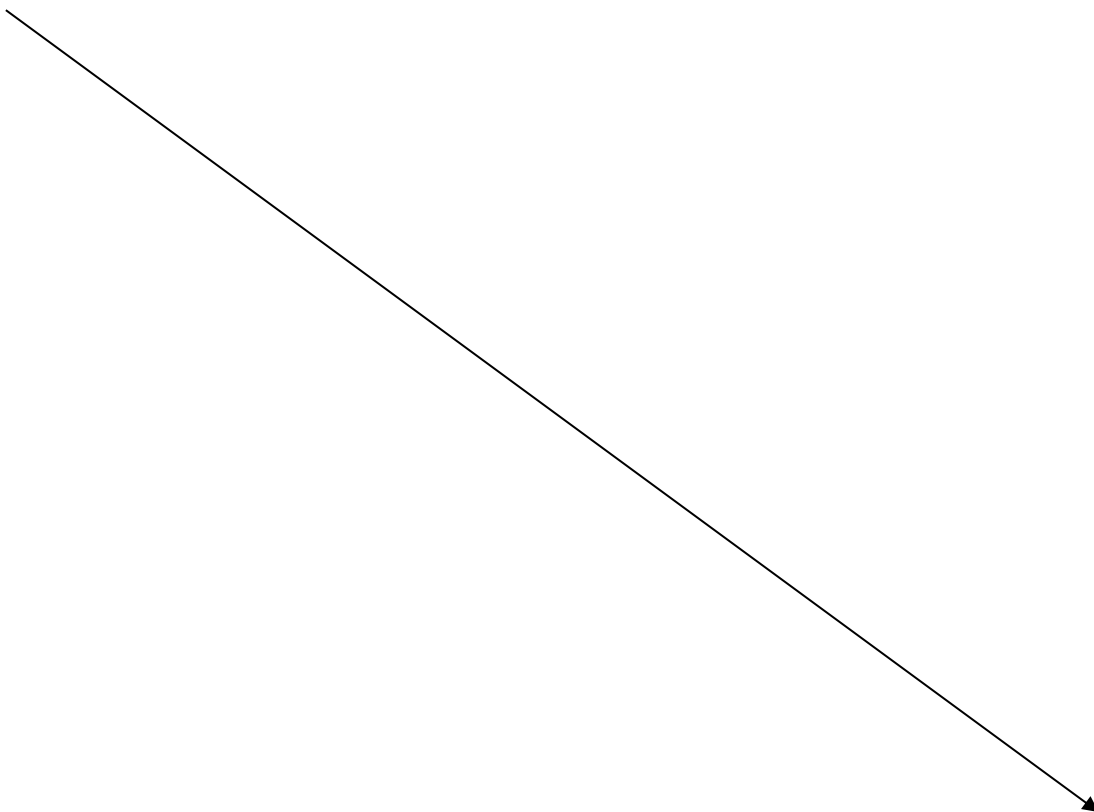
these amounts may make the Resolution Plan unviable. This would include waiver of any Tax and MAT liability on account of purchase of Equity Shares of the Company from selling shareholders, waivers of MAT and income tax implication arising due to hiving off of surplus/ obsolete assets, sold for raising money to make balance payment and waiver of MAT and income tax implication arising due to write back/ write off of liabilities in the books of accounts of the Company, without any impact on brought forward tax and book loss/ depreciation, pursuant to this Resolution Plan. Appropriate directions from the Adjudicating Authority shall be issued to Tax Authorities ensuring compliance in this regard.

3. KEY ASSUMPTIONS, CONDITIONS

- (a) *This Resolution Plan has been prepared solely on the basis of the: (i) information provided in the Information Memorandum, (ii) information provided by the Resolution Professional to the Resolution Applicant, (iii) on the assumptions set out in this Chapter, (iv) acceptance of the Resolution Plan in its entirety including grant of approval for directions, reliefs and concessions by the Adjudicating Authority; (v) extinguishment of claims in the manner detailed herein.*
- (b) *Without prejudice to the generality of Section 3(a) above, this Resolution Plan has been prepared relying on the assumptions set forth below:*
- i. The Company has not availed of any interim finance during the CIRP period;*
 - ii. All dues and payables arising in connection with the operations of the business of the Company during the CIRP Period were duly discharged in accordance with Applicable Law and agreed contractual terms pertaining to such dues and payables.*
 - iii. The details of dues and claims made by Financial Creditors, Operational Creditors, workmen and employees and Statutory Creditors as intimated by the Resolution Professional as of Insolvency Commencement Date are true, correct, complete, accurate and not misleading in any respect;*
 - iv. There are no Persons (i) having the benefit of any security interest or encumbrance over the securities or assets of the Company, other than as specified in the Information memorandum;*
 - v. There are no other creditors of the Company, or Persons with claims (verified, unverified, filed or not filed, admitted or not admitted, contingent or crystallised) against the Company – other than those Persons set forth in the IM and the Persons whose claims form part of CIRP Costs.*
 - vi. No Force Majeure Event will occur on the Company from the date of submission of the Resolution Plan by the Resolution Applicant, until Effective Date.*
 - vii. All licences, registrations and approvals granted to the Company, and/or its subsidiaries prior to the Effective Date shall continue to be valid in accordance*

- with its terms after the Effective Date without the requirement of any express consent or notification to any governmental authority, notwithstanding any terms contained therein, including change of control clauses;*
- viii. *All rights of the Company and in relation to the land owned by the Company shall continue to vest with the Company, notwithstanding the change in ownership and/or management of the Company without the requirement for any express approval or consent of any party;*
- ix. *All statutory obligations due to the Governmental Authorities arising due to the CIRP Period shall have been duly discharged by the Company and/or the Resolution Professional;*
- x. *All liabilities due to workmen and employees of the Company arising during the CIRP Period shall have been duly discharged by the Company and/or the Resolution Professional;*
- xi. *All taxes relating to the Company's business and operations up to the Effective Date have been duly discharged.*

a.



CHAPTER IX – MISCELLANEOUS

1. GOVERNING LAW

The Corporate Debtor and the new management shall be governed by the laws of India giving effect to Adjudicating Authority order approving the Resolution Plan and any agreements, documents and instruments executed in connection with the Resolution Plan

2. ACCOUNTING

On and after the Effective Date, to give effect to the Resolution Plan, the Resolution Applicant shall be permitted to draw upto the financial statements of the Company, for a period ending on the Effective Date (or any date closest to that date as may be practicable) such that it truly reflects the claims verified and the realisable, fair value of the assets as may be determined by the board of directors of the Resolution Applicant. For this purpose, the Resolution Applicant shall be permitted to carry out necessary write off of assets, creation of additional liability or expenses or write back of liability or provision of (as the case may be) in the books of the Company. Write back of liability or provision would be recorded in the books of the Company once first payment is made towards any of the liabilities / debt, as per approved Resolution Plan.

Pursuant to the Adjudicating Authority Order, any debit or credit, being the balancing figure, arising as a result of giving effect to the Resolution Plan, shall be adjusted by the Company directly in the capital reserve account.

3. COMPLIANCE

The binding Resolution Plan submitted by the Resolution Applicant does not violate any provisions of law for the time being in force (including the Code and the CIRP Regulations).

