

SANGHVI MOVERS LIMITED

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Web : www.sanghvicranes.com
CIN No. : L29150PN1989PLC054143



REF: SML/SEC/SE/17-18/39

Date: 13th November 2017

By Online filing

BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001
Kind Attn.: Ms. Pooja Sanghvi - Relationship Manager
Ref: Code No. 530073

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra East,
Mumbai - 400051
Kind Attn.: Mr. K. Hari - Asst. Vice President
Symbol: SANGHVIMOV

Sub.: Financial Results update

Dear Sir/Madam,

Pursuant to the requirements of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the updates on financial results for the quarter and half year ended 30 September 2017. The copy of the financial results update is also available on the website of the Company (www.sanghvicranes.com).

You are requested to take this intimation on your records and further place the same on your website for the information of shareholders, investors, analyst and public at large.

Thanks & Regards,

For Sanghvi Movers Limited

Rajesh P. Likhite
Company Secretary &
Chief Compliance Officer



Encl.: As above

PERFORMANCE REVIEW FOR THE QUARTER/PERIOD ENDED 30th SEPTEMBER, 2017Summary of financial performance is as under -

(Rs. in Crores)

Sr	Particulars	YTD Sept-17	Q2 FY18	Q1 FY18	YTD Sept-16	Q2 FY17
a)	Income from Operations	105.04	39.69	65.35	249.65	111.13
b)	Other Income	17.66	3.38	14.28	4.59	3.23
c)	Total Income (a) + (b)	122.70	43.07	79.63	254.24	114.37
d)	Total Expenditure	(#)68.42	29.87	38.55	96.45	46.17
e)	PBIDT c) – d)	54.28	13.20	41.08	157.79	68.20
f)	<i>% of PBIDT to Total Income e / c) x 100</i>	<i>44.23%</i>	<i>30.65%</i>	<i>51.59%</i>	<i>62.06%</i>	<i>59.63%</i>
g)	Interest	26.83	14.21	12.62	31.98	16.19
h)	Depreciation	67.20	33.25	33.95	69.22	33.44
i)	Profit Before Tax	(39.75)	(34.26)	(5.49)	56.59	18.57
j)	Tax expense (current tax + deferred tax)	(13.80)	(11.95)	(1.85)	18.82	6.04
k)	Profit After Tax	(25.95)	(22.31)	(3.64)	37.77	12.53
l)	<i>% of PAT to Total Income</i>	<i>N.A.</i>	<i>N.A.</i>	<i>N.A.</i>	<i>14.85%</i>	<i>10.95%</i>
m)	Total Cash Accruals (PAT + Depre.)	41.25	11.95	30.31	106.99	45.97
n)	Net Worth	815.85	815.85	860.15	794.36	794.36
o)	Total Loans (Secured + Unsecured)	580.21	580.21	509.29	567.19	567.19
p)	Debt : Equity Ratio	0.71	0.71	0.59	0.71	0.71
q)	Average Capacity Utilization for the period	<i>34%</i>	<i>27%</i>	<i>41%</i>	<i>72%</i>	<i>66%</i>
r)	Average Gross Yield for the period	<i>2.29%</i>	<i>2.16%</i>	<i>2.42%</i>	<i>2.78%</i>	<i>2.77%</i>

(#) Includes provision for doubtful debts to the tune of Rs. 10.89 Crores.

- **OTHER INCOME – Rs. 17.66 Crs. for the HY Ended 30-09-2017**

Other Income for the six months period ended 30th September, 2017 includes Profit of Rs. 14.78 Crores from 17 Nos. Cranes sold during the period.

(Rs. In Lacs)		
Particulars	30/09/2017	31/03/2017
	Un-Audited	Audited
ASSETS		
Non Current Assets		
Property, Plant and Equipments	1,30,403.43	1,27,449.94
Capital work in progress	183.03	48.76
Investment Property	1,599.75	1,627.82
Financial Assets		
i) Investments	0.25	0.25
ii) Loans	8.22	16.47
iii) Other Financial Assets	161.62	150.77
Income Tax Assets	637.52	402.99
Other Non-Current Assets		
Capital Advances	1,039.04	2,404.43
Others	438.72	438.72
Total Non-Current Assets	1,34,471.58	1,32,540.15
Current Assets		
Inventories	1,451.42	1,383.44
Financial Assets		
i) Investments	250.22	1,500.43
ii) Trade Receivables	13,002.24	16,581.50
iii) Cash & Bank Balances	160.36	238.92
iv) Bank balance other than above	33.40	24.37
v) Loans	20.93	25.96
vi) Other financial assets	371.43	1.84
Other Current Assets		
i) Cenvat Credit Receivable	2,395.09	1,235.35
ii) Others	569.49	782.10
Total Current Assets	18,254.58	21,773.91
TOTAL ASSETS	1,52,726.16	1,54,314.06

