

## Analysis Results

### Narration of the Meeting Context

The 2nd Audit Committee meeting of 2025-26 will be held on June 10, 2025. The meeting is chaired by Mrs. Jayanthi Talluri, an Independent Director. The agenda focuses on two main items: granting leave of absence and confirming quorum, and approving the filing of Bankruptcy by Securekloud Technologies Inc., a subsidiary in the USA. This meeting may involve sensitive financial discussions and compliance implications.

### Key Content Extraction

- **Item No 1: Grant leave of absence if any and confirm quorum**
  - Confirm receipt of notice, agenda, and related notes
  - Discuss and grant leave of absence to directors who cannot attend the meeting
  - Confirm presence of requisite quorum and Company Secretary
- **Item No 2: To grant approval for filing of Bankruptcy by Securekloud Technologies Inc., in USA**
  - Securekloud Technologies Inc. proposes to file Bankruptcy due to inability to repay debts
  - The company owes Rs. 35 crores (approx.) to the subsidiary, and has provided a corporate guarantee for about \$ 5 million (40 crores approx.)
  - Financial implications of the Company will be discussed

### Probing Questions for Independent Directors

#### Financial Exposure & Performance

1. What is the current financial situation of Securekloud Technologies Inc., and how does it impact the parent company?
2. How will the Bankruptcy filing affect the company's financial performance, including debt repayment and cash flow?

#### Risk Management & Due Diligence

3. Have all necessary due diligence measures been taken to ensure that the subsidiary's financial situation is accurately reflected in the Bankruptcy filing?
4. What are the potential risks associated with the Bankruptcy filing, and how will they be mitigated?

#### Compliance & Governance

5. Are there any compliance requirements or regulatory implications related to the Bankruptcy filing

that need to be considered?

6. How will the company ensure transparency and disclosure in this process, particularly regarding minority shareholder interests?

### **Strategic & Operational Impact**

7. What are the operational implications of the Bankruptcy filing on the subsidiary's business and employees?
8. How will the company's overall strategy be affected by this development, and what alternatives were considered?

### **ESG & Stakeholder Considerations**

9. How will the Bankruptcy filing impact the company's ESG (Environmental, Social, and Governance) performance and reputation?
10. What steps will be taken to communicate with stakeholders, including employees, customers, and investors, regarding this development?

### **Key Responsibilities & Recommendations**

As Independent Directors, it is essential to:

- Demand accountability from management for their role in the subsidiary's financial situation
- Evaluate alternatives to Bankruptcy filing, considering potential risks and implications
- Ensure transparency and disclosure in the process, particularly regarding minority shareholder interests

Pre-meeting prep tips:

- Review the company's financial statements and subsidiaries' performance
- Familiarize yourself with the Bankruptcy filing process and its implications
- Prepare questions for management and other directors to ensure a thorough discussion

Follow-up actions:

- Verify that all necessary disclosures are made to regulatory bodies and stakeholders
- Monitor the subsidiary's progress in addressing its financial issues and implementing any agreed-upon restructuring plans

### **Offer for Further Materials**

Do you want me to prepare a Management Response Note or a training package based on this analysis?



## Draft Note

### Draft Independent Directors' Note

#### Meeting Context and Fiduciary Responsibilities

As Independent Directors, we are entrusted with the responsibility of safeguarding the interests of shareholders and stakeholders. In light of the agenda items presented at the 2nd Audit Committee meeting of 2025-26, we must exercise our fiduciary duties to ensure that the company's financial situation is accurately reflected in the Bankruptcy filing.

#### Observations and Concerns

The proposed Bankruptcy filing by Securekloud Technologies Inc. raises several concerns regarding financial risks, governance gaps, and compliance implications. We are concerned about the potential impact on the parent company's financial performance, including debt repayment and cash flow. Furthermore, we must ensure that all necessary due diligence measures have been taken to accurately reflect the subsidiary's financial situation in the Bankruptcy filing.

#### Key Questions Raised

During the meeting, several questions were raised regarding the agenda items:

1. What is the current financial situation of Securekloud Technologies Inc., and how does it impact the parent company?
2. How will the Bankruptcy filing affect the company's financial performance, including debt repayment and cash flow?
3. Have all necessary due diligence measures been taken to ensure that the subsidiary's financial situation is accurately reflected in the Bankruptcy filing?
4. What are the potential risks associated with the Bankruptcy filing, and how will they be mitigated?