4. EFFECTIVE DATE AND FAILURE OF APPROVED RESOLUTION PLAN

The obligation of the Resolution Applicant to take any steps towards implementation of the resolution plan proposed by it, shall only arise after Effective Date. Till such time the Resolution Plan is made effective on the Effective Date, no past, present or future action, course of conduct, or failure to act in relation to proposed investment in the Company will give rise to or serve as the basis for any obligation or other liability on the part of the Resolution Applicant.

This document constitutes a binding proposal of the Resolution Applicant in respect of resolution of the Company. However, the proposal of the Resolution Applicant is subject to negotiation with the Resolution Professional and the CoC. Therefore, the terms of the Approved Resolution Plan may be different from the terms proposed herein.

In case the Approved Resolution Plan is rejected or is not approved by the Adjudicating Authority, the Resolution Applicant will not be liable in any manner whatsoever under the Approved Resolution Plan. In such case, all the existing liabilities, including but not limited to liability pertaining to the Financial Creditors, Operational Creditors, other Creditors or any dues, claims, demand in present or in future or any contingent liability or any disputes or litigations filed or against the Company shall continue in its name and shall not be waived or modified in any manner.

Provided further that the Resolution Applicant shall be entitled to withdraw the Approved Resolution Plan (without any liability) in case the Adjudicating Authority directs any material amendment to the Approved Resolution Plan, which results in an adverse effect or increased financial liability for the Resolution Applicant.

5. ASSIGNMENT BY CREDITORS

If at any time before the Adjudicating Approval Date, any creditor transfers / assigns its loans / debts to any other person or third party, such assignee / transferee shall be bound by the terms of this Resolution Plan.

6. SEVERABILITY

- (a) *In the event it is determined that any provision of the Resolution Plan is unenforceable either on its face or as applied to any claims or transaction and/or in the event any provision of the Resolution Plan becomes invalid for reasons other than by breach of any party, the new management of the Corporate Debtor may apply to the Adjudicating Authority for appropriate modification of such provisions of the Resolution Plan, to satisfaction of the Adjudicating Authority, and such invalidity and/or unenforceability of the provision of the Resolution Plan shall not render the whole Resolution Plan ineffective, unless otherwise directed by the Adjudicating Authority by order.*
- (b) *In case any such modification is required in the Resolution Plan after the receipt of Adjudicating Authority approval, to comply with any laws currently in force or to apply for certain approvals as required under the Resolution Plan or for*

any other requirements, not 100jeopardising the rights of the creditors under the currents plan, the new management of the Corporate Debtor can do so only after approval of the Adjudicating Authority.

7. MODIFICATION

Notwithstanding anything contained under Applicable Law or otherwise, the amounts and payments contemplated and as set out in this Resolution Plan have been arrived at solely on the basis of the (i) information provided in the Information Memorandum; (ii) information provided to the Resolution Applicant by the Resolution Professional; (iii) on the assumptions as set out in Chapter VIII; (iv) acceptance of the Resolution Plan in its entirety including grant of approval for directions, reliefs and concessions set out in Chapter VIII; (v) extinguishment of claims in the manner set out in the Resolution Plan.

Accordingly, in case of any changes or modifications to any of the foregoing, including where the Adjudicating Authority or any appellate authority / higher courts decline to grant or rejects any terms or stays Adjudicating Authority's order, the Resolution Applicant shall be entitled to seek suitable modification to the Resolution Plan, so that the Resolution Applicant and / or the Company (as the case may be) is in same position as they would have been if the abovementioned provisions of the Resolution Plan were correct and approved in its entirety. It is hereby clarified that, where the Resolution Plan is modified pursuant to the terms hereof, the modifications will be effective from the Effective Date and will entitle the Resolution Applicant to re-adjust the financial plan under this Resolution Plan to address the associated costs and damages.

8. CO-OPERATION FOR HANDOVER

Where the Resolution Professional and the Monitoring Agent do not co-operate with the Resolution Applicant in handing over of all assets and records of the Corporate Debtor in accordance with this Resolution Plan, the Resolution Applicant shall be entitled to make an application to the Adjudicating Authority for necessary directions.

9. CO-OPERATION BY FINANCIAL CREDITORS

In the event that any proceedings are instituted against the Corporate Debtor or the Resolution Applicant or the CoC or the Resolution Professional opposing the approval of the Resolution Plan or seeking to prevent its implementation, the Financial Creditors of the Corporate Debtor who approved the Resolution Plan

shall support the Resolution Applicant for the approval of the Resolution Plan and shall object to any opposition to such Resolution Plan.

Financial Creditors shall promptly provide for satisfaction of all the charges and issuance of no objection certificate to the Resolution Applicant after due payment, as per the terms of this Resolution Plan, to the Financial Creditors

10. EFFECT OF THE ORDER OF ADJUDICATING AUTHORITY

A certified copy of the Approved Resolution Plan shall constitute conclusive evidence of the rights and entitlements of the Company as provided in the Resolution Plan and subject to making the payments as contemplated in the Resolution Plan, the settlement of claims with the Financial Creditors proposed to be paid and discharge and extinguishment of all other claims and obligations, rights and entitlements of dissenting financial creditors, operational creditors and other creditors in accordance with the Resolution Plan by deemed satisfaction, discharge or extinguishment. A certified copy of the Approved Resolution Plan shall, where applicable, constitute conclusive evidence of any modifications or cancellation or abandonment of contractual arrangements or agreements or leases or licences as recorded in the Resolution Plan. The mere production and delivery of a certified copy of the Approved Resolution Plan shall constitute proof of amendment of any constitutional documents of the Company, the authority to create security over the assets of the Company in favour of any refinancing creditor, change in the shareholding of the Company or its loan capital, change in the management of the Company, appointments of key managerial personnel of the Company, removal of the statutory auditor of the Company or revisions in agreements or arrangements by modification or cancellation or abandonment thereof, without any further act or deed.

The mere production and lodgement of a certified copy of the Approved Resolution Plan or a notarially certified copy of the Approved Resolution Plan before any court or tribunal or regulator or government or arbitral tribunal or any administrative authority or any other authority shall be adequate and sufficient for such authorities (or the counter parties to the Company to constitute the revised agreements or arrangements or deemed modification or cancellation or abandonment thereof) to cause the abatement of any cause of action against the Company, or discharge or abatement of any suit or action or claim made in arbitration against the Company, or in any other judicial, quasi-judicial, regulatory, administrative or government proceedings of whatsoever nature in accordance with the Approved Resolution Plan. Any pending or future proceedings against the Company which are contrary to or inconsistent with the terms of the Resolution Plan shall be deemed to be not maintainable or to have

been terminated and closed upon the production and lodgement of the certified copy of the Approved Resolution Plan or a notarially certified copy of the Approved Resolution Plan.

11. REMOVAL OF DIFFICULTIES

In the event that any difficulty arises in the implementation of this Resolution Plan, the Company or the Resolution Applicant shall be entitled to move an application before the Adjudicating Authority and the Adjudicating Authority shall consider passing such orders or modifications of the Resolution Plan as removes the difficulty in its implementation without the requirement of any further decision or vote of the CoC who shall stand discharged in accordance with the Resolution Plan.

12. DECLARATION TO THE EFFECT THAT THE RESOLUTION PLAN IS NOT IN CONTRAVENTION OF PROVISIONS OF ANY APPLICABLE LAW

The Resolution Applicant declares that this Resolution Plan is not in contravention of the provisions of any applicable laws.

