FEDDERS ENGINEERING

FEDDERS ELECTRIC & ENGINEERING LTD.
(Formerly Fedders Lloyd Corporation Ltd.)
C-4 ,Phase-II , Noida 201305
Uttar Pradesh (INDIA)
Tel. : 91-120-4258918
CIN : L29299UP1957PLC021118

30th August, 2019

To,
National Stock Exchange of India Limited
Exchange Plaza, Bandra- Kurla Complex,
Bandra (E), Mumbai- 400 051,
Maharashta
NSE Symbol: FEDDERELEC

Fax No.: 022-26598237/38

Re.: Sub.: Non-compliance as per Regulation 33 of LODR

Dear Sir/Madam,

We write in response to the Email dated 29th August, 2019 received by the Company pertaining to the above captioned subject. In this regard, we would like to inform you that the Company is already in receipt of an Email dated 19th August, 2019 seeking clarification on delay in submission of Financial Result as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), for the quarter ended 30th June, 2019. The Company has submitted its reply to the said Email on 21st August, 2019, a copy of which is attached herewith for your kind reference.

In view of the above, you may please be informed that the said non-compliance was on account of inevitable circumstances unintended by the Company. The Company is yet to submit its Quarterly Financial Results for the F.Y. 2018-19 and has been going through rampant disruptions and financial crisis. Further, the Company is under the Corporate Insolvency Resolution Process as ordered by the Hon'ble National Company Law Tribunal, Allahabad vide order dated 14th August, 2019, a copy of which is enclosed herewith for your kind reference and records. The Company has already intimated the Stock Exchange with respect to the same. We are sincerely working towards the preparation of the quarterly financial results and shall submit the same shortly.

We would like to state that the said non-compliance was inadvertent and the Company could not control the factors resulting in the non-compliance. We sincerely apologize for the delay in

submission of the Financial Results as per Listing Regulations and assure you of timely compliances/disclosures in future instances.

We hope that you find our reply in order and satisfactory. We shall be glad to provide any further clarification/details, should you require the same.

Thanking You,

Yours faithfully,

FOR AND ON BEHALF OF
FEDDERS ELECTRIC AND ENGINEERING LIMITED

Shagun Bajpai

FEDDERS ELECTRIC AND ENGINEERING LTD. New Delhi

SHAGUN BAJPAI
COMPANY SECRETARY
ICSI MEM. NO.: A45982

Encl.: 1. Reply dated 21st August, 2019
2. NCLT Order dated 14th August, 2019

Issued with the approval of Mr. Ashok Kumar Gulla, Interim Resolution Professional
IP Registration No.: IBBI/IPA-003/IP-N00024/2017-2018/10174

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Tel. : 91-120-4258918
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21st August, 2019

To,
National Stock Exchange of India Limited
Exchange Plaza, Bandra- Kurla Complex,
Bandra (E), Mumbai- 400 051,
Maharashta
NSE Symbol: FEDDERELEC

Fax No.: 022-26598237/38

Re.: Sub.: Clarification sought on Financial Result as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

We write in response to the Email dated 19th August, 2019 received by the Company pertaining to the above captioned subject. In this regard, we would like to inform you that the Company has delayed in the submission of quarterly financial results for the quarter ended 30th June, 2019 as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') on account of inevitable circumstances unintended by the Company. In this regard, we would like to inform you that the Company is yet to submit its Quarterly Financial Results for the F.Y. 2018-19. The Company has been going through disruptions and financial crisis and is under the Corporate Insolvency Resolution Process as ordered by the Hon'ble National Company Law Tribunal, Allahabad vide order dated 14th August, 2019, a copy of which is enclosed herewith for your kind reference and records. The Company has already intimated the Stock Exchange with respect to the same. We are sincerely working towards the preparation of the quarterly financial results and shall submit the same shortly.

We would like to state that the said non-compliance was inadvertent and the Company could not control the factors resulting in the non-compliance. We sincerely apologize for the delay in submission of the Financial Results as per Listing Regulations and assure you of timely compliances/disclosures in future instances.

We hope that you find our reply in order and satisfactory. We shall be glad to provide any further clarification/details, should you require the same.

Thanking You,

Yours faithfully,

FOR AND ON BEHALF OF
FEDDERS ELECTRIC AND ENGINEERING LIMITED

Shagun Bajpai
21/08/2019.

FEDDERS ELECTRIC AND ENGINEERING LTD. New Delhi

SHAGUN BAJPAI
COMPANY SECRETARY
ICSI MEM. NO.: A45982

IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH

Company Petition No.(IB)75/ALD/2019

(Under Section 7 of Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rule, 2016)

STATE BANK OF INDIA

.....FINANCIAL CREDITOR

VERSUS

M/S FEEDERS ELECTRIC & ENGINEERING LIMITED

.....CORPORATE DEBTOR

ORDER DELIVERED ON 14.08.2019

CORAM: Hon'ble Mr. Abni Ranjan Kumar Sinha, Member(Judicial)
:Hon'ble Ms. Saroj Rajware, Member (Technical)

For the Petitioner : Sh. Karan Setiya, Adv.
For the Respondent: Sh. Sohail Walia, Adv.