(Rs. In Lacs)

EQUITY AND LIABILITIES	-	
EQUITY		
SHAREHOLDERS FUNDS		
Share Capital	865.76	865.76
Reserves & Suplus	80,719.34	85,270.32
Total Equity :-	81,585.10	86,136.08
NON-CURRENT LIABILITIES		-
Financial Liabilities		-
i) Borrowings	50,064.28	40,990.80
ii) Derivative Contract Liabilities	339.78	493.51
Provisions	207.18	285.96
Deferred Tax Liabilities	7,137.21	8,434.30
Total Non-Current Liabilities :-	57,748.45	50,204.57
CURRENT LIABILITIES		
Financial Liabilities		
i) Borrowings	62.72	4,402.15
ii) Trade Payables	1,198.45	1,790.66
iii) Derivative Contract Liabilities	-	702.73
iv) Other financial liabilities	8,858.94	9,876.91
Other Current Liabilities	2,969.20	439.92
Provisions	303.30	156.12
Current Tax Liabilities	-	604.92
Total Current Liabilities	13,392.61	17,973.41
TOTAL EQUITY AND LIABILITIES	1,52,726.16	1,54,314.06

- **CAPEX DONE DURING THE SIX MONTHS PERIOD ENDED –**

The company has capitalized following Fixed Assets during the first half of the current financial year.

Sr	Particulars	Rs. Crores
1	Additions to Cranes & Attachments	101.79
2	Low Bed Trailers plus Pullers, Palfingers and Telehandlers	6.92
3	Other Fixed Assets	2.19
	Total additions to the Fixed Assets up to 30-09-2017	110.90

The company has availed a Term Loan of Rs. 74.84 Crores from various banks to fund the aforesaid Capex Plan. Due to gloomy industry outlook, company has cancelled the order for purchase of balance number of cranes. There would be no further Capex plan for this year and perhaps next two years. By conservative and forward looking finance planning, the Company is confident that it would be able to repay bank loans as and when they fall due, even from reduced cash flows, until better industrial climate gets restored.

- **SECTOR WISE REVENUE BREAK UP –**

The Sector Wise Revenue Break up for the six months period ended for 30-09-2017 and H1 of FY 2017 is as under –

Sr	Sector	H1 FY 2018	H1 FY 2017
1	Wind Mill Sector	53.00%	63.00%
2	Power Sector	14.00%	15.00%
3	Refinery & Gas	8.00%	11.00%
4	Steel & Metal	5.00%	4.00%
5	Cement	6.00%	2.00%
6	Other Industries	14.00%	5.00%
	Total :-	100.00%	100.00%

- **FLEET OF CRANES -**

SML has a fleet of 418 Cranes as on 30th September, 2017 having Gross Block of Cranes to the tune of Rs. 2195.85 Crores.

- **SUNDRY DEBTORS –**

Total Sundry Debtors as on 30th September 2017 is Rs. 149.24 Crores.

Sr	Particulars	Rs. Crores
A)	S. Debtors considered good	130.02
B)	S. Debtors considered doubtful	19.22
C)	Total Receivables as on 30-09-2016 before Provision for Doubtful Debts	149.24
D)	No. of Days Receivables excluding Service Tax Component	195 Days

The company has made a Provision for Doubtful Debts to the tune of Rs. 10.89 Crores during the six months period ended 30-09-2017. The accumulated amount of provision for doubtful debts as on 30th September, 2017 is Rs. 19.22 Crores.

SML has already initiated necessary legal action against the defaulting customers including filing a petition before NCLT under IBC. The company is hopeful of recovery of certain amount of dues in near future.

- **TERM LOAN OBLIGATION FOR FY 2017-18 -**

SML has total term loan obligations of Rs. 30.25 Crores including the installments of term loan availed in the current financial year for funding Capex done. Out of which, it has already paid Term Loans Installments to the tune of Rs 24.85 Crores till 30th September, 2017. The balance repayment of Rs.5.40 crores will be easily achieved.

