



# **SANGHVI MOVERS LIMITED**





SANGHVI

## SANGHVI MOVERS LIMITED

### 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. 30<sup>th</sup> September 2011)

Gaurav Malik  
(Resigned w.e.f. 27<sup>th</sup> 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**



SANGHVI

# FINANCIAL HIGHLIGHTS

(₹ in Lacs)

PARTICULARS	2011-12	2010-11	2009-2010	2008-2009	2007-2008
<b>Total Income</b>	<b>47,146.33</b>	37,352.25	34,273.12	36,152.24	25,695.77
Total Expenditure	<b>13,504.95</b>	10,544.74	7,887.35	8,354.08	6,818.76
<b>Gross Profit</b>	<b>33,641.38</b>	26,807.51	26,385.77	27,798.16	18,877.01
Interest	<b>7,708.63</b>	4,919.60	4,747.28	5,301.18	3,072.09
<b>PBDT</b>	<b>25,932.75</b>	21,887.91	21,638.49	22,496.98	15,804.92
Depreciation	<b>11,060.30</b>	9,288.48	7,872.97	6,796.94	4,745.69
<b>Profit before Tax</b>	<b>14,872.45</b>	12,599.42	13,765.52	15,700.04	11,059.23
Provision For Taxation-					
Current Tax & Previous Years' Tax	<b>3,535.10</b>	2,747.67	3,451.73	4,166.80	3,005.00
Deferred Tax	<b>1,300.72</b>	1,220.72	1,271.71	1,396.47	751.30
Fringe Benefit Tax	-	-	-	31.50	28.25
<b>Profit After Tax</b>					
<b>Before Extra-Ordinary Items</b>	<b>10,036.63</b>	8,631.03	9,042.08	10,105.27	7,274.68
Extra-Ordinary Items	<b>140.59</b>	-	-	-	-
<b>Profit After Tax After Extra-Ordinary Items</b>	<b>10,177.22</b>	8,631.03	9,042.08	10,105.27	7,274.68
<b>Cash Profit</b>		19,140.24	18,186.77	18,298.69	12,771.67
Gross Block	<b>1,66,441.98</b>	1,45,283.67	1,18,608.89	1,04,826.74	73,359.74
Depreciation	<b>47,843.10</b>	38,263.71	30,640.29	24,038.88	17,382.34
Net Block	<b>1,18,598.88</b>	1,07,019.96	87,968.60	80,787.86	55,977.40
<b>Dividend</b>					
In Percentage	<b>*150.00</b>	150.00	150.00	100.00	150.00
In Amount	<b>*1298.64</b>	1,298.64	1,298.64	865.76	1,298.64
Paid-Up Capital	<b>865.76</b>	865.76	865.76	865.76	865.76
Reserves	<b>61,886.44</b>	53,218.53	46,096.81	38,569.06	29,484.48
Shareholders' Funds	<b>62,752.20</b>	54,084.29	46,962.57	39,434.82	30,362.19
Net Worth	<b>62,752.20</b>	54,084.29	46,962.57	39,434.82	30,362.19
Debt : Equity	<b>1.12</b>	1.19	1.01	1.27	1.16
<b>Earning Per Share (₹)</b>					
<b>Basic</b>	<b>23.51</b>	19.94	**20.89	**23.34	**17.75
<b>Diluted</b>	<b>23.51</b>	19.94	**20.89	**23.34	**17.75
Cash EPS (Rs.)	<b>52.07</b>	44.22	**42.01	**42.27	**31.15
Book Value (Rs.)	<b>144.96</b>	124.94	**108.49	**91.10	**70.14
<b>Capex</b>	<b>23,000</b>	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 17<sup>th</sup> 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 31<sup>st</sup> 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 30<sup>th</sup> 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 02<sup>nd</sup> 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 02<sup>nd</sup> 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.

**RESOVED 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.

**RESOVED 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.

**RESOVED FURHTER THAT** Mr. Ramchandra Desai shall not be liable to retire by rotation, so long as he continuous 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 02<sup>nd</sup> 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 02<sup>nd</sup> 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.



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### **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.

**RESOLVED 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.

**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 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 FURHTER 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, 30<sup>th</sup> 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 05<sup>th</sup> September 2012 to Monday, the 17<sup>th</sup> 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, 04<sup>th</sup> 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.



- 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 31<sup>st</sup> 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](http://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](mailto:grievance.redressal@sanghvicranes.com) or [rnt.helpdesk@linkintime.co.in](mailto: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, 30<sup>th</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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 02<sup>nd</sup> September 2012**

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

Subject to the approval of the members of the company, the Board of Directors at its meeting held on 30<sup>th</sup> May 2012, approved the re-appointment of Mr. Ramchandra Desai for a period of three years with effect from 02<sup>nd</sup> 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 02<sup>nd</sup> September 2012.



The terms and conditions of the proposed re-appointment are as below:

- a. Period: Three years beginning from 02<sup>nd</sup> September 2012 to 01<sup>st</sup> September 2015;
- b. Remuneration: As provided in the item no. 7 of the Notice;
- c. Mr. Ramchandra Desai shall perform such duties as shall from time to time entrusted to him, subject to superintendence, guidance and control of the Board of Directors and he shall perform such other duties as shall from time to time be entrusted to him by the Board of Directors, as detailed in item no. 7 of the Notice.

In terms of Sections 269, 309 & 310 read with Schedule XIII of the Companies Act, 1956, re-appointment of the Executive Director and for the payment of remuneration is required to be approved by the members of the Company.

Mr. Ramchandra Desai is holding directly 30 shares of the Company as on date.

None of the Directors of the Company except Mr. Ramchandra Desai is concerned or interested in this resolution.

The terms of the re-appointment of Mr. Ramchandra Desai as the Executive Director, as stated in the Notice, may be treated as an abstract under section 302 of the Companies Act, 1956.

The Board of Directors of your company is of the opinion that Mr. Ramchandra Desai's re-appointment for a further period of three years would be beneficial to the company and hence recommend the resolution at item no. 7 for your approval.

**Item No. 8: Appointment of Mr. Sham Kajale as the Executive Director & CFO of the Company for a further period of three years with effect from 02<sup>nd</sup> September 2012**

The members of the company at the Twentieth Annual General Meeting of the Company held on 24<sup>th</sup> July 2009 had appointed Mr. Sham Kajale, as the Executive Director & CFO of the Company for a period of three years with effect from 02<sup>nd</sup> September 2009.

Subject to the approval of the members of the company, the Board of Directors at its meeting held on 30<sup>th</sup> May 2012, approved the re-appointment of Mr. Sham Kajale for a period of three years with effect from 02<sup>nd</sup> 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. Sham Kajale is a Master of Commerce and the Associate Member of the Institute of Cost Accountants of India. Mr. Sham Kajale is having experience of 17 years in the fields of finance, accounts, legal compliances 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. Sham Kajale in finance and accounts. Mr. Sham Kajale is heading the finance department and he is designated as Chief Finance Officer (CFO) as per the Clause 49 of the Listing Agreement. 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 02<sup>nd</sup> September 2012.

The terms and conditions of the proposed re-appointment are as below:

- a. Period: Three years beginning from 02<sup>nd</sup> September 2012 to 01<sup>st</sup> September 2015;
- b. Remuneration: As provided in the item no. 8 of the Notice;

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- c. Mr. Sham Kajale shall perform such duties as shall from time to time entrusted to him, subject to superintendence, guidance and control of the Board of Directors and he shall perform such other duties as shall from time to time be entrusted to him by the Board of Directors, as detailed in item no. 8 of the Notice.

In terms of Sections 269, 309 & 310 read with Schedule XIII of the Companies Act, 1956, re-appointment of the Executive Director & CFO and for the payment of remuneration is required to be approved by the members of the Company.

Mr. Sham Kajale is holding nil shares of the Company as on date.

None of the Directors of the Company except Mr. Sham Kajale is concerned or interested in this resolution.

The terms of the re-appointment of Mr. Sham Kajale as the Executive Director & CFO, as stated in the Notice, may be treated as an abstract under section 302 of the Companies Act, 1956.

The Board of Directors of your company is of the opinion that Mr. Sham Kajale's re-appointment for a further period of three years would be beneficial to the company and hence recommend the resolution at item no. 8 for your approval.

By Order of the Board of Directors

For Sanghvi Movers Limited

Pune, 30<sup>th</sup> May 2012

**Registered Office :**

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

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



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## Directors' Report to the Members

We take pleasure in presenting the Twenty-third Annual Report and Audited Accounts of your Company for the year ended 31<sup>st</sup> March 2012.

(₹ in Lacs)

<b>Financial Results</b>	<b>2011-2012</b>	2010-2011
Total Income	47,146.33	37,352.25
Total Expenditure	13,504.95	10,544.74
Profit before Interest and Depreciation	33,641.38	26,807.51
Interest	7,708.63	4,919.60
Depreciation	11,060.30	9,288.48
Profit before Exceptional Items and Tax	14,872.45	12,599.42
Exceptional Items	140.59	0.00
Profit Before Tax	15,013.04	12,599.42
Provision for Taxation	4,835.82	3,968.39
Profit after Tax	10,177.22	8,631.03
Surplus brought forward from last year	16,126.52	14,004.80
Profit available for Appropriation	26,303.74	22,635.83
<b>Appropriations:</b>		
Transfer to General Reserves	5,000.00	5,000.00
Proposed Dividend	1,298.64	1,298.64
Tax on Dividend	210.67	210.67
Surplus carried forward to Balance Sheet	19,794.43	16,126.52

### Business Review

During the year under report, your Company crossed revenue of ₹ 471 Crores, an increase of 26 % and the Net Profit was ₹ 101.77 Crores, increased by 18%, year on year basis.

### Power Generation

Your Company has been earning regular income from the Business of Power Generation from Windmills commissioned in Jaisalmer, Rajasthan and Chitradurga, Karnataka. Total Income earned out of Wind Power Generation was 221.59 Lacs and Total Power generation through Windmills was 61.59 Lacs KWH.

### Dividend

The Board has recommended Dividend ₹ 3/- per Equity Share i.e. @ 150% on Equity Shares for the Year ended 31st March 2012, as against ₹ 3/- per Equity Share. In order to conserve the resources of the Company, the Dividend Payout Ratio is kept at 150 %. The Dividend @ ₹ 3/- per Equity Share will be paid to eligible members, after the approval by the members at the forthcoming Annual General Meeting. The total cash outflow on account of dividend payments will be ₹ 12.98 Crores and on the dividend distribution tax is ₹ 2.10 Crores.

### Finance

During the year under review, the Company has availed Financial Assistance from Axis Bank, Bank of Baroda, Bank of India, Corporation Bank, HDFC Bank, ICICI Bank, ING Vysya Bank, State Bank of Hyderabad, State Bank of India and The Saraswat Co-operative Bank for funding its expansion Programme and the Company is enjoying Working Capital facilities from Dena Bank.

Total Secured Loan outstanding as of 31<sup>st</sup> March 2012 was ₹ 698.04 Crores.



## **TWENTY-THIRD ANNUAL REPORT 2011-2012**

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Your Company has received 'ICRA A+' as Credit Rating for Long Term Loans, which indicates adequate degree of safety in respect of Bank Loan profile of the Company and 'A1' as Credit Rating for Short Term Loans, assigned by ICRA Limited.

### **Directors**

Mr. Gaurav Malik resigned with effect from 27<sup>th</sup> September 2011. Your Board of Directors expresses its sincere appreciation for the services rendered by Mr. Gaurav Malik and further expresses its gratitude for the same.

Mr. Sanjay Asher appointed as Additional Director with effect from 30<sup>th</sup> September 2011.

Mr. Vijay Mainkar and Mrs. Mina Sanghvi are liable to retire by rotation and being eligible offer themselves for re-appointment.

The brief resume/details relating to Directors who are to be appointed/re-appointed are furnished in the Report on Corporate Governance.

### **Fixed Deposits**

The Company has not accepted any fixed deposits from the public during the year ended 31<sup>st</sup> March 2012.

### **Accounts**

The accounts read with the notes thereon are self-explanatory and hence do not call for any explanatory statement.

### **Insurance**

The assets of the Company including buildings, sheds, machinery, cranes, etc. are adequately insured.

### **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' 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:

1. that in the preparation of the Annual Accounts for the Financial Year ended 31<sup>st</sup> March 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments 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;
3. 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;
4. that the Directors have prepared the Annual Accounts for the Financial Year ended 31<sup>st</sup> March 2012, on a going concern basis.

### **Auditors**

M/s. B. S. R. & Co., Chartered Accountants, Pune retires as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.



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### **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 'A', which forms part of this Report. However, in terms of Section 219 (1) (b) (iv) of the Act, the Report and Accounts are being sent to the Shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining a copy of the said Annexure may write to the Company Secretary at the Registered Office of the Company. During the year under review, the Company is having one employee employed throughout the year who was in receipt of remuneration of more than ₹ 60 Lacs per annum.

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 ₹ 267.72 Lacs foreign exchange earnings and the foreign exchange outgo amounted to ₹ 20,326.04 Lacs.

### **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 Exchanges 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.

