



SANGHVI MOVERS LIMITED



TWENTY THIRD ANNUAL REPORT 2011-2012



Board of Directors

Chandrakant Sanghvi
Chairman & Managing Director

Vijay Mainkar

Dara Damania

S. Padmanabhan

Gary Jit Meng Ng

Pradeep Rathi

Dinesh Munot

Mina Sanghvi

Sanjay Asher
(Appointed w.e.f. 30th September 2011)

Gaurav Malik
(Resigned w.e.f. 27th September 2011)

Ramchandra Desai
Executive Director

Sham Kajale
Executive Director & CFO

Company Secretary & Chief Compliance Officer

Rajesh Likhite

Registered Office

Survey No.92, Tathawade,
Taluka Mulshi, Pune - 411033

Tel : 91-20-66744700

Fax : 91-20-66744724

E-Mail : info@sanghvicranes.com
cs@sanghvicranes.com

Website : www.sanghvicranes.com

Bankers

Axis Bank

Bank of Baroda

Bank of India

Corporation Bank

Dena Bank

HDFC Bank

ICICI Bank

ING Vysya Bank

State Bank of Hyderabad

State Bank of India

The Saraswat Co-Op Bank Limited

Auditors

B S R & Co.
Chartered Accountants

Registrar & Share Transfer Agent

Link Intime India Limited
C-13 Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400078

Tel : 91-22-2596 3838

Fax : 91-22-2594 6969

Email : rnt.helpdesk@linkintime.co.in

Website : www.linkintime.co.in

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ENGINEERING

LIFT PLANNING

HEAVY LIFT

CRANE RENTALS

FINANCIAL HIGHLIGHTS

(₹ in Lacs)

PARTICULARS	2011-12	2010-11	2009-2010	2008-2009	2007-2008
Total Income	47,146.33	37,352.25	34,273.12	36,152.24	25,695.77
Total Expenditure	13,504.95	10,544.74	7,887.35	8,354.08	6,818.76
Gross Profit	33,641.38	26,807.51	26,385.77	27,798.16	18,877.01
Interest	7,708.63	4,919.60	4,747.28	5,301.18	3,072.09
PBDT	25,932.75	21,887.91	21,638.49	22,496.98	15,804.92
Depreciation	11,060.30	9,288.48	7,872.97	6,796.94	4,745.69
Profit before Tax	14,872.45	12,599.42	13,765.52	15,700.04	11,059.23
Provision For Taxation-					
Current Tax & Previous Years' Tax	3,535.10	2,747.67	3,451.73	4,166.80	3,005.00
Deferred Tax	1,300.72	1,220.72	1,271.71	1,396.47	751.30
Fringe Benefit Tax	-	-	-	31.50	28.25
Profit After Tax					
Before Extra-Ordinary Items	10,036.63	8,631.03	9,042.08	10,105.27	7,274.68
Extra-Ordinary Items	140.59	-	-	-	-
Profit After Tax After Extra-Ordinary Items	10,177.22	8,631.03	9,042.08	10,105.27	7,274.68
Cash Profit		19,140.24	18,186.77	18,298.69	12,771.67
Gross Block	1,66,441.98	1,45,283.67	1,18,608.89	1,04,826.74	73,359.74
Depreciation	47,843.10	38,263.71	30,640.29	24,038.88	17,382.34
Net Block	1,18,598.88	1,07,019.96	87,968.60	80,787.86	55,977.40
Dividend					
In Percentage	*150.00	150.00	150.00	100.00	150.00
In Amount	*1298.64	1,298.64	1,298.64	865.76	1,298.64
Paid-Up Capital	865.76	865.76	865.76	865.76	865.76
Reserves	61,886.44	53,218.53	46,096.81	38,569.06	29,484.48
Shareholders' Funds	62,752.20	54,084.29	46,962.57	39,434.82	30,362.19
Net Worth	62,752.20	54,084.29	46,962.57	39,434.82	30,362.19
Debt : Equity	1.12	1.19	1.01	1.27	1.16
Earning Per Share (₹)					
Basic	23.51	19.94	**20.89	**23.34	**17.75
Diluted	23.51	19.94	**20.89	**23.34	**17.75
Cash EPS (Rs.)	52.07	44.22	**42.01	**42.27	**31.15
Book Value (Rs.)	144.96	124.94	**108.49	**91.10	**70.14
Capex	23,000	29,900	16,000	23,600	22,000

* Subject to approval of the Members

** Earning Per Share, Cash EPS and Book Value after the sub-division of shares from ₹ 10/- each to ₹ 2/- each

Notice

NOTICE is hereby given that the Twenty-third Annual General Meeting of the Members of Sanghvi Movers Limited will be held on Monday, the 17th day of September 2012, 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 2012, 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.
3. To appoint a Director in place of Mr. Vijay Mainkar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Mina Sanghvi, who retires by rotation and being eligible, offers herself for re-appointment.
5. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. B S R & Co., Chartered Accountants, Pune, (Firm Registration Number 101248W) be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration, for the said period, as may be determined by the Board of Directors in consultation with the Auditors, apart from reimbursement of out-of-pocket expenses and applicable taxes."

