

11th September, 2020

SEC/REG29/SEBI/LODR/2019-20

The Manager BSE Ltd. Corporate Relationship Department, 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai 400 001 Code No. 533411	The Manager Listing Department, National Stock Exchange of India Ltd., Exchange Plaza, 5 th Floor, C/1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 Symbol "SANGHVIFOR"
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Dear Sir/Madam,

Sub: Audited Financial Results (Standalone and Consolidated) for the year ended 31st March, 2020 under regulation 29 of SEBI (LODR) Regulations, 2015

Ref: Our Letter dated 30th July, 2020 & 31st August, 2020 For Extension of time limit for financial results for the year ended 31st March, 2020

The Company is under Corporate Insolvency Resolution Process (CIRP) in terms of the Order of Hon'ble NCLT Ahmedabad dated 30th August, 2019 and the powers of the Board of Directors having been suspended are vested with Mr. Parthiv Parikh, the Resolution Professional, under Insolvency and Bankruptcy Code, 2016.

In terms of Regulation 30, 33 and other applicable regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Regulations), we are Submitting herewith Audited Financial Results (Standalone and Consolidated) for the year ended 31st March, 2020 under regulation 29 of SEBI (LODR) Regulations, 2015. We are submitting the following Documents:

1. Audited Financial Results (Standalone and Consolidated) for the quarter and year ended 31st March, 2020.
2. Independent Auditors' Report on the Audited Standalone Financial Results. It is hereby declared that the Statutory Auditors, (M/s V. K. Shastri, Chartered Accountants), have issued the Auditors' Report in respect of the Audited Standalone Financial Results; and
3. Independent Auditors' Report on the Audited Consolidated Financial Results. It is hereby declared that the Statutory Auditors (M/s V. K. Shastri, Chartered Accountants), have issued the Auditors' Report in respect of the Audited Consolidated Financial Results.



The results were signed by the Chairman & Managing Director and Director & CFO and taken on record by the Resolution Professional.

The results are also being published in the newspapers and placed on Company's website.

You are requested to take note of the above

Thanking you,

Yours Faithfully,

For Sanghvi Forging and Engineering Limited



Deepika Agrawal

Company Secretary & Compliance officer



Enclosed: As above



SANGHVI

FORGING & ENGINEERING LTD.

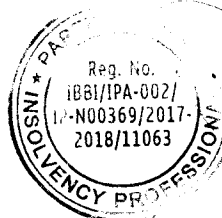
Regd. Office: 244/6-7, G.I.D.C. Ind. Estate, Waghodia - 391 760, Dist. Vadodra, India. Ph: 02668-673100 Fax : 02668-673135
CIN : L28910GJ1989PLC012015 E-mail : contact@sanghiviforge.com; Website : www.sanghiviforge.com

(₹ in Lakhs)

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31st MARCH 2020						
Sr. No.	Particulars	Standalone				
		Quarter Ended			Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Audited) (Pl see Note 1)	(Unaudited)	(Audited) (Pl see Note 1)	(Audited)	(Audited)
1	a) Revenue From Operations	945.8	1,374.7	1,943.7	5,956.4	6,118.2
	b) Other Income	49.0	(31.0)	12.4	64.3	25.9
	Total Revenue (Net)	994.7	1,343.7	1,956.1	6,020.7	6,144.0
2	Total Expenditure					
	a) Cost of Material Consumed	860.4	610.8	994.5	2,658.4	3,211.8
	b) Purchase of Stock in Trade	-	-	-	-	-
	c) Change in Stock (Increase / (Decrease) In Stock	81.8	127.7	(4.5)	248.6	(42.8)
	d) Employees Benefit Expense	139.7	168.0	161.7	646.0	598.4
	e) Depreciation	211.3	213.4	211.1	851.8	859.1
	f) Finance Cost	46.2	54.7	1,482.5	249.1	1,572.5
	g) Other Expenses	392.4	389.0	614.0	1,883.0	1,940.3
	Total Expenses	1,731.7	1,563.6	3,459.2	6,536.8	8,139.4
3	Profit / (Loss) from Operations before Exceptional Items & Tax (1-2)	(737.0)	(219.9)	(1,503.1)	(516.1)	(1,995.4)
4	Exceptional Items	-	-	-	-	-
5	Profit / (Loss) before tax (3-4)	(737.0)	(219.9)	(1,503.1)	(516.1)	(1,995.4)
6	Tax Expense	-	-	-	-	-
7	Net Profit / (Loss) for the Period (5-6)	(737.0)	(219.9)	(1,503.1)	(516.1)	(1,995.4)
8	Other Comprehensive Income (Net of Tax)	(24.8)	-	2.4	(24.8)	2.4
9	Total Comprehensive Income for the Period (7+8)	(761.8)	(219.9)	(1,500.7)	(540.9)	(1,993.0)
10	Paid up Equity Share Capital (Face Value of ₹ 10/- each)	1,489.2	1,489.2	1,489.2	1,489.2	1,489.2
11	Earning per Share (EPS) (₹ 10 per Share) (Not Annualized)					
	Basic EPS	(4.9)	(1.5)	(10.1)	(3.5)	(13.4)
	Diluted EPS	(4.9)	(1.5)	(10.1)	(3.5)	(13.4)



