

25th May, 2021

To

BSE Limited

25th Floor, New Trading Ring,
Rotunda Building,
P.J. Towers, Dalal Street,
Fort Mumbai: 400001
Scrip Code – 533411

National Stock Exchange of India Limited

"Exchange Plaza",
Fifth Floor, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai 400051
Trading Symbol: SANGHVIFOR

Ref.: Sanghvi Forging and Engineering Limited ("Company" or "Corporate Debtor")

Sub.: Intimation – Details of Litigation under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

With reference to and in furtherance of our earlier intimations dated 27 April 2021, 29 April 2021 and 15 May 2021, and pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, it is intimated that, the National Company Law Appellate Tribunal, Principal Bench, New Delhi ("NCLAT") in respect of Company Appeal (AT) (Insolvency) No. 364 of 2021 ("Appeal") has vide order dated May 21, 2021, uploaded on the NCLAT website on 23 May 2021 ("Order") dismissed the Appeal, *inter alia* holding that – (i) the appellants in the Appeal have failed to make out any material irregularity in exercise of powers by the resolution professional during the corporate insolvency resolution period; and (ii) the erstwhile promoters of the Company failed to comply with their obligations under the one-time settlement proposal by 31 December 2019.

For any information or clarification, please contact the undersigned.

Thanking you.

Yours faithfully,

For Sanghvi Forging & Engineering Limited



Deepika Agrawal

Company Secretary & Compliance Officer



NATIONAL COMPANY LAW APPELLATE TRIBUNAL, NEW DELHI

Company Appeal (AT) (Ins.) No. 364 of 2021

In the matter of:

Ronak Kundanlal Bhagat & Ors.

....Appellants

Vs.

**Parthiv Parikh
(RP of Sanghvi Forging and
Engineering Ltd.) & Ors.**

....Respondents

Present

For Appellants: Mr. Pulkit Kapoor, Mr. Janak Bathiya, Mrs. Shraddha Swarup & Mr. Anirudh Suresh, Advocates.

For Respondents: Mr. Dheeraj Garg (PCS) & Jaimin R Dave, for R-1.

**Mr. Diwakar Maheshwari, Mr. Vishnu Shriram,
Mr. Tarak Damani, Mr. Kingshuk Banerjee &
Mr. Aditya V Singh, for R-3/ SRA.**

**Mr. Bishwajit Dubey, Srideepa Bhattacharyya &
Ms. Neha Shivhare, for R-4 & 5.**

**ORDER
(Virtual Mode)**

21.05.2021: Heard Learned Counsel for the Appellant representing shareholder of the Corporate Debtor submits that the Promoters of the Corporate Debtor are ready to pay the equal amount which is accepted by the Successful Resolution Applicant. The Appellants have a good case in Appeal. Therefore, the CIRP may be stayed, till next date of hearing.

Learned Counsel appearing on behalf of the Resolution Professional/R-1 submits that the Appellants being a Shareholders have not raised any objection before the Adjudicating Authority, therefore, they have no locus-standy to file this Appeal. It is also submitted that by the Impugned Order Learned Adjudicating Authority approved the Resolution Plan, therefore, in view of

Section 61(3)(ii) the Appeal can only be filed on the grounds of material irregularity in exercise of powers by the Resolution Professional during the Corporate Insolvency Resolution Period. However, Learned Counsel for the Appellants have not point out any material irregularity in exercising the powers by the Resolution Professional. Therefore, the Appeal is not maintainable and liable to be dismissed at threshold.

It is further submitted that this Appellate Tribunal vide Order 02.12.2019 vacated the stay over the CIRP considering the one-time settlement proposal by Suspended management till 31.12.2019. However, they failed to act upon the one-time settlement proposal in time frame therefore, the IRP made fresh paper publication for calling expression of interest on 13.01.2020. In 13th Meeting COC has approved the Resolution Plan by 100% voting share in favour of the Resolution Plan and the Learned Adjudicating Authority by the Impugned Order approved the Resolution Plan. In such circumstances, it is requested that the Appeal be dismissed at motion stage.

We have considered the submissions we are of the view that Learned Counsel for the Appellants has failed to point out that there is any material irregularity in exercise of powers by the Resolution Professional during the Corporate Insolvency Resolution Period. The Promoters are failed to comply their one-time settlement proposal till 31st December, 2019.

We find no ground to interfere in the Impugned Order. The Appeal is dismissed summarily. No Costs.

[Justice Jarat Kumar Jain]
Member (Judicial)

[Dr. Ashok Kumar Mishra]
Member (Technical)

Sim/Md