Special Business:

6. Appointment of Mr. Sanjay Asher as a Director of the Company

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Sanjay Asher who was appointed as an Additional Director of the Company with effect from 30th September 2011, pursuant to the provisions of section 260 of the Companies Act, 1956 and Article 128 (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 as a Director of the Company, whose period of office shall be liable to retire by rotation."

7. Appointment of Mr. Ramchandra Desai as the Executive Director of the Company, for a further period of three years with effect from 02nd September 2012

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 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 Article 122 of the Articles of Association of the Company and subject to the limits specified in Schedule XIII to the Act and subject to all such approvals as may be required, consent of the Company be and is hereby accorded for the re-appointment of Mr. Ramchandra Desai as the Executive Director of the Company, whose period of the office shall not be liable to retire by rotation, for a further period of three years commencing from 02nd September 2012 upon following terms of remuneration, in terms of Schedule XIII to the Companies Act, 1956 relating to managerial remuneration.

Salary

A Salary (Basic plus Dearness Allowance) of ₹ 2,24,000.00 (Rupees Two Lacs Twenty Four Thousand only) per month, subject to maximum permissible limit upto ₹ 5,00,000.00 (Rupees Five Lacs Only).

Performance Based Incentive

As determined by the Remuneration Committee of the Board & the Board from time to time.

Ex-gratia

One Months' Basic Salary plus Dearness Allowance.

Perquisites

In addition to the Salary payable, the Executive Director shall also be entitled to the following allowances and perquisites. For the purpose of calculating the above ceiling, the allowances and perquisites shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules there under or any statutory modifications(s) or re-enactment there to. In the absence of any such rules, they shall be evaluated at actual cost:

Category A

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

House Rent Allowance ₹ 90,000.00 (Rupees Ninety Thousand Only) per month.

Educational Allowance: As per the provisions of Income Tax Rules, 1962.

Reimbursement of Medical Expenses including hospitalization, nursing home and surgical charges incurred for self and family and newspaper expenses, ₹ 1,800.00 (Rupees One Thousand Eight Hundred only) per month.

Category B

Gratuity at the rate not exceeding half month's salary for each completed year of service, in accordance with the rules of the Company.

Leave at the rate of twenty-one days for every year of service. Leave not availed of may be encashed, in accordance with the rules of the Company.

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

Category C

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

Medical Insurance

As per the rules of the Company.

Leave Travel Concession \ Assistance

As per the rules of the Company.

RESERVED FURTHER THAT where in any Financial Year during the currency of tenure of Mr. Ramchandra Desai as the Executive Director, the Company has no profits or its profits are inadequate, the Company may pay Mr. Ramchandra Desai, as minimum remuneration, the salary, perquisites and any other allowances, as mentioned above, not exceeding the limits specified under Section II of Part II of Schedule XIII to the Act, as may be amended from time to time.

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. Ramchandra Desai as may be permissible under and by any amendments of Schedule XIII to the Companies Act, 1956 or by way of any Government Guidelines or Instructions, the intention 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.

RESOLVED FURTHER THAT Mr. Ramchandra Desai shall not be liable to retire by rotation, so long as he continues to hold the office of the Executive Director of the Company."

8. Appointment of Mr. Sham Kajale as the Executive Director & CFO of the Company, for a further period of three years with effect from 02nd September 2012

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 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 Article 122 of the Articles of Association of the Company and subject to the limits specified in Schedule XIII to the Act and subject to all such approvals as may be required, consent of the Company be and is hereby accorded for the re-appointment of Mr. Sham Kajale as the Executive Director & CFO of the Company, whose period of the office shall not be liable to retire by rotation, for a further period of three years commencing from 02nd September 2012 upon following terms of remuneration in terms of Schedule XIII to the Companies Act, 1956 relating to managerial remuneration.