### **Corporate Social Responsibility Initiatives:**

Sanghvi Movers Limited considers Corporate Social Responsibility (CSR) not as an obligation, but as an opportunity. We recognize that our business activities have direct and indirect impacts on the societies in which we operate. The Company firmly believes in "giving back" what it gets from the society. The brief details of some of the initiatives taken are as follows:

- Donation to Shree Ramakrishna Charities, for running the school in the rural area;
- Financial support to the outstanding students staying in the slum area and require support for further education;
- Sponsorship of a seminar on Rural Development Programme, Symbiosis School of Economics organized a National Conference on Urban Planning and Policies;
- Green initiative for pollution control in vehicles;
- Organizing Blood Donation Camp at Head Office at Pune with the support of Aditya Birla Memorial Hospital, Pune, 58 employees donated blood at the camp.

### **Acknowledgements**

Your Directors would like to place on record their gratitude and appreciation to the Banks, esteemed Clients and valued investors for their continued co-operation and support. Your Directors also take this opportunity to acknowledge the hard work, dedicated efforts made by the Employees of the Company at all levels for their contribution to the success achieved by the Company.

By Order of the Board of Directors  
For Sanghvi Movers Limited

Pune, 30<sup>th</sup> May 2012

### **Registered Office :**

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

**Chandrakant Sanghvi**  
**Chairman & Managing Director**

## **Management Discussion & Analysis**

### **Review of Economy**

During the period 2011-2012, the Indian Economy maintained its momentum by registering growth of 6.88%. Indian Economy is expected to grow at an average of 7 % in this decade. The infrastructure spend in the next five years is going to be over ₹ 50,00,000 Crores (Source: Planning Commission)

High inflation rates, depreciation in Indian currency and increasing oil prices affected the growth rate of Indian Economy. The RBI's monetary measures and Government's initiatives would help to improve the performance of the economy in the current year. The Growth rate is expected to remain at 7% during the current year.

The Financial year 2011-12 began amidst Euro crisis induced global financial recession. The knock-on effect of these adverse global developments became evident in the macroeconomic performance of the Indian economy, as it experienced some loss of growth momentum.

### **Company 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 satisfactory. Power Generation has assured business from the respective State Electricity Boards and contribution from this segment is less than 1% of the total revenue.

We have been pioneered in catering to crane requirements of major industries like Power, Steel, Refinery, Cement and Wind Power. During the year under review, your Company has shifted its focus more on Power, Cement, Steel and Refinery Sectors.

### **Industry**

The Central Government continued its support to infrastructure, road construction, housing, power and ports. The effect of such investments was noticeable in the economy. Demand for Heavy Lift Cranes will continue to remain in demand, continuation of growth in Infrastructure including large scale investment in Oil & Gas refineries, road construction.

Your Company's main business is operation of Cranes, which accounted for 95.08 % of the revenues. Company's extensive network all over India through various depots enables our customers to avail our services efficiently.

Your Company is the Largest Crane Hiring Company in India and 7<sup>th</sup> Largest in the World, as per rankings from Cranes International Magazine. It is engaged in the business of providing Hydraulic and Crawler Cranes to various industries in the infrastructure and core sector areas with a fleet of 397 medium to large size Hydraulic Truck Mounted Telescopic & Lattice Boom Cranes and Crawler Cranes with lifting capacity 20 Tons to 800 Tons.

In the next couple of years, your Company will focus more on renting cranes to Power, Windmills, Steel, Cement and Aluminium Plants, Refinery, Metro and Hydro Power sectors.

The Company is confident of meeting any demand spikes in the next fiscal year. Based on the demand and implementation of projects currently in hand, we would add more cranes to our fleet in the next fiscal year.

### **Opportunities and Threats**

Your Company has been providing Heavy Lift, Plant Erection and Maintenance Services to various large scale projects. Your Company has maintained a good track record in terms of timely deployment of Cranes at competitive rates with due regard to time schedule as well as safety and efficiency in operations.

The Company foresees opportunity in power projects under Twelfth Eleventh Five-Year Plan. We are geared up to play major role in implementation of the power plants. Your Company has versatile fleet of Cranes which meets all requirements for construction of power plants.

The Company's operations may get affected on account of increase in competition in Crane Hiring Business, delay in receivables and delay in the projects due to economic slowdown.



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## **Outlook**

During last two three years, Company concentrated on buying heavy duty Cranes (Cranes above 100 Tons). At present more than 90% of gross block of Cranes is in 100 MT & above Cranes. Obviously, more than 90% of the Company's turnover is contributed by higher tonnage Cranes.

Company is expecting order flow from Power, Cement and Refinery Sectors. Expecting good order flow from upcoming Power and Refinery Projects.

## **Risks and Concerns**

Challenges involved in maintaining optimal utilization and yield of fleet all times and ensuring minimal idle time between contracts. Delay in infrastructure and core projects spending could result in downturn in revenues.

Your Company's business exposure to the normal financial and market risks continue to be monitored and managed by experienced managers at all levels duly strengthened from time to time by systems and processes commensurate with the volume of business activities and the perceived risk requirements.

## **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.

## **Material Developments in Human Resources**

Your Company recognizes the fact that its employees are its most valuable assets. Considering the business challenges, Management has initiated various training and development activities to upgrade skills and knowledge of the employees. Your 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. Your Company had 1480 employees including indirect labour as on 31<sup>st</sup> March 2012. Your company is also in the process of implementing ISO 9001 & OHSAS certification, which will help the company and its various departments to function efficiently and to cater its customer's needs. A well defined set of procedures will be drawn at each level which will clearly defined the job profile of the employees which will help to perform their duties in a much better way which will result in benefiting the company by providing quality service and more satisfied customers in future.

## **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.

## **Disclaimer**

The information and opinion expressed in this section of the Annual Report consists of certain forward looking statements, which the management believes are true to the best of its knowledge at the time of its preparation. We shall not be liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein.

The information contained herein may not be disclosed, reproduced or used in whole or in part for any purpose or furnished to any other persons without the express prior written permission of the Company.

## **Report on Corporate Governance**

In accordance with the clause 49 of the Listing Agreement with The Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE) and practices followed on Corporate Governance, the report containing the details of Corporate Governance system and process at Sanghvi Movers Limited is as under:

### **1. Company's Philosophy on Code of Governance**

The Company firmly believes in good Corporate Governance. Good governance encompasses conduct of the Company's business in an ethical, transparent, fair and equitable manner with due regard to the interests of various stakeholders, exercising proper control over the Company's assets and transactions.

Sanghvi Movers Limited core values are based on integrity, respect for the law and compliance thereof, emphasis on product quality and a caring spirit. In Sanghvi Movers Limited, we believe that good governance is a systemic process which enables the Company to operate in a manner that meets with the ethical, legal and business expectations and at the same time fulfils its social responsibilities.

The Sanghvi Movers Limited Board endeavours, by leveraging the resources at its disposal and fostering an environment for growth and development of human resources. The management team is fully empowered to take the Company forward within the framework of effective accountability, which in turn enables the conversion of opportunities into achievements for the betterment of the Company and its stakeholders. The Directors present the Company's report on Corporate Governance. Sanghvi Movers Limited believes that good governance generates goodwill among business partners, customers and investors and earns respect from society at large. Your Company is committed to the principles of good governance.

### **2. Board of Directors**

#### **a. Composition and Size of the Board**

The Board of Directors of the Company has a combination of Executive, Non Executive and Independent Directors, to maintain the independence of the Board. As on 31<sup>st</sup> March 2012, the Company's Board consists of Eleven Directors. It comprises of One Managing Director, Two Executive Directors, Two Non-executive Non-Independent Directors and Six Non-executive Independent Directors.

The composition of the Board and category of Directors is as follows:

<b>Category</b>	<b>Name</b>
Promoter - Chairman & Managing Director	Mr. Chandrakant Sanghvi
Executive Director	Mr. Ramchandra Desai
Executive Director & CFO	Mr. Sham Kajale
Non-executive Director	Mr. Gary Jit Meng Ng
Non-executive Director	Mrs. Mina Sanghvi
Non-executive Director	Mr. Gaurav Malik (Resigned w.e.f. 27 <sup>th</sup> Sept. 2011)
Independent Director	Mr. Vijay Mainkar
Independent Director	Mr. S. Padmanabhan
Independent Director	Mr. Pradeep Rathi
Independent Director	Mr. Dara Damania
Independent Director	Mr. Dinesh Munot
Independent Director	Mr. Sanjay Asher (Appointed w.e.f. 30 <sup>th</sup> Sept. 2011)





Mr. P. C. Bhalerao resigned as an independent Director on 06<sup>th</sup> December 2010. The Company was required to appoint an Independent Director by 04<sup>th</sup> June 2011 to be in compliance with the requirements of Clause 49 of the listing agreement regarding the composition of the Board of Directors. The Company appointed Mr. Sanjay Asher as an Independent Director on 30<sup>th</sup> September 2011 and accordingly was in non compliance for the period from 04<sup>th</sup> June 2011 to 29<sup>th</sup> September 2011. The Company had informed Bombay Stock Exchange and National Stock Exchange and had requested for extension of time by three months for appointment of Independent Director on the board of the Company.

### Independent Directors

Independent Directors are Non-executive Directors, who other than receiving Director's sitting fees do not have any other material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its associates, which may affect the independence of the Director and who are not related to the promoters or senior management of the Company and who has not been an executive of the Company and who is not a partner or an executive of the statutory audit firm, internal audit firm, legal firm and consulting firm who is associated with the Company and who is not a material supplier, service provider or customer or a lessor or a lessee of the Company, which may affect the independence of the Director.

### b. & c.

The following table gives details of Directors, Attendance of Directors at the Board Meetings and at the last Annual General Meeting, Number of Memberships held by Directors in the Board/Committees of various Companies as of 31<sup>st</sup> March 2012:

Name	Attendance Particulars		Number of Other Directorships and Committee Memberships / Chairmanships		
	Board Meetings	Last AGM	*Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Chandrakant Sanghvi	6	Yes	4	Nil	Nil
Mr. Gary Jit Meng Ng	3	No	4	2	-
Mr. Vijay Mainkar	5	Yes	4	-	-
Mr. S. Padmanabhan	2	No	11	9	-
Mr. Sanjay Asher @	0	NA	38	16	5
Mr. Pradeep Rathi	3	Yes	20	9	2
Mr. Dara Damania	1	No	10	6	-
Mrs. Mina Sanghvi	5	Yes	5	-	-
Mr. Ramchandra Desai	6	Yes	-	-	-
Mr. Sham Kajale	6	Yes	-	-	-
Mr. Gaurav Malik \$	3	No	2	-	-
Mr. Dinesh Munot	3	Yes	8	1	-

\* Includes Alternate Directorships in all companies viz. public, private and foreign companies.

\$ Ceased to be Director from 27<sup>th</sup> September 2011.

@ Appointed as Additional Director from 30<sup>th</sup> September 2011.

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### d. No. of Board Meetings Held During the Year Along With the Dates of the Meetings

The meetings of the Board are normally held at the Company's Registered Office in Pune. The Notice along with agenda is circulated to the Directors well in advance.

During the year 2011-2012, the Board met 6 times on the following dates, namely, 14<sup>th</sup> April 2011, 30<sup>th</sup> May 2011, 05<sup>th</sup> August 2011, 30<sup>th</sup> September 2011, 14<sup>th</sup> November 2011 and 14<sup>th</sup> February 2012.

### e. Directors' Inter-se Relationship

Mrs. Mina Sanghvi is a wife of Mr. Chandrakant Sanghvi, Chairman & Managing Director of the Company. Except this there is no other inter-se relationship amongst the Directors.

No. of Equity Shares directly held by the Non-executive Directors as on 31<sup>st</sup> March 2012:

Name of the Director	No. of Equity Shares
Mr. Vijay Mainkar	3,000
Mr. S. Padmanabhan	Nil
Mr. Pradeep Rathi	Nil
Mr. Gary Jit Meng Ng	Nil
Mr. Dara Damania	Nil
Mr. Dinesh Munot	Nil
Mrs. Mina Sanghvi	33,54,380
Mr. Sanjay Asher	Nil

### f. Appointment/Re-Appointment of Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Vijay Mainkar and Mrs. Mina Sanghvi are liable to retire by rotation and being eligible, offer themselves for re-appointment as Director.

Name of Director	Mr. Vijay Mainkar	Mrs. Mina Sanghvi
<b>Age</b>	75	57
<b>Date of Appointment</b>	16 <sup>th</sup> March 1995	20 <sup>th</sup> October 2008
<b>Qualifications</b>	B.Com, B.G.L., F.C.A.	B.Com., Diploma - System Analysis
<b>Expertise in Specific Areas</b>	Corporate Finance, Accounts and Taxation	Business Management, Human Resource Development and System Design
<b>Director in other Companies</b>	SAJ Test Plant Pvt. Ltd. Shriniwas Fabrico Pvt. Ltd. GKC Management Services Pvt. Ltd. Simplicity Investing Advisors India Pvt. Ltd.	Maharashtra Erectors Pvt. Ltd. Sanghvi Hi-Lift Pvt. Ltd. Jethi Builders & Traders Pvt. Ltd. Atisha Trading Pvt. Ltd. Sariputta Trading Pvt. Ltd.
<b>Chairman / Member of Committees of the Board of other companies</b>	Nil	Nil



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Mr. Sanjay Asher was appointed as Additional Director of the Company w.e.f. 30<sup>th</sup> September 2011 and will be proposed for appointment as a Director in the ensuing Annual General Meeting.

