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CIN : L74210DL1971PLC005712



TECHNOFAB ENGINEERING LIMITED

November 23, 2022

The National Stock Exchange of India Limited
Exchange Plaza, Plot No. C-1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051
Symbol: TECHNOFAB

The BSE Limited
15th Floor, Phiroze Jeejeeboy Towers
Dalal Street
Mumbai – 400001
Security Code: 533216

Reg.: Initiation of Corporate Insolvency Resolution Process (CIRP) against Technofab Engineering Limited

Ref: (a) Order of Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench on 18 November 2022

Dear Sir/ Madam,

With reference to the captioned matter, we have received an Order no CP(IB)-681 (ND)/2022 dated 18 November 2022 (Order Received on 22 November 2022) in the matter of M/s Technofab Engineering Limited (Company) passed by Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench, Court-II {enclosed herewith} in respect of initiation of Corporate Insolvency Resolution Process (CIRP) against the Company.

In view of the above order, CA IP Pradeep Kumar Kabra has been appointed as an IRP having IBBI Registration No. IBBI-/IPA-001/IP-P0101104/2017-18/11790/2018-19/12411.

The proceedings and developments shall be intimated to the Stock Exchanges accordingly.

This is for your information and records.

Thanking You,

For Technofab Engineering Limited


SN Tandon
Chief Financial Officer



NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH (COURT-II)

(IB)-681(ND)/2022

IN THE MATTER OF:

State Bank of India

Having Its Central Office at Mumbai
Its Local Head Office Inter Alia at:
11, Parliament Street, New Delhi – 11001

Having one of its branches
Stressed Assets Management Branch
I, 12th Floor, Jawahar Vyapar Bhawan,
STP Building, 1 Tolstoy Marg, Janpath,
New Delhi - 110001

...Applicant/Financial Creditor

VERSUS

M/s. Technofab Engineering Private Limited

Registered Office at:
913, Hemkunt Chambers,
89, Nehru Place, New Delhi – 110019

...Respondent

Section: 7 of IBC, 2016

Order Delivered on: 18.11.2022

CORAM

SH. BACHU VENKAT BALARAM DAS, HON'BLE MEMBER (J)

SH. L.N. GUPTA, HON'BLE MEMBER (T)

PRESENT:

For the Applicant : Adv. Bheem Sain Jain

For the Respondent : Adv. Mohammad Shahan Ulla

ORDER

PER SHRI L. N. GUPTA, MEMBER (T)

State Bank of India (for brevity, the '**Applicant/Financial Creditor**') has filed the present petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 (for brevity, the '**IBC, 2016**') read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 with a prayer to initiate the Corporate Insolvency process against M/s. Technofab Engineering Private Limited (the '**Respondent**').

2. The Respondent namely, M/s. Technofab Engineering Private Limited is a Company incorporated on 20.07.1971 under the provisions of erstwhile Companies Act, 1956 with CIN L74210DL1971PLC005712 having its registered office at 913, Hemkunt Chambers; 89, Nehru Place; New Delhi – 110019, which is within the territorial jurisdiction of this Tribunal. The Authorized Share Capital of the Respondent Company is Rs. 18,00,00,000/- and Paid-up Share Capital is Rs. 10,49,00,000/- as per the master data annexed with the Petition.

3. It is stated by the Applicant that Respondent furnished requisite Board Resolution dated 13.10.2017 in respect of the loan credit facilities granted. The Respondent, as Borrower, for the purpose of running its business, availed various credit facilities from the erstwhile State Bank of Hyderabad and erstwhile State Bank of Mysore, which

were part of a consortium with Bank of India as lead Bank referred to as "Bank of India Consortium".

4. Pursuant to the Notification No. 128 Part II, Section 3, Sub Section (i) and Order No. G.S.R.157 (E) dated 22.02.2017 of the Government of India, the erstwhile State Bank of Hyderabad and erstwhile State Bank of Mysore were acquired by Applicant Bank with effect from April 1, 2017. In terms of the said notification, on and from the effective date of 01.07.2017, the undertakings of the erstwhile State Bank of Hyderabad and erstwhile State Bank of Mysore were transferred to and now, currently vest in Applicant Bank/SBI.

