



**SANGHVI**

# **SANGHVI MOVERS LIMITED**



**THIRTY FIRST ANNUAL REPORT 2019-2020**





275 MT crawler crane deployed for erection work in a chemical plant in Karnataka.



Blade Erection weighing 29 MT at 54 m using a 600 MT CC in Southern India.



2x400 MT crawler crane deployed for National Highway project in Gujarat for erection of 80 MT girders.

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<b>31<sup>st</sup> Annual General Meeting</b>	
<b>Date:</b> Friday, 25 September 2020	
<b>Time:</b> 11:30 A.M.	

## **BOARD OF DIRECTORS**

<b>Managing Director</b>	Rishi Sanghvi
<b>Joint Managing Director &amp; CFO</b>	Sham Kajale
<b>Independent Director</b>	S. Padmanabhan Dara Damania Pradeep Rath Dinesh Munot Madhukar Kotwal Madhu Dubhashi*
<b>Non-Executive Non-Independent Women Director</b>	Maithili Sanghvi <sup>#</sup>
<b>Auditors</b>	B S R & Co LLP. Chartered Accountants
<b>Company Secretary &amp; Chief Compliance Officer</b>	Rajesh Likhite
<b>Registered Office</b>	Survey No.92, Tathawade, Taluka Mulshi, Pune - 411033 Tel: +91 8669674701/2/3/4 E-Mail: <a href="mailto:cs@sanghvicranes.com">cs@sanghvicranes.com</a> Website: <a href="http://www.sanghvicranes.com">www.sanghvicranes.com</a> CIN: L29150PN1989PLC054143
<b>Registrar &amp; Share Transfer Agent</b>	Link Intime India Private 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: <a href="mailto:pune@linkintime.co.in">pune@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

\* Appointed as an Additional (Independent Woman) Director in the Board Meeting held on 8<sup>th</sup> August 2019.

<sup>#</sup> Appointed as Non-Executive Non-Independent Woman Director in the Annual General Meeting held on 08<sup>th</sup> August 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)

<b>PARTICULARS</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
<b>Total Income</b>	<b>32,620.07</b>	29,526.05	24,845.22	56,288.21	53,728.79
Total Expenditure	<b>16,614.48</b>	19,310.53	14,483.64	18,665.94	18,378.84
<b>EBITDA</b>	<b>16,005.59</b>	10,215.52	10,361.57	37,622.27	35,349.95
Interest	<b>4,103.44</b>	4,759.06	5,474.94	6,474.00	5,539.69
<b>Profit before Depreciation &amp; Tax</b>	<b>11,902.15</b>	5,456.46	4,886.63	31,148.26	29,810.26
Depreciation	<b>14,037.76</b>	14,082.05	13,673.44	14,998.45	12,631.68
<b>Profit Before Tax</b>	<b>(2,135.61)</b>	(8,625.59)	(8,786.81)	16,149.82	17,178.58
Provision For Taxation-					
Current Tax & Previous Years' Tax	<b>14.30</b>	(18.38)	(121.26)	5,360.12	5,823.14
Deferred Tax	<b>(1,489.56)</b>	(2,800.91)	(2,917.57)	(128.13)	659.86
<b>Profit After Tax Before Extra Ordinary Items</b>	<b>(660.34)</b>	(5,806.30)	(5,747.98)	10,917.84	10,695.58
<b>Profit After Tax After Extra-Ordinary Items</b>	<b>(660.34)</b>	(5,806.30)	(5,747.98)	10,917.84	10,695.58
<b>Cash Profit</b>	<b>13,377.41</b>	8,275.75	7,925.46	25,916.28	23,327.26
Gross Block	<b>2,36,063.30</b>	2,38,325.70	2,41,222.69	2,35,675.47	2,20,295.79
Accumulated Depreciation	<b>1,39,567.18</b>	1,27,534.35	1,15,866.98	1,06,597.68	95,190.18
Net Block	<b>96,496.12</b>	1,10,791.35	1,25,355.71	1,29,077.79	1,25,105.62
<b>Dividend</b>					
In Percentage	<b>Nil</b>	Nil	Nil	200.00	150.00
In Amount	<b>Nil</b>	Nil	Nil	1,731.52	1298.64
Paid-Up Capital	<b>865.76</b>	865.76	865.76	865.76	865.76
Reserves	<b>71,776.58</b>	72,452.67	78,030.28	85,270.32	74,677.12
Shareholders Funds	<b>72,642.34</b>	73,318.43	78,896.04	86,136.08	75,542.88
Debt : Equity	<b>0.43:1</b>	0.61:1	0.69:1	0.64:1	0.81:1
<b>Earning Per Share (₹)</b>					
<b>Basic</b>	<b>(1.53)</b>	(13.41)	(13.28)	25.22	24.71
<b>Diluted</b>	<b>(1.53)</b>	(13.41)	(13.28)	25.22	24.71
Cash EPS	<b>30.9</b>	19.12	18.31	59.87	53.89
Book Value	<b>167.81</b>	169.37	182.26	198.98	174.51
<b>Capex</b>	<b>164.84</b>	1,920.75	11,561.87	22,453.04	48,613.75