<b>Name of Director</b>	Mr. Sanjay Asher
<b>Age</b>	49
<b>Date of Appointment</b>	30 <sup>th</sup> September 2011
<b>Qualifications</b>	B.Com, Chartered Accountant, Bachelor of Law & Solicitor
<b>Expertise in Specific Areas</b>	Corporate Advisory, regulatory and compliance, mergers and acquisitions, joint ventures and exchange control regulations.
<b>Chairman / Director in other Companies</b>	A.L.Movers Private Limited A.L.Records Management Private Limited Ashok Leyland Limited Allied Pickfords India Private Limited Bajaj Allianz General Insurance Company Limited Bajaj Allianz Life Insurance Company Limited Balkrishna Industries Limited Diamant Boart Marketing Private Limited Enam Infrastructure Trusteeship Services Private Limited Finolex Cables Limited Finolex Plasson Industries Private Limited Hoganas India Private Limited ArjoHuntleigh Healthcare India Private Limited Indian Cookery Private Limited Indofill Elastomer Private Limited Innoventive Industries Limited Kryfs Power Components Limited LR Scandpower Risk Consultancy Private Limited Mandhana Industries Limited Master Voss International Project Private Limited Morgan Stanley Investment Management Private Limited NV Advisory Services Private Limited Orbit Electricals Private Limited Peass Industrial Engineers Private Limited Repro India Limited Schlafhorst Machines Private Limited Sharp India Limited Shri Renuka Sugars Limited Siporex India Private Limited Sudarshan Chemicals Industries Limited Tribhovandas Bhimji Zaveri Limited ValueQb Consulting Private Limited Zinser Textile Systems Private Limited Golden Turtle Real Estates Private Limited Lisa Real Estates Private Limited Royal Orchid Conreal Private Limited Finolex Industries Limited HH Print Management India Private Limited

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<b>Chairman / Member of Committees of the Board of other companies</b>	<p>Member of Audit Committee, Share Transfer &amp; Investor Grievance Committee and Remuneration Committee of Finolex Cables Limited</p> <p>Chairman of remuneration Committee and Member of Audit Committee of Repro India Limited</p> <p>Chairman of Shareholders and Investor Grievance Committee and Member of Audit Committee of Ashok Leyland Limited</p> <p>Chairman of Audit Committee, Share Transfer &amp; Investor Grievance Committee and Member of Remuneration Committee of Shree Renuka Sugars Limited</p> <p>Chairman of Share Transfer and Investor Grievance Committee and Member of Audit Committee and Remuneration Committee of Sharp India Limited</p> <p>Member of Audit Committee and Remuneration Committee of Mandhana Industries Limited</p> <p>Member of Remuneration Committee of Tribhovandas Bhimji Zaveri Limited</p>
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### **3. Audit Committee**

#### **a. Brief description of terms of reference**

The terms of reference of this Committee cover the matters specified for the Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The Audit Committee was constituted to ensure prudent financial and accounting practices, fiscal discipline and transparency in financial reporting. The quarterly results are reviewed by the Audit Committee and recommended to the Board for its adoption. The Chairman of the Committee is an Independent Director.

#### **Role and objectives**

- Reviewing with the Management and Auditors, the adequacy of Internal Control Systems;
- Discussion with the Auditors periodically about Internal Control System;
- Any significant findings and follow up thereon and reviewing with the Management, the Financial Statements before submission to the Board.

#### **b. Composition**

As of 31<sup>st</sup> March 2012, the Audit Committee consists of four Independent Non-executive Directors, namely, Mr. Vijay Mainkar is the Chairman of the committee, Mr. S. Padmanabhan, Mr. Pradeep Rathi and Mr. Dara Damania, and one Non-executive Director namely, Mr. Gary Jit Meng Ng. All members of the committee are financially literate. The Company Secretary acts as the Secretary to the Committee. The Statutory Auditors and the Internal Auditors also make their presentations at the committee meeting.



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**c. Meetings and Attendance during the Year**

During the year 2011-2012, the Audit Committee met 4 times on the following dates, namely, 30<sup>th</sup> May 2011, 05<sup>th</sup> August 2011, 14<sup>th</sup> November 2011 and 14<sup>th</sup> February 2012.

Name of the Director	No. of Meetings Attended
Mr. Vijay Mainkar	3
Mr. S. Padmanabhan	2
Mr. Pradeep Rathi	2
Mr. Dara Damania	1
Mr. Gaurav Malik (Resigned w.e.f. 27 <sup>th</sup> Sept. 2011)	2
Mr. Gary Jit Meng Ng	2

**4. Remuneration Committee****a. Brief Description of Terms of Reference**

To review & recommend remuneration of the Managing Director & Executive Directors based on their performance. The Executive Directors are not entitled to sitting fees for attending meetings of the Board & Committees thereof.

**b. Composition**

As of 31<sup>st</sup> March 2012, the Remuneration Committee consists of four Independent Non-executive Directors, namely, Mr. Vijay Mainkar is the Chairman of the committee, Mr. S. Padmanabhan, Mr. Pradeep Rathi and Mr. Dara Damania and one Non-executive Director, namely, Mr. Gary Jit Meng Ng. The Committee complies with the provisions of the Companies Act, 1956 and Corporate Governance Code. The Remuneration Committee has been constituted to determine Company's Policy on specific remuneration package of Managing Director and Executive Director(s).

**c. Meetings and Attendance during the Year**

During the year 2011-12, the Committee met 2 times on 30<sup>th</sup> May 2011 and 5<sup>th</sup> August 2011.

Name of the Director	No. of Meetings Attended
Mr. Vijay Mainkar	2
Mr. S. Padmanabhan	1
Mr. Pradeep Rathi	Nil
Mr. Gaurav Malik (Resigned w.e.f. 27 <sup>th</sup> Sept. 2011)	2
Mr. Gary Jit Meng Ng	1
Mr. Dara Damania	Nil

**d. Remuneration Policy**

The Remuneration Policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Remuneration Policy is in consonance with the existing industry practice.

**e. Remuneration to Managing Director and Other Executive Directors**

In respect of the year ended 31<sup>st</sup> March 2012, the following Remuneration was paid / payable to these Directors:  
(Amount in ₹)

Name of Director	Salary	Allowance, Ex-Gratia & Perquisites	Commission Payable	Contribution towards Superannuation Scheme	Total
Chandrakant Sanghvi	1,47,30,000	10,85,105	1,45,10,000	42,28,200	3,45,53,305
Ramchandra Desai	23,40,000	11,77,481	Nil	3,51,000	38,68,481
Sham Kajale	21,26,400	10,73,000	Nil	3,18,960	35,18,360



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Mr. Chandrakant Sanghvi was appointed as Managing Director for a further period of five years w.e.f. 01<sup>st</sup> October 2011. Mr. Ramchandra Desai was appointed as Executive Director by the shareholders in the Annual General Meeting held on 02<sup>nd</sup> September 2009 for a further period of three years. Mr. Sham Kajale was appointed as Executive Director and CFO by the shareholders in the Annual General Meeting held on 02<sup>nd</sup> September 2009 for a further period of three years. The resolutions for their respective re-appointments are stated in the Notice to the twenty-third Annual Report.

Considering the valuable time given and timely guidance provided by the Non-executive Directors, the Board of Directors and shareholders in their respective meetings, resolved to pay sitting fees to its Non-executive Directors.

The Company pays Sitting Fees to the Non-executive Directors at the rate of ₹ 20,000/- per Board Meeting and ₹ 5,000/- per committee meetings upto 05<sup>th</sup> August 2011 and thereafter ₹ 10,000/- per Committee Meeting and also reimburses expenses for attending the Meetings by these Directors. The Sitting Fees paid/payable to Directors for the year ended 31<sup>st</sup> March 2012 was as follows:

Mr. Vijay Mainkar: ₹ 1,85,000/-, Mr. S. Padmanabhan : ₹ 60,000/-, Mr. Gaurav Malik : ₹ 80,000/-, Mr. Gary Jit Meng Ng : ₹ 80,000/-, Mr. Pradeep Rathi : ₹ 80,000/-, Mr. Dara Damania : ₹ 40,000/-, Mrs. Mina Sanghvi : ₹ 1,00,000/-, Mr. Sanjay Asher : Nil and Mr. Dinesh Munot : ₹ 60,000/-.

### 5. Shareholders' Grievance Committee

As of 31<sup>st</sup> March 2012, the Shareholders' Grievance Committee consists of five members, Mr. Vijay Mainkar, Mr. Chandrakant Sanghvi, Mr. Ramchandra Desai, Mr. Sham Kajale and Mr. Dara Damania. Mr. Rajesh Likhite, Company Secretary is the Chief Compliance Officer of the Company for the purpose of shareholders grievance related matters.

- a. Mr. Vijay Mainkar, Non Executive Independent Director is the Chairman of the committee.
- b. Mr. Rajesh Likhite, Company Secretary the Chief Compliance Officer of the Company for the purpose of shareholders grievance related matters.
- c. A total of 18 complaints were received by the Company from the Shareholders and Investors.
- d. All complaints have been resolved to the satisfaction of the Investors.
- e. During the year under review, no complaints are pending.

### f. Meetings and Attendance during the Year

During the year 2011-12, the Committee met 4 times on the following dates, namely, 14<sup>th</sup> April 2011, 5<sup>th</sup> August 2011, 14<sup>th</sup> November 2011 and 14<sup>th</sup> February 2012.

Name of the Director	No. of Meetings Attended
Mr. Vijay Mainkar	3
Mr. Dara Damania	1
Mr. Chandrakant Sanghvi	4
Mr. Ramchandra Desai	4
Mr. Sham Kajale	4



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## 6. General Body Meetings

The details of Annual and Extra-ordinary General Meetings held during last three years are as below:

Year	General Meeting	Day	Date	Time	Location	Special Resolution Passed
2010-11	AGM	Friday	30.09.2011	11.00 a.m.	Survey No.92, Tathawade, Taluka Mulshi, Pune - 411 033	Appointment of Mr. Rishi Sanghvi to hold and continue to hold office or place of Profit as Manager - Business Development.
2009-10	AGM	Monday	27.09.2010	11.30 a.m.	Survey No.92, Tathawade, Taluka Mulshi, Pune - 411 033	Nil
2008-09	AGM	Friday	24.07.2009	11.00 a.m.	Survey No.92, Tathawade, Taluka Mulshi, Pune - 411 033	Appointment of Ms. Niyoshi Sanghvi to hold and continue to hold office or place of Profit as Manager - Business Development.

## 7. Disclosures

### a. Related Party Transactions

During the year, no material transactions with the Directors or the Management, their subsidiaries or relatives, etc. have taken place, which have potential conflict with the interest of the Company. The details of all significant transactions with related parties are periodically placed before the Audit Committee. Details of Related Party Transactions entered into in the normal course of business are given in Note No. 33 forming part of 'Notes to Accounts'.

### b. Details of Non-Compliance by the Company, Penalties, Strictures Imposed On the Company by the Stock Exchanges or Any Other Statutory Authority On Any Matter Related To Capital Markets During Last Three Years.

There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or any other statutory authority during last three years.

### c. Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has Whistle Blower Policy wherein the employees are encouraged to report violation of laws, rules, and regulations. The confidentiality of such reporting is maintained and is not subject to any discriminatory practice. We affirm that no employee has been denied access to the Audit Committee.

## 8. Means of Communication

The Company has published Quarterly and Yearly Financial Results in Business Standard and Loksatta after forwarding the same to The Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE) as per clause 41 of the Listing Agreement. The results are also published on the company's website, [www.sanghvicranes.com](http://www.sanghvicranes.com) under 'investor centre' section.

## TWENTY-THIRD ANNUAL REPORT 2011-2012

### 9. General Shareholder Information

a. AGM - Day, Date & Time are given below:

<b>AGM - Day, Date &amp; Time</b>	Monday, 17 <sup>th</sup> September 2012, at 11.00 a.m.
<b>Venue</b>	Registered Office of the Company

b. Financial year: 01<sup>st</sup> April to 31<sup>st</sup> March.

c. Dates of Book Closure: 05<sup>th</sup> September 2012 to 17<sup>th</sup> September 2012  
(Both days inclusive)

d. Dividend Payment Date

The dividend, if approved by the Members of the Company will be payable on or after 22<sup>nd</sup> September 2012.

#### Unclaimed Dividend

Pursuant to section 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividend, remaining unclaimed/unpaid dividend for a period of seven years from the date of the disbursement is required to be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claims. Members, who have not yet encashed their dividend warrants for the financial year 2004-2005 onwards, are requested to make their claims without any delay to the Registrar and Transfer Agents, Link Intime India Limited.

During the year under review, the Company has credited ₹ 80,396/- lying in unpaid/unclaimed dividend account of financial year 2003-04, to the Investor Education and Protection Fund (IEPF) pursuant to section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

The information relating to outstanding dividend account/(s) and the dates by which they can be claimed by the shareholders are given below:

Financial Year	Date of declaration of dividend	Type of dividend	Total dividend Amount in (₹)	Unclaimed Dividend as on 31 March 2012 Amount in (₹)	Due date for transfer to Investor Education and Protection Fund (IEPF)
2004-2005	24 October 2005	Final	3,58,88,000	172,015	23 October 2012
2005-2006	2 October 2006	Final	7,17,16,000	268,430	1 October 2013
2006-2007	26 July 2007	Final	10,07,20,000	308,088	25 July 2014
2007-2008	28 August 2008	Final	12,98,64,000	314,976	27 August 2015
2008-2009	23 July 2009	Final	8,65,76,000	339,158	22 July 2016
2009-2010	28 September 2010	Final	12,98,64,000	377,090	27 September 2017
2010-2011	30 September 2011	Final	12,98,64,000	393,723	29 September 2018

e. Listing

NAME OF THE EXCHANGE	CODE / SYMBOL
The Bombay Stock Exchange Limited (BSE)	530073
The National Stock Exchange of India Limited (NSE)	SANGHVIMOV



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Annual Listing Fee has been paid to The Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE).

