



SANGHVI

# SANGHVI MOVERS LIMITED





◀ Liebherr LTM 1220-5.1 working in Mundra for erection of 7 modularised heat recovery boilers & fuel gas steam generators for export to Dangote refinery in Nigeria.



Terex-Demag CC 2800/1 (SSL LSL + LF2 SGL\_S7 (114 m + 12 m, 600 MT crawler crane) working in Gadhsisa Wind Farm, Gujarat. ▶



◀ Liebherr LR 1400/2, S 84 m, commissioned on barge for handling steel pile drive used in the construction of LNG Jetty in Odisha.

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**30<sup>th</sup> Annual General Meeting**

Date: Thursday, 08<sup>th</sup> August 2019  
Time: 04.00 PM  
Venue: Registered office of the Company  
Address: Survey No. 92, Taluka Mulshi, Tathawade, Pune, Maharashtra 411033, INDIA

**Board of Directors**

**Ex. Chairman & Managing Director** Chandrakant Sanghvi\*

**Managing Director** Rishi Sanghvi#

**Joint Managing Director & CFO** Sham Kajale

**Independent Director**  
Dara Damania  
S. Padmanabhan  
Pradeep Rath  
Dinesh Munot  
Madhukar Kotwal  
Vijay Mainkar\$

**Non Executive Woman Director**  
Mina Sanghvi@  
Maithili Sanghvi^

**Auditors** B S R & Co LLP.  
Chartered Accountants

**Company Secretary & Chief Compliance Officer** Rajesh Likhite

**Registered Office** Survey No.92, Tathawade, Taluka Mulshi, Pune - 411033  
Tel: +91 (20) 71044700, 8669619501/2/3/4  
E-Mail: cs@sanghvicranes.com  
Website: www.sanghvicranes.com  
CIN: L29150PN1989PLC054143

**Registrar & Share Transfer Agent** **Link Intime India Pvt. Limited**  
Block No 202, Akshay Complex, 2nd Floor, Near Ganesh Temple, Off Dhole Patil Road, Pune – 411001  
Tel No.: +91 20 26160084/26161629  
Fax No.: +91 20 26163503  
E-mail: pune@linkintime.co.in  
Website: www.linkintime.co.in

\* Due to sad demise, ceased to be Chairman & Managing Director of the Company w.e.f. 08<sup>th</sup> April 2019;

# Appointed as Managing Director in the Board Meeting held on 11<sup>th</sup> April 2019;

\$ Resigned with effect from 17<sup>th</sup> August 2018;

@ Resigned with effect from 23<sup>rd</sup> May 2019;

^ Appointed as Non Executive Woman Director in the Board Meeting held on 23<sup>rd</sup> May 2019.

**ENGINEERING****CRANE RENTALS****LIFT PLANNING****HEAVY LIFT****BS OHSAS 18001:2007 CERTIFIED COMPANY****ISO 45001: 2018 CERTIFIED COMPANY****ISO 9001:2015 & ISO 14001: 2015 CERTIFIED COMPANY****LEEA CERTIFIED COMPANY**



## FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

PARTICULARS	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Total Income</b>	29,526.05	24,845.22	56,288.21	53,728.79	31,562.58
Total Expenditure	19,310.53	14,483.64	18,665.94	18,378.84	12,974.23
<b>Gross Profit</b>	10,215.52	10,361.57	37,622.27	35,349.95	18,588.35
Interest	4,759.06	5,474.94	6,474.00	5,539.69	4,266.68
<b>Profit before Depreciation &amp; Tax</b>	5,456.46	4,886.63	31,148.26	29,810.26	14,321.67
Depreciation	14,082.05	13,673.44	14,998.45	12,631.68	12,001.67
<b>Profit Before Tax</b>	(8,625.59)	(8,786.81)	16,149.82	17,178.58	2,320.00
Provision For Taxation-					
Current Tax & Previous Years' Tax	(18.38)	(121.26)	5,360.12	5,823.14	1,444.59
Differed Tax	(2,800.91)	(2,917.57)	(128.13)	659.86	69.51
<b>Profit After Tax Before Extra Ordinary Items</b>	(5,806.30)	(5,747.98)	10,917.84	10,695.58	805.90
<b>Profit After Tax After Extra-Ordinary Items</b>	(5,806.30)	(5,747.98)	10,917.84	10,695.58	805.90
<b>Cash Profit</b>	8,275.75	7,925.46	25,916.28	23,327.26	12,877.07
Gross Block	238,325.70	241,222.69	235,675.47	220,295.79	171,702.75
Accumulated Depreciation	127,534.35	115,866.98	106,597.68	95,190.18	82,574.08
Net Block	110,791.35	125,355.71	129,077.79	125,105.62	89,128.67
<b>Dividend</b>					
In Percentage	Nil	Nil	200.00	150.00	25.00
In Amount	Nil	Nil	1,731.52	1,298.64	216.44
Paid-Up Capital	865.76	865.76	865.76	865.76	865.76
Reserves	72,452.67	78,030.28	85,270.32	74,677.12	64,571.22
Shareholders Funds	73,318.43	78,896.04	86,136.08	75,542.88	65,436.98
Debt : Equity	0.61:1	0.69:1	0.64:1	0.81:1	0.51:1
<b>Earning Per Share (₹)</b>					
<b>Basic</b>	(13.41)	(13.28)	25.22	24.71	1.86
<b>Diluted</b>	(13.41)	(13.28)	25.22	24.71	1.86
Cash EPS	19.12	18.31	59.87	53.89	29.75
Book Value	169.37	182.26	198.98	174.51	151.17
<b>Capex</b>	1,920.75	11,561.87	22,453.04	48,613.75	1,600.00