5. Out of the total loan/credit facilities of Rs. 907 Crore granted by the Bank of India led Consortium to the Corporate Debtor, the Applicant Bank/SBI granted credit facilities for a total amount of Rs. 117 crore (one hundred and seventeen crore) only to the Corporate Debtor vide Letter of Arrangement dated 11.10.2017. The details of aforementioned credit facilities are as under:

Sl. No	Nature Of Facility	Amount (Rs. in crore)
A.	Fund Based	
1.	Cash Credit	10.00
	Total Fund Based Limit	10.00
B.	Non-Fund Based	
2.	Bank Guarantee	107.00
3.	Letter of Credit (as sub limit of Bank Guarantee)	(27.00)
	Total Non-Fund Based Limits	107.00
	Total	117.00

6. The particulars of the total unpaid financial amount of debt and the date of default etc. are mentioned in Part IV of the application, which is reproduced below:

PART-IV PARTICULARS OF FINANCIAL DEBT		
1.	TOTAL AMOUNT OF DEBT GRANTED DATE(S) OF DISBURSEMENT	DATE OF SANCTIONS ALONGWITH AMOUNTS: - ➤ 11.10.2017: RS. 117 CRORES
2.	AMOUNT CLAIMED TO BE IN DEFAULT AND THE DATE ON WHICH THE DEFAULT OCCURRED (ATTACH THE WORKINGS FOR COMPUTATION OF AMOUNT AND DAYS OF DEFAULT IN TABULAR FORM)	AMOUNT: RS. Rs. 67,60,14,344.90/- (Rupees sixty seven crores sixty lakhs fourteen thousand three hundred forty four and paise ninety only) as on 30.06.2022 DATE OF DEFAULT: ➤ 27.06.2019: THE ACCOUNT OF THE CORPORATE DEBTOR STOOD CLASSIFIED AS NPA. ➤ CORPORATE DEBTOR ACKNOWLEDGED THEIR LIABILITY VIDE DULY AUDITED BALANCE SHEET AS AT 31.03.2020 BUT FAILED TO PAY. ➤ CORPORATE DEBTOR ACKNOWLEDGED THEIR LIABILITY TO PAY THE OUTSTANDING AMOUNT VIDE REVIVAL LETTER DATED 19.06.2020 BUT
		17 FAILED TO PAY. (DETAILED STATEMENT OF ACCOUNT ALONGWITH INTEREST CALCULATION SHEET IS ANNEXED ALONGWITH THE PRESENT APPLICATION).

7. From the perusal of the Part IV of the Application, it is observed that the Applicant has claimed an amount of Rs.67,60,14,344.90/- as the unpaid financial debt and relied on the date of NPA i.e., 27.06.2019 as the date of default.

8. The Financial Creditor has relied on the following documents to prove the existence of the financial debt:

- a) Copy of the balance confirmation letter dated 18.10.2018.
- b) Copy of the balance confirmation letter dated 18.10.2018.
- c) Revival letter dated 19.06.2020.
- d) Copy of the Loan Recall Notice dated 15.11.2021 along with postal receipt and tracking report.
- e) Copy of the Record of Financial Information registered with National E-Governance Services Limited (NESL).

9. Basing on the aforesaid facts and documents, the Financial Creditor has prayed for initiation of CIRP against the Respondent.

10. This Adjudicating Authority has issued notice to the Respondent on 22.09.2022.

11. During the course of hearing on 15.11.2022, the Ld. Counsel appearing for the Respondent submitted that the Respondent does not wish to file the reply. He further submitted before the Bench that he has instructions to admit the liability, claimed by the Applicant in the present petition.

12. We have heard the Counsels for both the parties and have perused the documents placed on record. From perusal of the "REVIVAL LETTER" dated 19.06.2020 annexed at page no. 652 and 653 of the Petition, it is observed that the Respondent had admitted its liability. The scanned copy of the said letter is reproduced below:

REVIVAL LETTER

Place: New Delhi
Date:

Bank of India
New Delhi Large Corporate Branch
Lead Bank of the BOI Consortium
New Delhi-110001.

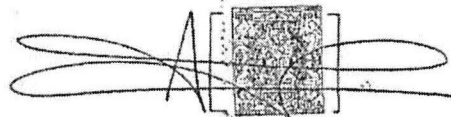
Dear Sir,

We refer to the Working Capital Consortium Agreement dated the 17th day of October, 2017 entered into by us with You as the Lead Bank and Axis Bank, Bank of Baroda, State Bank of India, IDBI Bank Limited and Punjab National Bank (Formerly known as United Bank of India, now merged with Punjab National Bank) as the Member Banks in respect of the Working Capital Facilities granted to us, hereinafter referred to as "the BOI Consortium" or "the said Banks" and the charge by way of hypothecation created by us on our stock, book debt, current assets, plant & machinery, movable fixed assets and the charge by way of Equitable Mortgage created by us on our immovable fixed assets and the charge by way of pledge of shares and all other securities as mentioned therein to secure all sums standing at the foot of the Cash Credit/ WCDL/ ECB/ Export Packing Credit/ Inland Bill Purchased/ Discounted/ Foreign Bills Purchased/ Discounted/ Letters of Credit/ Buyers Credit/ Guarantee issued/ other Accounts/ Adhoc limits with You and the Member Banks in respect of such Facilities.