**f. Financial Calendar 2012-2013 (Tentative)**

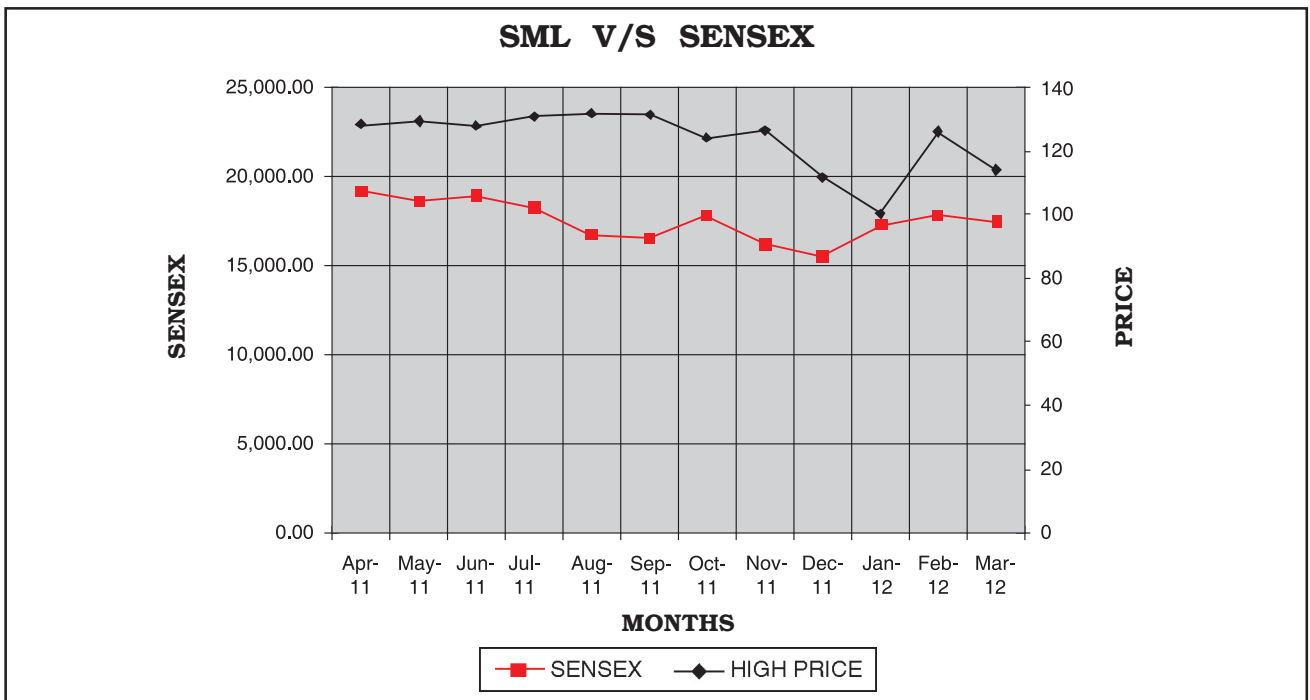
<b>Annual General Meeting</b>	September 2013
<b>Board Meetings</b>	
Results for the quarter ending June 2012	2 <sup>nd</sup> Week of August 2012
Results for the quarter ending September 2012	2 <sup>nd</sup> Week of November 2012
Results for the quarter ending December 2012	2 <sup>nd</sup> Week of February 2013
Results for the year ending March 2013	Last Week of May 2013

**g Market Price Data**

Share Price - High & Low (₹) During Each Month In The Year 2011-2012 At BSE

Month	Price (In ₹)		Month	Price (In ₹)	
	High	Low		High	Low
April 2011	127.90	113.00	October 2011	123.85	116.00
May 2011	128.80	108.75	November 2011	125.95	100.00
June 2011	127.40	106.20	December 2011	111.45	85.00
July 2011	130.30	117.00	January 2012	99.70	84.50
August 2011	131.30	111.05	February 2012	125.85	90.00
September 2011	130.95	119.00	March 2012	113.60	98.65

**h Performance in comparison to broad-based indices such as BSE Sensex is as below:**



Source: The Bombay Stock Exchange Limited (BSE) ([www.bseindia.com](http://www.bseindia.com))

**i. Registrar & Share Transfer Agents**

M/s. Link Intime India Private Limited (formerly Intime Spectrum Registry Limited) is the Registrar and Transfer Agents of the Company and carry out the share transfer work on behalf of the Company. The Equity Shares of the Company are traded on the Stock Exchanges and compulsorily in demat mode.

**j. Share Transfer System**

To facilitate the speedy approvals and administrative convenience, the Board has formed a Share Transfer Committee, represented by the Board of Directors, to examine the share transfer and related applications. The Share Transfer Committee supervises and ensures efficient transfer of shares and proper and timely attendance of such applications. The committee has been delegated the power of approving transfer, transmission, rematerialisation, dematerialisation etc. of shares of the Company.

As of 31<sup>st</sup> March 2012, the Share Transfer Committee consists of four members and the Company Secretary is the Chief Compliance Officer of the Company and the Secretary of the Committee.

During the year 2011-12, the Committee met 3 times on the following dates, namely 03<sup>rd</sup> September, 2011, 10<sup>th</sup> September, 2011 and 26<sup>th</sup> March, 2012. The Company has appointed M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited) as its Registrar and Share Transfer Agent with effect from 01<sup>st</sup> August 2006. The share transfer requests are processed through M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited). The Company obtains a half yearly certificate from a Company Secretary in Practice of compliance of transfer formalities as required under clause 47 (C) of the Listing Agreement.



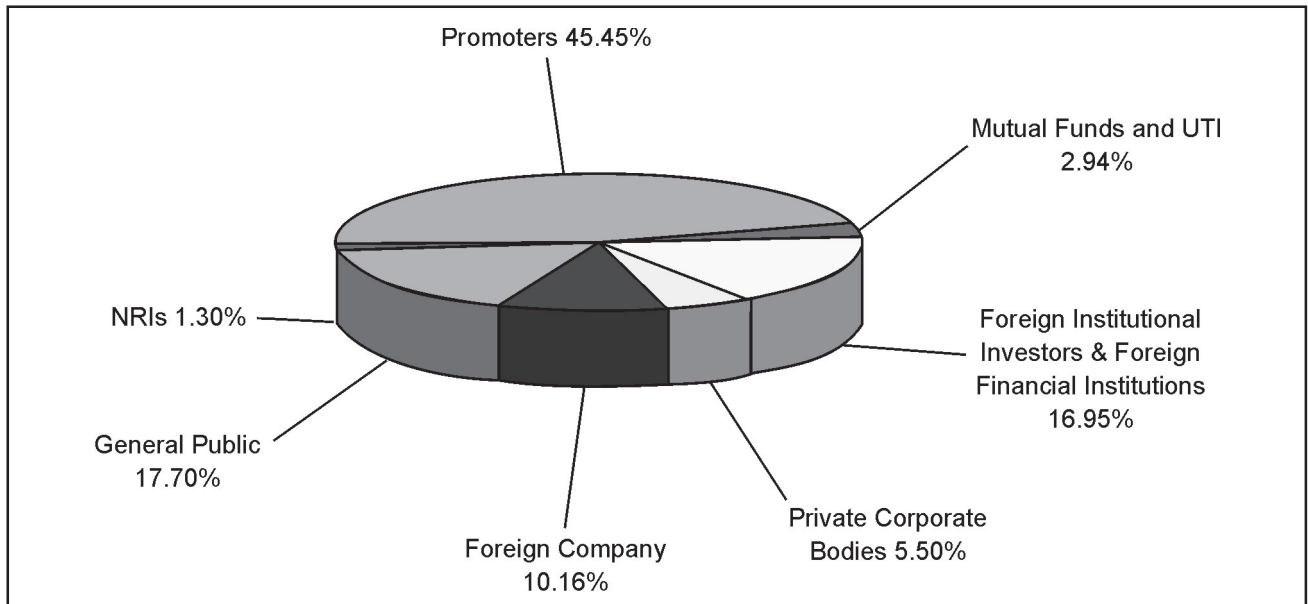


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**k. Distribution of Shareholding**

Shareholding Pattern as On 31<sup>st</sup> March 2012 is as below:

Category	No. of Shares held	% of shareholding
Promoters	1,96,74,951	45.45
Mutual Funds and UTI	12,70,892	2.94
Foreign Institutional Investors & Foreign Financial Institutions	73,37,754	16.95
Private Corporate Bodies	23,78,760	5.50
Foreign Company	44,00,000	10.16
General Public	76,62,931	17.70
NRIs	5,62,712	1.30
<b>Total</b>	<b>4,32,88,000</b>	<b>100.00</b>



**Distribution Schedule as on 31<sup>st</sup> March 2012**

No. of Shares	No. of Folios	% to Total	No. of Shares held	% of Shareholding
Upto 500	12,449	86.84	18,48,681	4.27
501-1000	950	6.63	7,69,727	1.78
1001-2000	467	3.26	7,28,107	1.68
2001-3000	153	1.07	3,93,471	0.91
3001-4000	65	0.45	2,31,093	0.53
4001-5000	51	0.35	2,41,160	0.56
5001-10000	83	0.58	6,22,686	1.44
10001 and above	117	0.82	3,84,53,075	88.83
<b>Total</b>	<b>14,335</b>	<b>100.00</b>	<b>4,32,88,000</b>	<b>100.00</b>

**1. Dematerialization of Shares and Liquidity**

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The new ISIN after sub-division of shares is INE989A01024 for dematerialization of Shares. As on 31<sup>st</sup> March 2012, 2,81,93,960 equity shares were held in dematerialized form.

**m. Code of Conduct**

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The said code has been communicated to the Directors and the Members of the Senior Management. They have confirmed compliance with the said Code. The Code has been uploaded on the Company's website [www.sanghvicranes.com](http://www.sanghvicranes.com)

**n. CEO / CFO certification**

A certificate from the Managing Director & CEO and Executive Director & CFO on the Financial Terms of the Company in terms of Clause 49 of the Listing Agreement was placed before the Board, who took the same on record.

**o. Management Discussion and Analysis**

The detailed Management Discussion and Analysis is given as a separate section in this Annual Report.

**p. Reconciliation of Share Capital**

A qualified Practicing Company Secretary carried out a Secretarial Audit on quarterly basis to reconcile the total Share Capital with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with total no. of shares in physical form and total no. of dematerialized shares held with NSDL & CDSL.

The status on complaints is reported to the Board of Directors as an agenda item. A total of 18 complaints were received by the Company from the Shareholders and Investors. All complaints have been resolved to the satisfaction of the Investors and as on 31<sup>st</sup> March 2012, there were no pending complaints.

**q. Voluntary Corporate Compliance Certificate**

The Company obtains a corporate Compliance Audit Report on a quarterly basis from Practicing Company Secretary to ensure compliance under the Companies Act, 1956, Listing Agreement, SEBI Rules and other corporate law as applicable.

**r. Investor Contact Details**

**Company**

Sanghvi Movers Limited  
Secretarial Department  
Survey No. 92, Tathawade,  
Taluka Mulshi, Pune - 411 033  
Tel: 91-20-66744700  
Fax: 91-20-66744724  
Email: [grievance.redressel@sanghvicranes.com](mailto:grievance.redressel@sanghvicranes.com)

**Registrar & Share Transfer Agent**

M/s. Link Intime India Private Limited  
C - 13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W),  
Mumbai - 400 078  
Tel: 91-22-25963838, 25946970  
Fax: 91-22-25946969  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)



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## Declarations

### Compliance with Code of Conduct

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March 2012.

For Sanghvi Movers Limited

### Chandrakant Sanghvi

Chairman & Managing Director

### CEO / CFO Certification

As required by sub-clause V of the Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended 31<sup>st</sup> March 2012, the Company has complied with the requirements of the said sub-clause.

For Sanghvi Movers Limited

For Sanghvi Movers Limited

For Sanghvi Movers Limited

### Chandrakant Sanghvi

Chairman & Managing Director

### Ramchandra Desai

Executive Director

### Sham Kajale

Executive Director & CFO

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### Auditors' Certification on Corporate Governance

#### To The Shareholders of Sanghvi Movers Limited

We have examined the compliance of conditions of Corporate Governance by Sanghvi Movers Limited, for the year ended on 31<sup>st</sup> March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement. During the year 2011-2012, the Company received 10 complaints from investors / shareholders all of which were disposed off during the year.

