

SL. No.6

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO: II**

Hearing Through: VC and Physical (Hybrid) Mode

CORAM: SHRI.RAJEEV BHARDWAJ- HON'BLE MEMBER (J)

CORAM: SHRI.SANJAY PURI, - HON'BLE MEMBER (T)

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 04.01.2024 AT 10:30 AM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA (IBC)/1840/2023 in Company Petition IB/120/2022
NAME OF THE COMPANY	ED & Tech International Ltd
NAME OF THE PETITIONER(S)	Lasya Properties
NAME OF THE RESPONDENT(S)	ED & Tech International Ltd
UNDER SECTION	7 of IBC

Order

IA (IBC)/1840/2023

Resolution plan is approved.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – II

IA No.1840 of 2023 in
CP(IB) No.120/7/HDB/2022
u/s. 30(6) of IBC, 2016

In the matter of
M/S. ED & TECH INTERNATIONAL LIMITED

Ms. Mummaneni Vazra Laxmi,
Resolution Professional of
M/s. ED & Tech International Limited,
R/o. Flat No.503, Sree Adity Land Mark,
Rajbhavan Road, Somajiguda,
Hyderabad – 500 082.

....Applicant /
Resolution Professional

In the matter of:

M/s. Lasya Properties,
7-2-1787/1, Czech Colony,
Sanathnagar, Ameerpet,
Hyderabad.

.... Financial Creditor

Vs.

M/s. ED & Tech International Limited
Flat No.104, Lumbini Enclave,
Punja Gutta,
Hyderabad – 500 072.

....Corporate Debtor

Date of Order: 04.01.2024

CORAM:

Hon'ble Sri Rajeev Bhardwaj, Member (Judicial)

Hon'ble Sri Sanjay Puri, Member (Technical)

Counsels present:

For the Applicant : Ms. Mummaneni Vazra Laxmi, RP
Heard on : 23.11.2023

PER: BENCH
ORDER

1. This Application is filed by the Resolution Professional (**RP**) of the Corporate Debtor M/s ED & Tech International Limited under Section 30(6) of IBC, 2016 r/w Regulation 39(4) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, seeking approval of the Resolution Plan submitted by the Consortium of M/s. Kiot Innovations Private Limited and M/s. PTG Ventures Private Limited, Successful Resolution Applicant (**SRA**), duly approved by the Committee of Creditors (CoC) with 100% voting.

Brief facts of the Application:

2. The initiation of the Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor was ordered¹ by this Tribunal on 25.05.2023, and the Applicant was appointed as an Interim Resolution Professional (IRP). Following this, the IRP issued public announcement on 04.06.2023 inviting claims from Creditors and after verification of the claims, prepared the List of Creditors and constituted the Committee of Creditors (CoC) and the same was filed before this Tribunal.
3. The CoC in its 1st meeting² held on 04.07.2023, confirmed the Applicant IRP as Resolution Professional (RP). Pursuant to which, the RP admitted the claims submitted by M/s. Play Motion Private Limited, the Financial Creditor and National Stock Exchange Limited, the Operational Creditor

¹ Pg 22-29 of the Application

² Pg 30-42 of the Application

and revised the constitution of CoC as detailed below and the same was reported to this Tribunal.

Revised List of Creditors:

S.No.	Name of the Creditor	Nature of Claim	Claim Amount (Rs.)	Amount admitted (Rs.)
01	Lasya Properties	Financial	1,71,58,000	1,71,58,000
02	People Tech IT Consultancy Pvt Ltd.	Financial	2,01,58,100	2,01,58,100
03	Play Motion Private Limited	Financial	1,23,77,455	1,23,77,455
04	National Stock Exchange Limited	Operational	12,18,899	12,18,899

Reconstituted CoC:

S.No.	Name of the Creditor	Nature of Claim	Claim Amount (Rs.)	% of Voting
01	Lasya Properties	Financial	1,71,58,000	34.53
02	People Tech IT Consultancy Pvt Ltd.	Financial	2,01,58,100	40.57
03	Play Motion Private Limited	Financial	1,23,77,455	24.90
Total :			4,96,93,555	100

4. Following the directions of CoC in its 2nd meeting³ held on 19.07.2023, the RP published Form-G on 07.08.2023 inviting⁴ the Expression of Interest (EoI) from the Prospective Resolution Applicants (PRAs) for submission of Resolution Plan for the Corporate Debtor. In response, RP received 5 EoIs and 4 of them were shortlisted:

- a. Pamuru Venkata Sreekanth Reddy
- b. Ratakonda Vivek Kumar
- c. PTG Ventures Private Limited
- d. Consortium of Kiot Innovations and PTG Ventures Pvt Ltd.

³ Pg 43-51 of the Application

⁴ Pg 52-53 of the Application

Out of the above four PRAs, the following two PRAs submitted their Resolution Plans before the due date i.e. 06.10.2023:

- a. PTG Ventures Private Limited
- b. Consortium of M/s. Kiot Innovations Private Limited and M/s. PTG Ventures Private Limited

5. The RP apprised the CoC members in its 4th meeting⁵ held on 11.10.2023 about the salient features and certain shortfalls in the Resolution Plans and was also informed the PRAs to submit their compliant Resolution Plans and accordingly PRAs submitted the Resolution Plans on 29.10.2023. After checking the compliance of the Resolution Plans, the CoC in its 5th meeting⁶ held on 06.11.2023 approved the Resolution Plan submitted by the Consortium of M/s. Kiot Innovations and M/s. PTG Ventures Private Limited with 100% voting. The Successful Resolution Applicant (**SRA**) Consortium of M/s. Kiot Innovations and M/s. PTG Ventures Private Limited submitted the Performance Security for 15% of the Resolution Plan amount in the form of Demand Draft⁷ vide DD No.007531 dated 17.11.2023.
6. The salient features of the approved Resolution Plan⁸ submitted by the SRA are furnished hereunder:

S.No.	Outstanding dues in order of priority as per Section 53 of IBC 2016	Amount of Claim admitted by RP (Rs.)	Total amount offered (Rs.)	Timeline
1	CIRP costs	10,00,000 (estimated)	10,00,000	Within 60 days from the NCLT order.
2	Debts due to Operational Creditors other than employees and workmen.	12,18,899	12,18,899	Within 60 days from the NCLT order.

