

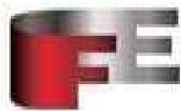


**FEDDERS
ENGINEERING**

ANNUAL REPORT 2020-21

**FEDDERS ELECTRIC AND ENGINEERING LIMITED
CIN NO: L29299UP1957PLC021118**

**65TH ANNUAL REPORT
2020-21**



**FEDDERS
ENGINEERING**

ANNUAL REPORT 2020-21

CORPORATE INFORMATION

Board of Directors

Mr. Vishal Singhal
(Appointed w.e.f 06.10.2021)
Ms. Tanya Singhal
(Appointed w.e.f 06.10.2021)
Mr. Anil Kumar Kaushik
(Appointed w.e.f 06.10.2021)
Mr. Sanjeev Kumar Singhal
(Appointed w.e.f 09.06.2022)

Managing Director

Woman Director

Independent Director

Independent Director

Chief Financial Officer

Mr. Narendra Kumar Mishra

Company Secretary & Compliance Officer

Ms. Sakshi Goel

Statutory Auditor

M/s. Rajiv Malhotra & Co.

Secretarial Auditor

M/s. DR Associates

Cost Auditor

M/s. Jain Sharma & Associates

Registrar & Share Transfer Agents

Skyline Financial Services Private Limited

Registered Office

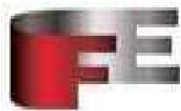
6 and 6/1, UPSIDC Industrial Area, Sikandrabad, District Bulandshahr-203205 (U.P.)

Corporate Office

C-4, Noida Phase-II,
Gautam Buddha Nagar- 201305 Uttar Pradesh

Bankers

State Bank of India
Central Bank of India
ICICI Bank Limited
Karnataka Bank Limited
Punjab National Bank
Standard Chartered Bank
Axis Bank



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BOARD'S REPORT

Dear Shareholders,

Your Directors present the 65th Report of Board of Directors on the business and operations of Fedders Electric and Engineering Limited ("Company") together with its Audited financial statements for the year ended 31st March, 2021.

Fedders Electric and Engineering Limited went into Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code") in terms of order passed by the Hon'ble National Company Law Tribunal ("NCLT"), Allahabad Bench with effect from 14th August, 2019. Its affairs, business, and assets were being managed by the Insolvency Professional, Mr. Ashok Kumar Gulla, appointed as Interim Resolution Professional by the NCLT, Allahabad vide order dated 14th August, 2019 and continued as Resolution Professional by the approval of Committee of Creditors in its meeting held on 12th September, 2019 under provisions of the Code. Further, the Hon'ble NCLT, Allahabad bench vide its order dated 06th October, 2021 has approved the Resolution Plan submitted by IM Plus Capitals Ltd. (Successful Resolution Applicant or SRA or RA).

1. FINANCIAL PERFORMANCE

The financial performance of the Company during the year under review is summarized below:

(Rupees in crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March, 2020
Revenue from Operations	17.43	70.50
Other Income	0.38	0.53
Total Revenue	17.81	71.02
Total Expenses	73.91	127.54
Profit/(Loss) before Tax	-56.10	-56.51
Tax Expenses:		
Current Tax	0	0
Deferred Tax	-2.09	-1.02
Profit/(Loss) after Tax	-54.01	-55.49
Earnings Per Share (₹)		
1. Basic	-15.90	-16.34
2. Diluted	-15.90	-16.34



The consolidated performance of the Company as per consolidated financial statements is as under:

(Rupees in crores)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March, 2020
Revenue from Operations	17.43	70.50
Other Income	0.38	0.53
Total Revenue	17.81	71.03
Total Expenses	73.87	127.54
Profit/(Loss) before Tax	-56.06	-56.51
Tax Expenses:		
Current Tax	0.00	0.00
Deferred Tax	-2.09	-1.02
Profit/(Loss) after Tax	-53.98	-55.49
Earnings Per Share		
1. Basic	-15.89	-16.33
2. Diluted	-15.89	-16.33

2. STATE OF AFFAIRS AND OPERATIONAL HIGHLIGHTS

During the year under review, the total revenue from operations of your Company for the year ended 31st March, 2021 stood at Rs. 17.43 Crore as against the revenue of Rs. 70.50 Crore earned in the previous year ended on 31st March, 2020. The Company incurred a loss of Rs. 56.10 Crore for the year ended 31st March, 2021 in comparison with the loss on Rs. 56.51 Crore in the previous year ended on 31st March, 2020.

At present, Company is completing its existing projects only and most of its plants are non-operational, the new Management is making best endeavors to re-start the operations of the Company.

3. SHARE CAPITAL

There was no change in the Company's Share Capital during the year under review.

