



## SANGHVI MOVERS LIMITED



**BRAND NEW Terex-Demag CC 2800-1 Capacity 600/800 MT Crawler Crane, assembled in 'SWSL' Configuration with 84.0 mtrs. Main Boom + 84.0 mtrs. Luffing Jib, carrying out the erection of string structures at Sanghipuram, Gujarat for Sanghi Industries Ltd. (We have 4 nos. such CC 2800-1 Cranes)**

**SEVENTEENTH ANNUAL REPORT 2005-2006**  
**HELPING THE CORE SECTOR SURGE AHEAD**

## Corporate Office

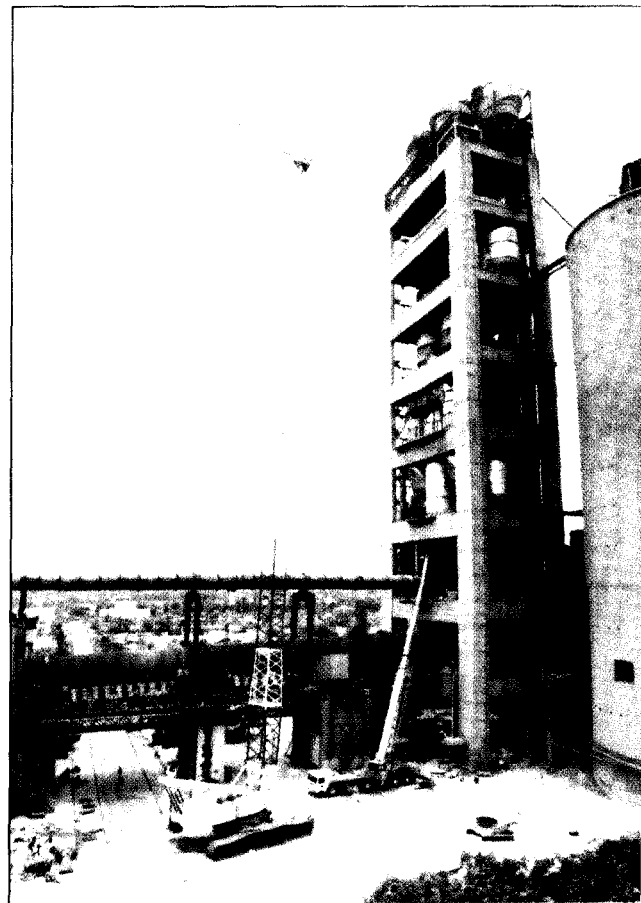
 **SANGHVI MOVERS LIMITED**



*"Our Team"*  
*Company Driven By People*

Report  junction.com

450 MT Capacity Demag CC 2400 Crawler Crane assembled in 'LW' Configuration with 78.0 mtrs. Main Boom + 72.0 mtrs. Luffing Jib carrying out erection of Cyclone structures Cement Plant at Aditya Cement, Chittorgarh, Rajasthan for Grasim Industries Ltd.



# SANGHVI MOVERS LIMITED

## BOARD OF DIRECTORS

C. P. SANGHVI  
Chairman & Managing Director

P. G. CHITALE  
Non-Executive & Independent Director

A. D. REGE  
Non-Executive & Independent Director

V. B. MAINKAR  
Non-Executive & Independent Director

FREDERICK LONG  
Additional Director (w.e.f. 11/05/2006)

GAURAV MALIK  
Alternate Director to Mr. Frederick Long  
(w.e.f. 22/05/2006)

## BANKERS

State Bank of India

ICICI Bank Limited

ING Vysya Bank Limited

Dena Bank

UTI Bank Limited

The Saraswat Co-operative Bank Limited

Corporation Bank

HDFC Bank Limited

## SECRETARY

JITENDRA R. SHAH  
Company Secretary  
(w.e.f. 5th June, 2006)

## AUDITORS

L. M. JOSHI & CO.  
Chartered Accountants

## REGISTERED OFFICE

Survey No. 92, Tathawade,  
Taluka Mulshi, Pune - 411 033

Tel. : 91-020-2293 3331/2/3

Fax : 91-020-2293 4397

e-mail : [sanghvimovers@vsnl.com](mailto:sanghvimovers@vsnl.com)

website : [www.sanghvicranes.com](http://www.sanghvicranes.com)

## REGISTRAR & SHARE TRANSFER AGENTS

Intime Spectrum Registry Limited  
(w.e.f. 1/8/2006)

C-13 Pannalal Slik Mills Compound  
L.B.S. Marg, Bhandup (W).  
Mumbai 400 078

Tel : 91-022-2596 3838 (15 lines)