STATEMENT OF ASSETS AND LIABILITIES (` in Lakhs)			
Particulars	Standalone		
	31.03.2020 (Audited)	31.03.2019 (Audited)	
ASSETS			
(1) Non - Current Assets:			
(a) Property, Plant and Equipment	12,448.90	13,229.91	
(b) Capital Work-in-Progress	0.00	2.41	
(c) Intangible Assets	13.97	18.08	
(d) Investments (in the nature of equity in subsidiaries)	0.07	0.07	
(e) Financial Assets :			
(i) Other Financial Assets	155.42	144.04	
(f) Other non- current assets	96.06	96.06	
Total Non-Current Assets	12,714.43	13,490.57	
(2) Current Assets:			
(a) Inventories	1,915.55	2,136.79	
(b) Financial Assets :			
(i) Trade Receivables	1,473.71	1,962.96	
(ii) Cash & Cash Equivalents	180.49	52.39	
(iii) Bank Balance other than above(ii)	102.70	54.43	
(iv) Other financial assets	1,122.36	14.21	
(c) Other Current Assets	331.40	410.82	
Total Current Assets	5,126.21	4,631.60	
	17,840.64	18,122.17	
EQUITY AND LIABILITIES			
Shareholder's Fund :			
(a) Equity Share Capital	1,489.23	1,489.23	
(b) Other Equity	4,199.51	3,658.59	
Total Equity	2,710.28	2,169.36	
Liabilities :			
(1) Non-Current Liabilities:			
(a) Financial Liabilities			
(i) Borrowings	1,965.98	4,481.70	
(b) Provisions	72.31	34.46	
Total Non-Current Liabilities	2,038.29	4,516.16	
(2) Current Liabilities:			
(a) Financial Liabilities :			
(i) Borrowings	12,504.70	3,937.17	
(ii) Trade Payables			
- Trade Payables for Others	1,694.73	2,247.12	
- Trade Payables for Micro, Small and Medium Enterprises	4.11	9.31	
(iii) Other Financial Liabilities	3,425.36	8,537.90	
(b) Other Current Liabilities	632.80	758.29	
(c) Provisions	250.93	285.57	
Total Current Liabilities	18,512.63	15,775.36	
	17,840.64	18,122.16	



Notes:

- 1 The figures pertaining to the quarter ended March 31, 2020 and March 31, 2019 are the derived figures between the audited amounts for the year ended March 31, 2020 and March 31, 2019 and unaudited amounts published for the nine months ended December, 2019 and for the nine months ended December 31, 2018.
- 2 Bank of Baroda has filed application before NCLT, Ahmedabad under section 7 of the Insolvency and Bankruptcy code, 2016 on 26th April, 2018. Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of Sanghvi Forging & Engineering Limited ("Corporate Debtor") under the provisions of the Insolvency and Bankruptcy Code, 2016 ('the Code') by an order of the Hon'ble National Company Law Tribunal ("NCLT"), Ahmedabad Bench dated 30th August, 2019. This is to inform you that the NCLT, Ahmedabad Bench has by order dated 26th May, 2020, which was published and made available on 29th May, 2020 admitted the application filed by the members of Committee of Creditors lead by State Bank of India under Section 22 of the Insolvency Bankruptcy Code 2016 for replacement of Interim Resolution professional (IRP) by the Resolution Professional (RP). The NCLT has appointed Mr. Parthiv Parikh, Registration no. IBB/PA-002/IP-N00369/2017-18/11063, as the Resolution Professional for Sanghvi Forging & Engineering Limited.
- 3 Post commencement of the CIRP process, the Company is continuing to operate as a going concern in terms of the code.
- 4 During the quarter ended March 31, 2020, the outbreak of the COVID-19 pandemic spread throughout the world and became a global pandemic. The Government of India has taken significant measures to curb the spread of virus including imposing mandatory lockdowns and restrictions in activity. The Company's manufacturing plants and offices had to be closed down for a considerable period of time, including after the year end. As a result of lockdown, the likely revenue for the month of March, 2020 has been impacted. Continued lockdown are likely to impact the Company operationally including on supply chain matters. Supply chain disruption and their related financial impacts can't be estimated at this time.
- 5 The Company has not provided the interest of Q1 Rs.358.89/- (In Lakhs) & Q2 Rs. 358.89/- (In Lakhs) & Q3 Rs. 358.89/- (In Lakhs) & Q4 Rs 358.89/- (In Lakhs) aggregating of Rs.1435.56/- (In Lakhs) F.Y. 2019-20.
- 6 Ind AS 116 having become effective from 1st April 2019 and the impact of the same is negligible for the company.
- 7 The company has only one reportable segment i.e. Forging & Fittings.
- 8 Figures of the previous periods have been regrouped / reclassified / rearranged, wherever necessary, to confirm to the current period's classification.
- 9 The statements has been signed by Chairman & Managing Director and Director & CFO and taken on record by RP and affixing of signature on these statements by the RP should not be construed as endorsement or certification by the RP of any facts or figures provided herein.