## CERTIFICATE 2020

This certificate is awarded to the company named below to mark its inclusion in the 2020 International Cranes and Specialized Transport IC50 top list. The IC50 lists the world's top crane-owning companies ranked using the total load moment rating in tonne-metres of the cranes in a company's fleet.

Awarded to:

***Sanghvi Movers***

Position: **5**



Editor: Alex Dahm, June 2020

**Dear Sanghvi Stakeholders,**

I am honored to once again communicate with you after being elevated to Managing Director in 2019.

Sanghvi Movers Limited (SML), Asia and India's largest crane rental company has now been ranked as the **fifth** largest in the world by IC50, June 2020 rankings.

In the H2 of FY 2019, before the onset of the COVID-19 pandemic, India's GDP growth had begun to shrink. The country's infrastructure sector started feeling the effects of the slowdown and major projects began to stall. The real GDP growth rate was 6.1% in FY 2019 and seems to have fallen to 4.2% in FY 2020. In the current financial year, FY 2021, the RBI has stated that India's GDP growth will remain in the negative territory. The COVID-19 national lockdown washed out all economic activity in the last week of March 2020.

The infrastructure and core sectors, as a whole, are facing significant headwinds. Notwithstanding the same, your Company has strived to improve its performance and below are a few vital areas in which your Company has delivered better results:

**Financial Performance for FY 2019-20**

Your Company has achieved a turnover of Rs. 322.87 Crores (FY 2019: Rs. 282.40 Crores) and thereby registering a top line growth of 14% in FY 2020. SML achieved an average capacity utilization of 72% in FY 2020 (FY 2019: 58%). The increased utilization has been the result of a deliberate strategy shift and consequently the average blended yield has decreased. In FY 2020, the leadership team was singularly focused on improving EBITDA and SML has achieved a year-on-year 14.5% improvement in the EBITDA margin.

Despite the ongoing challenges, SML has continued to service its debt on time. Your Company has repaid term loans of Rs.119.26 Crores during the financial year 2020 including pre-payment of term loan installments of Rs. 28 Crores due in FY 2021. The debt-to-equity ratio has come down to 0.43:1 in FY 2020 (FY 2019: 0.61:1). Looking forward, the term loan instalments due in FY 2021 are Rs. 93 Crores and your Company is confident about meeting these liabilities through internal cash accruals and partly through asset monetization.

**Looking forward during uncertain times:**

SML has moderate visibility going forward and the order book in the current year is supported by addition of new clients and order wins across a few of our major revenue sectors. Your Company has a secured order book of Rs. 135 Crores and is cautiously optimistic about its financial performance in FY 2021. The secured order book has been supported in the current year by improved deployment of cranes in projects outside the renewable wind energy sector. Furthermore, given the 10,000 MW of new capacity addition awarded by SECI and state

power utilities, wind installation will witness a positive recovery over the next 12-18 months. This recovery will most certainly face some delays in H1 of FY 2021 due to the ongoing global pandemic. Your Company may see revenue growth in the H2 of FY 2021 if the renewable wind energy sector is able to deliver the imminent capacity addition.

With intermittent lockdowns, delayed projects, migrant labour issues and a nationwide liquidity crunch, your Company is focused on safely servicing customers through these turbulent times. The lockdowns and work-from-home scenario has given the management bandwidth to deploy structural reforms throughout your Company and these initiatives will start bearing fruit in the coming quarters. The changes are both strategic and long term in nature and will have an impact in the future on our margins and cost structure.

At the start of the FY 2021, the economy has been in either partial or complete lockdown for the first 60 days. However, with our dominant market position, trust of our loyal customers, and faith of our bankers and shareholders, your Company is best poised to emerge from the global pandemic as a more robust company.

### **Staying Safe:**

We remain confident that, over the long term, our continued efforts will enable SML to surpass the global pandemic and build on its existing foundation. We request all our stakeholders to stay safe and look forward to your continued support.

