

## REPORT ON CORPORATE GOVERNANCE

In compliance with the Guidelines of the Securities and Exchange Board of India and Clause 49 of the Listing Agreement with The Bombay Stock Exchange Limited (BSE), and The National Stock Exchange of India Limited (NSE), the Company submits the Report on Corporate Governance.

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company firmly believes in good Corporate Governance and its philosophy on Corporate Governance envisages transparency with integrity in all its operations as well as in all its interactions with its stakeholders including Shareholders, Employees, Government, Banks and others.

### BOARD OF DIRECTORS

#### COMPOSITION AND SIZE OF THE BOARD

The present strength of the Board is Ten Directors. The Board of Directors of the Company consists of a Chairman & Managing Director, who is the Promoter of the Company. In addition to that there are Two Executive Directors, Two Non-executive Non-independent Directors and Five Non-executive Independent Directors. Thus, 50% of the Board comprises of 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.

#### NO. OF BOARD MEETINGS HELD DURING THE YEAR ALONG WITH THE DATES OF THE MEETINGS

During the Year 2007-08, the Board met 7 times on the following dates, namely, 12<sup>th</sup> April, 2007, 29<sup>th</sup> May, 2007, 27<sup>th</sup> July, 2007, 22<sup>nd</sup> October, 2007, 13<sup>th</sup> November, 2007, 24<sup>th</sup> January, 2008 and 8<sup>th</sup> March, 2008.

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, 2008:-

Name	Category	Attendance Particulars		Number of Other Directorships and Committee Memberships / Chairmanships		
		Board Meetings	Last AGM	* Other Directorships	Committee Membership	Committee Chairmanships
Mr. C. P. Sanghvi	Promoter - Chairman & Managing Director	7	Yes	3	Nil	1
Mr. Frederick Long	Non-executive Director	2	No	4	Nil	Nil
Ms. Josephine Price	Non-executive Director	3	Yes	23	Nil	Nil
Mr. Gaurav Malik	Alternate Director to Mr. Frederick Long	3	Yes	1	Nil	Nil
Mr. Gary Ng (Appointed w.e.f. 12/04/2007)	Alternate Director to Ms. Josephine Price	2	Yes	2	Nil	Nil

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Name	Category	Attendance Particulars		Number of Other Directorships and Committee Memberships / Chairmanships		
		Board Meetings	Last AGM	* Other Directorships	Committee Membership	Committee Chairmanships
Mr. V. B. Mainkar	Independent Director	6	Yes	5	Nil	Nil
Mr. S. Padmanabhan	Independent Director	2	No	17	8	Nil
Mr. P. C. Bhalerao	Independent Director	Nil	No	8	2	Nil
Mr. Anirudha Seolekar	Independent Director	4	Yes	14	Nil	Nil
Mr. Pradeep Rathi (Appointed w.e.f. 12/04/2007)	Independent Director	4	Yes	17	5	Nil
Mr. R. S. Desai	Executive Director	7	Yes	Nil	Nil	Nil
Mr. S. D. Kajale	Executive Director	7	Yes	Nil	Nil	Nil

\*includes all companies viz. public, private and foreign companies

No. of Equity shares held by the Non-executive Directors as on 31<sup>st</sup> March, 2008

Name of the Director	No. of Equity shares
Mr. V. B. Mainkar	12000
Ms. Josephine Price	Nil
Mr. Frederick Long	Nil
Mr. S. Padmanabhan	Nil
Mr. P. C. Bhalerao	Nil
Mr. Anirudha Seolekar	Nil
Mr. Pradeep Rathi	Nil
Mr. Gaurav Malik	Nil
Mr. Gary Ng	Nil

### AUDIT COMMITTEE

#### TERMS OF REFERENCE, COMPOSITION

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 terms of reference specified by the Board to the Audit Committee are in brief:-

1. Reviewing with the Management and Auditors, the adequacy of internal control systems;
2. Discussion with the Auditors periodically about internal control system, any significant findings and follow up thereon and
3. Reviewing with the Management, the Financial Statements before submission to the Board.