For Sanghvi Forging & Engineering Ltd.



Jayantilal B. Sanghvi
Chairman & Managing Director



Vikram B. Sanghvi
Director & Chief Financial Officer



Taken on Record By
Parthiv Parikh
Resolution Professional

Vadodara
11th September, 2020

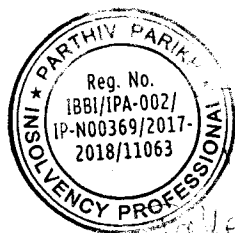
SANGHVI FORGING & ENGINEERING LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(in '000)

Particular	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash Flow From Operating Activities:		
Net Profit Before Tax	(51610.59)	(199536.35)
Adjustment for:		
Depreciation /Amortization /Impairment	85184.35	85909.20
Interest Expense / Finance Cost	1754.68	144788.64
Interest Income	(1341.42)	(1956.53)
Loss/ (Profit) on sale of Fixed Assets	0.00	0.00
Government Grant Received	(205.91)	205.91
Bad debts/ advance written off	0.00	0.00
Operating Profit Before Working Capital Changes	33781.11	29410.87
Adjustment for (increase)/decrease in Operating assets:		
Inventories	22124.31	11496.58
Trade Receivables	48924.41	(1997.86)
Short Term Loan & Advances	(110815.81)	(1016.84)
Other Current Assets	7942.60	(12036.52)
Other non-current financial assets	(1138.24)	(9942.71)
Other Non-Current Assets	0.00	6462.56
	(32962.72)	(7034.79)
Adjustment for (increase)/decrease in Operating liabilities:		
Trade Payable	(55759.01)	(18155.61)
Non-Current Liabilities-Provisions	1508.07	432.71
Other financial Liabilities	(511253.89)	246030.52
Other Current Liabilities	(12548.90)	9163.52
Short Term Provisions	(3464.18)	4465.39
	(581517.90)	241936.52
Cash Generated From Operation	(580699.51)	264312.60
Income Tax Expense	0.00	0.00
Net Cash Generated From Operating Activities	580,699.51	264,312.60
B. Cash Flow From Investing Activities		
Purchase of property, plant and equipment/Intangible assets	(6672.74)	(10345.29)
Change in CWIP	240.83	(240.83)
Sales / Devaluation of Assets	0.00	0.00
Proceed from Sale of Fixed Assets	0.00	0.00
Fixed Deposit / Margin Money with Bank	(4826.85)	6127.29
Interest Received	1341.42	1956.53
Net Cash Used in Investing Activities	(9917.32)	(2502.30)
C. Cash Flow From Financing Activities		
Long Term Loan from Bank	(251571.45)	(123397.00)
(Repayments)/ Short Term Borrowing from Bank	856753.15	9229.19
Finance Cost (Interest & Bank Charges)	(1754.68)	(144788.64)
Net Cash used in Financing Activities	603427.03	(258956.44)
Net Increase / (Decrease) in Cash and Bank Balance (A+B+C)	12810.20	2853.87
Opening Balance of Cash & Cash Equivalent	5238.98	2385.11
Closing Balance Cash & Cash Equivalent #	18049.18	5238.98
# Comprises of,		
Cash on Hand	976.19	1547.53
Balance with Bank -Current Accounts	17073.00	3691.45
	18049.19	5238.98

For Sanghvi Forging & Engineering Ltd.