4. DIVIDEND

In view of the Company is under CIRP and incurred losses, the matter was for recommendation of Dividend was not considered.



5. DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

The aforementioned information based on the fact that RP during his tenure did not receive any claims from the deposit holders, if any, against the Company, and, further the entire liabilities of the Company will be settled as per the approved resolution plan.

6. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Pursuant to the provision of Section 17 of the Insolvency and Bankruptcy Code, 2016 ("Code") on commencement of the Corporate Insolvency Resolution Process (CIRP) the powers of the Board of Directors of Fedders Electric and Engineering Limited (FEEL) stands suspended and the same are being exercised by the Resolution Professional. The management of the affairs of Company has been vested with Resolution Professional. Therefore, no meeting of Board of Director was held after the Commencement of Corporate Insolvency Resolution Process (CIRP) w.e.f. 14th August 2019.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

All the Directors of the Company has resigned from the directorship, except Mr. Vansh Vardhan Joshi (DIN:06843644) and as per order of Hon'ble NCLT Allahabad, Bench dated 14th August, 2019, the Company went in to CIRP and Mr. Ashok Kumar Gulla was appointed as a Resolution Profession and the affairs of the Company being managed by RP.

As Resolution Plan was submitted by IM+ Capitals Limited has been approved by Hon'ble NCLT vide its order dated 06.10.2021 and the Company was taken over by IM+ Capitals Limited, as per approved resolution Plan, the Board was reconstituted on 6th October, 2021 and following Directors were appointed: -

Mr. Vishal Singhal, Director, (DIN: 03518795)

Ms. Tanya Singhal, Independent Woman Director (DIN: 08930315)

Mr. Anil Kumar Kaushik, Independent Director (DIN: 09131927)

Further, Ms. Kirti Jain was appointed as Company Secretary & Compliance Officer and Mr. Narender Kumar Mishra appointed as Chief Financial Officer (CFO) of the Company w.e.f. 20th October, 2021, and Ms. Kirti Jain resigned from the said post w.e.f. 30th April, 2022.

Ms. Sakshi Goel was appointed as Company Secretary & Compliance Officer and Mr. Sanjeev Kumar Singhal were appointed as Independent Director w.e.f 09th June 2022.



8. DECLARATION BY INDEPENDENT DIRECTORS

The Company is under CIRP and accordingly power of the Board has been suspended and pursuant to the order of Hon'ble NCLT dated 14th August, 2019, Mr. Ashok Kumar Gulla, appointed Interim Resolution Professional. Therefore, no declaration received from each Independent Director under Section 149(7) of Companies Act, 2013 read with the schedules and Rules issued thereunder as well as Regulations 16 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

9. RESOLUTION PROFESSIONAL/DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act 2013, the Directors/Resolution Professional hereby confirms that:

- i. in preparation of Annual Accounts the applicable Accounting Standards have been followed and there has been no material departure.
- ii. they have selected accounting policies which were applied consistently and the directors/IRP made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2021 and of the profits/losses for the year ended on that date.
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. they have prepared the annual accounts on a going concern basis.
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

***The role and responsibilities of the Board of Directors after the commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with Sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors/Committees stand suspended.**

10. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the period under review, there are no companies which have become or ceased to be its Subsidiary, Associates & Joint Venture. The detail of existing subsidiary Companies are given in



Form AOC-1 as per **Annexure 1**.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of Fedders Lloyd Trading FZE, are available on the website of the Company i.e. www.imcapitals.com/fedders-electric-engineering/. The Company will make these documents available upon request made by any shareholder of the Company.

11. STATUTORY AUDITORS

In terms of the Section 139 of the Companies Act 2013, M/s Rajiv Malhotra & Associates Co., Chartered Accountants, having ICAI Registration No. 021479N were re-appointed as Auditors for a period of 5 years from the conclusion of 64th Annual General Meeting up to the conclusion of the 69th Annual General Meeting to be held for the financial year 2024-25.

12. AUDITORS' REPORT

The Auditor Report for the financial year ended 31st March 2021 contains various qualification and observation, Audit Report attached herewith which forms part of the Annual Report.

Management Reply

Fedders Electric and Engineering Limited went into Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code") in terms of order passed by the Hon'ble National Company Law Tribunal ("NCLT"), Allahabad Bench with effect from 14th August, 2019. Its affairs, business, and assets were being managed by the Insolvency Professional, Mr. Ashok Kumar Gulla, appointed as Interim Resolution Professional by the NCLT, Allahabad vide order dated 14th August, 2019 and continued as Resolution Professional by the approval of Committee of Creditors in its meeting held on 12th September, 2019 under provisions of the Code. Further, the Hon'ble NCLT, Allahabad bench vide its order dated 06.10.2021 has approved the Resolution Plan submitted by IM Plus Capitals Ltd. (Successful Resolution Applicant or SRA or RA).