Salary

A Salary (Basic plus Dearness Allowance) of ₹ 2,05,500.00 (Rupees Two Lacs Five Thousand Five Hundred only) per month, subject to maximum permissible limit upto ₹ 5,00,000.00 (Rupees Five Lacs Only).

Performance Based Incentive

As determined by the Remuneration Committee of the Board & the Board from time to time.

Ex-gratia

One Months' Basic Salary plus Dearness Allowance.

Perquisites

In addition to the Salary payable, the Executive Director shall also be entitled to the following allowances and perquisites. For the purpose of calculating the above ceiling, the allowances and perquisites shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules there under or any statutory modifications(s) or re-enactment there to. In the absence of any such rules, they shall be evaluated at actual cost:

Category A

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

House Rent Allowance ₹ 82,400.00 (Rupees Eighty-two Thousand & Four Hundred Only) per month.

Educational Allowance: As per the provisions of Income Tax Rules, 1962.

Reimbursement of Medical Expenses including hospitalization, nursing home and surgical charges incurred for self and family and newspaper expenses, ₹ 1,800.00 (Rupees One Thousand Eight Hundred only) per month.

Category B

Gratuity at the rate not exceeding half month's salary for each completed year of service, in accordance with the rules of the Company.

Leave at the rate of twenty-one days for every year of service. Leave not availed of may be encashed, in accordance with the rules of the Company.

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

Category C

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

Medical Insurance

As per the rules of the Company.

Leave Travel Concession \ Assistance

As per the rules of the Company.

RESERVED FURTHER THAT where in any Financial Year during the currency of tenure Mr. Sham Kajale as the Executive Director & CFO, the Company has no profits or its profits are inadequate, the Company may pay Mr. Sham Kajale, as minimum remuneration, the salary, perquisites and any other allowances, as mentioned above, not exceeding the limits specified under Section II of Part II of Schedule XIII to the Act, as may be amended from time to time.

RESERVED 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 Companies Act, 1956 or by way of any Government Guidelines or Instructions, the intention 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.

RESERVED FURTHER THAT Mr. Sham Kajale shall not be liable to retire by rotation, so long as he continuous to hold the office of the Executive Director & CFO of the Company.”

By Order of the Board of Directors
For Sanghvi Movers Limited

Pune, 30th May 2012

Registered Office :

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

Rajesh P. Likhite
Company Secretary &
Chief Compliance Officer

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 Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
- 3 Members/Proxies are requested to bring their duly filled Attendance Slips to be deposited to company's officials at the venue of the meeting.
- 4 In terms of Article 122 of the Articles of Association of the Company, read with section 256 of the Companies Act, 1956, Mr. Vijay Mainkar and Mrs. Mina Sanghvi, Directors, retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommends their respective re-appointments. A brief profile of the Directors retiring by rotation and eligible for re-appointment is furnished in the Report on Corporate Governance.
- 5 The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item No. 6, 7 & 8 is annexed hereto.
- 6 The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 05th September 2012 to Monday, the 17th September 2012 (both days inclusive), for the purpose of Annual General Meeting and Payment of Dividend.
- 7 Subject to the provisions of section 206A of the Companies Act, 1956, the Dividend on equity shares, if declared at the Meeting, will be credited/dispatched, to those Members whose names appear on the Register of Members on Tuesday, 04th September 2012. In respect of Equity Shares in dematerialised form, the dividend will be paid to members, whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.
- 8 Members whose shareholding is in the dematerialised form are requested to direct change of address and updation of bank account details to the respective depository participants. For payment of dividend (if any) through Electronic format, the members holding shares in dematerialized form are encouraged to utilize the Electronic Clearing System (ECS)/National Electronic Clearing System (NECS) for receiving dividends.
- 9 Members are requested to :
 - consider dematerializing the Equity Shares held by them,
 - intimate to the Company's Registrar & Share Transfer Agent/their Depository Participants (DP) changes, if any, in their registered addresses at an early date,
 - quote ledger folio numbers and/or DP Identity and Client Identity Numbers in all their correspondence,
 - inform the Registrar & Share Transfer Agent 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,
 - direct all their correspondence to the Registrar & Share Transfer Agent of the Company and
 - bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
- 10 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.



SANGHVI

- 11 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 Shareholders, who have not claimed the Dividend for the Years ended 31st March 2005, onwards, are requested to claim the same from the Company at the earliest.
- 12 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. The Members holding shares in dematerialised form are requested to submit the PAN to the Depository Participants with whom the demat account is maintained. Members holding the shares in physical mode are requested to submit their PAN to the company/Registrars and Transfer Agents.
- 13 Your Company is concerned about the environment and utilizes natural resources in a sustainable manner. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance", by allowing companies to send notices and documents to their shareholders electronically to facilitate paperless communication.