- **BUSINESS OUTLOOK -**

Post March, 2017, the Company has witnessed huge turbulence in terms of its order book which is primarily dominated by Wind Mill Sector and Power Sector. Due to sudden and unexpected change in the business scenario and more particularly in the wind mill sector (which has contributed more than 70% of our revenue during last financial year), the company's financial performance is severely affected in the current financial year.

In FY 2016-17 nearly 82% of our business has come from Wind Mill & Power Sector. Presently, both these sectors are not doing well. Wind Mill Sector has played a dominant role in the revenue contribution of the Company since last 7/8 years. Due to recent change in business conditions and more particularly Government of India's policies towards wind mill sector, we expect substantial slow down in our business volume and therefore expect decrease in the Turnover and Profitability of our Company during the current financial year.

It is pertinent note here that India has installed more 5400 MW Wind Mills during last fiscal year i.e. FY 2016-17. However, due to reduction in Accelerated Depreciation from 80% to 40% from the current financial year and withdrawal of Generation Based Incentive (GBI), there has been a huge reduction in wind mill installation in the current financial year. Furthermore, due to change in method of signing PPAs for Wind Mill Sector from feed-in-tariff based system to auction based system, this sector expects substantial drop in the business volume for the current financial year. It is, thus, seems hard to imagine that India would see the record capacity addition like 2016-2017 any time soon.

As per the industry estimates, India as a whole may end up 1000 MW to 1500 MW wind mill installation in the current financial year as against 5400 MW in the previous financial year. This drop in the wind mill installation is beyond Company's expectation and would likely impact our business volume and profitability in the current financial year.

Lack of business opportunities coupled with cut-throat competition is putting additional stress on the pricing power of the company. All these factors have taken a toll on the Company's financial performance and the Company has posted net loss of Rs. 25.95 Crores for the six months period ended on 30th September 2017.

We expect the financial performance for Q3 FY 18 would remain in line with the 1HYFY18 financial performance of the company. However, we expect some amount of recovery in the business volume in Q4 FY 18 more particularly from wind mill, refinery and Metro projects. Currently, we are working for Bombay Metro, Ahmadabad Project and Chennai Metro Project and expect few more orders from other Metro Projects like Jaipur, Noida and Nagpur. There are some signs of business improvement from other sectors like Refinery, Power, Steel, Cement etc., in next couple of quarters.

The Company is making conscious efforts to improve its financial performance have initiated various cost reduction and cost optimization efforts. The results of these initiatives are likely to be felt in the coming quarters.

Central Government is taking lot of initiative for revival of wind mill sector and is coming our various auctions of wind mills in the forthcoming months. All this will definitely have some positive impact on our business volume and we are hopeful that business conditions may revive in the next financial year.

Company expects some orders from IOCL Refinery in the 4th Quarter of current financial year for their expansion plan. Further, company is also bidding for BPCL Refinery for their expansion plan. In addition to this, HMEL (HPCL-Mittal Energy Limited) is also coming up with their petro-chemical Naptha Cracker Unit in Bhatinda in the 4th quarter and company is bidding for the same. IOCL is also coming with their up gradation plans for their two units very soon. Furthermore, we expect some business opportunities from Bina Refinery for their up gradation plans.

UP Government is coming up with 2 x 660 MW thermal power and 2 x 660 MW and company expects some good orders from these projects in near future. In addition to this UP Government is coming up with 3 x 660 MW thermal Power Plant in UP for which EPC Contractor has been finalized.

NTPC is also coming up with 2 x 800 MW thermal power plants in Telangana state. In addition to this Telangana Government is coming up 2 x 270 MW thermal power projects.

In addition to the above, we expect some orders from Cement Sectors from the companies like Shree Cements Limited, Ultratech, Thyssenkrupp etc., for their expansion projects.

Furthermore, we expect some orders from Tata Steel and JSW Limited for their expansion projects.

As far as Metro projects are concerned, company expects some orders from Delhi Metro (for their further expansion) which is currently under bidding process and from Chennai Metro projects which are also in bidding process currently. The actual work for these metro projects may start in the first half of next financial year.

The Company expects the situation to start materially improving from 2019-20 onwards and reiterates its confidence that it would be able to meet all its obligations during the difficult period from now on, till then.