Jayantilal B. Sanghvi
Chairman & Managing Director

Vikram B. Sanghvi
Director & Chief Financial Officer

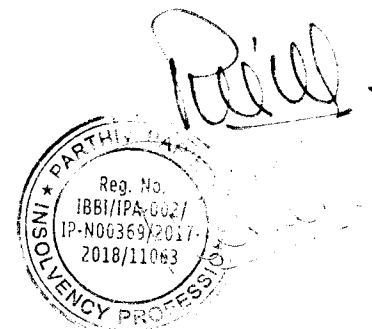
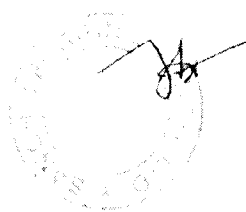


SANGHVI FORGING & ENGINEERING LTD.

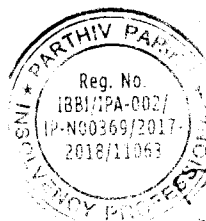
Regd. Office: 244/6-7, G.I.D.C. Ind. Estate, Waghodia - 391 760, Dist. Vadodara, India. Ph: 02668-673100 Fax : 02668-673135
CIN : L28910GJ1989PLC012015 E-mail : contact@sanghiviforge.com; Website : www.sanghiviforge.com

(in Lakhs)

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31st MARCH 2020						
Sr. No.	Particulars	Consolidated				
		Quarter Ended		Year Ended		
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Audited) (Pl see Note 1)	(Unaudited)	(Audited) (Pl see Note 1)	(Audited)	(Audited)
1	a) Revenue From Operations	880.7	1,405.00	1,868.8	5,981.0	6,368.5
	b) Other Income	49.0	31.00	12.5	64.3	25.9
	Total Revenue (Net)	929.6	1,374.0	1,881.3	6,045.3	6,394.4
2	Total Expenditure					
	a) Cost of Material Consumed	824.8	610.80	994.5	2,622.8	3,211.8
	b) Purchase of Stock in Trade	(88.9)	89.00	(190.2)	-	78.2
	c) Change in Stock (Increase / (Decrease) in Stock	151.6	78.60	93.3	318.2	65.7
	d) Employees Benefit Expense	139.7	168.00	144.8	646.0	638.8
	e) Depreciation	211.3	213.40	211.1	851.8	859.1
	f) Finance Cost	46.2	54.70	1,482.5	249.1	1,572.5
	g) Other Expenses	382.6	394.70	611.8	1,889.9	1,974.5
	Total Expenses	1,667.2	1,609.2	3,347.7	6,577.8	8,400.6
3	Profit / (Loss) from Operations before Exceptional Items & Tax (1-2)	(737.6)	(235.2)	(1,466.5)	(532.5)	(2,006.2)
4	Exceptional Items	-	-	-	-	-
5	Profit / (Loss) before tax (3-4)	(737.6)	(235.2)	(1,466.5)	(532.5)	(2,006.2)
6	Tax Expense	-	-	-	-	-
7	Net Profit / (Loss) for the Period (5-6)	(737.6)	(235.2)	(1,466.5)	(532.5)	(2,006.2)
8	Other Comprehensive Income (Net of Tax)	-	-	-	(24.8)	2.4
9	Total Comprehensive Income for the Period (7+8)	(737.6)	(235.2)	(1,466.5)	(557.3)	(2,003.8)
10	Paid up Equity Share Capital (Face Value of ₹ 10/- each)	1,489.2	1,489.2	1,489.2	1,489.2	1,489.2
11	Earning per Share (EPS) (₹ 10 per Share) (Not Annualized)					
	Basic EPS	(5.0)	(1.6)	(9.8)	(3.6)	(13.5)
	Diluted EPS	(5.0)	(1.6)	(9.8)	(3.6)	(13.5)



STATEMENT OF ASSETS AND LIABILITIES			
(` in Lakhs)			
Particulars	Consolidated		
	31.03.2020 (Audited)	31.03.2019 (Audited)	
ASSETS			
(1) Non - Current Assets:			
(a) Property, Plant and Equipment	12,448.90	13,229.91	
(b) Capital Work-in-Progress	-	2.41	
(c) Intangible Assets	13.98	18.08	
(d) Investments (in the nature of equity in subsidiaries)	-	-	
(e) Financial Assets :			
(i) Other Financial Assets	155.42	144.04	
(f) Other non- current assets	96.06	96.06	
Total Non-Current Assets	12,714.36	13,490.50	
(2) Current Assets:			
(a) Inventories	1,904.88	2,185.78	
(b) Financial Assets :			
(i) Trade Receivables	1,473.71	1,833.44	
(ii) Cash & Cash Equivalents	182.93	56.82	
(iii) Bank Balance other than above(ii)	102.70	54.43	
(iv) Other financial assets	1,122.36	14.21	
(c) Other Current Assets	331.40	410.83	
Total Current Assets	5,117.98	4,555.51	
	17,832.34	18,046.01	
EQUITY AND LIABILITIES			
Shareholder's Fund :			
(a) Equity Share Capital	1,489.23	1,489.23	
(b) Other Equity	4,294.55	3,737.23	
Total Equity	2,805.32	2,248.01	
Liabilities :			
(1) Non-Current Liabilities:			
(a) Financial Liabilities			
(i) Borrowings	1,965.98	4,481.70	
(b) Provisions	72.31	34.46	
Total Non-Current Liabilities	2,038.29	4,516.16	
(2) Current Liabilities:			
(a) Financial Liabilities :			
(i) Borrowings	12,504.70	3,937.02	
(ii) Trade Payables			
-Trade Payables for Others	1,781.47	2,245.37	
-Trade Payables for Micro, Small and Medium Enterprises	4.11	9.31	
(iii) Other Financial Liabilities	3,425.36	8,541.01	
(b) Other Current Liabilities	632.80	759.58	
(c) Provisions	250.93	285.57	
Total Current Liabilities	18,599.37	15,777.86	
	17,832.34	18,046.01	