⁵ Pg 66-70 of the Application

⁶ Pg 71-95 of the Application

⁷ Pg 205-207 of the Application

⁸ Pg 99-204 of the Application.

3	Debts due to Financial Creditors (unrelated FC).	4,96,93,555	4,96,93,555	<p>i. Cash component of Rs.2 crores within 60 days from the effective date.</p> <p>ii. Rs.1.5 crores after 60 days within 90 days from the effective date.</p> <p>iii. Rs.1,46,93,555 after 90 days and before 120 days from the effective date.</p>
4	Payments to related unsecured Financial Creditors.	Nil	Nil	---
5	Others	Nil	Nil	---
Total :		5,19,12,554	5,19,12,554	

7. It is submitted that the examination of the Resolution Plan in terms of Section 30 of the IBC 2016 and in terms of Regulation 37 & 38 of the Insolvency and Bankruptcy Board of India (Corporate Insolvency Resolution Process) Regulations, 2016 (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 was conducted as detailed in the Application.⁹
8. RP submitted that as per Section 31 of IBC 2016 the approved Resolution Plan shall be binding on the Corporate Debtor and its employees, members, creditors including the Central Government, any State Government or any Local Authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as Authorities to whom Statutory dues are owed, guarantors and other stakeholders involved in the Resolution Plan.

⁹ Pg 13-18 of the Application

9. RP submitted the Form H¹⁰ Compliance Certificate under Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 confirming the compliance of various Regulations of IBC.
10. With the above facts, it is prayed that the Resolution Plan submitted by **Consortium of M/s. Kiot Innovations Private Limited and M/s. PTG Ventures Private Limited** be approved, and an order passed to discharge or provide immunity from all the liabilities/disputes/proceedings/penalties/suits /attachments/cases whether civil or criminal filed against the CD whether accounted or unaccounted, known or unknown, crystallized or not, on payment of the agreed consideration by Resolution Applicant and the waiver/concessions/grants requested by the Resolution Applicant be granted.

The Decision:

11. We have carefully considered the submissions made by the Applicant RP and also gone through the entire record.
12. Therefore, we are of the view that the instant Resolution Plan satisfies the requirements of Section 30 (2) of the Code and Regulations 37, 38, 38 (1A) and 39 (4) of the Regulations. We also found that the Resolution Applicant is eligible to submit the Resolution Plan under Section 29A of the Code.
13. We therefore, hereby approve the Resolution Plan dated 27.10.2023 submitted by **Consortium of M/s. Kiot Innovations Private Limited and M/s. PTG Ventures Private Limited**, along with annexures, schedules forming part of the Resolution Applicant annexed to the Application and order as under:
 - i. The Resolution Plan along with annexures and schedules forming part of the plan shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, any State

¹⁰ Pg 208-216 of the Application

Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force is due, guarantors and other stakeholders involved in the Resolution Plan.

- ii. All crystallized liabilities and unclaimed liabilities of the Corporate Debtor as on the date of this order shall stand extinguished on the approval of this Resolution Plan.
- iii. The approval of the Resolution Plan shall not be construed as waiver of any statutory obligations/ liabilities of the Corporate Debtor and shall be dealt with by the appropriate Authorities in accordance with law. Any waiver sought in the Resolution Plan, shall be subject to approval by the Authorities concerned as held by Hon'ble Supreme Court in the matter of ***Ghanashyam Mishra And Sons Private Limited Versus Edelweiss Asset Reconstruction Company Limited*** in Civil Appeal No.8129 of 2019 dated 13.04.2021.
- iv. It is hereby ordered that the Performance Bank Guarantee furnished by the Resolution Applicant shall remain as performance Bank Guarantee till the amount proposed to be paid to the creditors under this plan is fully paid off and the plan is fully implemented.
- v. The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the Registrar of Companies (RoC) Hyderabad for information and record. The Successful Resolution Applicant, for effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed.
- vi. Henceforth, no creditors of the erstwhile Corporate Debtor can claim anything other than the liabilities referred to supra.

- vii. The moratorium under Section 14 of the Code shall cease to have effect from this date.
 - viii. The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with copy of this order for information.
 - ix. The Applicant shall forthwith send a copy of this order to the CoC and the Resolution Applicant.
 - x. The Registry is directed to furnish free copy to the parties as per Rule 50 of the NCLT Rules, 2016.
 - xi. The Registry is directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data and also forward a copy to IBBI.
14. Accordingly, **IA 1840 of 2023 in CP No.120/7/HDB/2022** stands disposed of.

Sd/-
(SANJAY PURI)
MEMBER (TECHNICAL)

Sd/-
(RAJEEV BHARDWAJ)
MEMBER (JUDICIAL)

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