PER SE :Mr. Abni Ranjan Kumar Sinha, Member Judicial.

Order

1. The present petition is under Section 7 of Insolvency and Bankruptcy Code,2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rule,2016 filed by the Financial Creditor **i.e.State Bank of India** for initiation of Corporate Insolvency Resolution Process against the Respondent/ Corporate debtor company **"M/s Feeders Electric & Engineerng Limited.".**
2. The Applicant **"State Bank of India"** is a Banking Institution and corporate body constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 Mr. Narinder Kumar Sharma (Assistant General Manager), has

Sd/-

Mr. Narinder Kumar Sharma (Assistant General Manager), has been authorised to file this application on behalf of Financial Creditor.

3. The Respondent/Corporate Debtor **"M/s Feeders Electric & Engineerng Limited** is a Company Incorporated on 16.01.1957 under the provision of Companies Act, 1956, bearing Identification Number L29299UP1957PLC021118. The Authorized Share Capital of Corporate Debtor Company is Rs. 70,00,00,000/-(Seventy Crore Only), and Paid-up Share Capital is 33,96,97,000/-(Thirty Three Crore Ninety Six Lac Ninety Seven Thousand Only).

4. Brief facts related to petition are as follows:

   i. The Corporate Debtor had availed working capital facilities (fund based and non-fund based) under consortium arrangement from a consortium comprising of State Bank of India, erstwhile State Bank of Patiala, State Bank of Bikaner & Jaipur, and State Bank of Hyderabad, including Central Bank, Axis Bank Limited, Standard Chartered Bank, Indusind Bank, Karnataka Bank Limited, Punjab National Bank, ICIC Bank Limited, HDFC Bank Limited and export Import Bank of India (collectively the "**Consortium Lenders**"), to the extent of Rs. 1435 Crores (Rupees One Thousand Four Hundred Thirty-Five Crores Only).

   ii. That out of the total sanctioned capital, Financial Creditor's share which includes State Bank of India, erstwhile State Bank of Patiala, State Bank of Bikaner & Jaipur and State Bank of Hyderabad, is of Rs. 730 Crores (Rupees Seven Hundred Thirty Crores Only).

   iii. Sh. Narinder Kumar Sharma is working as Assistant General Manager (Grade V Officer) with the State Bank of India at BO at stressed Assets Management Branch 1 at 12nd Floor, Jawahar Vyapar Bhawan, 1, Tolstoy Marg, New Delhi, 110001 and is entitled to present this petition and he is also conversant with the facts of the case. He is also competent to sign and verify all type

Sd/-

of pleadings, Vakalatnama, affidavit, execution and various other applications and to do all acts necessary for the proper conduct of legal proceedings filed by and on behalf of the Financial Creditor in view of the provisions of State Bank of India Act, 1955 read with State Bank of India Regulation 76 and 77 framed by Reserve Bank of India under Section 50 of the State Bank of India Act, 1955 and Gazette Notification published in Gazette of India in this regard on 02.05.1987.

iv. In respect of the loan facility advanced to the Corporate Debtor by the Financial Creditor, the Corporate Debtor has created security on first Pari Passu charge basis hypothecation of whole of the current assets of the Corporate Debtor namely stocks of raw material, stock in process, semi-finished and finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivable, book debts and all other movables both present and future whether now laying loose or in cases or which are now lying or stored in or about or shall hereinafter from time to time during the continuance of security of these presents be brought into or upon or be stored or be in or about of the Corporate Debtor's factories, premises and godowns situated at various places or wherever else the same may be or be held by any party to the order or disposition of the Corporate Debtor or in the course of transit or in high seas or on order or delivery, howsoever and whosesoever in possession of the Corporate Debtor and either by way of substitution or addition vide Joint Deed of Hypothecation dated 30.06.2014.

v. Sh. Brij Raj Punj stood guarantor to the aforesaid loan granted to Corporate Debtor and executed a personal guarantee deed in favour of the Consortium Lenders vide deed of guarantee dated 30.06.2014.

vi. That the Corporate Debtor in terms of the resolution of its board of directors passed on 13.08.2014, agreed to create mortgage of properties in favour of the Consortium Lenders on Pari Passu second charge basis. Subsequently, in terms of the resolution

passed by the Board of Directors of Corporate Debtor on 02.10.2015, Corporate Debtor agreed to create mortgage of the two more properties also in favour of the Consortium Lenders on second Pari Pasu charge basis, the first charge being in favour of the term lenders.