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Notes:

- 1 The figures pertaining to the quarter ended March 31, 2020 and March 31, 2019 are the derived figures between the audited amounts for the year ended March 31, 2020 and March 31, 2019 and unaudited amounts published for the nine months ended December, 2019 and for the nine months ended December 31, 2018
- 2 Bank of Baroda has filed application before NCLT, Ahmedabad under section 7 of the Insolvency and Bankruptcy code, 2016 on 26th April, 2018. Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of Sanghvi Forging & Engineering Limited ("Corporate Debtor") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") by an order of the Hon'ble National Company Law Tribunal ("NCLT"), Ahmedabad Bench dated 30th August, 2019. This is to inform you that the NCLT, Ahmedabad Bench has by order dated 26th May, 2020, which was published and made available on 29th May, 2020 admitted the application filed by the members of Committee of Creditors lead by State Bank of India under Section 22 of the Insolvency Bankruptcy Code 2016 for replacement of Interim Resolution professional (IRP) by the Resolution Professional (RP). The NCLT has appointed Mr. Parthiv Parikh, Registration no. IBBI/PA-002/IP-N00369/2017-18/11063, as the Resolution Professional for Sanghvi Forging & Engineering Limited.
- 3 Post commencement of the CIRP process, the Company is continuing to operate as a going concern in terms of the code.
- 4 During the quarter ended March 31, 2020, the outbreak of the COVID-19 pandemic spread throughout the world and became a global pandemic. The Government of India has taken significant measures to curb the spread of virus including imposing mandatory lockdowns and restrictions in activity. The Company's manufacturing plants and offices had to be closed down for a considerable period of time, including after the year end. As a result of lockdown, the likely revenue for the month of March, 2020 has been impacted. Continued lockdown are likely to impact the Company operationally including on supply chain matters. Supply chain disruption and their related financial impacts can't be estimated at this time.
- 5 The Company has not provided the interest of Q1 Rs. 358.89/- (In Lakhs) & Q2 Rs. 358.89/- (In Lakhs) & Q3 Rs. 358.89/- (In Lakhs) & Q4 Rs. 358.89/- (In Lakhs) aggregating of Rs. 1435.56/- (In Lakhs) F.Y. 2019-20.
- 6 Ind AS 116 having become effective from 1st April 2019 and the impact of the same is negligible for the company.
- 7 The company has only one reportable segment i.e. Forging & Fittings.
- 8 Figures of the previous periods have been regrouped / reclassified / rearranged, wherever necessary, to confirm to the current period's classification.
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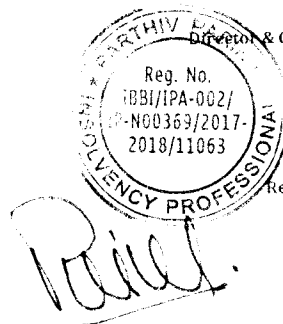
For Sanghvi Forging & Engineering Ltd.

Jayantilal B. Sanghvi
Chairman & Managing Director

Vikram R. Sanghvi
Director & Chief Financial Officer

Taken on Record By
Parthiv Parikh
Resolution Professional

Vadodara
11th September, 2020



SANGHVI FORGING & ENGINEERING LIMITED

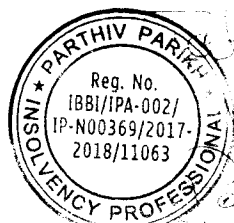
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in '000)