Fax : 91-022 2594-6969

e-mail: [rta@intimespectrum.com](mailto:rta@intimespectrum.com)

URL : [www.intimespectrum.com](http://www.intimespectrum.com)

**HEAVY LIFT**

**CRANE HIRING**

**HELPING THE CORE SECTOR SURGE AHEAD**


**SANGHVI MOVERS LIMITED**
**Financial Highlights**

(Rs. in Lakhs)

PARTICULARS	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002
<b>TOTAL INCOME</b>	<b>14965.03</b>	7586.97	4634.90	2670.10	2246.21
TOTAL EXPENDITURE	<b>5043.63</b>	2985.82	2046.49	1189.17	841.34
<b>GROSS PROFIT</b>	<b>9921.40</b>	4601.15	2588.41	1480.93	1404.87
INTEREST	<b>1371.83</b>	467.02	198.03	241.71	429.84
<b>PBDT</b>	<b>8549.57</b>	4134.13	2390.38	1239.22	975.03
DEPRECIATION	<b>3564.34</b>	2128.22	1426.52	1171.36	949.72
<b>PROFIT BEFORE TAX</b>	<b>4985.23</b>	2005.91	963.86	67.86	25.31
PROVISION FOR TAXATION -					
CURRENT TAX & PREVIOUS YEARS TAX	<b>1854.91</b>	419.95	149.86	79.47	3.64
DEFERRED TAX	<b>(113.98)</b>	216.11	195.96	(46.49)	14.73
FRINGE BENEFIT TAX	<b>26.00</b>	—	—	—	—
<b>PROFIT AFTER TAX</b>	<b>3218.30</b>	1369.85	618.04	34.88	6.94
<b>CASH PROFIT</b>	<b>6668.65</b>	3714.18	2240.52	1159.75	971.39
GROSS BLOCK	<b>40563.68</b>	23656.68	15569.78	11430.56	11542.81
DEPRECIATION	<b>11986.44</b>	8422.69	6475.93	5397.21	4432.56
NET BOLCK	<b>28577.24</b>	15233.99	9093.85	6033.35	7110.25
DIVIDEND (%)	<b>*100.00</b>	50.00	25.00	NIL	NIL
AMOUNT	<b>*717.76</b>	358.88	179.44	NIL	NIL
PAID-UP CAPITAL	<b>729.71</b>	729.71	729.71	729.71	729.71
RESERVES	<b>7346.17</b>	4946.29	3985.66	3570.05	**3535.17
SHAREHOLDERS' FUNDS	<b>8075.88</b>	5676.00	4715.37	4299.76	4264.88
NET WORTH	<b>8075.88</b>	5676.00	4702.24	4273.51	4225.50
DEBT : EQUITY	<b>2.90</b>	1.80	0.88	0.34	0.57
EARNING PER SHARE (Rs.)	<b>44.84</b>	19.09	8.61	0.49	0.10
CASH EPS (Rs.)	<b>92.91</b>	51.75	31.22	16.16	13.53
BOOK VALUE (Rs.)	<b>79.08</b>	79.08	65.51	59.54	58.87

\* 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**

**SEVENTEENTH ANNUAL REPORT 2005-2006****NOTICE**

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of Sanghvi Movers Limited will be held on Saturday, the 2<sup>nd</sup> day of September, 2006, at 11.00 a.m. at the registered office of the Company, at Survey No. 92, Tathawade, Taluka Mulshi, Pune 411 033, to transact the following business :-

**Ordinary Business :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006, 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, 2006.
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 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.

**Special Business :**

5. To consider, and if thought fit, to pass with or without modifications, the following resolution as Special Resolution :  
**"RESOLVED THAT** the amendments to the Articles of Association of the Company (as contained in the printed documents submitted to the meeting and for purposes for identification signed by the Chairman thereof) be and the same are hereby approved and adopted as new set of Articles of Association of the Company in substitution for and to the exclusion of all the existing articles thereof."
6. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :  
**"RESOLVED THAT** Mr. Frederick Long who was appointed as an Additional Director of the Company with effect from 11<sup>th</sup> May, 2006 under Article 126 (a) of the Articles of Association of the Company and who holds office until this Annual General Meeting of the Company be and is hereby appointed a Director of the Company whose period of office shall not be liable to retire by rotation."
7. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :  
**"RESOLVED THAT** Mr. S. Padmanabhan be and is hereby appointed as a Director of the Company whose period of office will be liable to retire by rotation."
8. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :  
**"RESOLVED THAT** Mr. Prakash C. Bhalerao be and is hereby appointed as a Director of the Company whose period of office will be liable to retire by rotation."
9. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :  
**"RESOLVED THAT** subject to provisions of Section 198, 269, and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modifications or re-enactment thereof, for the time being in force), and subject to the limits specified in Schedule XIII to the Act and subject to all such approvals as may be required, Mr. R. S. Desai be and is hereby appointed as Executive Director of the Company, whose period of office will be liable to retire by rotation, for a period of three years commencing on and from 2nd September, 2006 upon following terms of remuneration in terms of Schedule XIII of the Companies Act, 1956 relating to managerial remuneration.