Presently, the Audit Committee consists of four Independent Non-executive Directors, namely, Mr. V. B. Mainkar (Chairman), Mr. S. Padmanabhan, Mr. Anirudha Seolekar and Mr. Pradeep Rathi and two Non-executive Directors, namely, Mr. Frederick Long and Ms. Josephine Price. The Company Secretary acts as the Secretary of the Committee.



## MEETINGS AND ATTENDANCE DURING THE YEAR

During the Year 2007-2008, the Audit Committee met 4 times on the following dates, namely, 29<sup>th</sup> May, 2007, 27<sup>th</sup> July, 2007, 22<sup>nd</sup> October, 2007 and 24<sup>th</sup> January, 2008.

Name of the Director	No. of Meetings Attended
Mr. V. B. Mainkar	3
Mr. S. Padmanabhan	1
Mr. Anirudha Seolekar	2
Mr. Pradeep Rathi	3
Mr. Frederick Long	1
Mr. Gaurav Malik	3
Ms. Josephine Price	2
Mr. Gary Ng	2

## REMUNERATION COMMITTEE

Presently, the Remuneration Committee consists of three Independent Non-executive Directors, namely, Mr. V. B. Mainkar (Chairman), Mr. Pradeep Rathi and Mr. Anirudha Seolekar and 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).

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 Rs. 5000/- per Board Meeting and Rs.3000/- 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 31st March, 2008, were as follows:- Mr. V. B. Mainkar : Rs. 42,000/-, Mr. S. Padmanabhan Rs. 13,000/-, Mr. Anirudha Seolekar : Rs. 26,000/-, Mr. Frederick Long: Rs. 13,000/-, Mr. Gaurav Malik: Rs. 27,000/-, Ms. Josephine Price: Rs. 24,000/-, Mr. Gary Ng: Rs. 16,000/- and Mr. Pradeep R. Rathi : Rs. 32,000/-.

## REMUNERATION TO MANAGING DIRECTOR AND OTHER EXECUTIVE DIRECTORS

In respect of the Year ended 31st March, 2008, the following Remuneration was paid/payable to these Directors :  
(Amount in Rs.)

Name of Director	Salary	Allowances, *Incentive & Perquisites	Commission Payable	Contribution towards Superannuation Scheme	Total
Mr. C. P. Sanghvi	78,00,000/-	7,11,447/-	1,11,75,000/-	21,06,000/-	2,17,92,447/-
Mr. R. S. Desai	10,14,000/-	35,79,704/-	Nil	2,51,280/-	48,44,984/-
Mr. S. D. Kajale	9,12,000/-	33,12,715/-	Nil	2,26,980/-	44,51,695/-

\*Performance based Incentive for the financial year 2007-08 payable to Mr. R. S. Desai and Mr. S. D. Kajale is subject to approval of Shareholders.

## APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. P. C. Bhalerao and Mr. R. S. Desai are liable to retire by rotation and being eligible offer themselves for re-appointment as Director.

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Mr. P. C. Bhalerao and Mr. R. S. Desai

Name of Director	Mr. P. C. Bhalerao	Mr. R. S. Desai
Age	58 Years	45 Years
Date of Appointment	2 <sup>nd</sup> September, 2006	2 <sup>nd</sup> September, 2006
Qualifications	B.E. – Chemical (1 <sup>st</sup> rank), MBA in Finance and Postgraduate Diploma in Taxation (1 <sup>st</sup> rank)	M.Com, CA (Intermediate), Post Graduate in Financial Management
Expertise in Specific Functional Areas	Finance, Project Co-ordination and Strategic Alliances	Imports of Cranes, Operations and Marketing
Chairman / Director of other Companies	Automotive Axels Limited Bharat Forge Limited CDP Bharat Forge GmbH Bharat Forge Aluminiumtechnik GmbH & Co. KG Meritor HVS (India) Limited Nandi Infrastructure Corridor Enterprises Limited Nandi Economic Corridor Enterprises Limited Kumar Hsg. and Land Development Limited	Nil
Chairman / Member of Committees of the Board of other Companies	Member of the Audit Committee of Automotive Axels Limited Bharat Forge Limited	Nil