Particular	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash Flow From Operating Activities:		
Net Profit Before Tax	(53249.43)	(200617.46)
Adjustment for:		
Depreciation / Amortization / Impairment	85184.35	85909.20
Interest Expense / Finance Cost	1754.68	144788.64
Interest Income	(1341.42)	(1956.53)
Loss/ (Profit) on sale of Fixed Assets	0.00	0.00
Government Grant Received	(205.91)	205.91
Bad debts/ advance written off	0.00	0.00
Effect of foreign Exchange rate variations during the year	0.00	181.06
Operating Profit Before Working Capital Changes	32142.26	28510.83
Adjustment for (increase)/decrease in Operating assets:		
Inventories	28090.92	22339.37
Trade Receivables	35973.29	4041.92
Short Term Loan & Advances	(110815.81)	(973.30)
Other Current Assets	7942.81	(12036.72)
Other non-current financial assets	(1138.24)	(9755.26)
Other Non-Current Assets	0.00	6462.56
	(39947.02)	10078.55
Adjustment for (increase)/decrease in Operating liabilities:		
Trade Payable	(46909.57)	(31508.97)
Non-Current Liabilities-Provisions	1508.07	432.71
Other financial Liabilities	(511564.50)	246277.16
Other Current Liabilities	(12678.59)	6796.25
Short Term Provisions	(3464.18)	4092.35
	(573108.77)	226089.51
Cash Generated From Operation	(580913.53)	264678.89
Income Tax Expense	0.00	0.00
Net Cash Generated From Operating Activities	(580913.53)	264678.89
B. Cash Flow From Investing Activities		
Purchase of property, plant and equipment/Intangible assets	(6672.74)	(10345.29)
Change in CWIP	240.83	(240.83)
Sales / Devaluation of Assets	0.00	0.00
Proceed from Sale of Fixed Assets	0.00	0.00
Fixed Deposit / Margin Money with Bank	(4826.85)	6127.29
Interest Received	1341.42	1956.53
Net Cash Used in Investing Activities	(9917.34)	(2502.30)
C. Cash Flow From Financing Activities		
Long Term Loan from Bank	(251571.44)	(123397.01)
(Repayments)/ Short Term Borrowing from Bank	856767.91	9176.87
Finance Cost (Interest & Bank Charges)	(1754.52)	(144788.64)
Net Cash used in Financing Activities	603441.96	(259008.78)
Net Increase / (Decrease) in Cash and Bank Balance (A+B+C)	12611.09	3167.81
Opening Balance of Cash & Cash Equivalent	5681.67	2513.86
Closing Balance Cash & Cash Equivalent #	18292.76	5681.68
# Comprised of:		
Cash on hand	976.19	1547.53
Balance with Bank - Current Accounts	17316.58	4134.14
	18292.77	5681.67

[Signature]
Dyantilal B. Sanghvi
Chairman & Managing Director

[Signature]
Vikram B. Sanghvi
Director & Chief Financial Officer



Taken on Record By



INDEPENDENT AUDITOR'S REPORT ON THE QUARTERLY AND YEAR TO DATE STANDALONE FINANCIAL RESULTS OF THE COMPANY PURSUANT TO REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

To
The Resolution Professional of
Sanghvi Forging & Engineering Limited

Qualified Opinion

We have audited the accompanying statement of Quarterly and year to date standalone Financial Results of **Sanghvi Forging & Engineering Limited ("the Company")** for the quarter ended March 31st 2020 and for the year ended on March 31st 2020 ("**the Financial Results**") attached herewith being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:

- i. Are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of its net Loss and other comprehensive income and other financial information of the Company for the quarter ended March 31st, 2020 and for the year ended on March 31st, 2020.

Basis for Qualified opinion

- a. Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of Sanghvi Forging & Engineering Limited ("Corporate Debtor") under the provisions of the Insolvency and Bankruptcy Code, 2016 ('the Code') by an order of the Hon'ble National Company Law Tribunal ('NCLT'), Ahmedabad Bench dated 30th August, 2019. This is to inform you that the NCLT, Ahmedabad Bench has by order dated 26th May, 2020, which was published and made available on 29th May, 2020 admitted the application filed by the members of Committee of Creditors lead by State Bank of India under Section 22 of the Insolvency Bankruptcy Code 2016 for replacement of Interim Resolution professional (IRP) by the Resolution Professional (RP). The NCLT has appointed the Resolution Professional for Sanghvi Forging & Engineering Limited.
- b. As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the audited standalone financial results of the Company submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence



of all of them, it shall be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the audited standalone financial results. In view of the ongoing CIRP, the powers of the board of directors stand suspended. In absence of the Board of Directors, these statements has been signed by erstwhile Chairman and Managing Director and Chief Financial Officer and taken on record by RP and affixing of signature on these statements by the RP should not be construed as endorsement or certification by the RP of any facts or figures provided herein.