13. STATEMENT IN RELATION TO HOW THE RESOLUTION PLAN HAS DEALT WITH INTERESTS OF ALL STAKEHOLDERS, INCLUDING FINANCIAL AND OPERATIONAL CREDITORS OF THE COMPANY

As set out above in the Resolution Plan, the Resolution Plan for the Company has dealt with the interests of all the stakeholders in the Company, including the Financial Creditors (whether consenting, dissenting or abstaining) and Operational Creditors of the Company.

Unless otherwise expressly stated in this Resolution Plan, no creditor, existing shareholder or any other stakeholder of the Company shall be entitled to receive any settlement more than the proportionate settlement payable to a similarly placed class of creditors, shareholders or stakeholders, as stated in this Resolution Plan.

14. BINDING EFFECT

On and with effect from the Effective Date, the Approved Resolution Plan shall be binding on the Company and all stakeholders, including all holders of claims against the Company, including creditors, Governmental Authorities, workmen

and employees, promoters, shareholders and guarantors and all other parties in interest, and each of their respective assigns, successors, legal heirs and assigns.

15. STANDSTILL

After the date of the approval of the Resolution Plan by the CoC, but before the Effective Date, the Resolution Professional and the CoC shall not, without consulting with the Resolution Applicant, take any action or decision which: (A) is outside the ordinary course of business, or (B) has or is likely to have an impact in shareholder's value and the running of the Company (such as, sale of any assets etc).

CHAPTER X – ADDITIONAL TERMS

1. *For the purposes of this Resolution Plan, we have assumed, without any enquiry, that unless disclosed otherwise:*
 - (a) *All the information as provided by Resolution Professional in the Information Memorandum and the Data Room is accurate and true.*
 - (b) *All copies of the documents as shared by the Resolution Professional (“Documents”), based on which this Resolution Plan has been drafted, conform to the originals.*
 - (c) *All seals and signatures in the documents as shared with us are genuine and have been affixed in accordance with Indian Law.*
 - (d) *There exists no agreement, letter or other arrangement, which modify or supersede any of the resolutions, approvals, consents, authorisations, orders, the Documents or any terms thereof.*
 - (e) *There are no facts or circumstances in existence and no events have occurred which render the Documents or performance thereunder void or voidable or repudiated or frustrated or capable of rescission for any reason, and in particular but without limitation by reason of the lack of consideration, default, fraud or misrepresentation and that no governmental or regulatory authority has withdrawn, cancelled or revoked any approval, permission or consent as of the date hereof.*
2. *The Resolution Plan has been prepared based on the Information Memorandum, Code and the CIRP Regulations as existing as on the date of this Resolution Plan. In the event of any subsequent amendment to the Code and/or the CIRP Regulations which may affect the Resolution Plan in any manner whatsoever, the Resolution Applicant reserves the right to amend/modify the terms of the Resolution Plan anytime post such amendment to the Code and/or the CIRP Regulations.*
3. *All claims as disclosed and finalised in the Information Memorandum are treated as conclusive and the Resolution Applicant shall be absolved of any liabilities or obligations in respect of or in relation to any claims or liabilities that are not disclosed in the Information Memorandum even if such claims or liabilities are submitted post the submission of the of this Resolution Plan.*
4. *We have not conducted any title searches on the said properties of the Company and on the basis of the information as provided in the Information*

Memorandum and via the Data Room we understand that the Company has valid right, title and interest (direct or beneficial) over such properties.

5. *All cases, disputes, proceedings pending or instituted against the Company and/or its assets shall stand withdrawn and are deemed to be withdrawn upon approval of the Resolution Plan and the respective stakeholders shall co-operate and do all such acts and deeds necessary to comply with the same.*
6. *Any breach, contractual or otherwise, in relation to business of Company are deemed to be waived off and cured by the respective stakeholders.*
7. *The Resolution Professional has complied with the Code and the CIRP Regulations and procured requisite valuation reports thereunder.*
8. *The (i) assumptions set out being true, complete and accurate; (ii) reliefs, concessions and dispensations sought having been granted and received; and (iii) no breach of the terms and conditions of the resolution plan having been made by any of the persons.*
9. *No Material Adverse Effect having occurred from the date of submission of the Resolution Plan by the Resolution Applicant and until the Effective Date.*
10. *All title deeds, lease deeds, lease agreements, records and all other documents in relation to the assets of the Company being proper and correct and having been deposited with the respective Financial Creditors. These documents shall be released by the Financial Creditors on the payout in accordance with the terms of this Resolution Plan.*
11. *The consequences of any violation, breach, infringement or the like of any Applicable Law by the Company that is not disclosed in the Information Memorandum are not to the account of the Resolution Applicant or the Company on and from the Effective Date.*
12. *Unless specifically disclosed to the contrary in the Information Memorandum, the Company has all the licences to carry on the Business.*
13. *If, at any time the Resolution Applicant, Resolution Professional or the Monitoring Agent, as the case maybe, becomes aware of any circumstances that will or are likely to give rise to the non-fulfilment of any of the terms of the Resolution Plan, then such person shall immediately and in any event within 30 days give to the other person written particulars of any such circumstances and thereafter, the Resolution Applicant, Resolution Professional and the Monitoring Agent, as the case maybe, shall co-operate fully with a view to*

implement the terms of the Resolution Plan. Upon approval of the Resolution Plan by the Adjudicating Authority, Resolution Applicant shall ensure its effective implementation. However, if this Resolution Plan cannot be implemented for any reason not attributable to the Resolution Applicant, then the Resolution Applicant shall have no liability on this account, including any performance guarantee provided by the Resolution Applicant.

14. *The enforcement of the Bank Guarantee issued under the terms of the RFRP shall be subject to the acquisition of the Mandatory Approvals as set out in Schedule I.*

15. ***Conflict***

In the event of any repugnancy or inconsistency between this Resolution Plan and any other documents, the provisions contained in this Resolution Plan shall prevail for all purposes and to all intents.

16. ***Entire Resolution Plan***

The Resolution Plan along with its Schedules, Annexures and Appendices constitutes the entire resolution plan of the Resolution Applicant within the meaning of Section 30 of the IBC and Regulations 38 of the CIRP Regulations and supersedes and cancels any prior oral or written plan, agreement or understanding in this regard.