### SHAREHOLDERS' GRIEVANCE COMMITTEE

The Shareholders' Grievance Committee consists of three members namely, Mr. V. B. Mainkar (Chairman), Mr. R. S. Desai and Mr. S. D. Kajale. The status on complaints is reported to the Board of Directors as an agenda item. A total of 29 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, 2008, there were no pending complaints.

### SHARE TRANSFER SYSTEM

The Company's Equity Shares are required to be traded in the Stock Exchanges compulsorily in dematerialized mode with effect from 28th August, 2000. Shares in physical mode, which are lodged for transfer, are processed and returned within time. As on 31st March, 2008, approximately 91.54% of total Equity Shares were held in dematerialized form.

There is a separate Committee of the Board which meets as and when required to look after transfer of shares. The Company has appointed M/s. Intime Spectrum Registry Limited as its Registrar and Share Transfer Agents with effect from 1st August, 2006. The share transfer requests are processed through M/s. Intime Spectrum Registry Limited. The details of transfers are reported to the Board of Directors at the ensuing meeting.

### 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. 10 forming part of 'Notes to Accounts'.

#### **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)

#### **DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES, STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGES OR ANY OTHER STATUTORY AUTHORITY ON ANY MATTER RELATED TO CAPITAL MARKETS DURING THE 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.

#### **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.

#### **GENERAL SHAREHOLDER INFORMATION**

<b>AGM - Day, Date &amp; Time</b>	Tuesday, 29th July, 2008, at 11.00 a.m.
<b>Venue</b>	Registered Office of the Company
<b>Financial Year</b>	1st April to 31st March
<b>Dates of Book Closure</b>	19th July, 2008 to 29th July, 2008 (both days inclusive)

#### FINANCIAL CALENDAR 2008-2009 (TENTATIVE)

<b>Annual General Meeting</b>	July, 2009
<b>Board Meetings</b>	
Results for the quarter ending June, 2008	Last week of July, 2008
Results for the quarter ending September, 2008	Last week of October, 2008
Results for the quarter ending December, 2008	Last week of January, 2009
Results for the year ending March, 2009	Last week of June, 2009

#### LISTING

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

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

#### DIVIDEND PAYMENT DATE

The dividend, if approved by the Members of the Company will be payable on or after 8<sup>th</sup> August, 2008.

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### GENERAL BODY MEETINGS

Particulars of Annual and Extraordinary General Meetings held during last 3 years are given below :-

Year	General Meeting	Day	Date	Time	Location
2007-2008	AGM	Friday	27.07.2007	11.00 a.m.	Registered Office of the Company
2007-2008	EGM	Thursday	12.04.2007	11.00 a.m.	Same as above
2006-2007	EGM	Monday	08.01.2007	11.00 a.m.	Same as above
2006-2007	AGM	Saturday	02.09.2006	11.00 a.m.	Same as above
2005-2006	EGM	Saturday	25.03.2006	11.00 a.m.	Same as above

The Shareholders passed all the resolutions including the Special Resolutions and resolutions as set out in the respective notices.

### 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). All data related to Quarterly and Yearly Financial Results, Shareholding Pattern etc. are uploaded on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by SEBI in association with the National Informatics Centre.

'Management Discussion and Analysis Report' forms part of the Annual Report.

### DEMATERIALISATION OF SHARES

The Securities and Exchange Board of India had directed compulsory trading of Company's Scrip in dematerialized form by all investors with effect from 28th August, 2000. The Company has entered into Agreements with National Securities Depository Limited and Central Depository Services (India) Limited for Dematerialization of Equity Shares with effect from 8th March, 2000 and 20th July, 2000 respectively. The new ISIN after sub-division of shares is INE989A01024 for dematerialization of Shares.