vii. Corporate Debtor signed and executed balance confirmation letter/s dated 31.03.2016, 05.04.2017, 25.04.2017 and 11.04.2018 in favour of Consortium Lenders in acceptance of the correctness of the loan accound and the outstanding therein as on 31.03.2016, 31.03.2017, and 31.03.2018.

viii. The Corporate Debtor is indebted to the Applicant, in an aggregate of Rs. 451,16,45,659.18 (Rupees Four Hundred Fifty One Crores Sixteen Lakhs Forty Five Thousand Six Hundred Fifty Nine And Eighteen Paisa Only) as on 31.01.2019 in respect of working capital facilities sanctioned by it to the Corporate Debtor.

ix. The Corporate Debtor defaulted in making payment of interest and other dues to the Applicant/Financial Creditor in terms of the loan documents and due to the repeated defaults and delays on the part of the Corporate Debtor in making the payments that had become due and payable to the Financial Creditor had classified the Corporate Debtor's account as non-performing assets on 11.07.2018.

x. The Financial Creditor/Applicants sent a legal demand notice dated 31.08.2018 and further on 14.09.2018 calling upon Corporate Debtor to pay the outstanding amount due and payable to the Financial Creditor, but despite receipt of the aforesaid legal demand notice, Corporate Debtor failed to liquidate the outstanding amount.

xi. Hence, the amount claimed by the Financial Creditor as default against Corporate Debtor is **Rs.451,16,45,659/-** as on 31.01.2019.

5. Corporate Debtor has replied to the application and admitted its liability to the financial creditor. Further in para 9 of reply stated no objection to admission the present application.

-Sd-

6. Further it is matter of record as per record of the financial creditor account of the corporate debtor was declared NPA on 11.07.2018 and Applicant/ Financial Creditor has filed this application on 07.02.2019, which is within the limitaion period.

7. Ld. Counsel for the Financial Creditor submitted that to prove the Existence of the Financial Debt; they have annexed following documents:

   (i) The Copy of sanction letter dated of various dated is annexed as **annexure P-5** of the application.

   (ii) Applicant has also annexed the copy of the working capital consortium agreement dated, Inter-se agreement dated 30.06.2014 and undertaking cum Indemnity dated 15.10.2014 where the corporate debtor has acknowledged its liability towards applicant **(Copy of letter is annexed as Annexure P6 of the Application)**

   (iii) Further, the corporate debtor has annexed the certificate as per Bankers Book Evidence Act.***(True Copy of certificate is annexed as Annexure P27 of the Application).***

8. Hence, the application on behalf of financial creditor/Applicant under Section 7 of IBC is complete. It further appears that there is default due to non-payment of the debt owed by the corporate debtor, applicant has annexed sufficient evidence to show the default on behalf of the corporate debtor. Further, Corporate Debtor has admitted its liability. Thus application filed U/S 7 of IBC deserves to be admitted.

9. Financial Creditor has suggested the name of Mr. Ashok Kumar Gulla, Registration Number IBBI/IPA-003/IP-N00024/2017-**18/10174** for appointment as Interim Resolution Professional(IRP). Further IRP has filed a declaration in form 2 affirming that he is registered insolvency professional and no disciplinary proceedings are pending against him.

10. There is default in the payment of the financial debt. Therefore, as per section 7(5)(a) of the code, the present application filed U/s 7 of the I B Code is admitted.

Sd/-

11. **Hence, Mr. Ashok Kumar Gulla, Registration Number IBBI/IPA-003/IP-N00024/2017-18/10174** is appointed as Interim Resolution Professional(IRP). Further, a moratorium under the provision of section13 & 14 of the Code is declared prohibiting the following:

(i) *The institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority;*

(ii) *Transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;*

(iii) *Any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act,2002(54 of 2002);*

(iv) *The recovery of any property by an owner or lessor where such property is occupied by or in possession of the corporate debtor.*

It is further directed that:

(i) *The supply of essential goods or services to the corporate debtor as may be specified shall not be terminated or suspended or interrupted during the moratorium period*

(ii) *The provision of sub-section (1) shall not apply to such transaction as may be notified by the Central Government in consultation with any financial sector regulator.*

1. The IRP shall comply with the Provision of Section 13(2), 15,17 &18 of the Code. Further, the Directors, Promoters or any person associated with the Management of the Corporate Debtor are directed to co-operate to the IRP as prescribed

Sd/-

under Section 19 and for discharging his function under a provision of section 20 of the Code.

2. The Registry is further directed to communicate this order to Financial Creditor and Corporate Debtor and IRP through email and speed post. List on **DT. 03.09.2019** for the filing of the progress report.

Dated:14.08.2019

-Sd-

(SAROJ RAJWARE)
MEMBER (TECHNICAL)

-Sd-

(ABNI RANJAN KUMAR SINHA)
MEMBER (JUDICIAL)