#### Recommendations

As Independent Directors, we recommend that:

1. Management provides a comprehensive written response addressing our concerns and questions.
2. The company ensures transparency and disclosure regarding the Bankruptcy filing, particularly regarding minority shareholder interests.
3. A thorough review of the subsidiary's financial situation is conducted to identify potential risks and implications.

#### Position on Agenda Item

We conditionally approve the proposed Bankruptcy filing pending receipt of written management responses addressing our concerns and questions. We emphasize that it is essential to ensure transparency, compliance with SEBI LODR, and preventive measures for the future.

## **Conclusion**

As Independent Directors, we are committed to protecting the interests of shareholders and stakeholders. In light of the agenda items presented at this meeting, we must exercise our fiduciary duties to ensure that the company's financial situation is accurately reflected in the Bankruptcy filing. We look forward to receiving written management responses addressing our concerns and questions.

## **Offer for Further Materials**

We would appreciate it if you could prepare a Management Response Note or a training package based on this analysis, focusing on the fiduciary stance of Independent Directors, summarizing observations and concerns regarding the agenda items, listing key questions raised during the meeting, emphasizing transparency, compliance with SEBI LODR, and preventive measures for the future.

## Role Mapping

Here is the output:

Question Number	Original Question	Mapped Role(s)	Rationale
1	What is the current financial situation of Securekloud Technologies Inc., and how does it impact the parent company?	CFO, CEO/Executive Director	The CFO can provide information on the subsidiary's financial situation, while the CEO/Executive Director can offer insights on its impact on the parent company.
2	How will the Bankruptcy filing affect the company's financial performance, including debt repayment and cash flow?	CFO, Risk Manager/Head of Risk	The CFO can discuss the financial implications, while the Risk Manager/Head of Risk can provide information on potential risks and mitigation strategies.
3	Have all necessary due diligence measures been taken to ensure that the subsidiary's financial situation is accurately reflected in the Bankruptcy filing?	Compliance Officer/Company Secretary, Legal Counsel/General Counsel	The Compliance Officer/Company Secretary can verify compliance with regulatory requirements, while the Legal Counsel/General Counsel can provide information on legal implications and due diligence processes.
4	What are the potential risks associated with the Bankruptcy filing, and how will they be mitigated?	Risk Manager/Head of Risk, CFO	The Risk Manager/Head of Risk can identify potential risks, while the CFO can discuss mitigation strategies and financial implications.
5	Are there any compliance requirements or regulatory implications related to the Bankruptcy filing that need to be considered?	Compliance Officer/Company Secretary, Legal Counsel/General Counsel	The Compliance Officer/Company Secretary can verify compliance with regulatory requirements, while the Legal Counsel/General Counsel can provide information on legal implications and compliance processes.
6	How will the company ensure transparency and disclosure in this process, particularly regarding minority shareholder interests?	Compliance Officer/Company Secretary, CEO/Executive Director	The Compliance Officer/Company Secretary can discuss disclosure requirements, while the CEO/Executive Director can offer insights on transparency and communication with stakeholders.
7	What are the operational implications of the Bankruptcy filing on the subsidiary's business and employees?	Strategy Head/COO, HR Head	The Strategy Head/COO can discuss operational impacts, while the HR Head can provide information on employee-related implications.
8	How will the company's overall strategy be affected by this development, and what	CEO/Executive Director, Strategy Head/COO	The CEO/Executive Director can offer insights on strategic implications, while the Strategy Head/COO can discuss

	alternatives were considered?		alternative scenarios and operational impacts.
9	How will the Bankruptcy filing impact the company's ESG (Environmental, Social, and Governance) performance and reputation?	CSR/ESG Head, CEO/Executive Director	The CSR/ESG Head can provide information on ESG implications, while the CEO/Executive Director can offer insights on reputational impacts.
10	What steps will be taken to communicate with stakeholders, including employees, customers, and investors, regarding this development?	HR Head, CEO/Executive Director	The HR Head can discuss employee communication, while the CEO/Executive Director can provide information on overall stakeholder engagement and communication strategies.

Let me know if you'd like me to prepare a Management Response Note or a training package based on this analysis!