Sanghvi Movers Limited as a part of its Corporate Social Responsibility undertakes "Green initiative" and intends to send documents to the shareholders in electronic form, at the email address, registered with the Depository Participant. We request you to update your email address with your Depository Participant to ensure that documents reach your preferred email address. By registering email address, you will receive the communication swiftly, save trees, reduce paper consumption, eliminate wastage of paper, avoid loss of documents in post and savings on the printing and postage.

The Annual Report is available on the website of the Company i.e. on www.sanghvicranes.com
- 14 In case of any queries, complaints, change of address, etc., members are requested to e-mail at grievance.redressal@sanghvicranes.com or rnt.helpdesk@linkintime.co.in or send their queries, complaints to the Registered Office of the Company or Link Intime India Private Limited, Registrar & Share Transfer Agent of the Company.
- 15 The Register of Directors' shareholding maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the Annual General Meeting.
- 16 The Register of Contracts, maintained under Section 301 of the Companies Act, 1956, will be available for inspection by the members at the registered office of the Company.

By Order of the Board of Directors

For Sanghvi Movers Limited

Pune, 30th May 2012

Registered Office :

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

Rajesh P. Likhite
Company Secretary &
Chief Compliance Officer

ANNEXURE TO NOTICE

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts in respect of item Nos. 6, 7 and 8 mentioned in the accompanying Notice dated 30th May 2012.

Item No. 6: Appointment of Mr. Sanjay Asher as a Director of the Company

Mr. Sanjay Asher was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and Article 128 (a) of the Articles of Association of the Company with effect from 30th September 2011 and holds office upto the date of the forthcoming Annual General Meeting. Mr. Sanjay Asher being eligible offers himself for appointment at the meeting. The company has received notice in writing under section 257 of the Companies Act, 1956, alongwith a requisite deposit from a Shareholder, proposing his candidature for the office of Director liable to retire by rotation.

Profile of Mr. Sanjay Asher:

Mr. Sanjay Asher is Commerce and a Law Graduate from the Bombay University. He is also a Fellow Member of the Institute of Chartered Accountants of India. He has been a Practicing Advocate since 1989 with M/s. Crawford Bayley & co, which is a leading law firm. He was admitted as a Solicitor in the year 1993 and is presently a Partner of M/s. Crawford Bayley & co. Mr. Sanjay Asher is a Director on the Board of various reputed companies. He is a leading authority in Corporate Advisory, regulatory and compliance, mergers and acquisitions, joint ventures and exchange control regulations. He was an invitee to the Committee formed by the Government of India, Department of Disinvestment for the purposes of standardizing the transaction documents in relation to privatization of the public sector and enterprises of the Government of India. He is also a member of the committee in respect of Indo-US Financial Institutions Reforms and expansion projects - Capital markets for the purpose of development of securities law bar and the securities law course in India.

Mr. Sanjay Asher is holding nil shares of the Company as on date.

None of the Directors of the Company except Mr. Sanjay Asher is concerned or interested in this resolution.

The Board of Directors of your company is of the opinion that Mr. Asher's appointment would be beneficial to the company and hence recommend the resolution at item no. 6 for your approval.

Item No. 7: Appointment of Mr. Ramchandra Desai as the Executive Director of the Company for a further period of three years with effect from 02nd September 2012

The members of the company at the Twentieth Annual General Meeting of the Company held on 24th July 2009 had appointed Mr. Ramchandra Desai, as the Executive Director of the Company for a period of three years with effect from 02nd September 2009.

Subject to the approval of the members of the company, the Board of Directors at its meeting held on 30th May 2012, approved the re-appointment of Mr. Ramchandra Desai for a period of three years with effect from 02nd September 2012, whose period of office shall not be liable to retire by rotation, as long as he holds the office of the Executive Director of the Company.

Mr. Ramchandra Desai is a Master of Commerce, CA intermediate and Post Graduate in Financial Management. Mr. Ramchandra Desai is having rich experience of more than 28 years in the fields of import of cranes, operations, marketing and corporate management.

Members are aware of the Company's growth on all the fronts from last some years. The company is immensely benefited because of the vast experience of Mr. Ramchandra Desai in Crane Operations. It was considered desirable in the best interest of the Company to continue availing the benefits of his vast experience by making his re-appointment as Executive Director for a period of three years with effect from 02nd September 2012.