In our opinion and to the best of our knowledge and according to the information and explanations given to us, subject to compliance with the minimum number of independent directors required in the composition of the Board of Directors during a part of the year, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

As per our Report of the date attached

For B. S. R. & Co.  
Chartered Accountants  
Firm registration no. 101248W

**Vijay Mathur,**  
Partner  
Membership No. 046476

Place: Mumbai

Date: 30<sup>th</sup> May 2012

**Auditors' Report**

**To the Members of Sanghvi Movers Limited**

We have audited the attached Balance Sheet of Sanghvi Movers Limited ('the Company') as at 31<sup>st</sup> March 2012 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1 As required by the Companies (Auditor's Report) Order, 2003, as amended, ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2 Further to our comments in the Annexure referred to in paragraph 1 above we report that:
  - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
  - e) on the basis of written representations received from the Directors of the Company as on 31 March 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at 31 March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - f) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2012;
    - (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For B. S. R. & Co.  
Chartered Accountants  
Firm registration no. 101248W

**Vijay Mathur,**  
Partner  
Membership No. 046476

Place: Mumbai  
Date: 30<sup>th</sup> May 2012



### **Annexure to Auditors' Report – 31 March 2012**

[Referred to in paragraph 1 of the Auditors' Report to the Members of Sanghvi Movers Limited ('the Company') on the financial statements for the year ended 31 March 2012]

We report as follows:

- 1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.  
(c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- 2 (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.  
(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- 3 (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.  
(b) The Company has availed an unsecured loan from a party covered in the register maintained under section 301 of the Act. The maximum amount outstanding during the year was Rs. 64,000,000 and the year-end balance of such loan is Rs. 21,400,000.  
(c) In our opinion, the rate of interest and other terms and conditions on which the aforesaid loan has been taken are not, prima facie, prejudicial to the interests of the Company.  
(d) In the case of the aforesaid loan, the principal sum and the interest are repayable on demand.
- 4 In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchase of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain services rendered and goods sold are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the rendering of services and sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- 5 (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for purchase of certain services which are for the Company's specialized requirements for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.
- 6 The Company has not accepted any deposits from the public.
- 7 In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 8 The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Act, for services rendered by the Company.
- 9 (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Sales tax, Service tax, Customs duty and

## TWENTY-THIRD ANNUAL REPORT 2011-2012

other material statutory dues during the year with the appropriate authorities. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund and Excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Sales tax Service tax, Customs duty and other material statutory dues were in arrears as at 31 March 2012 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax and Customs duty which have not been deposited with the appropriate authorities on account of disputes other than those stated below:

Name of the statute	Nature of the dues	Amount (Rs in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax & TDS demands	161.65	2007-2012	Commissioner of Income Tax -Appeals, Pune
Gujarat Value Added Tax Act, 2003	Sales tax demand on crane hiring services	124.75	June 2008 to March 2009	Gujarat Value Added Tax Tribunal
Gujarat Motor Vehicles Act, 1989	RTO tax under Gujarat Motor Vehicles Act	44.46	N.A.	Gujarat High Court

- 10 The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- 11 In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures during the year.
- 12 The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion and according to the information and explanations given to us, the Company is not a chit fund/nidhi/mutual benefit fund/society.
- 14 According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- 15 In our opinion and according to the information and explanations given to us, Company has not given any guarantees for loans taken by others from banks or financial institutions.
- 16 In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- 17 According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on shortterm basis have not been used for long-term investments.
- 18 According to the information and explanations given to us, the Company has not made preferential allotment of shares to companies/firms/other parties covered in the register maintained under section 301 of the Act.
- 19 The Company did not have outstanding debentures during the year.
- 20 The Company has not raised any money by public issues during the year.
- 21 According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place: Mumbai  
Date: 30<sup>th</sup> May 2012

For B S R & Co.  
Chartered Accountants  
Firm registration no: 101248W

**Vijay Mathur**  
Partner  
Membership No: 046476





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**BALANCE SHEET**

	Notes	As at	
		31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>(Currency - Indian Rupees in Lacs, except share data)</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	<b>865.76</b>	865.76
Reserves and surplus	4	<b>61,886.44</b>	53,218.53
	(A)	<b>62,752.20</b>	54,084.29
<b>Non-Current Liabilities</b>			
Long-term borrowings	5	<b>30,965.82</b>	24,600.32
Deferred tax liabilities (Net)	6	<b>9,093.40</b>	7,792.68
	(B)	<b>40,059.22</b>	32,393.00
<b>Current Liabilities</b>			
Short-term borrowings	7	<b>4,264.91</b>	4,342.80
Trade payables	8	<b>1,240.40</b>	1,343.77
Other current liabilities	9	<b>36,074.44</b>	36,624.91
Short-term provisions	10	<b>1,673.05</b>	1,512.06
	(C)	<b>43,252.80</b>	43,823.54
<b>TOTAL</b>	<b>(A)+(B)+(C)</b>	<b>146,064.22</b>	130,300.83
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets	11		
Tangible assets		<b>118,598.88</b>	107,019.96
Capital work-in-progress		<b>1,386.20</b>	936.63
Non-current investments	12	<b>0.25</b>	0.25
Long term loans and advances	13	<b>652.35</b>	2,913.81
	(A)	<b>120,637.68</b>	110,870.65
<b>Current Assets</b>			
Inventories	14	<b>836.62</b>	635.08
Trade receivables	15	<b>20,463.72</b>	13,496.94
Cash and bank balances	16	<b>1,533.13</b>	1,871.34
Short-term loans and advances	17	<b>2,522.91</b>	3,393.71
Other current assets	18	<b>70.16</b>	33.11
	(B)	<b>25,426.54</b>	19,430.18
	<b>(A) + (B)</b>	<b>146,064.22</b>	130,300.83
Summary of significant accounting policies	2		
See accompanying notes to the financial statements	3-42		

The notes referred to above form an integral part of the Balance Sheet for the year ended on 31<sup>st</sup> March 2012.

As per our report of even date attached

**For B S R & Co.**  
Chartered Accountants  
Firm Registration No.101248W

**Vijay Mathur**  
Partner  
Membership No.046476

For and on behalf of the Board of Directors  
**Chandrakant Sanghvi** - Chairman & Managing Director  
**Vijay Mainkar** - Director  
**Ramchandra Desai** - Executive Director  
**Sham Kajale** - Executive Director & CFO  
**Rajesh Likhite** - Company Secretary & Chief Compliance Officer

Place : Mumbai  
Date : 30<sup>th</sup> May 2012

Place : Pune  
Date : 30<sup>th</sup> May 2012

## TWENTY-THIRD ANNUAL REPORT 2011-2012

### STATEMENT OF PROFIT & LOSS ACCOUNT

(Currency - Indian Rupees in Lacs, except share data)	Notes	For the year ended	
		31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Revenue from operations	19	45,047.41	36,124.56
Other income	20	2,098.92	1,227.69
<b>Total Revenue</b>		<b>47,146.33</b>	<b>37,352.25</b>
<b>Expenses</b>			
Operating and other expenses	21	11,719.37	9,142.28
Employee benefits expenses	22	1,785.58	1,402.47
Finance costs	23	7,708.63	4,919.60
Depreciation and amortization expenses	11	11,060.30	9,288.48
<b>Total Expenses</b>		<b>32,273.88</b>	<b>24,752.83</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>14,872.45</b>	12,599.42
Exceptional items	24	140.59	—
<b>Profit Before Tax</b>		<b>15,013.04</b>	12,599.42
<b>Tax Expense</b>			
Current tax		3,475.00	2,790.00
Tax charge / (credit) in respect of earlier years		60.10	(42.33)
Deferred tax charge		1,300.72	1,220.72
<b>Profit for the Period</b>		<b>10,177.22</b>	<b>8,631.03</b>
<b>Basic and Diluted Earnings Per Equity Share of Face Value of ₹ 2 Each (in ₹)</b>			
	25	23.51	19.94
Summary of significant accounting policies	2		
See accompanying notes to the financial statements	3-42		

The notes referred to above form an integral part of the Statement of Profit and loss Account for the year ended on 31<sup>st</sup> March 2012  
As per our report of even date attached

**For B S R & Co.**  
Chartered Accountants  
Firm Registration No.101248W

**Vijay Mathur**  
Partner  
Membership No.046476

Place : Mumbai  
Date : 30<sup>th</sup> May 2012

For and on behalf of the Board of Directors  
**Chandrakant Sanghvi** - Chairman & Managing Director  
**Vijay Mainkar** - Director  
**Ramchandra Desai** - Executive Director  
**Sham Kajale** - Executive Director & CFO  
**Rajesh Likhite** - Company Secretary & Chief Compliance Officer

Place : Pune  
Date : 30<sup>th</sup> May 2012



SANGHVI

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012**

<b>Particulars</b>	<b>For the year ended</b>	
	<b>31<sup>st</sup> March 2012</b>	<b>31<sup>st</sup> March 2011</b>
<b>(Currency - Indian Rupees in Lacs, except share data)</b>		
<b>A Cash Flows from Operating Activities</b>		
Net profit before tax	<b>15,013.04</b>	12,599.42
Non cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	<b>11,060.30</b>	9,288.48
Capital advances written off	<b>177.74</b>	—
Provision for doubtful capital advances	<b>283.23</b>	—
(Profit) / Loss on sale of fixed assets (net)	<b>(1,856.68)</b>	(1,026.87)
Interest expense	<b>7,708.63</b>	4,919.60
Dividend income	<b>(0.10)</b>	—
Interest income	<b>(76.18)</b>	(106.13)
<b>Operating Profit Before Working Capital Changes</b>	<b>32,309.98</b>	25,674.50
Movements in working capital :		
Increase in inventories	<b>(201.54)</b>	(346.27)
Increase in trade receivables	<b>(6,966.77)</b>	(424.56)
Decrease/(increase) in short term loans and advances	<b>645.53</b>	(1,215.66)
Decrease/(increase) in long term loans and advances	<b>79.27</b>	(7.25)
(Decrease)/increase in trade payables	<b>(103.37)</b>	648.97
Decrease in other current liabilities	<b>(918.75)</b>	(170.93)
Increase/(Decrease) in short-term provision	<b>34.41</b>	(1.01)
<b>Working Capital Changes</b>	<b>(7,431.22)</b>	(1,516.71)
<b>Cash Generated from Operations</b>	<b>24,878.76</b>	24,157.79
Direct taxes paid (including tax deducted at source), net of refunds	<b>(3,183.26)</b>	(3,437.41)
<b>Net Cash from Operating Activities</b>	<b>21,695.50</b>	20,720.38
<b>B Cash Flows from Investing Activities</b>		
Purchase of fixed assets	<b>(23,128.83)</b>	(33,002.01)
Proceeds from sale of fixed assets	<b>3,867.27</b>	3,422.46
Investments in bank deposits (having original maturity of more than three months)	<b>(1,333.13)</b>	(1,399.65)
Maturity of bank deposits (having original maturity of more than three months)	<b>1,737.98</b>	296.60
Dividends received	<b>0.10</b>	—
Interest received	<b>41.70</b>	76.39
<b>Net Cash used in Investing Activities</b>	<b>(18,814.91)</b>	(30,606.21)

## TWENTY-THIRD ANNUAL REPORT 2011-2012

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

Particulars	For the year ended	
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>(Currency - Indian Rupees in Lacs, except share data)</b>		
<b>C Cash Flows from Financing Activities</b>		
Proceeds from borrowings	<b>43,701.25</b>	35,231.30
Repayment of borrowings	<b>(37,860.21)</b>	(18,385.04)
Dividends paid	<b>(1,298.60)</b>	(1,298.64)
Tax on dividends paid	<b>(210.67)</b>	(215.69)
Interest paid	<b>(7,148.76)</b>	(5,268.91)
<b>Net Cash used in Financing Activities</b>	<b>(2,816.99)</b>	10,063.02
Net increase in cash and cash equivalents (A+B+C)	<b>63.60</b>	177.19
Cash and cash equivalents at beginning of the year	<b>560.85</b>	383.66
<b>Cash and Cash Equivalents at end of the year</b>	<b>624.45</b>	560.85
<b>Components of Cash and Cash Equivalents</b>		
Cash on hand	<b>11.64</b>	4.89
Balances with banks:		
On current accounts	<b>612.81</b>	555.96
<b>Total Cash and Cash Equivalents (also refer note 16)</b>	<b>624.45</b>	560.85
Summary of significant accounting policies	2	
See accompanying notes to the financial statements	3-42	

The notes referred to above form an integral part of Cash Flow Statement

As per our report of even date attached

**For B S R & Co.**

Chartered Accountants

Firm Registration No.101248W

**Vijay Mathur**

Partner

Membership No.046476

Place : Mumbai

Date : 30<sup>th</sup> May 2012

For and on behalf of the Board of Directors

**Chandrakant Sanghvi** - Chairman & Managing Director

**Vijay Mainkar** - Director

**Ramchandra Desai** - Executive Director

**Sham Kajale** - Executive Director & CFO

**Rajesh Likhite** - Company Secretary &

Chief Compliance Officer

Place : Pune

Date : 30<sup>th</sup> May 2012



SANGHVI

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## Notes forming part of the financial statements

For the year ended 31<sup>st</sup> March 2012

(Currency - Indian Rupees in Lacs, except share data)

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### 1. Background

Sanghvi Movers Limited ("SML" or "the Company") was incorporated in 1989. SML is engaged in the business of providing hydraulic and crawler cranes to various industries in the infrastructure sector and has a fleet of 400 medium to large size hydraulic trucks mounted telescopic and lattice boom cranes and crawler cranes with lifting capacity ranging from 20 tons to 800 tons. The Company has its corporate office at Pune. The equity shares of the Company are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

### 2. Significant accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting, in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Indian Companies Act, 1956 ('the Act'), to the extent applicable.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for change in presentation and disclosure of financial statements explained in note 2.2 below.