With Warm Regards,

**Rishi Sanghvi**

Managing Director



## NOTICE

NOTICE is hereby given that the Thirty-first Annual General Meeting of the Members of Sanghvi Movers Limited will be held on Friday, 25<sup>th</sup> day of September 2020, at 11:30 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business. The proceedings of the Annual General Meeting shall be deemed to be conducted at the Registered Office of the Company.

### Ordinary Business:

1. To receive, consider and adopt the Financial Statements for the year ended on 31<sup>st</sup> March 2020, including audited Balance Sheet as at 31<sup>st</sup> March 2020 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rishi C. Sanghvi (DIN: 08220906), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Maithili R. Sanghvi (DIN: 08334635), who retires by rotation and being eligible, offers herself for re-appointment.

### Special Business:

4. **Appointment of Mrs. Madhu Dubhashi as an Independent Director of the Company, as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mrs. Madhu Dubhashi (DIN: 00036846), who was appointed as an Additional Independent Director on the Board on 08<sup>th</sup> August 2019 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying its intention to propose Mrs. Madhu Dubhashi as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five years, i.e. up to 07<sup>th</sup> August 2024, on the Board of Directors of the Company".

5. **Re-appointment of Mr. Madhukar V. Kotwal as an Independent Director of the Company, as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Madhukar V. Kotwal (DIN: 00001744) who was appointed as an Independent Director of the



Company and who holds office upto 31<sup>st</sup> March 2021 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying its intention to propose Mr. Madhukar V. Kotwal as a candidate for the office of Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term upto 31<sup>st</sup> March 2026, on the Board of Directors of the Company.

**RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval be and is hereby given for continuation of Mr. Madhukar V. Kotwal, beyond 10<sup>th</sup> October 2023, as an Independent Director of the Company on account of his attaining the age of 75 years on the said date”.

6. **Waiver of recovery of excess managerial remuneration paid to Mr. Sham D. Kajale – Joint Managing Director & CFO, during the financial year ended on 31<sup>st</sup> March 2020, as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 197, 198 read with Schedule V of the Companies Act, 2013 (“the Act”) and other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the recommendations of Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such approval as may be required, the approval of the Members of the Company be and is hereby accorded for waiver of recovery of excess amount of remuneration paid to Mr. Sham D. Kajale (DIN: 00786499), Joint Managing Director & CFO of the Company, in the financial year 2019-20, which is in excess of the limits prescribed under Schedule V of the Act in view of loss for the financial year 2019-20.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or Nomination and Remuneration Committee thereof be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the aforesaid Resolution”.

7. **Re-appointment of Mr. Sham D. Kajale, Joint Managing Director & CFO of the Company, as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 2(51), 2(53), 196, 197, 203 and Schedule V of the Act and other applicable provisions, if any of the Companies Act, 2013 (“Act”) and the Rules made there under, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, the consent of the members be and is hereby accorded to the re-appointment of Mr. Sham D. Kajale (DIN:00786499) as Joint Managing Director & CFO of the Company, for a period of five years with effect from 02<sup>nd</sup> September 2020 on the terms and conditions as set out in the agreement to be entered into between the Company and Mr. Sham D. Kajale and as set out in the statement annexed herewith with a liberty to the Board of Directors and/or Nomination and Remuneration Committee (NRC) to alter/vary the terms and conditions including remuneration in such manner as may be agreed between the Board of Directors and Mr. Sham D. Kajale.

**RESOLVED FURTHER THAT** the remuneration including benefits, amenities and perquisites as set out in the Explanatory Statement annexed to the Notice of Annual General Meeting and the agreement to be entered into between the Company and Mr. Sham D. Kajale, shall nevertheless be paid and allowed to Mr. Sham D. Kajale as minimum remuneration for any financial year, in case of absence or inadequacy of profits for such year, subject to provisions prescribed under Section 197 and with Schedule V of the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act.

**RESOLVED FURTHER THAT** the Board or Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution”.

By Order of the Board of Directors  
For **Sanghvi Movers Limited**

**Rajesh P. Likhite**  
Company Secretary &  
Chief Compliance Officer  
ACS-13151

Place: Pune

Date: 13<sup>th</sup> August 2020

**Registered Office:**

Survey No. 92, Tathawade,

Taluka Mulshi, Pune 411033

CIN: L29150PN1989PLC054143

Tel No. +91 8669674701/2/3/4

E-mail: [cs@sanghvicranes.com](mailto:cs@sanghvicranes.com)

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

**NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and AGM be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of