



**Before the Delisting Committee (“Committee”)
Of
National Stock Exchange of India Limited
A Wing, Ground Floor, Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
held on September 24, 2020**

**In the matter of the company
M/s Shree Ganesh Forgings Limited**

Members present:

Ms. Sunita Sharma	- Chairperson through Video Conferencing
Ms. Mona Bhide	- Committee Member through Video Conferencing
Mr. K Narasimha Murthy	- Committee Member through Video Conferencing
Mr. Ashok Dhare	- Committee Member
Ms. Priya Subbaraman	- Committee Member

Also Present:

Mr. Vikram Limaye	- Managing Director & CEO through Video Conferencing
Dr. Dinesh Kumar Soni	- Senior Vice President - Regulatory through Video Conferencing
Mr. Suresh Nair	- Vice President - Enforcement
Mr. Dushyant Patadiya	- Manager – Enforcement
Ms. Shubhi Kapoor	- Deputy Manager– Enforcement

1. Background

- 1.1 The trading in equity shares of Shree Ganesh Forgings Limited (“SGFL” or the “Company”) is suspended w.e.f. April 09, 2019 due to non-compliance with Regulation 17(1) and 18(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”) for two consecutive quarters i.e. September 30, 2018 and December 31, 2018 as well as non-payment of the fine amount levied for said non-compliance.
- 1.2 The Exchange, by its letter dated March 18, 2019, has informed that the entire promoter shareholding shall be frozen with immediate effect.
- 1.3 An amount of Rs. 21,65,640/-*, being fine for non-compliance of the requirements under Listing Regulations and Rs. 26,06,089/-* towards listing fees for FY 2014-15 till FY 2020-21 is still pending as on September 15, 2020. (*including interest)

2. Show Cause Notice, Public Announcement and responses

- 2.1 Accordingly, the Exchange issued Show Cause Notice vide ref. no. NSE/LIST/96315 dated November 27, 2019 to the company.
- 2.2 Further, in terms of Regulation 22(3) of Delisting Regulations, 2009, a public notice dated November 26, 2019 was also issued intimating the proposed delisting of the equity share from the Exchange platform. The Public Notice also invited representation from, any person who may be aggrieved by the proposed delisting of the company.,

- 2.3 The Exchange vide letter dated November 28, 2019, has informed the Directors and Promoters of the Company about the proposed delisting of the Company.
- 2.4 In response to the Exchange Show Cause dated November 27, 2019, the Company, vide its email dated December 11, 2019 has provided following response to the Exchange:
- a. The Company intimated that the production level of the Company is reduced drastically since 2008 and the Company has stopped production since 2010.
 - b. There was shortage of fund and capital of Company is fully eroded due to which Company is referred to BIFR/AAIFR.
 - c. There are no employees present in the Company.
 - d. The accounts of Company with its Bank has been designated as NPA since May 2011.
 - e. The Company's banker has initiated proceeding under SARFAESI ACT, 2002.
 - f. The Company had received possession notice of its asset by the Banker in October 2011.
 - g. Due to inoperative status since 2010 the Company is finding it difficult to on board an Independent director. Therefore, compliance related with corporate governance is still pending.
 - h. The Company is trying its best to arrange funds for its revival and for settlement of the "NPA status" with the Bank.
 - i. The Company has requested the Exchange to grant personal hearing in subsequent committee meeting to make its submissions and representations for further consideration before taking the final decision.
- 2.5 Further, in response to Exchange letter dated November 28, 2019 to the directors and promoters of the Company, no response has been received by the Exchange as on the date of this meeting.

3. Reference to Previous Delisting Committee meetings held on December 12, 2019 and on March 24, 2020

- a. The Committee noted that the Company needs to demonstrate that sufficient efforts are being taken to meet the compliances as required under the SEBI (LODR) Regulations, 2015. The Committee, in the interest of equity after taking into consideration the request to grant a personal opportunity in the matter, granted an opportunity to the Company to submit its final response to the Exchange in writing and directed to place the matter in the subsequent delisting committee meeting.
- b. The Company was given another opportunity of personal hearing vide Exchange letter dated March 04, 2020 to appear before the Committee on March 24, 2020. The Committee, while taking note that the Company has not submitted any evidences to demonstrate that enough efforts were being taken to meet the compliances as required under the SEBI (LODR) Regulations, 2015, observed that the Company neither responded to the said personal hearing notice nor remained present before the Committee. The Committee, however, in view of the situation arising out of the pandemic of Corona Virus (COVID – 19) and the order

of Lock Down issued by Government of India, directed that the matter be taken up for a decision on a later date post stabilizing the current situation. The Committee, while granting adjournment. The Committee opined that, in any absence any concrete steps to revoke the suspension in trading of the equity shares, no further request of adjournment will be granted.

4. Present Proceedings Before Delisting Committee dated September 24, 2020

The Company was given an opportunity of personal hearing vide Exchange letter dated September 04, 2020 to appear before the Committee on September 24, 2020. The Committee observed that the Company has neither responded to personal hearing notice issued to the Company nor did any representative of the Company remain present in the personal hearing before the Committee.

