

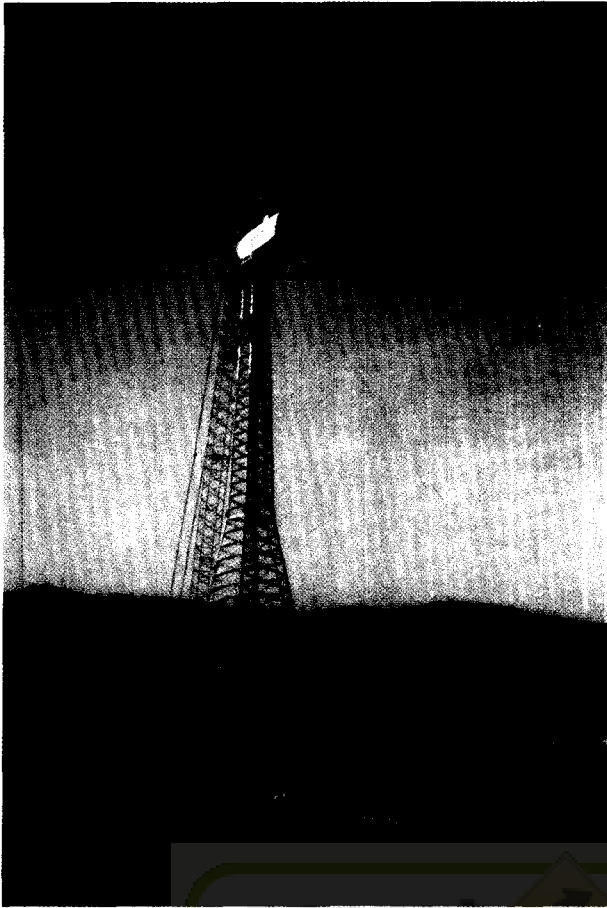


SANGHVI MOVERS LIMITED



800 MT. Liebherr Telescopic Boom Crane erecting 1.25 MW. Wind Energy Generator of 74.5 Mtrs. Hub height of Suzlon Developers Private Limited at Coimbatore, Tamil Nadu.

FIFTEENTH ANNUAL REPORT 2003-2004
HELPING THE CORE SECTOR SURGE AHEAD

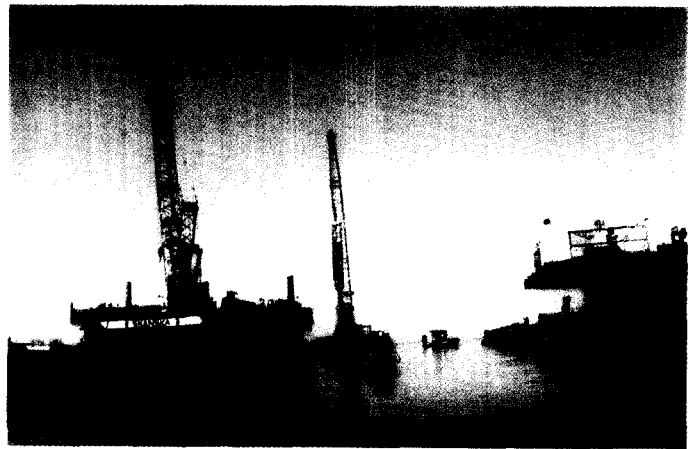


400 MT. Demag Crawler Lattice Boom Crane assembled with 90 Mtrs. Main Boom erecting 1.25 MW. Wind Energy Generator of 74.5 Mtrs. Hub height of Suzlon Developers Private Limited at Chitradurga, Karnataka.



Report Junction.com

300 MT. Kobelco Crawler Lattice Boom Crane mounted on Gantry to carry out Pile Driving Operation using Diesel Hammer for Skanska Cementation India Limited at Sea Bird Project, Karwar, Karnataka.



FIFTEENTH ANNUAL REPORT 2003-2004

SANGHVI MOVERS LIMITED

BOARD OF DIRECTORS

C. P. SANGHVI
Chairman & Managing Director
P. G. CHITALE
A. D. REGE
V. B. MAINKAR
C. L. GHALSASI
Nominee Director - ICICI
(upto 1st October, 2003)
A. P. SANGHVI
Joint Managing Director

BANKERS

State Bank of India
The Saraswat Co-operative Bank Ltd.
Dena Bank
ING Vysya Bank Limited
ICICI Bank Limited