**SALARY**

A Salary (Basic plus Dearness Allowance) of Rs. 39,500 (Rupees thirty nine thousand and five hundred only) per month in the grade of Rs. 39,500 - Rs. 100,000.





## SANGHVI MOVERS LIMITED

### PERQUISITES

In addition to the aforesaid salary, the Executive Director shall be entitled to the following perquisites:

#### CATEGORY 'A'

This will comprise House Rent Allowance, Education Allowance and reimbursement of medical, newspaper and periodical expenses as follows.

House Rent Allowance - 40% of the Salary

Allowance for the education of the children as per the provisions of the Income Tax Rules, 1962 for the time being in the force.

Reimbursement of all medical expenses including hospitalization, nursing home and surgical charges incurred for self and family and newspaper and periodical expenses.

#### CATEGORY 'B'

Gratuity at the rate not exceeding half a months salary for each completed year of service.

Leave at the rate of twenty one days for every year of service. Leave not availed of may be encashed, as per the Company Rules.

Retirement and other benefits including Superannuation as per the Rules of the Company.

#### CATEGORY 'C'

Provision of one car, which shall be fueled and maintained by the Company, to be valued as per provisions of the Income Tax Rules, 1962, for the time being in the force.

### MINIMUM REMUNERATION

Where in any Financial Year during the currency of tenure of Mr. R. S. Desai as Executive Director, the Company has no profits or its profits are inadequate, the Company may pay to Mr. R. S. Desai, as minimum remuneration, the salary, perquisites and any other allowances, as specified above."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised and empowered to approve annual increments and to make such improvements in the terms of remuneration to Mr. R.S. Desai as may be permissible under and by any amendments of Schedule XIII to the Company's Act, 1956 or by way of any Government Guidelines or Instructions, the intension being that no further approval of the Company will be required so long as remuneration of the Executive Director is not in excess of the maximum permissible limit under relevant Laws, Rules, Regulations, Guidelines or Instructions as may be promulgated or issued after the date of meeting."

10. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

**"RESOLVED THAT** subject to provisions of Section 198, 269, and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modifications or re-enactment thereof, for the time being in force), and subject to the limits specified in Schedule XIII to the Act and subject to all such approvals as may be required, Mr. Sham Kajale be and is hereby appointed as Executive Director of the Company, whose period of office will be liable to retire by rotation, for a period of three years commencing on and from 2<sup>nd</sup> September, 2006 upon following terms of remuneration in terms of Schedule XIII of the Companies Act, 1956 relating to managerial remuneration.

### SALARY

A Salary (Basic plus Dearness Allowance) of Rs. 36,000 (Rupees thirty six thousand only) per month in the grade of Rs. 36,000 - Rs. 1,00,000.

### PERQUISITES

In addition to the aforesaid salary, the Executive Director shall be entitled to the following perquisites:

#### CATEGORY 'A'

This will comprise House Rent Allowance, Education Allowance, and reimbursement of medical, newspaper and periodical expenses as follows.

House Rent Allowance – 40% of the Salary

**SEVENTEENTH ANNUAL REPORT 2005-2006**

Allowance for the education of the children as per the provisions of the Income Tax Rules, 1962, for the time being in the force.

Reimbursement of all medical expenses including hospitalization, nursing home and surgical charges incurred for self and family, newspaper and periodical expenses.

**CATEGORY 'B'**

Gratuity at the rate not exceeding half a months salary for each completed year of service.

Leave at the rate of twenty one days for every year of service. Leave not availed of may be encashed, as per the rules of the Company.

Retirement and other benefits including Superannuation as per the Rules of the Company.

**CATEGORY 'C'**

Provision of one car, which shall be fueled and maintained by the Company, to be valued as per provisions of the Income Tax Rules, 1962, for the time being in the force.