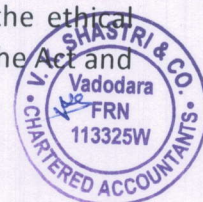
c) We draw attention to below:

- i. The company has continued to incur losses resulting in erosion of entire Net-worth, Current liabilities Exceed Current Assets, inability to pay the statutory liabilities viz. TDS, PF, ESIC etc. and severe Liquidity Constraints; the Banks have recalled their loans.
- ii. Inability to comply with the terms of loan agreements and that Lenders have under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") given notices to the Company in the year 2019.
- iii. That the Company cannot be categorised as a Going Concern in view of the accounting standards generally accepted in India.
- iv. However, considering the Ongoing Operations with improved business prospects, continue to execute orders in hand, and obtaining new orders despite adversities and efforts to control costs, the Management is positive about the viability of Company's operation

In view of the above, the financial Statements have been prepared by the Management on a "Going Concern" basis and no adjustment is considered necessary, except for the provisions made in the Books of Account, to the recorded assets, recorded liabilities, contingent liabilities and other commitments

- d) The accounts of Trade Receivable, Trade Payables and Advances are subject to reconciliation /confirmation. The financial Statements regarding recoverability of Trade Receivables, Advances and impairment of Assets other than those provided for during the year, which has been considered good by the management.
- e) The Lenders of the Company have not charged interest on outstanding loan dues, since the dues from the Company were categorised as a Non-performing Asset with all Banks from June, 2018 onwards. Accordingly, the Company has not provided for accrued interest on outstanding Loans of Banks of Rs. 358.89 for quarter ended 31st March, 2020 and Rs. 1,435.60 for the full year ended on 31st March, 2020.
- f) Company's Management is of opinion that the Company shall continue it's operations considering the Orders in hand the, whereby the Company's operations will be viable and can be termed as Going Concern and accordingly we have prepared our report with observation stated above

We conducted our audit of the financial results in accordance with the Standards on Auditing ("SA"s) specified under section 143 (10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the annual financial results section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and



the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for qualified opinion.

Management's Responsibilities for the standalone financial results

These standalone annual financial results have been prepared on the basis of the annual financial statements. The Company's Management is responsible for the preparation and presentation of these Financial Results that give a true and fair view of the net loss and other comprehensive income and other financial information of the company in accordance with the Ind AS prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Company's Management is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the financial results by the Company's Management, as aforesaid.

In preparing the standalone annual financial results, the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

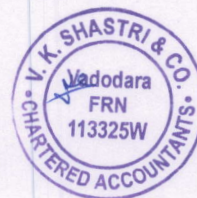
The Company's Management is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a results that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The standalone annual financial results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current fiscal year which we subject to limited review by us.

Date: 11.09.2020
Place: Vadodara



For, **V. K SHASTRI & Co.**
Chartered Accountants
FRN: 113325W

CA. Venugopal K Shastri
(Sole Proprietor)
M.No: 042774

UDIN : 20042774AAAABV8518



V. K. SHASTRI & CO.

Chartered Accountants

CA Venugopal K. Shastri
M.Com., L.L.B., F.C.A., I.S.A.

504, "Citadel" Windsor Plaza-Citadel Complex, R. C. Dutt Road, Vadodara -390 007. Ph. : (0265) 2335669
Fax : 2325088, E-mail : vkshastri@yahoo.co.in

INDEPENDENT AUDITOR'S REPORT ON THE QUARTERLY AND YEAR TO DATE CONSOLIDATED FINANCIAL RESULTS OF THE COMPANY PURSUANT TO REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

To
The Resolution Professional of
Sanghvi Forging & Engineering Limited

Qualified Opinion

We have audited the accompanying Statements of Quarterly and Year to date Consolidated financial results of **Sanghvi Forging & Engineering Limited** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary collectively referred as "the Group") for the quarter ended March 31st 2020 and for the year ended on March 31st 2020 ("the Financial Results") attached herewith, being submitted by the Holding company, pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulation").

In our opinion and to the best of our information and according to the explanations given to us, based on other unaudited financial information of subsidiary, provided by management, referred to in para i. below the financial results:

- i. include the results of the following subsidiary entity:

Sr.No.	Name of the Subsidiary
1.	Sanghvi Europe BV

- ii. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended; and
- iii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of its net loss and other comprehensive income and other financial information for the Group for the quarter ended March 31st, 2020 and for the year ended on March 31st, 2020.