ANNEXURE C

A. Information of the Resolution Applicant, its directors and their related parties

| <i>Sr. No.</i> | <i>Particulars</i> | <i>Details</i> |
|----------------|--|---|
| <i>1</i> | <i>Name of the Resolution Applicant with Corporate Identification Number (CIN)</i> | <i>Sify Technologies Limited CIN - U72200TN1995PLC050809</i> |
| <i>2</i> | <i>Complete address of the Registered Office of the Resolution Applicant</i> | <i>Tidel Park, 2nd Floor, No. 4, Canal Bank Road, Taramani, Chennai – 600113</i> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| <i>Sr. No.</i> | <i>Particulars</i> | <i>Details</i> | | |
|----------------|-------------------------------------|--|--------------------------------|---|
| 3 | <i>Name of the Directors</i> | <i>The Directors as on 8th July 2019:</i> | | |
| | | <i>S. No.</i> | <i>Name of the Director</i> | |
| | | 1. | <i>Raju Vegesna</i> | |
| | | 2. | <i>Ananda Raju Vegesna</i> | |
| | | 3. | <i>T H Chowdary</i> | |
| | | 4. | <i>C B Mouli</i> | |
| | | 5. | <i>Arun Seth</i> | |
| | | 6. | <i>VegesnaBala Saraswathi</i> | |
| | | 7. | <i>C E S Azariah</i> | |
| 4 | <i>Address of all the Directors</i> | <i>S. No.</i> | <i>Name of the Director</i> | <i>Address</i> |
| | | 1. | <i>Raju Vegesna</i> | <i>5808, Trowbridge Way San Jose, California 95138 – USA</i> |
| | | 2. | <i>Ananda Raju Vegesna</i> | <i>Plot No 242/A, Road No 18 OppJubli Hills Police Station, Jubli Hills Hyderabad 500 033</i> |
| | | 3. | <i>T H Chowdary</i> | <i>Plot No 8, P & T Colony, Karkhana, Secunderabad 500 009</i> |
| | | 4. | <i>C B Mouli</i> | <i>1-2-412/18A, Bharathi NivasGaganmahal Colony, Domalguda, Hyderabad 500 029</i> |
| | | 5. | <i>Arun Seth</i> | <i>A7, Geetanjali Enclave, South Delhi, New Delhi 110 017</i> |
| | | 6. | <i>Vegesna Bala Saraswathi</i> | <i>5808, Trowbridge Way San Jose,</i> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| <i>Sr. No.</i> | <i>Particulars</i> | <i>Details</i> | |
|----------------|------------------------------------|---|--|
| | | | <i>California 95138, USA</i> |
| | | 7. <i>C E S Azariah</i> | <i>Flat No. 3FF, Vayur Block, Parsn Apartments (Opp. Fatima College) Madurai -Dindigul Highway, Madurai - 625018</i> |
| 5 | <i>Shareholding Percentage</i> | <i>Shareholding Pattern as on 8th July 2019</i> | |
| | | | <i>No. of shares</i> |
| | | | <i>% of Shareholding</i> |
| | | <i>Foreign holding:</i> | |
| | | <i>ADRs held by Citibank, New York, Depository (Listed)</i> | <i>2,50,90,369</i> |
| | | | <i>14.01</i> |
| | | <i>Infinity Capital Ventures, LP, USA (Unlisted)</i> | <i>1,39,02,860</i> |
| | | | <i>7.76</i> |
| | | <i>Vegesna Family Trust, USA (Listed)</i> | <i>6,20,466</i> |
| | | | <i>0.35</i> |
| | | <i>Total</i> | <i>3,96,13,695</i> |
| | | | <i>22.11</i> |
| | | <i>Resident holding:</i> | |
| | | <i>Infinity Satcom Universal Private Limited</i> | <i>1,45,30,000</i> |
| | | | <i>8.11</i> |
| | | <i>Ramanand Core Investment Company Private Limited</i> | <i>12,50,00,000</i> |
| | | | <i>69.78</i> |
| | | <i>Others</i> | <i>652</i> |
| | | | <i>0.00</i> |
| | | <i>Total</i> | <i>13,95,30,652</i> |
| | | | <i>77.89</i> |
| | | <i>Grand Total</i> | <i>17,91,44,347</i> |
| | | | <i>100.00</i> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| <i>Sr. No.</i> | <i>Particulars</i> | <i>Details</i> |
|----------------|---|--|
| 6 | <i>Name and Address of the Company Secretary duly appointed under the Companies Act</i> | <i>Mr V Ramanujan – Company Secretary Tidel Park, 2nd Floor, No.4, Rajiv Gandhi Salai, Taramani. Chennai – 600113</i> |

B. Name and other companies in which Directors are holding either position of directors or partner

| <i>S. No.</i> | <i>Name of the Director</i> | <i>Directorship Interest in Other Companies</i> |
|---------------|-----------------------------|--|
| 1. | <i>Raju Vegesna</i> | <ol style="list-style-type: none"> 1. <i>Raju Vegesna Infotech & Industries Private Limited</i> 2. <i>Sify Technologies North America Corporation</i> |
| 2. | <i>Ananda Raju Vegesna</i> | <ol style="list-style-type: none"> 1. <i>Village Inns (India) Limited</i> 2. <i>Sify Data and Managed Services Ltd</i> 3. <i>SifyInfinit Spaces Limited</i> 4. <i>Infinity Satcom Universal Pvt Ltd</i> 5. <i>Rajuvegesna Infotech & Industries Pvt Ltd</i> 6. <i>Ramanand Core Investment Company Pvt Ltd</i> 7. <i>Raju Vegesna Agro Farms & Estates Pvt Ltd</i> 8. <i>V.A.R. Agrotech Pvt Ltd</i> 9. <i>V.R.R. Agrotech Pvt Ltd</i> 10. <i>Satya Sravanthi Agro Farms Pvt Ltd</i> 11. <i>AnanthaKoti Raju Developers Pvt Ltd</i> 12. <i>Raju Vegesna Developers Pvt Ltd</i> 13. <i>Ramanand Developers Pvt Ltd</i> 14. <i>V.A.L.S. Developers Pvt Ltd</i> 15. <i>V.R.R. Shelters Pvt Ltd</i> 16. <i>Aarti Realtors (India) Pvt Ltd</i> 17. <i>KKAAR Farms & Developers Pvt Ltd</i> 18. <i>Silver Hill Town Farms & Developers Pvt Ltd</i> 19. <i>Raju Vegesna Properties (India) Pvt Ltd</i> |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| | | |
|----|-------------------------------|---|
| 3. | <i>T H Chowdary</i> | <ol style="list-style-type: none"> 1. <i>Tera Software Limited</i> 2. <i>Softsol India Limited</i> 3. <i>Sify Data and Managed Services Ltd</i> |
| 4. | <i>C B Mouli</i> | <ol style="list-style-type: none"> 1. <i>Nagarjuna Fertilisers and Chemicals Limited</i> 2. <i>Jaiprakash Engineering and Steel Company Limited</i> 3. <i>Sify Data and Managed Services Ltd</i> 4. <i>Ammanna Equity Fund Private Limited</i> 5. <i>Nagarjuna Foundations</i> 6. <i>Royal Taxation and Accounting Consultants Private Limited</i> |
| 5. | <i>Arun Seth</i> | <ol style="list-style-type: none"> 1. <i>Narayana Hrudayalaya Limited</i> 2. <i>Servion T Global Solutions Ltd</i> 3. <i>Usha Breco Limited</i> 4. <i>Jubilant Life Sciences Limited</i> 5. <i>Hunger Inc Brands India Pvt Ltd</i> 6. <i>Pahle India Foundation</i> 7. <i>Hunger Inc Hospitality Pvt Ltd</i> 8. <i>Nudge Lifeskills Foundation</i> 9. <i>Naffa Innovations Private Ltd</i> 10. <i>Informage Advisory LLP</i> 11. <i>Trinetra Business Advisors India LLP</i> 12. <i>Serene Valley Realtors LLP</i> 13. <i>Trinetra Business Advisors India LLP</i> |
| 6. | <i>VegesnaBala Saraswathi</i> | <i>Nil</i> |
| 7. | <i>C E S Azariah</i> | <i>Financial Benchmarks India Pvt Ltd</i> |