#### 2.2 Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurements principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year. For further details, refer note 41.

#### 2.3 Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenditure during the reporting period. Actual results may differ from those estimates. Any difference between the actual results and estimates are recognised in the period in which the results are known/materialize. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### 2.4 Revenue recognition

##### a) Rendering of services

Revenue from hiring of equipments (cranes and trailers along with relevant manpower) is recognised when the service is performed, usually on a time proportionate basis as per the terms of contract, and the performance of service is regarded as achieved when no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the service.

##### b) Sale of goods

Revenue from sale of goods is recognised when all significant risks and rewards of ownership of goods are passed onto the customers.

##### c) Interest income

Interest income is recognised using the time proportion method based on the underlying interest rates.

##### d) Other

Other items of income are accounted as and when the right to receive arises.

#### 2.5 Fixed assets and depreciation (also refer note 40)

Fixed assets are stated at acquisition cost less accumulated depreciation. Cost includes inward

**Notes forming part of the financial statements (continued)**

**For the year ended 31<sup>st</sup> March 2012**

**(Currency - Indian Rupees in Lacs, except share data)**

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freight, duties, taxes, relevant foreign exchange fluctuation differences and other incidental expenses related to the acquisition, construction and installation of the fixed assets.

Depreciation on fixed assets is provided on straight line method, at the rates, and in the manner prescribed under Schedule XIV to the Act except for cranes and windmills which are depreciated over useful life of 13 years.

Acquired assets consisting of leasehold land are recorded at acquisition cost and amortised on straight-line basis based over the lease term ranging from 20 to 99 years.

Additions to fixed assets individually costing ₹ 5,000 or less are depreciated fully in the year of acquisition.

**2.6 Investments**

Long-term investments are valued at cost. Provision is made in case of diminution, other than temporary, in the value of long-term investments. Current investments are valued at lower of cost and market value.

**2.7 Intangible assets and amortisation**

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets representing customer base and other intangibles of similar nature are initially recorded at their acquisition price and are amortised over its estimated useful life / period of contractual rights on a straight line basis, commencing from the date the assets are available for its use. The useful life of the intangible assets is reviewed by the management at each Balance Sheet date.

**2.8 Inventories**

Inventories comprise of stores and spare parts and are valued at cost on first in first out (FIFO) basis, net of Cenvat credit.

**2.9 Employee benefits**

**a) Short term employee benefits**

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognised in the period in which the employee renders the related service.

**b) Post employment benefits (defined benefit plans)**

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on an actuarial valuation carried out by an independent actuary using the projected unit credit method. Gratuity Liability is funded through a Group Gratuity Scheme with Life Insurance Corporation of India wherein contributions are made and charged to revenue on annual basis. Actuarial gains and losses and past service costs are recognised immediately in the Statement of Profit and Loss.

**c) Post employment benefits (defined contribution plans)**

Contributions to the provident fund and superannuation fund which are defined contribution scheme are recognised as an expense in the Statement of Profit and Loss in the period in which the contribution is due.

**d) Long term employee benefits**

Long term employee benefits comprise of compensated absences. These are measured based on an actuarial valuation carried out by an independent actuary at each Balance Sheet date. Actuarial gains and losses and past service costs are recognised immediately in the Statement of Profit and Loss. Compensated absences are funded through a Scheme with Life Insurance Corporation of India wherein contributions are made and charged to revenue on annual basis. Actuarial gains and losses and past service costs are recognised immediately in the Statement of Profit and Loss.





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**Notes forming part of the financial statements (continued)****For the year ended 31<sup>st</sup> March 2012****(Currency - Indian Rupees in Lacs, except share data)**

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**2.10 Taxation**

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law), and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of these assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

**2.11 Foreign exchange transactions****a) Initial recognition (also refer note 40)**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**b) Conversion**

Foreign currency monetary items are reported using the closing rate. Nonmonetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined

**c) Exchange differences**

From accounting period commencing on or after 7 December 2006, the Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- i. Exchange differences arising on long-term foreign currency monetary items related to acquisition of fixed assets are capitalised in accordance with an amendment issued by the Ministry of Corporate Affairs ('MCA') on 29 December 2011 to Accounting Standard 11- The Effects of changes in Foreign Exchange Rates and depreciated over the remaining useful life of the asset. For this purpose, the Company treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.
- ii. All other exchange differences are recognised as income or expenses in the period in which they arise.

**d) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability**

The Company is exposed to foreign currency fluctuations on foreign currency assets and liabilities and forecasted cash flows denominated in foreign currency. The Company enters into forward exchange contracts, where the counterparty is a bank. The forward contracts are not used for trading or speculation purposes.

The premium or discount arising at the inception of the forward exchange contract is amortised and recognised as an expense/income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period. Any gain/loss arising on forward exchange contracts which are long-term foreign currency monetary items is recognised in accordance with paragraph i above.

**Notes forming part of the financial statements (continued)**

**For the year ended 31<sup>st</sup> March 2012**

**(Currency - Indian Rupees in Lacs, except share data)**

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**2.12 Government grants and subsidies**

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset. In case the asset cannot be distinguished, the grant/subsidy is accounted for as Capital Reserve.

Government grants of the nature of promoters' contribution are credited to Capital Reserve and treated as a part of the shareholders' funds.

**2.13 Provisions and contingencies**

A provision is recognized in the Balance Sheet when the Company has a present obligation as a result of a past event that probably requires an outflow of resources to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure by way of a contingent liability is made when there is a possible or present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**2.14 Impairment of assets**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

**2.15 Borrowing costs (also refer note 40)**

Borrowing costs incurred for the acquisition of qualifying assets are recognised as part of costs of such assets while other borrowing costs are expensed in the period in which they are incurred.

**2.16 Operating leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Operating lease rentals are recognised over the period of the lease in the Profit and Loss Account on a straight line basis.

**2.17 Earnings per share**

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

The diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and equivalent potential dilutive equity shares outstanding during the year, except where the result would be anti dilutive.

**2.18 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**2.19 Onerous contracts**

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.



SANGHVI

**Notes forming part of the financial statements (continued)****For the year ended**  
**31<sup>st</sup> March 2012**      31<sup>st</sup> March 2011**(Currency - Indian Rupees in Lacs, except share data)****3. Share Capital****Authorized Capital**

50,000,000 (2011 : 50,000,000)

equity shares of face value of ₹ 2 each

**1,000.00**

1,000.00

**1,000.00**

1,000.00

**Issued, Subscribed and Paid-up Capital**

43,288,000 (2011 : 43,288,000)

equity shares of face value of ₹ 2 each fully paid up

**865.76**

865.76

**865.76**

865.76

**3.1 Rights, Preferences and Restrictions Attached to Equity Shares**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors, in their meeting held on 30<sup>th</sup> May 2012 proposed a final dividend of ₹ 3 per equity share. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share holding.

**3.2 Details of Shareholders Holding more than 5% Shares is Set Out Below :**

Name of the Shareholder	31-Mar-2012		31-Mar-2011	
	No. of shares	% held	No. of shares	% held
Mr. Chandrakant Sanghvi	9,969,284	23.03%	819,284	1.89%
Mr. Rishi C. Sanghvi	5,300,500	12.24%	850,500	1.96%
Goldpeak Limited	4,400,000	10.16%	4,400,000	10.16%
Mrs. Mina C. Sanghvi	3,354,380	7.75%	1,649,000	3.81%
Olympus India Holdings Limited	2,687,500	6.21%	2,687,500	6.21%
Maharashtra Erectors Private Limited	31,236	0.07%	14,531,236	33.57%
Voyager Fund Mauritius Limited	—	—	2,170,000	5.01%

**4. Reserves and Surplus****Capital Reserve**

Balance as per last Balance Sheet

**11.96**

11.96

**Securities Premium Account**

Balance as per last Balance Sheet

**13,136.96**

13,136.96

**General Reserve**

Balance as per last Balance Sheet

**23,943.09**

18,943.09

Add: Transferred from surplus in the Statement of Profit and Loss

**5,000.00**

5,000.00

**28,943.09**

23,943.09

## TWENTY-THIRD ANNUAL REPORT 2011-2012

### Notes forming part of the financial statements (continued)

For the year ended  
31<sup>st</sup> March 2012      31<sup>st</sup> March 2011

(Currency - Indian Rupees in Lacs, except share data)

#### Surplus in the Statement of Profit and Loss

Balance as per last Balance Sheet	16,126.52	14,004.80
Add: Net profit after tax transferred from Statement of Profit and Loss	10,177.22	8,631.03
	26,303.74	22,635.83
<b>Amount Available for Appropriations</b>		
<u>Appropriations:</u>		
Proposed final dividend (amount per share ₹ 3 {2011: ₹ 3})	1,298.64	1,298.64
Dividend distribution tax on proposed dividend	210.67	210.67
Amount transferred to general reserve	5,000.00	5,000.00
Net surplus in the Statement of Profit and Loss	19,794.43	16,126.52
	61,886.44	53,218.53

#### 5. Long-Term Borrowings

##### Secured :

##### Term Loans :

From banks

in Indian Rupees	24,285.22	24,600.32
in Foreign Currency	6,680.60	—
	30,965.82	24,600.32

- a) Term loans from banks in Indian Rupees carry interest rate ranging from 10% to 13.5% p.a. The number of monthly installments payable for these loans are 54 to 96.
- b) Foreign Currency term loans from banks carry usance interest or interest rate ranging from 6 months to 1 year LIBOR or EURIBOR plus additional basis points ranging from 120 to 350. These loans are repayable in 360 to 720 days from the date when these loans were availed.

##### Security

- a) Term loans amounting to ₹ 59,527.93 (2011 : ₹ 52,444.73) are secured against cranes/trailers.
- b) Term loans amounting to ₹ 3,508.22 (2011 : ₹ 2,229.26) are secured against cranes/trailers and equitable mortgage on land and buildings at Tathawade and Bharuch.
- c) Term loans amounting to ₹ 424.77 (2011 : ₹ 731.82) are secured against mortgage on land and buildings at Tathawade and Bharuch.
- d) Term loans amounting to ₹ 2,219.51 (2011 : ₹ 4,120.01) are secured against cranes/trailers and personal guarantees given by Chairman and Managing Director, Mr. Chandrakant Sanghvi.
- e) Term loans amounting to ₹ 72.24 (2011 : ₹ 56.03) are secured against vehicles purchased out of the term loan.
- f) Also refer note 16.

#### Maturity of Term Loans

##### Maturity Profile

	Less than 1 year *	1-2 Years	2-3 Years	3-4 Years	Beyond 4 years
Term loans	34,786.86	19,753.60	8,659.78	2,449.01	103.44
(Previous Year)	(34,981.52)	(16,517.39)	(7,147.04)	(910.31)	(25.58)

\* disclosed under other current liabilities (also refer note 9)



SANGHVI

**Notes forming part of the financial statements (continued)**

**For the year ended**  
**31<sup>st</sup> March 2012**      31<sup>st</sup> March 2011

**(Currency - Indian Rupees in Lacs, except share data)****6. Deferred Tax Liabilities (Net)****Deferred Tax Liability**

Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged in the financial statements	<b>9,367.95</b>	7,823.02
---	-----------------	----------

**Deferred Tax Asset**

Arising out of timing differences in		
Compensated absences	3.16	—
Gratuity	8.89	—
Disallowances under the Income Tax Act, 1961	52.26	30.34
Provision for doubtful debts and advances	210.24	—

**Deferred Tax Liability (Net)**

	<b>9,093.40</b>	7,792.68
--	-----------------	----------

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

**7. Short-Term Borrowings****Secured :**

Working capital loans repayable on demand from banks <i>(refer note 'a' below)</i>	4,050.91	3,702.80
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**Unsecured :**

Loans from related party <i>(refer note 'b' below)</i>	214.00	640.00
	<b>4,264.91</b>	4,342.80

- a) Working Capital loans from banks representing cash credit facilities are secured against receivables, personal guarantee of Mr. Chandrakant Sanghvi, Chairman and the Managing Director up to ₹ 3,700, pledge of 5 lacs equity shares of the Company held by Mr. Chandrakant Sanghvi, Chairman and the Managing Director and 1 lac equity shares held by Mrs. Mina Sanghvi. The cash credit facilities are repayable on demand and carry an interest ranging between 12-14% p.a.
- b) Loans and Advances from a related party are repayable on demand and carry an interest rate ranging from 12-14 % p.a.