Basis for Qualified opinion

- a. Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of Sanghvi Forging & Engineering Limited ("Corporate Debtor") under the provisions of the Insolvency and Bankruptcy Code, 2016 ('the Code') by an order of the Hon'ble National Company Law Tribunal ('NCLT'), Ahmedabad Bench dated 30th August, 2019. This

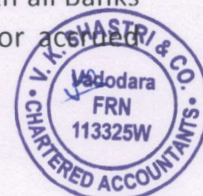


inform you that the NCLT, Ahmedabad Bench has by order dated 26th May, 2020, which was published and made available on 29th May, 2020 admitted the application filed by the members of Committee of Creditors lead by State Bank of India under Section 22 of the Insolvency Bankruptcy Code 2016 for replacement of Interim Resolution professional (IRP) by the Resolution Professional (RP). The NCLT has appointed the Resolution Professional for Sanghvi Forging & Engineering Limited.

- b. As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the audited standalone financial results of the Company submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the audited standalone financial results. In view of the ongoing CIRP, the powers of the board of directors stand suspended. In absence of the Board of Directors, these statements has been signed by erstwhile Chairman and Managing Director and Chief Financial Officer and taken on record by RP and affixing of signature on these statements by the RP should not be construed as endorsement or certification by the RP of any facts or figures provided herein.
- c) We draw attention to below:
 - i. The company has continued to incur losses resulting in erosion of entire Net-worth, Current liabilities Exceed Current Assets, inability to pay the statutory liabilities viz. TDS, PF, ESIC etc. and severe Liquidity Constraints; the Banks have recalled their loans.
 - ii. Inability to comply with the terms of loan agreements and that Lenders have under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") given notices to the Company in the year 2019.
 - iii. That the Company cannot be categorised as a Going Concern in view of the accounting standards generally accepted in India.
 - iv. However, considering the Ongoing Operations with improved business prospects, continue to execute orders in hand, and obtaining new orders despite adversities and efforts to control costs, the Management is positive about the viability of Company's operation

In view of the above, the financial Statements have been prepared by the Management on a "Going Concern" basis and no adjustment is considered necessary, except for the provisions made in the Books of Account, to the recorded assets, recorded liabilities, contingent liabilities and other commitments

- d) The accounts of Trade Receivable, Trade Payables and Advances are subject to reconciliation /confirmation. The financial Statements regarding recoverability of Trade Receivables, Advances and impairment of Assets other than those provided for during the year, which has been considered good by the management.
- e) The Lenders of the Company have not charged interest on outstanding loan dues, since the dues from the Company were categorised as a Non-performing Asset with all Banks from June, 2018 onwards. Accordingly, the Company has not provided for



interest on outstanding Loans of Banks of Rs. 358.89 for quarter ended 31st March, 2020 and Rs. 1,435.60 for the full year ended on 31st March, 2020.

- f) Company's Management is of opinion that the Company shall continue its operations considering the Orders in hand the, whereby the Company's operations will be viable and can be termed as Going Concern and accordingly we have prepared our report with observation stated above

We conducted our audit of the Consolidated annual financial results in accordance with the Standards on Auditing ("SA"s) specified under section 143 (10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the consolidated annual financial results section of our report. We are independent of the Group in accordance with the code of ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us and other information provided by management in respect of unaudited financial statement of subsidiary, referred in paragraph 1 of the "other Matter" below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial results.

Management's Responsibilities for the consolidated annual financial results

These Consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Management is responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Company's Management of the Holding company and of its subsidiary entity is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding company and its subsidiary and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial - controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual financial results, the respective Company's Management of the Holding company and its subsidiary is responsible for assessing the ability of the Holding



company and its subsidiary to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the respective Company's Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Company's Management the companies included in the Group is responsible for overseeing the financial reporting process of the Holding company and its subsidiary.

Auditors' Responsibilities for the Audit of the consolidated annual financial results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion, The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but for the purpose of expressing an opinion on the effectiveness of the company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to event or conditions that may cast significant doubt on the ability of the Group to continue as a going concern If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial result or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as going concern.



- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit, and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

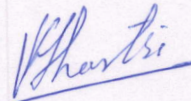
1. The consolidated annual financial results include the unaudited Financial Results of subsidiary, whose Financial Statements reflect Holding Company's share of total assets of Rs. 2.40 lakhs as at March 31, 2020, and net loss after tax of Rs. 10.80 lakhs and Rs. 5.15 lakhs for the quarter and the year ended March 31, 2020 respectively, as considered in the consolidated Financial Results. The financial statements of the subsidiary are not audited, which are furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on information provided by the management and the procedures performed by us are as stated in section above.
2. The consolidated annual financial results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our opinion on the statement is not modified in respect of the above matters.

For **V. K SHASTRI & Co.**

Chartered Accountants

FRN: 113325W



CA. Venugopal K Shastri

(Sole Proprietor)

M.No: 042774

UDIN : 20042774AAAABW9791



Date : 11.09.2020

Place : Vadodara