**MINIMUM REMUNERATION**

Where in any Financial Year during the currency of tenure of Mr. Sham Kajale as Executive Director, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Sham Kajale, as minimum remuneration, the salary, perquisites and any other allowances, as specified above."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised and empowered to approve annual increments and to make such improvements in the terms of remuneration to Mr. Sham Kajale as may be permissible under and by any amendments of Schedule XIII to the Company's Act, 1956 or by way of any Government Guidelines or Instructions, the intension being that no further approval of the Company will be required so long as remuneration of the Executive Director is not in excess of the maximum permissible limit under relevant Laws, Rules, Regulations, Guidelines or Instructions as may be promulgated or issued after the date of meeting."

11. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modifications or re-enactment thereof, for the time being in force), and subject to the limits specified in Schedule XIII to the Act and subject to all such approvals as may be required, the Company hereby accords its approval and consent to the revised salary of Rs. 6,50,000 (Rupees six lakhs and fifty thousand only) payable to Mr. C. P. Sanghvi, Chairman and Managing Director of the Company with effect from 1<sup>st</sup> September, 2006 in terms of letter addressed to him by the Company, be and is hereby approved.

**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 Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business under Items No. 5 to 11 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 25<sup>th</sup> August, 2006 to Saturday the 2<sup>nd</sup> September, 2006, both days inclusive, for the purpose of Annual General Meeting and Payment of Dividend.
4. Dividend, if declared at the Meeting, will be paid to those Members whose names appear on the Register of Members on 2<sup>nd</sup> September, 2006. 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.
5. In case of item Nos. 9 to 11, the resolution may be treated as an abstract pursuant to section 302 of the Companies Act, 1956.



## SANGHVI MOVERS LIMITED

6. 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,
  - 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.
7. 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.
8. 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, 1997 and 31st March, 1998, has been transferred to the Investor Education & Protection Fund. The Shareholders, who have not claimed the Dividend for the Years ended 31st March, 1999, onwards, 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 : 28<sup>th</sup> July, 2006



C. P. Sanghvi  
Chairman & Managing Director

**Registered Office :**

Survey No. 92, Tathawade  
Taluka Mulshi, Pune 411 033

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

**For Item No. 5**

A strategic investment has been made in your Company by Olympus India Holdings Limited, Olympus Crane Holdings Limited and Clear Water Capital Partners Investment Private Limited (hereby referred as "Investors"), by acquiring in aggregate 10,75,000 (Ten lakh and seventy five thousand) equity shares of Rs. 10/- (Rupees ten only) each amounting to approximately 14.977% of 71,77,600 (Seventy one lakh seventy seven thousand and six hundred) fully paid-up equity shares of the Company, on 11<sup>th</sup> May, 2006. These investors are renowned international investors.

*Pursuant to the terms agreed between the investor and the Company, the articles of the Company shall be required to be suitably amended to reflect the terms and conditions of the understanding between the investor and the Company and to protect the interest of the investors, who made a substantial investment in the Company.*

Since the amendments to the existing articles are substantial in nature, it is not desirable to amend the existing articles in a piecemeal manner and therefore it is required to adopt the entire new set of regulations as Articles of Association of the Company.

The new set of regulations as Articles of Association of the Company will be adopted subject to the approval of the members



**SEVENTEENTH ANNUAL REPORT 2005-2006**

in the general meeting and approval of The Stock Exchange, Mumbai.

A copy of the draft new regulations as Articles of Association is available for the inspection of members at the Company's registered office on any working day during business hours.

The Investors as mentioned above are neither the Promoters of the Company nor person acting in concert. Mr. C. P. Sanghvi, Mr. Frederick Long and Mr. Gaurav Malik may be deemed to be interested or concerned in the adoption of new regulations as Articles of Association to the extent of amendment proposed to the existing provisions of the Articles of Association.

The Board recommends the resolution set forth in the item No. 5 of notice for approval of members.

**For Item No. 6**

Mr. Frederick Long was appointed as an Additional Director of the Company on behalf of Olympus Capital, a well recognized International Investor, under Section 260 of the Companies Act, 1956 and the Article 126 (a) of the Articles of Association of the Company with effect from 11<sup>th</sup> May, 2006 and hold office until the date of this Annual General Meeting. Mr. Frederick Long being eligible offers himself for appointment at the Meeting. Notice, alongwith a deposit of five hundred Rupees, as required by Section 257 of the Companies Act, 1956 has been received from a shareholder proposing the appointment of Mr. Frederick Long as a Director of the Company.

Mr. Frederick Long is a founding Managing Director of Olympus Capital Holdings, Asia. He did his Master in Business Administration (MBA) from Stanford Graduate School of Business AB, Brown University. He is having 20 years experience in investment management. He is also expertise in Fund Management, Finance and Strategy.