SECRETARY

R. V. PARANJPE
General Manager
(Legal & Admn.) &
Company Secretary

AUDITORS

L. M. JOSHI & CO.
Chartered Accountants

REGISTERED OFFICE

128/A, Mumbai-Pune Road
Chinchwad, Pune - 411 019
Tel. : 91-020-27472394/95,27476797/98
Fax : 91-020-27470409, 27472450
e-mail : sanghvimovers@vsnl.com
website : www.sanghvicranes.com

REGISTRAR & SHARE TRANSFER AGENTS

IIT Corporate Services Limited
Protoprima Chambers, 2nd Floor
Suren Road, Near Cinemagic Theatre
Andheri East, Mumbai - 400 093
Tel. : 91-022-2683 5599 / 1416 / 2609
Fax : 91-022-2684 8375

PLANT ERECTION

HEAVY LIFT

CRANE HIRING

HELPING THE CORE SECTOR SURGE AHEAD


SANGHVI MOVERS LIMITED
Financial Highlights

(Rs. in Lakhs)

PARTICULARS	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000
TOTAL INCOME	4634.90	2670.10	2246.21	2407.16	3465.73
TOTAL EXPENDITURE	2046.49	1189.17	841.34	871.82	1193.80
GROSS PROFIT	2588.41	1480.93	1404.87	1535.34	2271.93
INTEREST	198.03	241.71	429.84	584.52	924.59
DEPRECIATION	1426.52	1171.36	949.72	864.66	892.25
PROFIT BEFORE TAX	963.86	67.86	25.31	86.16	455.09
PROVISION FOR TAXATION					
CURRENT TAX	149.86	79.47	3.64	76.00	52.00
DEFERRED TAX	195.96	(46.49)	14.73	NIL	NIL
PROFIT AFTER TAX	618.04	34.88	6.94	10.16	403.09
CASH PROFIT	2044.56	1206.24	956.66	874.82	1295.34
GROSS BLOCK	15569.78	11430.56	11542.81	11775.47	12070.02
DEPRECIATION	6475.93	5397.21	4432.56	3600.11	2856.79
NET BLOCK	9093.85	6033.35	7110.25	8175.36	9213.23
DIVIDEND (%)	* 25%	NIL	NIL	NIL	15
AMOUNT	* 179.44	NIL	NIL	NIL	108.02
PAID-UP CAPITAL	729.71	729.71	729.71	729.71	729.71
RESERVES	3985.66	3570.05	** 3535.17	4912.82	4900.86
SHAREHOLDERS' FUNDS	4715.37	4299.76	4264.88	5642.53	5630.57
NET WORTH	4702.24	4273.51	4225.50	5590.02	5564.94
DEBT : EQUITY	0.88	0.34	0.57	0.60	0.77
EARNING PER SHARE (Rs.)	8.61	0.49	0.10	0.14	5.52
CASH EPS (Rs.)	28.48	16.80	13.33	11.99	17.75
BOOK VALUE (Rs.)	64.44	58.56	57.91	76.61	76.26

* Subject to approval of the Members

** After adjusting accumulated Deferred Tax Liability upto 31st March, 2001, amounting to Rs. 1384.68 Lakhs

HELPING THE CORE SECTOR SURGE AHEAD

FIFTEENTH ANNUAL REPORT 2003-2004**NOTICE**

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of Sanghvi Movers Limited will be held on Saturday, the 25th day of September, 2004, at 11.00 a.m., at the Registered Office of the Company, at 128/A, Mumbai - Pune Road, Chinchwad, Pune - 411 019, to transact the following business :-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004, the Profit and Loss Account for the Year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares for the Year ended 31st March, 2004.
3. To appoint a Director in place of Mr. V. B. Mainkar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. P. G. Chitale, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 7th September, 2004 to Saturday, 25th September, 2004, both days inclusive, for the purpose of Annual General Meeting and Payment of Dividend.
3. Dividend, if declared at the Meeting, will be paid to those Members whose names appear on the Register of Members on 25th September, 2004. In respect of Equity Shares in electronic form, Dividend will be payable on the basis of beneficial ownership as per the details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
4. Members are requested to :
 - a) consider dematerialising the Equity Shares held by them,
 - b) intimate to the Company's Registrar & Share Transfer Agents/their Depository Participants (DP) changes, if any, in their registered addresses at an early date,
 - c) quote ledger folio numbers and/or DP Identity and Client Identity Numbers in all their correspondence,
 - d) inform the Registrar & Share Transfer Agents of the Company the particulars of Bank Account Number with the Name of the Bank and its Branch so that these details could be shown on the Dividend Warrants,



SANGHVI MOVERS LIMITED

- e) direct all their correspondence to the Registrar & Share Transfer Agents of the Company and
 - f) bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
5. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company atleast 10 days in advance before the date of Annual General Meeting, so that the information required may be made available at the Meeting.
6. It may be noted that Dividend which remains unpaid or unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund of the Central Government and thereafter no claim shall lie in respect thereof. The Unpaid/Unclaimed Dividend for the Year ended 31st March, 1996, has been transferred to the Investor Education & Protection Fund. The Shareholders, who have not claimed the Dividend for the Years ended 31st March, 1997, 31st March, 1998, 31st March, 1999 and 31st March, 2000, are requested to claim the same from the Company at the earliest.