**8. Trade Payables**

Trade payables <i>(also refer note 35 for details of dues to micro and small enterprises)</i>	1,240.40	1,343.77
	<b>1,240.40</b>	1,343.77

**9. Other Current Liabilities**

Current maturities of long-term debt <i>(also refer note 5)</i>	34,786.86	34,981.52
Interest accrued but not due on borrowings <i>( also refer note 'a' below)</i>	606.14	46.28
Unpaid dividend <i>( also refer note 'b' below)</i>	21.73	18.65
Statutory liabilities	118.65	1,222.46
Accrued employee liabilities	259.65	236.58
Other current liabilities	208.51	12.91
Advance from customers	72.90	106.51
	<b>36,074.44</b>	36,624.91

## **TWENTY-THIRD ANNUAL REPORT 2011-2012**

### Notes forming part of the financial statements (continued)

**For the year ended**  
**31<sup>st</sup> March 2012**      31<sup>st</sup> March 2011

#### (Currency - Indian Rupees in Lacs, except share data)

- a) Includes ₹ 81.70 (2011: ₹ 39.06) due to a related party (*also refer note 33*).
- b) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

#### **10. Short-Term Provisions**

Provision for employee benefits		
Compensated absences	<b>9.75</b>	2.75
Gratuity ( <i>also refer Note 34</i> )	<b>27.41</b>	—
Others		
Income tax ( <i>net of advance taxes paid</i> )	<b>126.58</b>	—
Proposed dividend	<b>1,298.64</b>	1,298.64
Tax on proposed dividend	<b>210.67</b>	210.67
	<b>1,673.05</b>	1,512.06



**Notes forming part of the financial statements (continued)**
**(Currency - Indian Rupees in Lacs, except share data)**
**11 : Fixed Assets**

(Amount in ₹)

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at April 1, 2011	Additions During the year (refer note 'a' below)	Deletions/Retirement during the year (refer note 40)	As at March 31, 2012	As at April 1, 2011	During the Year 2012	Deletions/Retirement during the year	As at March 31, 2012	As at March 31, 2011
<b>Tangible assets</b>									
Freehold land	1,706.31	393.64	5.54	2,094.41	-	-	-	2,094.41	1,706.31
Leasehold land	31.03	-	-	31.03	2.93	0.37	-	27.73	28.10
Building	1,699.10	186.47	3.36	1,882.21	182.78	59.32	0.78	1,640.89	1,516.32
Office equipment	170.61	16.15	-	186.76	69.43	29.71	-	87.62	101.18
Plant and equipments	138,834.55	23,991.07	3,465.87	159,359.75	36,620.84	10,753.20	1,470.86	113,456.57	102,213.71
Wind Mills	2,199.23	-	-	2,199.23	1,195.64	163.18	-	840.41	1,003.59
Furniture and fixtures	215.61	12.75	-	228.36	41.65	14.41	-	172.30	173.96
Vehicles	427.23	52.32	19.32	460.23	150.44	40.11	9.27	278.95	276.79
<b>As at March 31, 2012</b>	<b>145,283.67</b>	<b>24,652.40</b>	<b>3,494.09</b>	<b>166,441.96</b>	<b>38,263.71</b>	<b>11,060.30</b>	<b>1,480.91</b>	<b>118,596.88</b>	<b>107,019.96</b>
Previous year	118,608.89	30,735.42	4,060.64	145,283.67	30,640.29	9,288.48	1,665.06	38,263.71	107,019.96

**Notes:**

- Additions during the year includes exchange differences of ₹ 1,230.01 (2011: 83.44) on reinstatement/retirement of long term foreign currency borrowings.
- Depreciation and amortisation charge for the year is related to tangible assets.
- Depreciation charged for the year is net of ₹ 199.29 (2011 : nil) in respect of earlier year (also refer Note 40).

## TWENTY-THIRD ANNUAL REPORT 2011-2012

### Notes forming part of the financial statements (continued)

For the year ended  
31<sup>st</sup> March 2012      31<sup>st</sup> March 2011

(Currency - Indian Rupees in Lacs, except share data)

#### 12. Non-Current Investments

Investments in equity instruments  
(unquoted, non-trade)

The Saraswat Co-operative Bank Limited	<b>0.25</b>	0.25
2500 (2011 : 2500) equity shares of ₹ 10 each	<b>0.25</b>	0.25
Aggregate amount of unquoted investments	<b>0.25</b>	0.25

#### 13. Long Term Loans and Advances

(Unsecured, considered good unless otherwise stated)

Capital advances

Considered good	<b>269.76</b>	2,451.95
Considered doubtful	<b>283.23</b>	—
Less: Provision for doubtful advances	<b>(283.23)</b>	—
Security deposits	<b>343.33</b>	407.55
Loans to employees	<b>39.26</b>	54.31
	<b>652.35</b>	2,913.81

#### 14. Inventories (Valued at Cost)

Stores and spares parts	<b>836.62</b>	635.08
	<b>836.62</b>	635.08

#### 15. Trade Receivables

(Unsecured, considered good unless otherwise stated)

Outstanding for a period exceeding six months from the date they are due for payment

Considered good	<b>438.69</b>	1,753.67
Considered doubtful	<b>160.01</b>	171.00
	<b>598.70</b>	1,924.67
Less : Provision for doubtful receivables	<b>(160.01)</b>	(171.00)
	<b>438.69</b>	1,753.67
Other receivables		
Considered good	<b>20,025.03</b>	11,743.27
Considered doubtful	<b>487.96</b>	—
	<b>20,512.99</b>	11,743.27
Less : Provision for doubtful receivables	<b>(487.96)</b>	—
	<b>20,025.03</b>	11,743.27
	<b>20,463.72</b>	13,496.94

#### 16. Cash and Bank Balances

Cash and cash equivalents

Balances with banks:

On current accounts	<b>612.81</b>	555.96
Cash on hand	<b>11.64</b>	4.89
	<b>624.45</b>	560.85



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**Notes forming part of the financial statements (continued)**

**For the year ended**  
**31<sup>st</sup> March 2012**      31<sup>st</sup> March 2011

**(Currency - Indian Rupees in Lacs, except share data)***Other bank balances*

On unpaid dividend accounts	21.74	18.70
On deposit account with original maturity more than three months and remaining maturity less than twelve months *	886.94	1,291.79
	<b>908.68</b>	1,310.49
	<b>1,533.13</b>	1,871.34

\* Margin money deposits with carrying value of ₹ 886.94 (2011: ₹ 1,291.79) are under lien for foreign currency loans from banks.

**17. Short-Term Loans and Advances***(Unsecured, considered good unless otherwise stated)*

Prepaid expenses	650.85	501.33
Balances with statutory/Government authorities	1,132.98	1,658.08
Loans and advances to employees	100.89	159.63
Advance tax (net of provision)	599.65	824.90
Other loans and advances	38.54	249.77
	<b>2,522.91</b>	3,393.71

**18. Other Current Assets**

Interest accrued on fixed deposits	67.59	33.11
Fixed assets held for sale <i>(at net book value or estimated net realisable value whichever is lower)</i>	2.57	—
	<b>70.16</b>	33.11

**19. Revenue from Operations**

Revenue from hiring of equipments	44,825.82	35,918.69
Revenue from power generation	221.59	205.87
	<b>45,047.41</b>	36,124.56

**20. Other Income**

Interest received on deposits with banks and others	76.18	106.13
Dividend income	0.10	—
Profit on sale of fixed assets <i>(net)</i>	1,856.68	1,026.87
Insurance claims received	86.41	1.79
Foreign exchange fluctuation gain <i>(net)</i>	13.73	0.09
Liabilities written back to the extent no longer required	28.45	14.16
Other non-operating income	37.37	78.65
	<b>2,098.92</b>	1,227.69

## TWENTY-THIRD ANNUAL REPORT 2011-2012

### Notes forming part of the financial statements (continued)

For the year ended  
31<sup>st</sup> March 2012      31<sup>st</sup> March 2011

(Currency - Indian Rupees in Lacs, except share data)

#### 21. Operating and Other Expenses

##### Operating Expenses

Cranes and trailer hire charges	418.60	468.47
Crane and trailer operating expenses	603.57	520.58
Freight & carriage	1,964.79	2,020.79
Repairs and maintenance expenses		
Plant and equipments	230.50	268.92
Wind Mills	26.18	46.08
Consumption of stores and spares <i>(also refer note 32)</i>	983.60	896.80
Power and fuel	931.52	948.80
Contract labour charges	2,067.69	1,558.73
Wind mill operating expenses	18.60	15.95
	<b>7,245.05</b>	6,745.12

##### Other Expenses

Rates and taxes	444.51	457.34
Bad debts	1,133.77	564.78
Director's sitting fees	6.05	7.95
Donations	1.28	0.18
Provision for doubtful debts	476.97	98.14
Provision for doubtful capital advances	283.23	—
Insurance	484.17	315.54
Repairs and maintenance expenses		
Building	24.71	16.59
Others	31.10	26.70
Auditor's remuneration <i>(also refer note 28)</i>	12.18	11.83
Rent	229.60	169.36
Travelling & conveyance	338.70	327.01
Advances written off	275.94	—
Capital advances written off	177.74	—
Miscellaneous expenses	554.37	401.74
	<b>4,474.32</b>	2,397.16
	<b>11,719.37</b>	9,142.28

#### 22. Employee Benefits Expense

Salaries and allowances	1,564.61	1,247.86
Contribution to provident and other funds <i>(also refer note 34)</i>	180.57	114.83
Staff welfare expenses	40.40	39.78
	<b>1,785.58</b>	1,402.47



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**Notes forming part of the financial statements (continued)**

**For the year ended**  
**31<sup>st</sup> March 2012**      31<sup>st</sup> March 2011

**(Currency - Indian Rupees in Lacs, except share data)****23. Finance Costs**

Interest expense		
On borrowings from banks	<b>6,850.71</b>	4,745.61
On borrowings from others	<b>57.54</b>	43.40
Other borrowing costs <i>(also refer note below)</i>	<b>800.38</b>	130.59
	<b>7,708.63</b>	4,919.60

Includes ₹ 678.66 (2011: ₹ Nil)  
 pertaining to prior period *(also refer note 40)*

**24. Exceptional Items**

Refund of additional customs duty <i>(also refer note below)</i>	<b>140.59</b>	—
	<b>140.59</b>	—

The Company was levied additional custom duty amounting to ₹ 140.59 in the year 1998 on import of certain cranes. The Company had capitalised this amount in the year of procurement of these cranes and had also filed an appeal against the levy of this additional customs duty. Those cranes were subsequently sold in earlier years. In the current year the appeal was decided in favour of the Company and it received a refund.

**25. Earnings Per Share**

Net profit for the year attributable to equity shareholders	A	<b>10,177.22</b>	8,631.03
Weighted average number of equity shares of face value of ₹ 2 each outstanding during the year	B	<b>43,288,000</b>	43,288,000
Basic and diluted earnings per equity share of face value ₹ 2 each (in Rupees)	(A/B)	<b>23.51</b>	19.94

**26. Contingent Liabilities**

(a) Claims against the Company not acknowledged as debts	<b>78.56</b>	79.60
(b) Bills receivable discounted	<b>197.94</b>	2,801.33
(c) Sales tax matters	<b>125.00</b>	125.00
(e) Income tax matters (excluding consequent penalties, if any)	<b>546.10</b>	431.96
	<b>947.60</b>	3,437.89

**27. Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for <i>(net of advances)</i>	<b>1,434.20</b>	—
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**28. Auditors' Remuneration (\*)**

Statutory audit and limited reviews	<b>9.00</b>	8.75
Tax audit	<b>1.00</b>	0.50
Other services including certifications	<b>0.25</b>	1.25
Out of pocket expenses reimbursed	<b>1.93</b>	1.33
	<b>12.18</b>	11.83

\* Out of the above, ₹ Nil (2011: ₹ 11.83) represents remuneration paid to the erstwhile auditors of the Company

## TWENTY-THIRD ANNUAL REPORT 2011-2012

### Notes forming part of the financial statements (continued)

For the year ended  
31<sup>st</sup> March 2012      31<sup>st</sup> March 2011

(Currency - Indian Rupees in Lacs, except share data)

#### 29. Expenditure in Foreign Currency (Accrual Basis)

Travelling expenses	7.42	24.79
Interest and finance cost	602.59	34.96
Miscellaneous expenses	1.88	2.53
	611.89	62.28

#### 30. Earnings in Foreign Currency (Accrual Basis)

Revenue from hiring of equipments	267.62	—
	267.62	—

#### 31. Value of Imports on CIF Basis

Capital goods	18,295.26	26,381.24
Spares, accessories, components etc.	791.65	527.46
	19,086.91	26,908.70

#### 32. Imported and Indigenous Stores and Spares Consumed

	31-Mar-2012	% of total	31-Mar-2011	% of total
Imported	627.24	63.77%	588.96	65.67%
Indigenous	356.36	36.23%	307.84	34.33%
	983.60	100.00%	896.80	100.00%

#### 33. Related Party Disclosures

##### a) Enterprises Exercising Significant Influence over the Company

- 1 Maharashtra Erectors Private Limited (upto 09 September 2011)

##### b) Individuals Exercising Significant Influence over the Company

- 1 Chandrakant Sanghvi

##### c) Key Management Personnel

- 1 Chandrakant Sanghvi
- 2 Ramchandra Desai
- 3 Sham Kajale

##### d) Relatives of Individuals Exercising Significant Influence over the Company

- 1 Mina Sanghvi - Spouse of Chandrakant Sanghvi
- 2 Rishi Sanghvi - Son of Chandrakant Sanghvi
- 3 Niyoshi Sanghvi - Daughter of Chandrakant Sanghvi
- 4 Ruchi Sanghvi - Daughter of Chandrakant Sanghvi
- 5 Anilkumar Sanghvi - Brother of Chandrakant Sanghvi

##### e) Relatives of Key Management Personnel Exercising Significant Influence over the Company

- 1 Tanuja Desai - Spouse of Ramchandra Desai

##### f) Enterprises over which Key Management Personnel Exercise Significant Influence

- 1 Jethi Builders and Traders Private Limited
- 2 Sanghvi Erectors Private Limited
- 3 Maharashtra Erectors Private Limited