Mr. Frederick Long is also a co-founder and Executive Director of the Management Institute for Environment and Business, a non-profit organization specializing in environmental training for business.

Mr. Frederick Long is also Director in Asia Projects Holdings II Company Limited, Verdaine Holdings Limited, INSUN ENT Company Limited and member of the Committee of World Wide Fund, Hong Kong.

Mr. Frederick Long is not holding directly a single share of the Company as on date. Except for Mr. Frederick Long who is interested in the resolution, as it deals with his appointment, no other Director of the Company is concerned or interested.

The Board recommends the resolution set forth in the item No. 6 of notice for approval of members.

**For Item Nos. 7 to 10**

Members are aware of the Company's robust growth on all the fronts from the last couple of years and also huge expansion program of the Company. Hence the need was felt to strengthen and broaden the Board of the Company

On the above background, it is proposed to induct Mr. S. Padmanabhan and Mr. Prakash C. Bhalerao as Non-Executive and Independent Directors, whose period is liable to retire by rotation. Further considering the contributions made and responsibilities shouldered by Mr. R. S. Desai and Mr. Sham Kajale it is proposed to elevate their positions as Executive Directors on the Board of the Company with effect from 2<sup>nd</sup> September, 2006 to 1<sup>st</sup> September, 2009.

The Company has received notices in writings from the members proposing the candidatures of Mr. S. Padmanabhan, Mr. Prakash C. Bhalerao, Mr. R. S. Desai and Mr. Sham Kajale for the office of Director.

Mr. S. Padmanabhan, I.A.S. (Retd), M. Sc. (Physics), Bachelor of General Law, Diploma in Development Economics and Diploma in Management Accounting, aged 66 years.

Mr. Prakash C. Bhalerao, B.E. - Chemical (1<sup>st</sup> rank), MBA in Finance and Post Graduate Diploma in Taxation (1<sup>st</sup> rank), aged 56 years

Mr. R. S. Desai, M.Com, CA - (Intermediate) and Post Graduate in Financial Management, aged 43 years, has served the Company for 19 years and is G.M. – Operations and Marketing

Mr. Sham Kajale, M.Com, AICWA and CS - (Intermediate), aged 36 years, has served the Company for 11 years and is Chief Finance Officer.

The Company will be immensely benefited because of the varied experience of Mr. S. Padmanabhan, Mr. Prakash C. Bhalerao, Mr. R.S. Desai and Mr. Sham Kajale. The Board recommends the resolutions set forth in the item Nos. 7 to 10 of notice for approval of members.



## SANGHVI MOVERS LIMITED

### For Item No. 11

Mr. C. P. Sanghvi was appointed as Managing Director of the Company for a period of three years with effect from 1st October, 2005, on the terms and conditions including payment of remuneration and perquisites, as approved by the Members by a Special Resolution at the Sixteenth Annual General Meeting held on 24th September, 2005 and as set out in the Agreement dated 24th September, 2005.

Mr. C. P. Sanghvi has been instrumental for the rapid growth of the Company since inception. In view of the overall growth in the size and business activities of the Company and the future plans, it was considered desirable in the best interest of the Company to continue availing the benefits of his able leadership. The Remuneration Committee of the Board of Directors of the Company at the Meeting held on 22<sup>nd</sup> May, 2006, approved revised salary of Mr. C. P. Sanghvi of Rs. 6,50,000/- (Rupees six lakh and fifty thousand) per month with effect from 1<sup>st</sup> September, 2006 for the remaining period and the other terms and conditions of reappointment of Mr. C. P. Sanghvi as Managing Director set out in the agreement remains unchanged, subject to approval of the Board of Directors and Members of the Company. Accordingly, the Board of Directors of the Company at the Meeting held on 22<sup>nd</sup> May, 2006 approved the revised salary of Mr. C. P. Sanghvi as Managing Director of the Company with effect from 1<sup>st</sup> September, 2006 for the remaining period of appointment, subject to approval of the Members of the Company.

Draft Supplementary Agreement to be entered into between the Company and Mr. C. P. Sanghvi, Managing Director, is available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days upto the date of the Meeting.

Directors of the Company recommends the Resolution set forth in item No.11 for consideration and approval of the Members.

Mr. C. P. Sanghvi is concerned or interested in this resolution. None of the other Directors of the Company is concerned or interested in this resolution.



By Order of the Board of Directors  
For SANGHVI MOVERS LIMITED

Place : Pune  
Date : 28<sup>th</sup> July, 2006

C. P. Sanghvi  
Chairman & Managing Director

**Registered Office :**  
Survey No. 92, Tathawade  
Taluka Mulshi, Pune 411 033