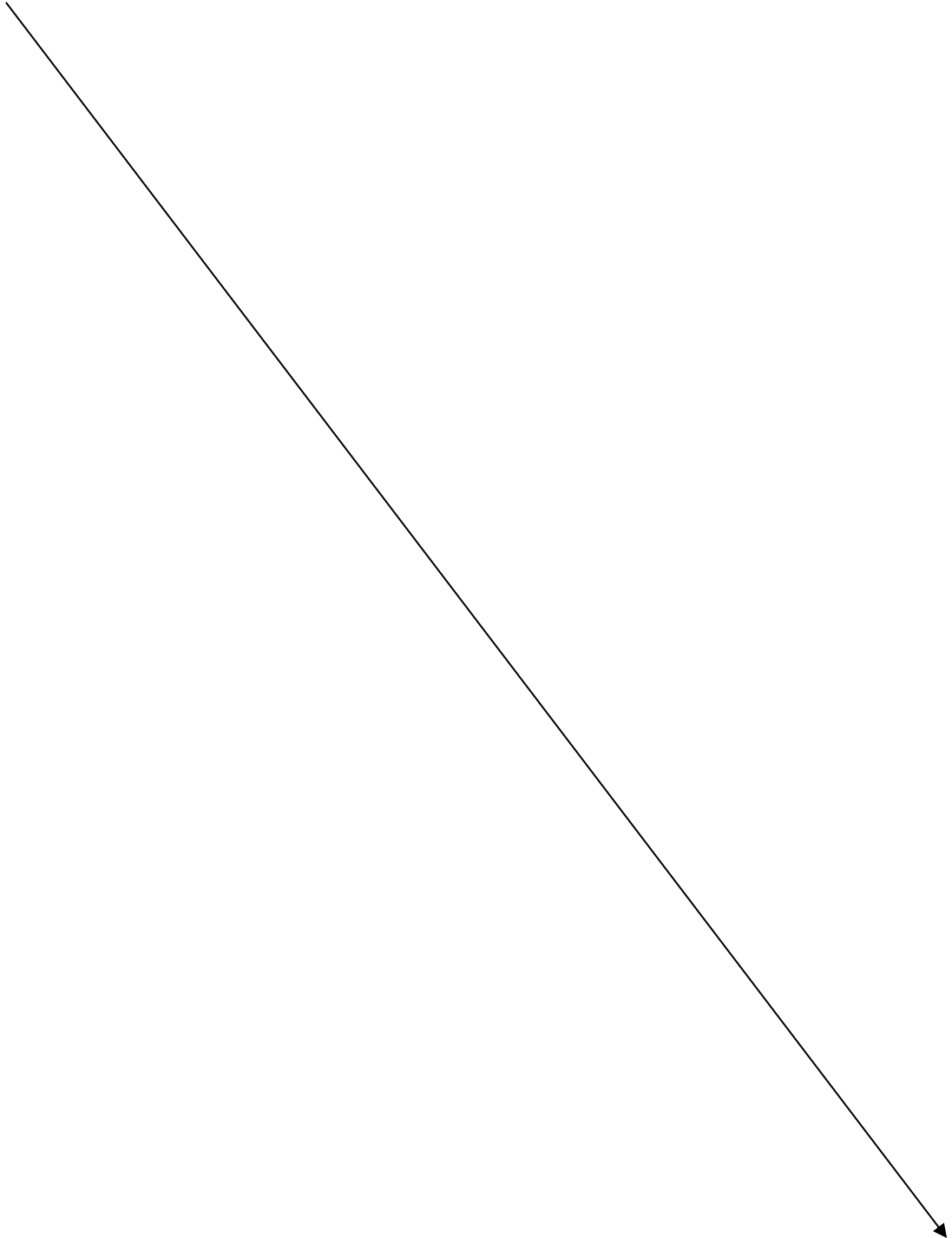
C. List of shareholders having more than 5% shareholding

| Shareholding pattern as on 8.7.2019 | | |
|---|----------------------|--------------------------|
| | No. of shares | % of Shareholding |
| <i>ADRs held by Citibank, New York, Depository (Listed)</i> | <i>2,50,90,369</i> | <i>14.01</i> |
| <i>Infinity Capital Ventures, LP, USA (Unlisted)</i> | <i>1,39,02,860</i> | <i>7.76</i> |
| <i>Infinity Satcom Universal Private Limited</i> | <i>1,45,30,000</i> | <i>8.11</i> |
| <i>Ramanand Core Investment Company Private Limited</i> | <i>12,50,00,000</i> | <i>69.78</i> |