As on 31st March, 2008, approximately 91.54% of total Equity Shares were held in dematerialized form.

### MARKET PRICE DATA

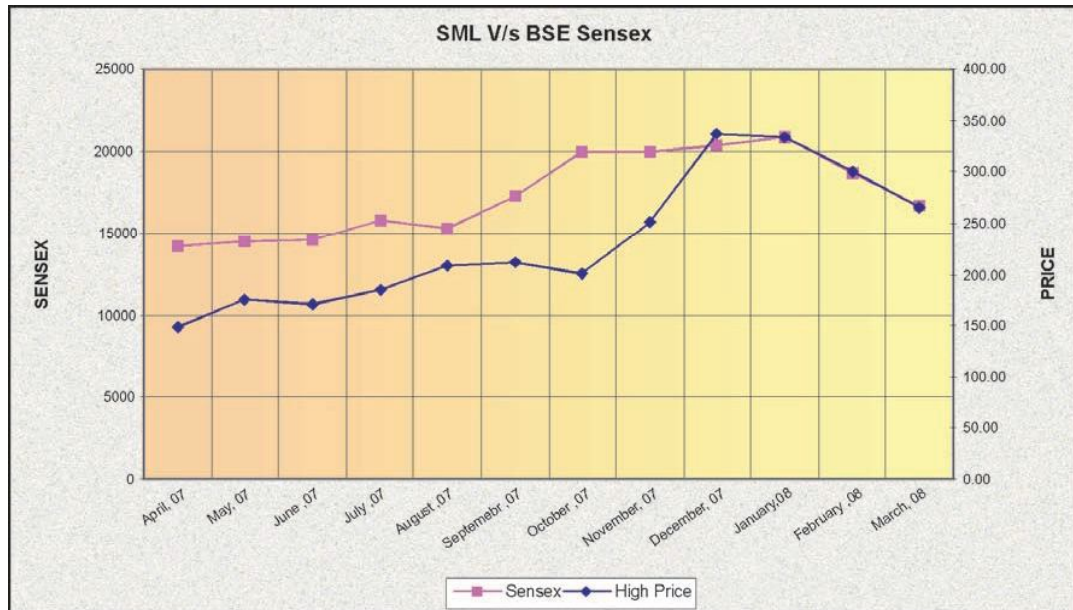
SHARE PRICE - HIGH & LOW (RS.) DURING EACH MONTH IN THE YEAR 2007-2008

Month	Price (In Rs.)		Month	Price (In Rs.)	
	High	Low		High	Low
*April, 2007	148.77	123.00	October, 2007	201.00	174.00
*May, 2007	175.40	130.23	November, 2007	252.00	180.00
*June, 2007	170.73	150.56	December, 2007	337.00	240.00
*July, 2007	184.99	154.80	January, 2008	333.00	206.00
*August, 2007	207.99	191.70	February, 2008	299.95	236.00
September, 2007	212.10	187.15	March, 2008	265.00	195.00

\* The shares were sub-divided from Rs. 10/- each to Rs. 2/- each w.e.f. 31st August, 2007. Accordingly the price in the above table taken as if the shares were sub-divided in April, 2007.



