

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL, NEW DELHI**

**Company Appeal (AT) No.180 of 2017**

**IN THE MATTER OF:**

**Ravi Sanghi**

**...Appellant**

**Vs**

**Sanghi Spinners (India) Ltd & Ors**

**...Respondents**

**Present: Mr. Anirudh Wadhwa, with Mr. Hiresh Choudhary,  
Advocates for the appellant.  
Mr. B.O. Mohan, Advocate with Mr. S. Chidambaram, PCS  
for Respondent No.12.**

**ORDER**

18.07.2017- The appellant has challenged the order dated 26<sup>th</sup> April, 2017 passed by the National Company Law Tribunal (hereinafter referred to as the "Tribunal"), Hyderabad Bench, Hyderabad whereby the application preferred by the appellant to withdraw the company petition have been dismissed with cost.

2. The relevant facts for determination of the appeal are as follows:

The Company Petition was filed by the appellant and others in the year in 2008 before the erstwhile Company Law Board, Chennai Bench, Chennai. The matter is pending for more than 9 years. This case now stands transferred to Tribunal at Hyderabad, after its constitution.

3. After about 8 years, the appellant filed application(s) being C.A. No.11 of 2016 on 8.11.2016 and C.A. No.73/2016 and prayed to withdraw the Company Petition. Such prayer was opposed by other co-petitioners, and the respondents alleging that the prayer of appellant is 'not bona fide'.

4. Learned Tribunal on hearing the parties has observed as follows:-

*"We have carefully perused all the submissions of the P.1, P.2, Co-Petitioner, R.3, R.5 and 3A Capital Services Limited. The settlement of the 1<sup>st</sup> petitioner was with R.2, Mrs Swathi Sanghi and Mr. Amit Sanghi who are the legal heirs of R.2 and with Anjana Sanghi who is the wife of R.2. These Respondents have not filed their submissions in response to the withdrawal petition of the Petitioner No.1 as expected, whereas the co-petitioner and other respondents have submitted their counters vehemently opposing the withdrawal of the application filed by the Petitioner No.1 and also pleaded to award exemplary cost on the 1<sup>st</sup> petitioner. R.5 has also submitted information with regard to the breach of family settlement/order of CLB dated 23.10.2008. He has also furnished information filed under Regulation 10(6) – Report to Stock Exchanges in respect of any acquisition made in reliance upon exemption provided for in Regulation 10 of SEBI, (SAST) Regulations 2011 which clearly shows that Mr. Ravi Sanghi i.e. Petitioner No.1 has acquired 2,72,86,050 equity shares of Sanghi Industries Limited from Mr. Anand Sanghi, Anand Sanghi HUF etc. R.5 has also submitted similar information of shares acquired by P.1 from Smt Anjana Sanghi; Mrs Swathi Sanghi and Mr. Amit Sanghi.*

*27. The above transfer of shares between the 1<sup>st</sup> Petitioner and other Respondents are in clear violation of the CLB Order*

*dated 23.10.2008 and 17.10.2009. Further Respondents also pointed out that fixed assets of R.1 Company was also sold at much below the market value. All these acts are in clear violation of CLB's order and in view of the same the Respondents also sought to take action against the Petitioner No.1 for Contempt of Court order and they have also filed their contempt cases against the Petitioner No.1 in Hon'ble High Court, Hyderabad and submitted that P.1 has not come with clean hands to the Tribunal.*

*Further upon perusal of the reliefs sought in CP No.26/2008 wherein 10 major reliefs were prayed for against Respondents, out of which relief No.2, relief No.3, relief No.4 relief No.5 and relief No.8 are directly against 2<sup>nd</sup> and 3<sup>rd</sup> Respondents which will have a direct impact on the main CP No.26/2008.*

*Further as stated above a total 13 Company petitions were filed by P1 under Sections 397/398 of the Companies Act, 1956 and R.3 alongwith R.2 have filed 4 Company petitions under the same sections. In the above background all the cases are interconnected/interlinked and which have a bearing on each other. Therefore, in the above background we are of the prima facie view that the withdrawal application filed by P.1 lacks merit and cannot be acceded to.*

*In addition to the Respondents even the co-petitioner did not support withdrawal of the main C.P. It is also observed that the main CP was instituted in the year 2008 alongwith the 2<sup>nd</sup> petitioner Mr. Gireesh Kumar Sanghi. However, after a gap of 8 years, the Petitioner No.1 alone wishes to withdraw from the main CP that too after violating the CLB order dated 23.10.2008.”*

5. Learned counsel appearing on behalf of the appellant (who is 1<sup>st</sup> petitioner) submitted that the appellant is entitled to withdraw the Company Petition. In support of such claim Learned Counsel relied on Rule 82 of National Company Law Tribunals Rules, 2016, whereunder the Tribunal is empowered to allow the petitioner to withdraw the Company Petition. Reliance has also placed on decisions of Hon’ble Supreme Court to suggest that it is open to a party to withdraw an application.

6. The prayer for withdrawal have been opposed by the respondents, including the ‘co-petitioners in the Company Petition, and the contesting respondents. “3A Capital Service”, who was impleaded as a party respondent, has also opposed the prayer. It is submitted that the appellant has intentionally not impleaded, the ‘3A Capital Service’ as party Respondent to the appeal, though the Tribunal impleaded “3A Capital Service” as party Respondent to the Company Petition.

7. From the plain reading of the impugned judgement, we find that the appellant is habitual of filing Interlocutory Application(s). He filed

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interlocutory applications one after another interlocutory application during last nine years, to delay the proceeding.

8. We also find that erstwhile Company Law Board, passed certain orders in October, 2008 which has been violated by the appellant. He is now trying to stall the proceeding before the Tribunal, as he does not want to give effect to the order passed by the Company Law Board in October, 2008, which has reached finality. Further, we find that the assets of 1<sup>st</sup> respondent company was sold at much below the market value at the instance of the appellant in violation of order passed by the Company Law Board. Taking into consideration all the aforesaid factors, the Tribunal refused to allow the appellant to withdraw the Company Petition.

9. Having heard the learned counsel for the parties, we find no reason to interfere with the impugned order dated 26<sup>th</sup> April, 2017 passed by the National Company Law Tribunal, Hyderabad Bench, Hyderabad. The matter is remitted to the Tribunal for early disposal of the petition. The appeal is dismissed with the aforesaid observations. However, in the facts and circumstances of the case, there shall be no order as to cost.

(Justice S.J. Mukhopadhaya)  
Chairperson

(Mr. Balvinder Singh)  
Member (Technical)