The Board of the Company was reconstituted in terms of the Resolution Plan. The present management acknowledges the qualifications observed by Auditors in the Audit Report on Financial Statements for the financial year ended 31st March 2021 and ensures the applicable compliances in the upcoming years.

13. SECRETARIAL AUDITORS

Pursuant to the provision of Section 204 of the Companies Act, 2013 the Board of Director the Company has appointed M/s DR Associates, Company Secretaries, as Secretarial Auditors of the Company in the Board Meeting held on 04th August, 2022 to conduct Secretarial Audit for the financial year 2020-21.

The Secretarial Audit Report submitted by them for the financial year 2020-21 in the prescribed form MR-3 is attached as **Annexure-2** and forms part of this Report. There were certain qualifications, observations, reservation or comments or other remarks in the Secretarial Audit Reports which are self-explanatory.



14. CORPORATE GOVERNANCE

The Company is committed towards maintaining the highest standards of Corporate Governance and adhering to the disclosure norms as set out by the Securities and Exchange Board of India and other Regulatory Authorities. In compliance with Regulation 34 of Listing Regulations, a detailed Corporate Governance Report is annexed herewith marked as **Annexure-3** to and forms part of this Report.

15. BOARD EVALUATION

Since the Company is under Corporate Insolvency Resolution Process (CIRP) and the entire Board is suspended, no formal evaluation of the Board has taken place.

16. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is marked as **Annexure-4** and form part of this report.

17. COMMITTEES OF THE BOARD OF DIRECTORS

The provisions as specified in Regulations 18 (Audit Committee), Regulation 19 (Nomination and Remuneration Committee), Regulation 20 (Stakeholder's Relationship Committee) and under SEBI (LODR) Regulations, 2015 shall not be applicable during the Corporate Insolvency Resolution Process of the Company as the powers of the Board of Directors (including its committees) remains suspended during CIRP process and be exercised by Interim Resolution Professional/ Resolution Professional.

18. CHANGES IN THE NATURE OF THE BUSINESS

There has been no change in the nature of business of the Company during the financial year 2020-21.

19. MATERIAL AND SIGNIFICANT CHANGES

Fedders Electric and Engineering Limited went into Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code") in terms of order passed by the Hon'ble National Company Law Tribunal ("NCLT"), Allahabad Bench with effect from 14th August, 2019. The affairs, business, and assets were being managed by the Insolvency Professional, Mr. Ashok Kumar Gulla, appointed as Interim Resolution Professional by the NCLT, Allahabad vide order dated 14th August, 2019 and continued as Resolution Professional by the approval of Committee of Creditors in its meeting held on 12th September, 2019 under provisions of the Code. Further, the Hon'ble NCLT, Allahabad bench vide its order dated 06.10.2021 has approved the Resolution Plan submitted by IM Plus Capitals Ltd. (Successful Resolution Applicant or SRA or RA).

The takeover of the Company by the RA has been completed and the Board of Directors has been constituted to take over the management of the Company.



20. RELATED PARTY TRANSACTIONS

This is to share that there were no related party transactions entered during the financial year. Since there was no contract or arrangement with related parties falling within the purview of Section 188(1) of the Companies Act, 2013, during the financial year ended on 31st March 2021, therefore, the disclosure in Form AOC-2 was not required.

21. INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has no effective and reliable Internal Control System commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is not well defined in the organization and is aligned with the statutory requirements. The efficacy of the internal checks and control systems are validated by Statutory Auditors, Auditor has disclaimer opinion on Internal Control system and Adequacy.

22. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibilities shall not be applicable on the Company as the losses being incurred by the Company during the three immediately previous financial years i.e. 2017-18, 2018-19 and 2019-20.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AND RESEARCH & DEVELOPMENT

In accordance with the requirements of Section 134(3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, a statement showing particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are annexed hereto as **Annexure-5** and forms part of this Report.

24. VIGIL MECHANISM

In accordance with the provisions of the Act and Listing Regulations, the Company has adopted a Whistle Blower Policy, as part of Vigil Mechanism to provide appropriate avenues to the employees to bring to the attention of the management any issue which is an actual or suspected fraud or perceived to be in violation of or in conflict with the Code of Conduct of the Company. During the year ended 31st March, 2021, no complaints pertaining to sexual harassment were received.

25. ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an annual return is uploaded on website of the Company www.imcapitals.com/fedders-electric-engineering/.