The performance of the Company's Scrip on the BSE as compared to BSE Sensex

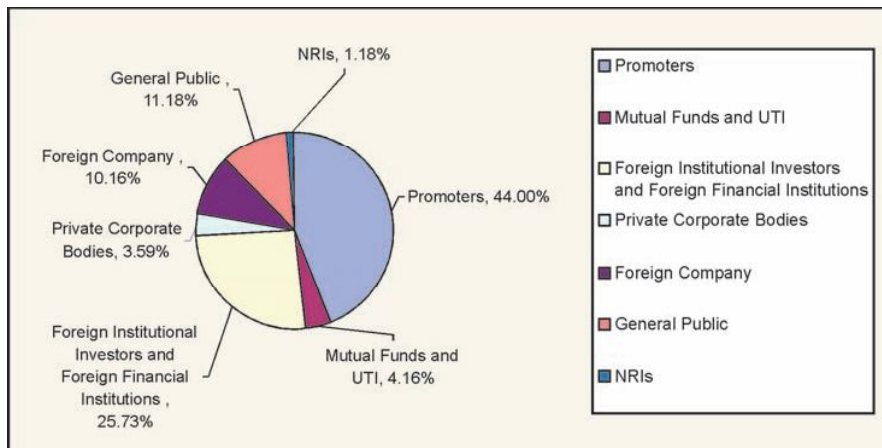


Source: The Bombay Stock Exchange Limited (BSE) ([www.bseindia.com](http://www.bseindia.com))

**DISTRIBUTION OF SHAREHOLDING**

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2008

Category	No. of Shares held	% of Shareholding
Promoters	19045330	44.00
Mutual Funds and UTI	1800075	4.16
Foreign Institutional Investors and Foreign Financial Institutions	11137979	25.73
Private Corporate Bodies	1552708	3.59
Foreign Company	4400000	10.16
General Public	4841093	11.18
NRIs	510815	1.18
<b>Total</b>	<b>43288000</b>	<b>100.00</b>



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### DISTRIBUTION OF SHAREHOLDING

#### DISTRIBUTION SCHEDULE AS ON 31ST MARCH, 2008

No. of Shares	No. of Folios	% to Total	No. of Shares held	% of Shareholding
Upto 500	8718	87.50	982189	2.27
501-1000	528	5.30	457664	1.06
1001-2000	331	3.32	527402	1.22
2001-3000	132	1.33	338393	0.78
3001-4000	37	0.37	131791	0.30
4001-5000	60	0.60	288597	0.67
5001-10000	61	0.61	451369	1.04
10001 and above	96	0.97	40110595	92.66
<b>Total</b>	<b>9963</b>	<b>100.00</b>	<b>43288000</b>	<b>100.00</b>

### SECRETARIAL AUDIT

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 forms and total no. of dematerialized shares held with NSDL & CDSL.

### INVESTOR CONTACT DETAILS

#### Company

Sanghvi Movers Limited  
Secretarial Department  
Survey No.92,+ Tathawade, Taluka Mulshi  
Pune - 411 033  
Tel : 91-020-66744700  
Fax :91-020-22934397  
Email : [cs@sanghvicranes.com](mailto:cs@sanghvicranes.com)  
[grievance.redressal@sanghvicranes.com](mailto:grievance.redressal@sanghvicranes.com)

#### Registrar & Share Transfer Agent

M/s. Intime Spectrum Registry Ltd.  
C -13, Pannalal Silk Mills Compound,  
LBS Marg , Bhandup (West), Mumbai 400 078  
Tel : 91-022-25963838 (15 Lines)  
Fax : 91-022-25946969  
Email : [isrl@intimespectrum.com](mailto:isrl@intimespectrum.com)  
URL : [www.intimespectrum.com](http://www.intimespectrum.com)





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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, 2008

For SANGHVI MOVERS LIMITED

C. P. Sanghvi  
Chairman and 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, 2008, the company has complied with the requirements of the said sub clause.

For SANGHVI MOVERS LIMITED

C. P. Sanghvi  
Chairman and Managing Director

For SANGHVI MOVERS LIMITED

S. D. Kajale  
Executive Director and CFO

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## CERTIFICATE FROM THE AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF 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, 2008, 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 2007-08, the Company received 29 complaints from investors /shareholders, all of which were disposed of during the year.

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.

For L. M. Joshi & Co.  
Chartered Accountants

Pune  
30<sup>th</sup> May, 2008

Prasanna L. Joshi  
Partner