SCHEDULE I

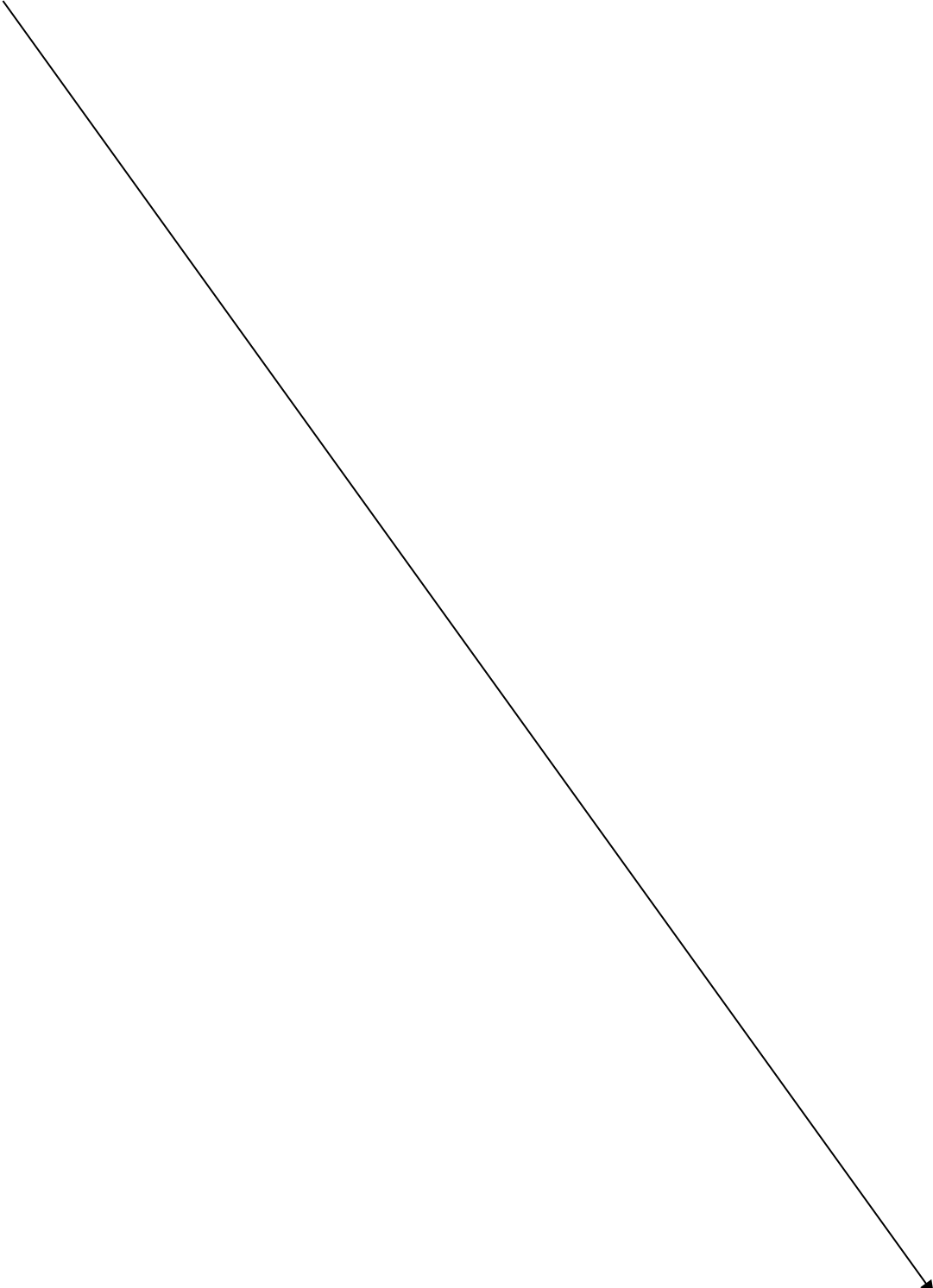
LIST OF MANDATORY APPROVALS

Critical Approvals which shall be conditions precedent to the Effective Date will be discussed with the resolution Professional and CoC of the Corporate Debtor



SCHEDULE II
DISCLOSURE OF CRIMINAL PROCEEDINGS PENDING AGAINST
THE RESOLUTION APPLICANT AND / OR CONNECTED PERSON

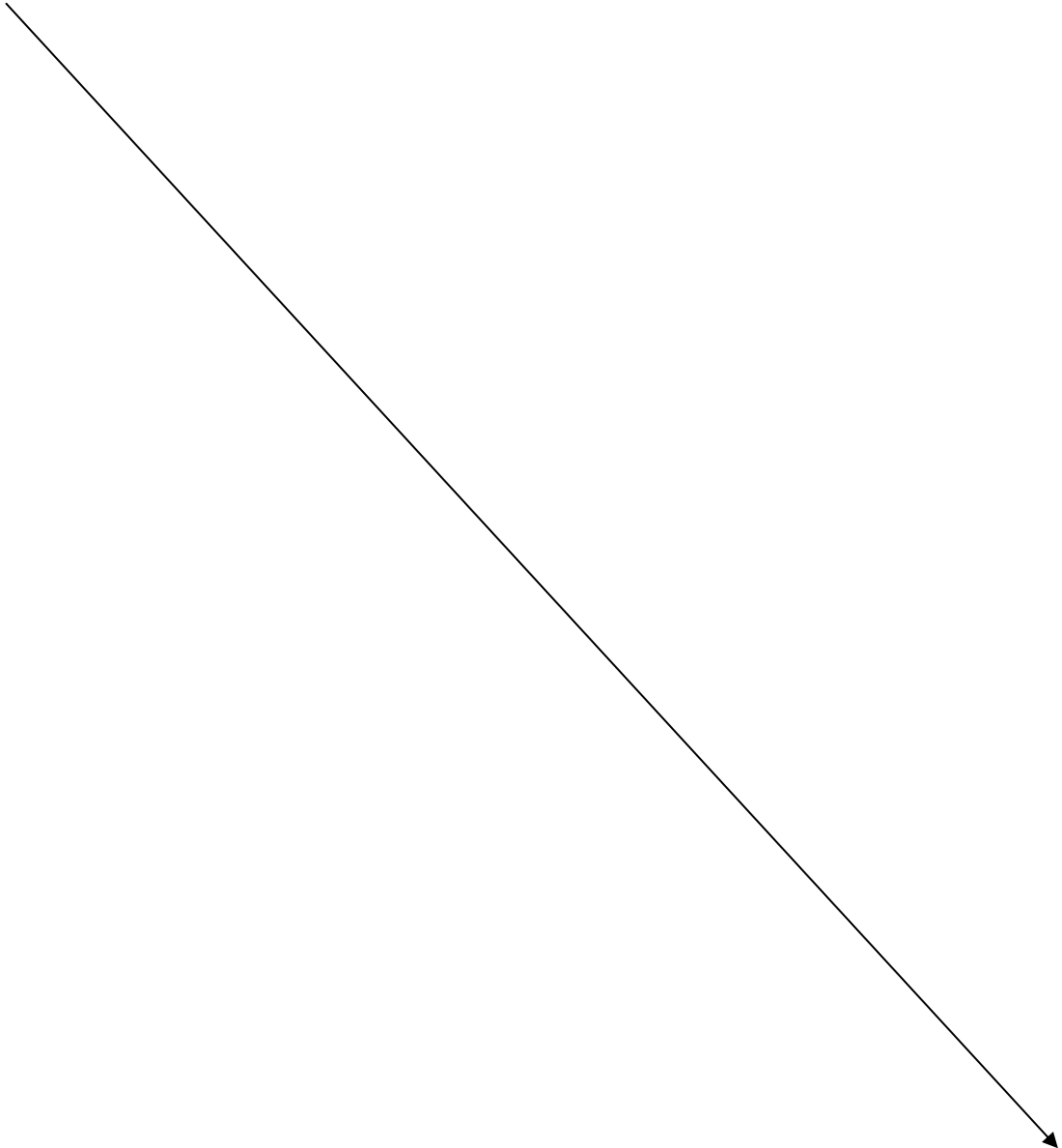
No cases pending against Resolution Applicant and/or connected person



SCHEDULE III
DESCRIPTION OF THE PREMISES

Plot No R-847/2, In "Trans Thane Creek" Industrial area within the village limits of Rabale and within the limits of Navi Mumbai Municipal Corporation, Taluka Thane, Dist-Thane containing admeasurements 12,416 sqmtrs. Or there about together with the structure constructed there on admeasuring 60000 sq ft and bounded as follows:

To East: Plot No R-847/3
To West: Plot No R 847/1
To South-Estate Road
To North-Open Space



SCHEDULE IV
SECURITY POSITION
DETAILS OF SECURITIES WITH FINANCIAL CREDITORS:

PART A

20. *Plot No R-847/2, In “Trans Thane Creek” Industrial area within the village limits of Rabale and within the limits of Navi Mumbai Municipal Corporation, Taluka Thane, Dist-Thane containing admeasurements 12,416 sqmtrs. Or there about together with the structure constructed there on admeasuring 60000 sq ft and bounded as follows:*

To East: Plot No R-847/3
To West: Plot No R 847/1
To South-Estate Road
To North-Open Space

21. *Hypothecation of Movable and current assets and plant and machinery, stocks, book debts.*

PART B

1. *Title of printing machine Komori Original flying integrated infeed unit model FPI-40/4322.*

SCHEDULE V
BUSINESS PLAN

A. Description of business proposed to be carried out:

Sify intends to continue the business activities in the facility of Corporate Debtor (“PHIPL”) by converting the building that houses the printing facility and the facility that is sub-leased to tenants, into data centers. Sify has carried out assessment of the plant and machinery at the manufacturing facilities of the company and understands that many of the existing plant and machinery has not been upgraded since their initial installation in 2008-10. Further we also understand that many of the existing plant and machinery was purchased in second hand and may now be old and obsolete and hence unsuitable to create a modern printing enterprise in the current setup.

Sify is therefore considering transforming the existing infrastructure to a world class data centre which will entail additional capital investment in infrastructure, human resources and technology all of which will lead to significantly enhancing the scale of operations being managed at the current facilities.