*Our respectful homage to an extraordinary human being, an inspiring leader, remarkable industrialist and phenomenal business pioneer.*



Mr. Chandrakant Sanghvi was a passionate and visionary leader whose talents were highly respected by employees, crane industry personnel, bankers, customers, and all stakeholders of SML. He is considered a pioneer of the crane industry in India and his entrepreneurial ability to take risk and seize business opportunities was exemplary.

The Company has maintained a number one position in the crane rental business in India due to his dream, courage, tenacity and leadership. He was truly loved by everyone he touched. He has left behind a wonderful legacy and his values are embodied by the company's employees and the organization, that he was instrumental in building.

The Company has lost its founding father and inspiring leader. His passing is a sad and difficult time for all of us. Your steadfast support will always be cherished and guide us in our future endeavors.

**Entire Team of Sanghvi Movers Limited**



## *From Managing Director's Desk*

**Dear Sanghvi Stakeholders,**

It gives me immense pleasure to communicate with you, after been elevated as Managing Director of Sanghvi Movers Limited (SML), Asia and India's largest crane rental company and the sixth largest in the world. I am acutely conscious of the duty entrusted to me, and of the confidence shown by the Board of Directors in elevating me to this position of leadership in our great company.

Sanghvi Movers Limited has lost its founding father; Chandrakant Sanghvi, whose inspiring leadership established this company and whose unwavering commitment to growth and dynamic vision continue to inspire us today. My father, Chandrakant Sanghvi, founded SML in 1989 with the purchase of a single crane, his first, a brand new Tadano TG 700E. In 1995, he took the company public and used the IPO proceeds to purchase a Demag CC 2400 450 MT crawler crane and other equipment. In 1997, he chartered a barge from Singapore to India and bought over 36 cranes, leading to a breakthrough project at the Reliance Industries Limited Jamnagar, Gujarat. Every time Chandrakant Sanghvi would select a crane model/capacity, he would go on to own the largest fleet of that crane model/capacity in the world. For this and so many reasons, he was well respected in the Indian business community and the world over as a leader in this industry.

My father's creative zeal and spiritual journey were embodied in his love for art, nature and sculptures. This is never more evident than at SML's head office and workshop, where his numerous paintings are displayed and 10,000 trees have been planted.

I thank each and every stakeholder for their trust in our Company and in its leadership. Confident in your continued and wholehearted support, I promise that we will take Sanghvi Movers Limited to the next level of sustainable growth and profitability. We will build on the foundation that is Chandrakant Sanghvi's legacy. With every lesson I learned from my father in mind, I look to the future with determination and confidence.

### **Financial Performance for FY 2018-19**

Your Company has achieved a turnover of Rs. 282.40 Crores (FY 2017-18: Rs. 228.40 Crores) and thereby registered a top line growth of 24% in FY 2018-19. SML achieved an average capacity utilization of 58% in FY 2018-19 (FY 2017-18: 41%). The leadership team and every single employee is singularly focused on improving EBITDA and returning your Company to profitability.

In spite of a turbulent business environment, SML has serviced its debt on time. With available cash accruals from business operations and partly through asset monetization, your Company has repaid term loans of Rs. 99 Crores during the financial year 2018-19 including pre-payment of term loan installments of Rs. 22 Crores due in

FY 2019-20. The term loan installments due within one year, in FY 2019-20, are Rs. 91 Crores. In addition, your Company is planning to further reduce debt by prepaying term loans of FY 2020-21 to the tune of Rs. 30-40 Crores from available cash accruals and asset monetization.

The revenue contribution from the windmill sector was 46% (FY 2017-18: 54%) and remained muted as overall industry capacity addition was below expectations. The renewable wind energy sector faces protracted problems as a result of changes in government policies specifically dealing with the methodology for bidding on windmill projects (a transition from a Feed-In-Tariff to an Auction Based Tariff).