By Order of the Board of Directors
For SANGHVI MOVERS LIMITED

Place : Pune
Date : 19th June, 2004

R. V. PARANJAPE
General Manager (Legal & Admn.) &
Company Secretary

Registered Office :
128/A, Mumbai-Pune Road,
Chinchwad, Pune 411 019.

FIFTEENTH ANNUAL REPORT 2003-2004**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in presenting the Fifteenth Annual Report and Audited Accounts of your Company for the Year ended 31st March, 2004.

FINANCIAL RESULTS	2003-2004	2002-2003
	(Rs. In Lakhs)	
Total Income	4634.90	2670.10
Total Expenditure	2046.49	1189.17
Gross Profit	2588.41	1480.93
Interest	198.03	241.71
Depreciation	1426.52	1171.36
Provision for Taxation	345.82	32.98
Net Profit	618.04	34.88
Surplus brought forward	311.76	276.88
Amount available for Appropriation	929.80	311.76
Appropriations		
Transfer to General Reserves	400.00	Nil
Proposed Dividend	179.44	Nil
Tax on Dividend	22.99	Nil
Surplus carried forward	327.37	311.76

DIVIDEND

Your Directors are pleased to recommend for your consideration Dividend @ 25% on 71,77,600 Equity Shares for the Year ended 31st March, 2004. No dividend was recommended for the past three years.

BUSINESS REVIEW

The Performance of your Company during the Year under review has been encouraging. You will be pleased to note that during the year under review, your Company has earned Total Income of Rs.4634.90 Lakhs and Net Profit of Rs.618.04 Lakhs, as against Total Income of Rs.2670.10 Lakhs and Net Profit of Rs.34.88 Lakhs earned in the previous year.

Operations of Cranes

Your Company has been streamlining its operations and setting up Depot/Workshop at suitable places. The Company has purchased additional Cranes of Rs.21.61 Crores as expansion programme.

Power Generation

Your Company has diversified its activities and ventured in the Business of Power Generation by commissioning 5.05 MW Wind Mills of Rs.21.90 Crores in Jaisalmer, Rajasthan and Chitradurga, Karnataka. Power Generation from Wind Mills has commenced on 30th September, 2003.



SANGHVI MOVERS LIMITED

FINANCE

During the Year under review, the Company has availed Financial Assistance from State Bank of India, The Saraswat Co-operative Bank Limited and ING Vysya Bank Limited for funding its expansion and diversification programmes.

FIXED DEPOSITS

The Company discontinued accepting/renewing deposits from January, 2000. Your Company had entirely repaid/refunded Fixed Deposits accepted earlier from the Public and Shareholders and has no outstanding or unclaimed deposits as on 31st March, 2004.

PERSONNEL

Your Directors express their deep appreciation for the dedicated and sincere services rendered by the employees at all levels. Employee relations have been cordial.

DIRECTORS

During the Year under review, ICICI Bank Limited has withdrawn its nomination on prepayment of loan by the Company and accordingly, Mr. C.L. Ghalsasi ceased to be Nominee Director with effect from 1st October, 2003. The Board of Directors places on record sincere appreciation of the valuable guidance rendered by Mr. C.L. Ghalsasi.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr.V.B. Mainkar and Mr. P. G. Chitale are liable to retire by rotation and being eligible offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- (i) that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2004, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit of the Company for the Year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the Annual Accounts for the Financial Year ended 31st March, 2004, on a going concern basis.

AUDITORS

L. M. Joshi & Co., Chartered Accountants, retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

STATUTORY PARTICULARS

Particulars of Employees as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are given in Annexure, which forms part of this Report. Having regard to the nature of business of the Company, Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy and technology absorption, are not applicable to the Company. During the year under review, there were no foreign exchange earnings and the foreign exchange outgo amounted to Rs.559.33 Lakhs.