5. Committee's Findings and Decision:

- 5.1 The trading in the equity shares of the Company has been suspended for non-compliances of the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 since April 09, 2019.
- 5.2 The non-compliances observed pertain to non-submission of Investor Grievance (Regulation 13(3)), Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director (Regulation 17(1)), Non-compliance with the constitution of audit committee (Regulation 18), non-submission of Shareholding Pattern (Regulation 31), non-submission of Financial Results (Regulation 33), non-submission of Annual Report (Regulation 34) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation"). The Company has also not paid the outstanding listing fees and fines.
- 5.3 The provisions of Regulations 22 (1) under Chapter V of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 provide for delisting of equity shares on any ground as prescribed under Section 21A of the Securities Contracts (Regulation) Act, 1956. The provisions of Rule 21 of the Securities Contracts (Regulation) Rules, 1957 provide for the various grounds due to which the shares of the Company can be delisted.
- 5.4 The provisions under the said SCRA Act, 1956, SCR Rules, 1957 and the Delisting Regulations, also require that no order shall be made under the Delisting Regulations, 2009 unless the concerned company has been given a reasonable opportunity of being heard.
- 5.5 The Committee finds that the Exchange has given the opportunity to the Company by way of issuance of the SCN dated November 27, 2019 to explain as to why the equity shares of the Company should not be delisted.
- 5.6 The Committee finds from the reply of the Company that the reason for non-compliance of SEBI (LODR) Regulations, 2015 and the non-payment of listing fees etc. were due to the ongoing proceedings under SARFEASI ACT against the Company and it does not have any operations, staff or revenues.
- 5.7 The Committee also finds that an opportunity for personal hearing was also granted to the Company. The Company has failed to respond to the personal

hearing letter September 04, 2020, also did not remain present in personal hearing before the Delisting Committee in its Meeting held on September 24, 2020.

- 5.8 The Exchange has also issued a public notice as required under Regulation 22 (3) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in two newspapers viz Business Standard and Navshakti and that no representations or objections have been received in response to the said public notice dated November 26, 2019.
- 5.9 The Committee finds that the persons whose name appears as Directors of the Company, as per the records available with the Exchange (and verified from the Registrar of Companies), were also given an opportunity to submit their explanation by exchange's email dated November 28, 2019. The Exchange has not received any response from any Director of the Company.
- 5.10 The Committee finds that the Company has been suspended since April 2019 and has remained suspended for more than 17 months during which no substantive evidence of having taken any concrete steps were placed before the Committee for considering the continuation of the company under the "suspended category". The Committee finds that the representative of the Company did not have any plan of action which would give some hope of the revival of the operations of the Company vis a vis the trading of its equity shares on the trading platform of the Exchange. The Committee finds that no purpose would be achieved even if any further opportunity is granted. Further, the Company has not responded to the personal hearing opportunities nor have its Directors responded to the Notices.
- 5.11 The Committee finds that despite enough opportunity has been granted to the Company to comply with Regulatory requirements, the Company has failed to comply with the same. The Company and its Directors have failed to respond to the personal hearing opportunities and have also failed to respond to the Notices as well.
- 5.12 The Committee finds that the Company and its Directors have failed to demonstrate that any serious efforts were being taken to ensure compliances required under SEBI (LODR) Regulations, 2015 read with erstwhile Listing Agreement and Listing Regulations to revive the trading of its equity shares and be continuously listed on the Exchange Platform.
- 5.13 The Committee observes that upon delisting of a Company, the Regulation 23 of SEBI (Delisting of Equity Shares) Regulations, 2009 casts a responsibility on the promoter of the company to acquire delisted equity shares from the public shareholders within three months of the date of delisting from the recognised Stock Exchange. The value of such delisted shares which are required to be acquired by promoter is determined by the independent valuer. The Committee is therefore of the view that delisting of the Company will help the investors in taking an informed decision and provide an exit route. Any further delay in delisting the Company, when no tangible efforts could be seen to be taken by the Company, will only prejudice the interests of the investors.
- 5.14 The Committee also further observes that Regulation 24 of SEBI (Delisting of Equity Shares) Regulations, 2009 provides that the promoters and whole-time directors of the compulsorily delisted company shall also not be eligible to become directors of any listed company till the exit option to the public

shareholders are given in compliance with sub-regulation (3) of regulation 23 of the SEBI (Delisting of Equity Shares) Regulations, 2009. The said Regulation 24 also provides that where a company has been compulsorily delisted under this Chapter, the company, its whole-time directors, its promoters and the companies which are promoted by any of them shall not directly or indirectly access the securities market or seek listing for any equity shares for a period of ten years from the date of such delisting. The Committee is therefore of the view, upon delisting of the company the consequences of delisting that follow by virtue of the provisions of Regulation 24 of the SEBI (Delisting of Equity Shares) Regulations, 2009 will be in the larger interest of the investors/shareholders.

Decision:

- 5.15 In view of the findings, after taking into consideration the fact and circumstances as set out above, the Committee is of the opinion that there are no justifiable grounds for allowing the dealing in securities from the Exchange Platform and that no purpose would be achieved in continuing the Company as listed entity.
- 5.16 Accordingly, the Committee, directs that dealings in the securities of M/s Shree Ganesh Forgings Limited (SGFL) (hereinafter referred to as the “Company”) be restrained and withdrawn in terms of Regulation 22 (1) of SEBI (Delisting of Equity Shares) Regulation, 2009 read with Rule 21 (b) of the Securities Contract Regulation Rules, 1957.
- 5.17 The matter was discussed in the Delisting Committee meeting held on September 24, 2020 through video conferencing and at this stage it is neither possible to sign a copy of this order nor a certified copy of the order can be issued by Exchange. Therefore, an electronic copy of this order which is sent from the Exchange’s mail id shall be treated as a signed copy for all purposes.

Sd/-
Sunita Sharma
(Chairperson)

Sd/-
Mona Bhide
(Committee
Member)

Sd/-
K Narasimha Murthy
(Committee Member)

Sd/-
Ashok Dhere
(Committee
Member)

Sd/-
Priya Subbaraman
(Committee
Member)

Date: November 27, 2020