Annual windmill installation in India during the last four years were as follows:

	Financial Year	Wind Mill Installation
1	FY 2015-16	3300 MW
2	FY 2016-17	5400 MW
3	FY 2017-18	1700 MW
4	FY 2018-19 (E)	<2000 MW (#)

(#) as per industry estimates

### Our Future Growth

SML has seen an improvement in the order book in the current year supported by better capacity addition in the renewable wind energy sector and others. SML has also added significant new non-wind clients in FY 2018-19 from other sectors including steel, metro, railways, roads and bridges, ports, cement, industrial erection, hydrocarbon, petro-chemicals, and refineries. SML is also currently working with all the business verticals of Larsen & Toubro Limited.

Several refineries such as HPCL-HMEL Bhatinda, BPCL Kochi, HPCL Vizag,, HPCL Mahul, IOCL Haldia, Panipat, Vadodara, Bongaigaon, Baruni are either undergoing upgradation to meet Bharat Stage VI emission norms or capacity expansions. A brownfield petrochemical complex at HMEL Bhatinda is presently under construction and work will start by the end of CY 2019 at HPCL Barmer, a greenfield refinery.

In the fertilizer space, Hindustan Urvarak and Rasayan Limited (HURL), a joint venture between Coal India, Fertilizer Corporation of India, and Hindustan Fertilizer Corporation, is currently constructing plants at Barauni, Bihar and Sindri, Jharkhand. Each plant will be capable of producing 2200 TPD ammonia and 3850 TPD urea. Also, HURL has started construction of the Gorakhpur fertilizer plant at a cost of Rs. 5500 crores with a capacity of producing 3850 million TPD urea. State-owned Rashtriya Chemicals & Fertilizers Ltd (RCF) said it will start work on the coal gasification-based fertilizer plant in Talcher, Odisha by the end of 2019.

In the steel sector, JSW is building a new integrated 5 mtpa capacity flat steel plant at 15000 Cr in Dolvi, Maharashtra which is to be completed by FY 2019-20. JSW is also investing Rs. 7,500 cr in Bellary, Karnataka for capacity expansion and setting up a new coke oven plant. The expansion would enable the company to increase plant capacity to 13 mtpa by March 2020. Tata Steel Limited (TSL) has begun a 5 mtpa Phase-II expansion of its



Kalinganagar plant at Rs. 23,500 cr to be completed in the next 48 month. Looking forward, TSL has planned to scale up the nameplate capacity at its newly-acquired Tata Steel BSL (BSL), formerly Bhushan Steel Ltd, to 8.3 mtpa in FY 2020-21.

Core infrastructure projects such as the Mumbai-Trans Harbour Link, Mumbai Coastal Road Project, Mumbai Nagpur Samruddhi Mahamarg highway project, river interlinking projects, building of Andra Pradesh's new capital in Amaravathi, construction of India International Convention and Exhibition Centre (IICC), Dwarka, Delhi have led to an increase in the demand for cranes.

Elevated and underground metro projects, currently under construction or in planning stages, in Pune, Mumbai, Nagpur, Jaipur, Indore, Hyderabad, Bhopal, Bangalore and Ahmadabad also create a strong demand for cranes. Construction is scheduled to begin in the CY 2020 on a high speed bullet train from Mumbai to Ahmadabad, which will also result in huge demand for construction equipment.

The sharp decline in wind power installation during FY2018 and FY 2019 E has had some impact on company revenues and on profitability. However, given the 10,000 MW capacity addition awarded by SECI and state power utilities, wind installation will witness a strong recovery over the next 12-18 months. This capacity addition will, in turn, provide strong revenue visibility for your company. As per Industry estimates, windmill installation in India will increase to 4000-4500 MW in the current financial year i.e. FY 2019-20 (FY 2018-19: ~ 2000 MW).

Your Company has a secured order book of Rs. 170 Crores through 05.06.2019 and is optimistic about its financial performance in FY 2019-20, primarily on account of increases in business volume from the renewable wind energy sector and others. The management hopes to achieve top line growth of 25% in the current financial year, FY 2019-20, with a major spike in business volume in H2 FY 2019-20.

**Returns to Shareholders**

We remain confident that, over the long term, our laser focus on debt reduction and financial discipline and our consistent emphasis on improving EBITDA will all contribute to increasing shareholder value. As committed stakeholders in Sanghvi Movers, we look forward to your continued support and to shared prosperity.

With Regards,

**Rishi Sanghvi**

Managing Director



**Green initiative adopted by the company by installing 90 kWh solar plant at its registered office and of 30 kWh solar plant at its main works at Sate, Taluka Maval, Pune resulting in significant cost optimization**





**Liebherr LR 1400/2 SDB 35 m  
handling TBM components  
with a maximum load of 180  
MT at MMRC, Mumbai.**

**Terex -Demag CC 2800-1  
working in Motera Cricket  
Stadium at Ahmedabad, GJ.**