Sify will be investing additional capital to convert these building into data center pods. The expected initial capital investment is around INR 90 Cr. The assessment of investment to be made, capacity to be created and the capacity that could be sold can be done only after detailed assessment of the structural design and stability of the building.

Additionally, vacant lands situated in the property shall also be converted to data centers over the period based on customer demands. The investments are expected to be around INR 300 Cr for this.

The above investments directly and indirectly will result in employment opportunities for about 150 people. The cash flow, balance sheet and the income statement are based on the information provided in the Information Memorandum and the Virtual Data Room. More representative projections of income and expenses could be prepared only after a detailed due diligence.

Balance Sheet Projections:

| Balance Sheet Projection | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Assets | | | | | |
| <i>Fixed Assets</i> | 144 | 144 | 194 | 244 | 294 |
| <i>Less: Depreciation</i> | -2 | -4 | -5 | -7 | -8 |
| Net Block | 142 | 140 | 189 | 237 | 286 |

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II

MA No.2972/2019 in CP (IB) No.82/MB.II/2018 and
MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

| Balance Sheet Projection | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Trade receivables | 1 | 1 | 3 | 6 | 10 |
| Cash and Bank balances / Overdraft | -2 | 2 | -5 | -1 | 8 |
| Total Assets | 141 | 144 | 187 | 242 | 304 |
| Liabilities | | | | | |
| Trade payables | 0 | 1 | 2 | 3 | 5 |
| Long term borrowings | 52 | 42 | 56 | 46 | 45 |
| Equity | 88 | 101 | 129 | 193 | 252 |
| Total Equity and Liabilities | 141 | 144 | 187 | 242 | 304 |

Cash Flow Projections:

| Cash flow Projection | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Cash flow from operating activities | 1 | 2 | 4 | 8 | 14 |
| Cash flow from investing activities | -139 | - | -50 | -50 | -50 |
| Cash flow from financing activities | 136 | 3 | 38 | 24 | 29 |
| Net cash / Overdraft | -2 | 5 | -7 | -17 | -7 |

Income Statement Projections:

| Income statement projection | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Revenue from DC | 4 | 5 | 13 | 25 | 40 |
| Revenue from Printing | 0 | - | - | - | - |
| Total Revenue | 4 | 5 | 13 | 25 | 40 |
| Direct Expenses – DC | 2 | 3 | 7 | 14 | 22 |
| Direct Expenses – Printing | 0 | - | - | - | - |
| Total Direct Expenses | 2 | 3 | 7 | 14 | 22 |
| Gross Margin | 2 | 2 | 6 | 11 | 18 |
| Gross Margin % | 45% | 45% | 45% | 45% | 45% |
| Indirect Expenses – SGNA | 0 | | | | |
| EBITDA | 1 | 2 | 6 | 11 | 18 |
| EBITDA % | 35% | 45% | 45% | 45% | 45% |
| Depreciation / Amortisation | 2 | 4 | 5 | 7 | 8 |
| EBIT | -1 | 2 | 1 | 5 | 10 |
| EBIT % | -29% | -36% | 7% | 18% | 26% |
| Finance Expenses | 3 | 4 | 4 | 4 | 5 |
| PBT | -4 | -6 | -3 | 1 | 5 |
| PBT % | -100% | -114% | -26% | 4% | 14% |

B. Execution strategy

The strategy to turnaround the business by running data centers which will generate long-term value to all the stakeholders concerned will be based on following principles:

- 1. Adopt Strong Governance Practices*
- 2. To Support Make in India Policy*
- 3. To be relevant for Digital India*
- 4. Attract and invest in local talent pool*
- 5. Maximise value for the stakeholders*

1. Adopt Strong Governance Practices:

Sify is a company listed in NASDAQ (USA) for more than 19 years. Sify is governed by corporate governance practices of Securities Exchange Commission (SEC) of the USA. Sify has been awarded Golden Peacock Award in the year 2014, which is a recognition of strong corporate governance practices. Our governance structure and the effective management team will ensure that the assets are put to the maximum and most relevant use thereby benefiting all the stakeholders involved.

2. To be Relevant in Digital India:

India is transforming into digital country with the Government of India encouraging Indian Companies to set up Data Centre to support the institutions and Industries. The Government and industries have gained hugely due to Digital growth in the Country over the last decade. The data privacy and data protection rights proposal by Government of India is likely to make more multi-national companies have their data residing in India, which will push for buoyant growth in data center services. Mumbai, being one of the primary Gateway for the Internet in the country, will largely benefit from this policy initiative. Sify, with its data center strategy in Navi Mumbai, will look to partner in this digital India campaign.

3. To support Make in India Policy:

Sify sources the inputs required for the construction, operation and maintenance of the data centers from local suppliers to the extent available. Further, the data center services are offered from India to both Domestic and International customers. The future expansion of capacity in relation to facility and power will be focused towards maximising the philosophy of Make in India. Sify's data center investment will have multiplier effect on the local economy contributing to the national development.

4. Attract and invest in local talent pool:

Sify's investment in data center facilities will create direct and indirect employment for more than 150 people, which will be from the local talent pool. Any expansion of the facility and services will lead to more employment opportunities in the state.

5. Maximise value for stakeholders

Sify drives to create value for all the stakeholders involved. Sify has not defaulted on repayment of its borrowers and creditors. Sify believes in developing business models that benefits the local community with employment opportunities without damaging the environment, Government to increase revenues, customers to receive best in class services, suppliers to be sustainable and the providers of finance to generate return on the borrowings/investments made.

Resolution Applicant can take over 100% shareholding of the Corporate Debtor and demerge printing business and continue with lease business. The Resolution Applicant has option to lease out the premises to its group companies.

The Corporate Debtor was pursuing two businesses - printing and leasing. The Resolution Applicant evaluates that the printing business is not viable owing to moderation in growth in printing industry along with other macro factors affecting the enterprise. Further, substantial portion of the premises is not being utilised for printing business but was let out to generate rent revenue.

The Resolution Applicant proposes to demerge the non-viable printing business and continue the Corporate Debtor as a going concern with the existing leasing business. Accordingly, the Resolution Applicant will enter into a long term, perpetual lease with its group company to run the Data Centre business.

The lump sum lease premium will be utilised to settle the dues of all the stakeholders. The Resolution Applicant also likes to bring to the notice of the Resolution Professional and CoC that the Hon'ble Delhi High Court, in the Matter Of - M/S. INDO RAMA TEXTILE LTD. Vs. M/s. Spentex Industries on 23 July, 2012 held that:

"41. Upon reading of the aforesaid Section, it is apparent that the definition of Demerger in Act, 1961, would be satisfied if the undertaking that is being demerged is hived off as a going concern, that means, if it constitutes a business activity capable of being run independently for a foreseeable future. To ensure that it is a going concern, the Court while sanctioning a Scheme can certainly examine whether essential and

integral assets like plant, machinery and manpower without which it would not be able to run as an independent unit have been transferred to the demerged company."

Hence, lease business constitutes a business activity capable of being run independently for a foreseeable future. To ensure that it is a going concern, the Resolution Applicant proposes that essential and integral assets and manpower to run leasing business as an independent unit have been proposed to be continued by the Resolution Applicant.

The printing business along with its essential and integral assets like plant, machinery and manpower (who may not be able to possess skill sets to be absorbed in the leasing or information technology business) will be demerged as allowed by the IBC amendment 2019."