We do hereby confirm that all the Security Documents (including revival letter and / or acknowledgement of Debt and Securities) executed by us from time to time in favour of You and the Member Banks in respect of such Facilities are subsisting, valid and effective and are fully enforceable against us.

We do hereby acknowledge for the purpose of Section 18 of the Indian Limitation Act, 1963 and in order to preclude any question, being raised on limitation regarding our liability to your Bank and the Member Banks for the payment of the outstanding amounts in respect of the present as well as the future indebtedness and liabilities under the said Cash Credit / WCDL/ ECB/ Export Packing Credit/ Inland Bill Purchased/ Discounted/ Foreign Bills Purchased/ Discounted/ Letters of Credit/ Buyers Credit/ Guarantee issued/ other Accounts/ Adhoc limits, together with interest, compound interest, additional interest, liquidated damages, costs, charges, expenses and other moneys in terms of the said Working Capital Facility Agreement, our liability shall remain in full force with all relative securities, agreements and obligations as mentioned therein.

For and on behalf of
Technofab Engineering Limited



Authorized Signatory



The Common Seal of the company has pursuant to resolution of its Board of Director passed in that behalf in the Meeting held on 19 June 2020 hereto been affixed in presence of Mr. Arjun Gupta, Managing Director of the Company.

13. Furthermore, during the course of hearing, the Ld. Counsel appearing for the Respondent admitted its liability on behalf of the Respondent. Hence, the debt and default on the part of the Respondent is established in the instant case.

14. In the given facts and circumstances of the case, the present Application being complete and the Applicant/Financial Creditor having established the default in payment of the Financial Debt for the default amount being above the threshold limit, **the present Petition is admitted in terms of Section 7(5) of the IBC and accordingly, moratorium is declared in terms of Section 14 of the Code.** As a necessary consequence of the moratorium in terms of Section 14(1) (a), (b), (c) & (d), the following prohibitions are imposed, which must be followed by all and sundry:

- “(a) The institution of suits or continuation of pending suits or proceedings against the Respondent including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
- (b) Transferring, encumbering, alienating or disposing of by the Respondent any of its assets or any legal right or beneficial interest therein;
- (c) Any action to foreclose, recover or enforce any security interest created by the Respondent in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

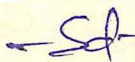
- (d) The recovery of any property by an owner or lessor, where such property is occupied by or in the possession of the Respondent.”

15. As proposed by the Financial Creditor, this Bench appoints Mr. Pradeep Kumar Kabra, IP (E-mail: ippardeepkabra@gmail.com) having Registration No. IBBI/IPA/001/IP-P01104/2017-18/U790, as IRP subject to the condition that no disciplinary proceeding is pending against the IRP so named and disclosures as required under IBBI Regulations, 2016 are made by him within a period of one week from this Order. This Adjudicating Authority further orders that :

“Mr. Pradeep Kumar Kabra, IP (E-mail: ippardeepkabra@gmail.com) having Registration No. IBBI/IPA/-001/IPP01104/2017-18/U790 appointed as IRP, is directed to take charge of the CIRP of the Respondent with immediate effect. The IRP is directed to take the steps as mandated under the IBC specifically under Section 15, 17, 18, 20 and 21 of IBC, 2016.

16. The Financial Creditor is directed to deposit Rs. 2,00,000/- (Two Lakh) only with the IRP to meet the immediate expenses. The amount, however, will be subject to adjustment by the Committee of Creditors as accounted for by IRP and shall be paid back to the Financial Creditor.

17. A copy of this Order shall be communicated by the Registry/Court Officer to the Financial Creditor, the Respondent and the IRP mentioned above. In addition, a copy of the Order shall also be forwarded by the Registry/Court Officer to the IBBI for their record.


(L. N. GUPTA)
MEMBER (T)


(BACHU VENKAT BALARAM DAS)
MEMBER (J)