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**Notes forming part of the financial statements (continued)****For the year ended****31<sup>st</sup> March 2012**      **31<sup>st</sup> March 2011****(Currency - Indian Rupees in Lacs, except share data)****g) Disclosure of Related Party Transactions:**

Sr. No.	Nature of transaction / relationship / major parties	31-Mar-2012	31-Mar-2011
		Amount	Amount
<b>1</b>	<b>Expenses</b>		
	<b>Crane and trailer hire charges</b>		
	Maharashtra Erectors Private Limited	<b>144.30</b>	116.72
	<b>Salaries and allowances</b>		
	Rishi Sanghvi	<b>7.27</b>	—
	<b>Director's sitting fees</b>		
	Mina Sanghvi	<b>1.00</b>	1.00
	<b>Managerial remuneration *</b>		
	Chandrakant Sanghvi	<b>345.53</b>	304.54
	Ramchandra Desai	<b>38.68</b>	36.22
	Sham Kajale	<b>35.18</b>	32.91
	<b>Guarantee commission**</b>		
	Chandrakant Sanghvi	—	—
	Mina Sanghvi	—	—
<b>2</b>	<b>Dividend paid</b>		
	Chandrakant Sanghvi	<b>299.08</b>	24.58
	Tanuja Desai	<b>0.01</b>	0.01
	Mina Sanghvi	<b>100.63</b>	49.47
	Rishi Sanghvi	<b>159.02</b>	25.52
	Niyoshi Sanghvi	<b>15.02</b>	15.02
	Ruchi Sanghvi	<b>15.98</b>	6.02
	Maharashtra Erectors Private Limited	<b>0.94</b>	435.79
	Anilkumar Sanghvi	<b>0.03</b>	0.03
	Jethi Builders and Traders Private Limited	<b>0.53</b>	0.53
	Sanghvi Erectors Private Limited	<b>19.42</b>	23.80
<b>3</b>	<b>Interest paid</b>		
	Maharashtra Erectors Private Limited	<b>141.37</b>	43.40
<b>4</b>	<b>Loans repaid</b>		
	Maharashtra Erectors Private Limited	<b>426.00</b>	100.00
<b>5</b>	<b>Loans received</b>		
	Maharashtra Erectors Private Limited	—	740.00

\* As gratuity and compensated absences are computed for all the employees in aggregate, the amounts relating to the Key Managerial Personnel cannot be individually identified.

\*\* Chandrakant Sanghvi has given personal guarantee up to ₹ 59.45 crores and has pledged his 5 lacs equity shares towards the loan for which no guarantee commission is paid by the Company.

\*\* Mina Sanghvi has pledged her 1 lac equity shares towards a loan for which no guarantee commission is paid by the Company.

## TWENTY-THIRD ANNUAL REPORT 2011-2012

### Notes forming part of the financial statements (continued)

For the year ended  
31<sup>st</sup> March 2012      31<sup>st</sup> March 2011

(Currency - Indian Rupees in Lacs, except share data)

#### h) Amount Due to/from Related Parties

Sr. No.	Nature of transaction / relationship / major parties	31-Mar-2012	31-Mar-2011
		Amount	Amount
<b>1</b>	<b>Loan taken from related party</b> Maharashtra Erectors Private Limited	<b>214.00</b>	640.00
<b>2</b>	<b>Payable towards services received</b> Maharashtra Erectors Private Limited	<b>116.79</b>	33.38
<b>3</b>	<b>Payable towards interest</b> Maharashtra Erectors Private Limited	<b>81.70</b>	39.06

#### 34. Disclosure as per Accounting Standard 15 ( Revised) : Employee Benefits

The following table sets out the status of the Gratuity plan as required under Accounting Standard 15 (Revised)

##### a) Statement Showing Changes in Present

###### Value of Obligation as on

	31 <sup>st</sup> March 12	31 <sup>st</sup> March 11
Present value of obligations at the beginning of the year	123.79	52.31
Interest cost	9.54	3.87
Past service cost	—	—
Current service cost	29.24	22.45
Benefits paid	(23.05)	(7.94)
Actuarial (gain)/ loss on obligations	12.31	53.11
Present value of obligations as at the end of the year	<u>151.83</u>	<u>123.80</u>

##### b) Table Showing Changes in the Fair Value of Plan Assets as on

	31 <sup>st</sup> March 12	31 <sup>st</sup> March 11
Fair value of plan assets at the beginning of year	101.01	63.62
Expected return on plan assets	9.20	6.71
Contributions	37.40	38.48
Benefits paid	(23.05)	(7.94)
Actuarial gain / (loss) on plan assets	(0.12)	0.14
Fair value of plan assets at the end of the year	<u>124.44</u>	<u>101.01</u>

##### c) (Unfunded Liability)/ Funded Status

##### d) Actuarial Gain / Loss Recognized

Actuarial gain/ (loss) for the year - obligation	(12.31)	(53.11)
Actuarial (gain)/loss for the year - plan assets	0.12	(0.14)
Total Loss for the year	(12.43)	(52.97)
Actuarial gain/(loss) recognized in the year	<u>(12.43)</u>	<u>(52.97)</u>

##### e) Amounts to be Recognized in the Balance Sheet

Present value of obligations as at the end of the year	151.83	123.80
Fair value of plan assets as at the end of the year	124.44	101.01
Funded Status	(27.41)	(22.79)
Net asset / (liability) recognized in the Balance Sheet	<u>27.41</u>	<u>22.79</u>



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**Notes forming part of the financial statements (continued)**

**For the year ended**  
**31<sup>st</sup> March 2012**      31<sup>st</sup> March 2011

**(Currency - Indian Rupees in Lacs, except share data)****f) Expenses Recognized in the Statement of Profit & Loss**

Current service cost	<b>29.24</b>	22.45
Past service cost	—	—
Interest cost	<b>9.54</b>	3.87
Expected return on plan assets	<b>(9.20)</b>	(6.71)
Net actuarial (gain) / loss recognized in the Statement of Profit & Loss	<b>12.43</b>	52.97
Expenses recognized in Statement of Profit & Loss	<b>42.01</b>	72.58

**g) Actual Return on Plan Assets**

Expected return on plan assets	<b>9.20</b>	6.71
Actuarial gain / (loss) on plan assets	<b>(0.12)</b>	0.14
<b>Actual return on plan assets</b>	<b>9.08</b>	6.85

**h) Actuarial Assumptions**

Discount rate	<b>8.50%</b>	8.50%
Salary escalation	<b>10.00%</b>	10.00%
Expected return on plan assets	<b>8.50%</b>	8.50%
Mortality rate	<b>LIC (1994-96) table</b>	

Note: The estimates of future salary increases take into account inflation, seniority, promotion and other relevant factors on long term basis.

**i) Composition of Plan Assets**

Investments with insurer	<b>100.00%</b>	100.00%
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**j) Defined Contribution Plans**

Amounts recognised in the Statement of Profit and Loss:

i) Provident fund	<b>25.74</b>	19.08
ii) Superannuation fund	<b>61.58</b>	50.77

**35. Compliance with Micro, Small and Medium Enterprises Development Act, 2006**

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') as at 31 March

**The disclosure pursuant to the said Act is as under :**

Principal amount due to suppliers under MSMED Act , 2006	<b>2.89</b>	12.14
Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	—	—
Payment made to suppliers (other than interest) beyond the appointed day during the year	<b>6.04</b>	40.12
Interest paid to suppliers under MSMED Act (other than Section 16)	—	—
Interest paid to suppliers under MSMED Act (Section 16)	—	—
Interest due and payable towards suppliers under MSMED Act for payments already made	<b>0.43</b>	0.54
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	<b>2.95</b>	2.52

## TWENTY-THIRD ANNUAL REPORT 2011-2012

### Notes forming part of the financial statements (continued)

For the year ended  
31<sup>st</sup> March 2012      31<sup>st</sup> March 2011

(Currency - Indian Rupees in Lacs, except share data)

#### 36. Dividends Remitted in Foreign Currency

Dividend paid during the year	<b>132.00</b>	132.00
Number of non - resident shareholders	<b>1</b>	1
Number of equity shares held by such non resident - shareholders	<b>4,400,000</b>	4,400,000
Year to which the dividend relates	<b>2010-11</b>	2009-10

#### 37. Deferral/Capitalisation of Exchange Differences

On 29 December 2011, the Ministry of Corporate Affairs ('MCA') has issued an amendment to Accounting Standard 11- The Effects of changes in Foreign Exchange Rates. The amendment permits Companies to defer/capitalise the exchange differences arising on Long Term Foreign Currency Monetary Items.

In accordance with the amendment, the Company has capitalised exchange differences arising on long term foreign currency loans, amounting to ₹ 1,230.01 (2011: 83.44) to the cost of plant and equipments. There is no exchange loss deferred in 'Foreign Currency Monetary Translation Difference Account', as there are no other long term foreign currency monetary items.

#### 38. Foreign Currency Exposures Outstanding at the year end

- (a) The Company has hedged its foreign currency risk exposure and the forward cover outstanding as at the Balance Sheet date:

Particulars	Currency	Amount in foreign currency		Equivalent amount in ₹	
		31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Borrowings	USD	<b>63.60</b>	60.95	<b>3,253.77</b>	2721.42

- (b) The following foreign currency receivables/payables balances are not covered by derivative instruments at the Balance Sheet date:

Particulars	Currency	Amount in foreign currency		Equivalent amount in ₹	
		31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Borrowings	EURO	<b>234.68</b>	72.00	<b>16,216.00</b>	4,553.34
	USD	<b>64.22</b>	246.14	<b>3,285.41</b>	10,990.21
Advances (liability)	EURO	<b>0.86</b>	—	<b>58.77</b>	—

#### 39. Segment Reporting

The Company is primarily engaged in the business of providing cranes on rental basis. Further all the commercial operations of the Company are based in India. Accordingly, there is no separate reportable segment in accordance with AS 17- Segment Reporting prescribed under the Companies (Accounting Standards) Rules, 2006.



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**Notes forming part of the financial statements (continued)**

**For the year ended 31<sup>st</sup> March 2012**

**(Currency - Indian Rupees in Lacs, except share data)**

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**40.** During the year, the Company corrected its accounting practice of recognising certain borrowing costs as cost of fixed assets resulting in the interest expense being higher by ₹ 678.66 (2011 : Nil) and consequently depreciation charge being lower by ₹ 199.29 (2011 : Nil) for the year with consequent profit before tax being lower by ₹ 479.37 (2011 : Nil) on account of the prior period item.

**41. Prior Period Comparatives**

The financial statements for the year ended 31 March 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31 March 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

**42.** The prior year financial statements have been audited by a firm of Chartered Accountants other than B S R & Co.

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As per our report of even date attached

**For B S R & Co.**

*Chartered Accountants*

Firm Registration No.101248W

**Vijay Mathur**

Partner

Membership No.046476

Place : Mumbai

Date : 30<sup>th</sup> May 2012

For and on behalf of the Board of Directors

**Chandrakant Sanghvi** - Chairman & Managing Director

**Vijay Mainkar** - Director

**Ramchandra Desai** - Executive Director

**Sham Kajale** - Executive Director & CFO

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

Place : Pune

Date : 30<sup>th</sup> May 2012









# SANGHVI MOVERS LIMITED

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

## ATTENDANCE SLIP

### TWENTY-THIRD ANNUAL GENERAL MEETING - 17<sup>TH</sup> SEPTEMBER 2012

L. F. No.	
*DP Id.	

*Client Id	
No. of Shares held	

Mr./Mrs./Miss .....

I certify that I am a registered Shareholder / Proxy for the registered Shareholder of the Company.

I hereby record my presence at the TWENTY-THIRD ANNUAL GENERAL MEETING of the Company held on Monday, 17<sup>th</sup> September 2012 at 11.00 A.M..at the Registered office at Survey No.92, Tathawade, Taluka Mulshi, Pune - 411 033.

.....

Member's/Proxy's Signature

\* Applicable for Shares held in dematerialised form.

Notes : Shareholders/Proxy holders are requested to bring the attendance slips with them when they come to the Meeting and hand them over at the entrance after affixing their signature on them. Joint Shareholders may obtain additional Attendance Slips at the entrance.

# SANGHVI MOVERS LIMITED



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

## PROXY FORM

L. F. No.	
*DP Id.	

*Client Id	
No. of Shares held	

I/We ..... of .....

in the district of ..... being a member/members of Sanghvi Movers Limited

hereby appoint .....

of ..... in the district of .....

or failing him/her .....

of ..... in the district of .....

as my/our proxy to attend and vote for me/us on my/our behalf at the TWENTY-THIRD ANNUAL GENERAL MEETING of the Company to be held on Monday, 17<sup>th</sup> September 2012 at 11.00 A.M., at the Registered Office at Survey No.92, Tathawade, Taluka Mulshi, Pune - 411 033 and at any adjournment thereof.

As WITNESS my/our hand/hands this ..... day of ..... 2012.

Affix  
Revenue  
Stamp

Date ..... Signature .....

\* Applicable for Shares held in dematerialised form.

Note: The Proxy Form must be deposited at the registered office of the company not less than 48 hours before the commencement of the Meeting. The Proxy need not be a Member of the Company.





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## **SANGHVI MOVERS LIMITED**

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

**Tel. : 91-20-66744700 Fax : 91-20-66744724**

**e-mail : [info@sanghvicranes.com](mailto:info@sanghvicranes.com) website : [www.sanghvicranes.com](http://www.sanghvicranes.com)**