FIFTEENTH ANNUAL REPORT 2003-2004**CORPORATE GOVERNANCE**

In accordance with the Guidelines of the Securities and Exchange Board of India and Clause 49 of the Listing Agreement with The Stock Exchange, Mumbai and the Provisions of the Companies Act, 1956, Report on Corporate Governance, Management Discussion & Analysis Report and Compliance Certificate from the Auditors of the Company are annexed and form part of Annual Report.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude and appreciation for the co-operation and support received from the Banks, esteemed Clients, Shareholders and Employees of the Company and look forward to their valuable contribution in the growth of the Company.

On behalf of the Board of Directors

Place : Pune
Date : 19th June, 2004

C. P. SANGHVI
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE TO THE DIRECTORS' REPORT

Particulars of Employees as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the Year ended 31st March, 2004

Sr. No.	Name	Qualifications	Designation/ Nature of Duties	Age (Years)	Gross Remuneration Rs.	Date of Commencement of Employment	Experience (Years)	Last Employment held
Employed throughout the year and in receipt of Remuneration of not less than Rs. 24,00,000/- per annum								
1	Mr. C .P. Sanghvi	B.E. M.S.	Chairman & Managing Director	50	44,02,180/-	01.10.1994	26	—
2	Mr. A. P. Sanghvi	B.Com. LL.B. M.B.A.	Joint Managing Director	49	43,83,061/-	01.01.1997	26	—

NOTES :

- Gross Remuneration is subject to tax and comprises Salary, House Rent Allowance, Commission payable, Monetary Value of Perquisites as per Income Tax Rules and Company's contribution to Superannuation Fund inclusive of contributions for the past years.
- The Nature of Employment in both the cases is contractual.
- Both the Directors are related to each other as Brothers.
- None of employees had received remuneration in excess of that drawn by the Managing Director/Whole-time Director and held by himself or alongwith his spouse and dependent children more than 2% of the Equity Shares of the Company.

On behalf of the Board of Directors

Place : Pune
Date : 19th June, 2004

C. P. SANGHVI
CHAIRMAN & MANAGING DIRECTOR



SANGHVI MOVERS LIMITED

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is the Largest Crane Hiring Company in India engaged in the business of providing Hydraulic and Crawler Cranes and technical services to various industries in infrastructure and core sector areas. It has a fleet of medium to large size Hydraulic Truck Mounted Telescopic and Lattice Boom Cranes and Crawler Cranes with lifting capacity 20 Tons to 800 Tons. The Company has diversified its business activities. Wind Mills of 5.05 MW have been installed in the States of Rajasthan and Karnataka. Power Generation has commenced on 30th September, 2003.

OPPORTUNITIES AND THREATS

The Company has been providing Heavy Lift, Plant Erection and Maintenance Services on turnkey basis to various large scale projects. The Company has maintained a good track record in terms of effective deployment of Cranes at competitive rates with due regard to time schedule as well as safety and efficiency in operations. The Company's operations may get affected on account of competition in Crane Hiring Business.

In view of the encouraging measures taken by the Government to liberalise the Power Sector, Power Generation Business is expected to be better.

SEGMENTWISE PERFORMANCE

The Company operates in two business segments, namely, Operations of Cranes and Power Generation. During the year under review, the business of Operations of Cranes has been encouraging. Power Generation has assured business from the respective State Governments.

OUTLOOK

General Economic condition is gradually improving. It is expected that over a period of time new projects would be set up in core and infrastructure areas. The Company is poised to provide efficient qualitative services at reasonable rates.

In view of acute power shortage in the country, Power Generation through Wind Mills is expected to be favourable business activity.

RISKS AND CONCERNS

As regards Operations of Cranes, under-utilization of Cranes and competition in the market reflect points of risk and concern to the Company.

As regard Power Generation, adverse view of environmentalists on Wind Mills and unfavourable Wind Power Policy by Government reflect points of risk and concern to the Company.

However, the Company has implemented expansion and diversification programmes, besides taking effective steps for streamlining its operations.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate safeguards and controls over the use of its assets, generation of resources and meeting of various expenses and the systems are closely monitored by the Management.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has already set up Depot/Workshop at Bharuch, Chennai & Nagpur to cater to the needs of its Clients. By setting up such Depot, the Company has saved cost and time involved in mobilisation of its Cranes, thus increasing operational efficiency. Further, the Company has assured reasonable cash flow through Wind Power Generation.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Company has a team of professionally qualified personnel to look after technical and commercial aspects of business operations. Its technical team includes qualified engineers, skilled operators and expert maintenance staff. Employee relations have been cordial.

DISCLOSURE TO THE BOARD BY THE MANAGEMENT

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors do not participate in the discussion nor do they vote on such matters.

MISSION STATEMENT

Helping the Core Sector Surge Ahead