*

FINDINGS

39. On hearing the submissions made by the Ld. Counsel for the Resolution Professional, the Resolution Plan in hand satisfies the minimum threshold of approval by 66% majority of the CoC. Hence, as per the CoC, the plan meets the requirement of being viable and feasible for revival of the Corporate Debtor. By and large, all the compliances have been done by the RP and the Resolution Applicant for making the plan effective after approval by this Bench.
40. As far as the question of granting time to comply with the statutory obligations/seeking sanctions from governmental authorities is concerned, the Resolution Applicant is directed to do the same within one year as prescribed under section 31(4) of the Code.
41. Further, in case of non-compliance of this order or withdrawal of Resolution Plan, the CoC shall forfeit the EMD amount already paid by the Resolution Applicant.
42. Subject to the observations made in this Order, the Resolution Plan in question is hereby **APPROVED** by this Bench.

43. The Resolution Plan is binding on the Corporate Debtor and other stakeholders involved so that revival of the Debtor Company shall come into force with immediate effect and the Moratorium imposed under section 14 shall cease to have any effect forthwith. The Resolution Professional shall submit the records collected during the commencement of the proceedings to the Insolvency & Bankruptcy Board of India for their record and also return to the Resolution Applicant or New Promoters. Certified copy of this Order be issued on demand to the concerned parties, upon due compliance. Liberty is hereby granted for moving any Miscellaneous Application if required in connection with implementation of this Resolution Plan. That in respect of stepping by the New Promoters/Resolution Applicant into the shoes of the erstwhile Company and taking over the business, the provisions of Companies Act, 2013 shall be applicable and because of this reason a copy of this Order is to be submitted in the Office of the Registrar of Companies, Maharashtra, Mumbai.
44. The RP is further directed to handover all records, premises/factories/ documents to the Resolution Applicant to finalise the further line of action required for starting of the operation. The Resolution Applicant shall have access to all the records/ premises/factories/documents through the Resolution Professional to finalise the further line of action required for starting of the operation.
45. The directions embodied and period of implementation provided hereinabove shall be effective from the date of receipt of this Order.

MA No.3137/2019 in MA No.2972/2019 in CP (IB) No.82/MB.II/2018

46. This is an Application moved by Shri Pramod Hendre and Shri Nandkumar Hendre, suspended directors and promoters of the Corporate Debtor, *viz.*, Print House (India) Private Limited, under section 60(5) of the Code, seeking to implead themselves in the MA No.2972/2019 filed by the Resolution Professional for approval of the Resolution Plan submitted by Sify Technologies Limited, the successful Resolution Applicant.
47. It is the contention of the applicants herein that the Resolution Plan submitted by Sify Technologies Limited, the successful Resolution Applicant, is nothing but a plan for sale of the assets of the Corporate Debtor and simultaneously one for the recovery of debts of the majority Financial Creditor. The Applicants contend that they, being the promoters of the Corporate Debtor and also its guarantors, are clearly interested parties in the CIRP of the Corporate Debtor. They further contend that they are entitled to bring the defects and illegalities blighting the Resolution Plan and the decision-making process.
48. The premises on which the Applicants herein build up their case are, amongst others, the following: -
- (a) The business of the Resolution Applicant is in the field of information and communications technology. It is engaged in providing end-to-end Information & Communications Technology (ICT) solutions including telecom services, data centre services, cloud and managed services, transformation integration services and application integration services.

- (b) For the last nineteen years, the Resolution Applicant has been running a data centre from the premises directly adjacent to the properties from which the Corporate Debtor had been carrying on its business. The Resolution Applicant has no experience in running a printing business, which is the primary business of the Corporate Debtor.
 - (c) Therefore, the Resolution Applicant does not intend to continue the existing business of the Corporate Debtor but intends to continue its own business activities by converting the building that houses the printing facility and the facility that is sub-leased to the Corporate Debtor's tenants, into data centres.
 - (d) The Resolution Applicant clearly does not intend to retain the employees of the Corporate Debtor, and therefore has shied away from providing any express commitment and assurances in that regard.
 - (e) The approved Resolution Plan runs counter to the object of the Code, inasmuch as it does not intend to revive and restructure the business of the Corporate Debtor as it is required to do under the Code. Therefore, the Resolution Plan is only a dressed-up offer to acquire the property of the Corporate Debtor.
 - (f) The CoC has failed to examine the viability of the Resolution Applicant's revised Resolution Plan, which it was obligated to do. The same attracts the Wednesbury principles and therefore merits a judicial review of the CIRP and interference with the decisions of the RP and the CoC by exercise of the powers vested in this Adjudicating Authority under section 31 of the Code. The CoC has tilted the level playing field that is required to be maintained in the CIRP, in favour of the Resolution Applicant.
49. We have considered the objections raised by the Applicants herein, to the Resolution Plan approved by the CoC. The main objection of the Applicants is that the Resolution Applicant intends to change the

main business of the Corporate Debtor from printing business to running Data Centres.

50. We are of the view that there is nothing in the Code that inhibits a Resolution Applicant from pursuing a line of business that is different to the erstwhile business of the Corporate Debtor. If this proposition is accepted, then it would mean that there can never be a situation where the successful Resolution Applicant can revive a Corporate Debtor by pursuing a different line of business. We can easily conceive a situation where the business of the Corporate Debtor is overtaken by technology – examples that come to mind are the pager business, fax business, telex business etc., which were consigned to the dustbin of history when technology overran them. Besides, the Code only contemplates that to the extent possible, the Corporate Debtor shall be continued to be run as a going concern. That, by no means, is enough to bind the Resolution Applicant to the erstwhile business of the Corporate Debtor, especially when there is obsolescence of the business pursued by the Corporate Debtor.
51. Therefore, having heard at length the submissions on behalf of the Applicants in MA 3137/2019, we are of the view that the same cannot be sustained. Moreover, we are bound by the Hon'ble Supreme Court's judgments in *K. Sashidhar v Indian Overseas Bank & others*,¹ and *Committee of Creditors of Essar Steel India Limited v Satish Kumar Gupta & others*,² where the Hon'ble Supreme Court has laid down that the limited judicial review available to the Adjudicating Authority is to see that the Committee of Creditors has taken into account the fact

¹ (2019) 12 SCC 150, decided on 05.02.2019

² (2019) SCC Online SC 1478, decided on 15.11.2019

that the corporate debtor needs to keep going as a going concern during the insolvency resolution process; that it needs to maximise the value of its assets; that the interests of all stakeholders including operational creditors has been taken care of. The commercial wisdom of the Committee of Creditors which has approved the Resolution Plan should be respected, subject to the limited judicial review that is available to us.

52. In this view of the matter and having evaluated the Resolution Plan through the limited window of section 30(2) of the Code available to us, we do not see any reason to interfere with the decision of the CoC taken after due consideration. This Adjudicating Authority does not exercise appellate jurisdiction over the decisions of the Committee of Creditors.
53. For these reasons, the Application in MA 3137/2019 fails, and hence the same is dismissed, but without costs. MA No.2972/2019 is APPROVED as stated in para 42 *supra*.

Sd/-
Chandra Bhan Singh
Member (Technical)
23.06.2020

Sd/-
Rajasekhar V.K.
Member (Judicial)

JS/ug