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# EMBRACING GROWTH

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# WHAT'S INSIDE...

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### Investor Information

CIN	: L29150PN1989PLC054143
BSE Code	: 530073
NSE Symbol	: SANGHVIMOV
Bloomberg Code	: SGM:IN
Dividend Declared	: Rs. 1/- per share
AGM Date	: 18 August 2022
AGM Venue/Mode	: Video Conferencing

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**Disclaimer:** This document contains statements about expected future events and financials of Sanghvi Movers Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

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# EMBRACING GROWTH

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**At Sanghvi Movers Limited, high endurance, responsiveness and preparedness are among the key factors, propelling business growth amid a dynamic business environment.**

Our incessant efforts towards achieving industry leadership, resilience, and adaptability helps us to become immune to industry challenges. Today, we stand to be the largest Indian, and sixth-largest global crane rental Company. We emphasise on a dynamic growth approach to remain flexible in adapting to the changes brought in, as a result of challenging business environment.

Sanghvi Movers Limited's brand recall as the specialist in crawler and truck mounted crane rentals, backed by three decades of rich experience, enables business success. Despite a challenging environment, we attained almost 2x growth in our orderbook, marked by our enhanced capabilities, 17 active depots across PAN-India and a widened customer base. Moreover, our constant focus on ensuring customer satisfaction further resulted in repeat orders.

Today, we are positioned to embrace growth at all levels and in every form, ensuring business sustainability and consistent stakeholder satisfaction. Our goal-oriented, detailed action plan infuses optimism and confidence on our way forward. All of this, while we continue 'Embracing Growth' in all its forms, celebrating all big and small wins, while leading to a stronger tomorrow.





SANGHVI

# SANGHVI MOVERS LIMITED AT A GLANCE

## The Largest Crane Rental Company in India & Asia and ranks 6<sup>th</sup> in the World

Sanghvi Movers Limited ('SML' or 'We') is engaged in the supply of medium and heavy-duty cranes on rental basis to various private public sector undertakings. Throughout our journey of 32+ years, we remained intact to our fundamentals of achieving consistent growth, basis our capabilities and efficiencies. As a result, we established SML as the largest crane rental Company in India and Asia, and the sixth-largest globally, as ranked by International Cranes Magazine. Despite challenges, our strong values, responsiveness and agility helped us maintain a progressive growth trajectory. Embracing this growth as well as the changes in and around us, we remained determined and relentlessly endeavour to add more milestones to our journey.

Given the dynamicity of our offerings, we cater to various industries, including Power, Windmill, Steel, Railways & Metro, Petrochemicals, Cement sector and many others. Alongside this, SML also does Heavy Lift, Lift Planning & Plant Maintenance jobs. As of 31 March 2022, SML has a fleet of 387 cranes having a lifting capacity ranging from 40 tons to 800 tons- which, has been imported from Germany, USA, UK, Japan, Singapore & China.

# 33+

YEARS OF EXPERIENCE

# 387

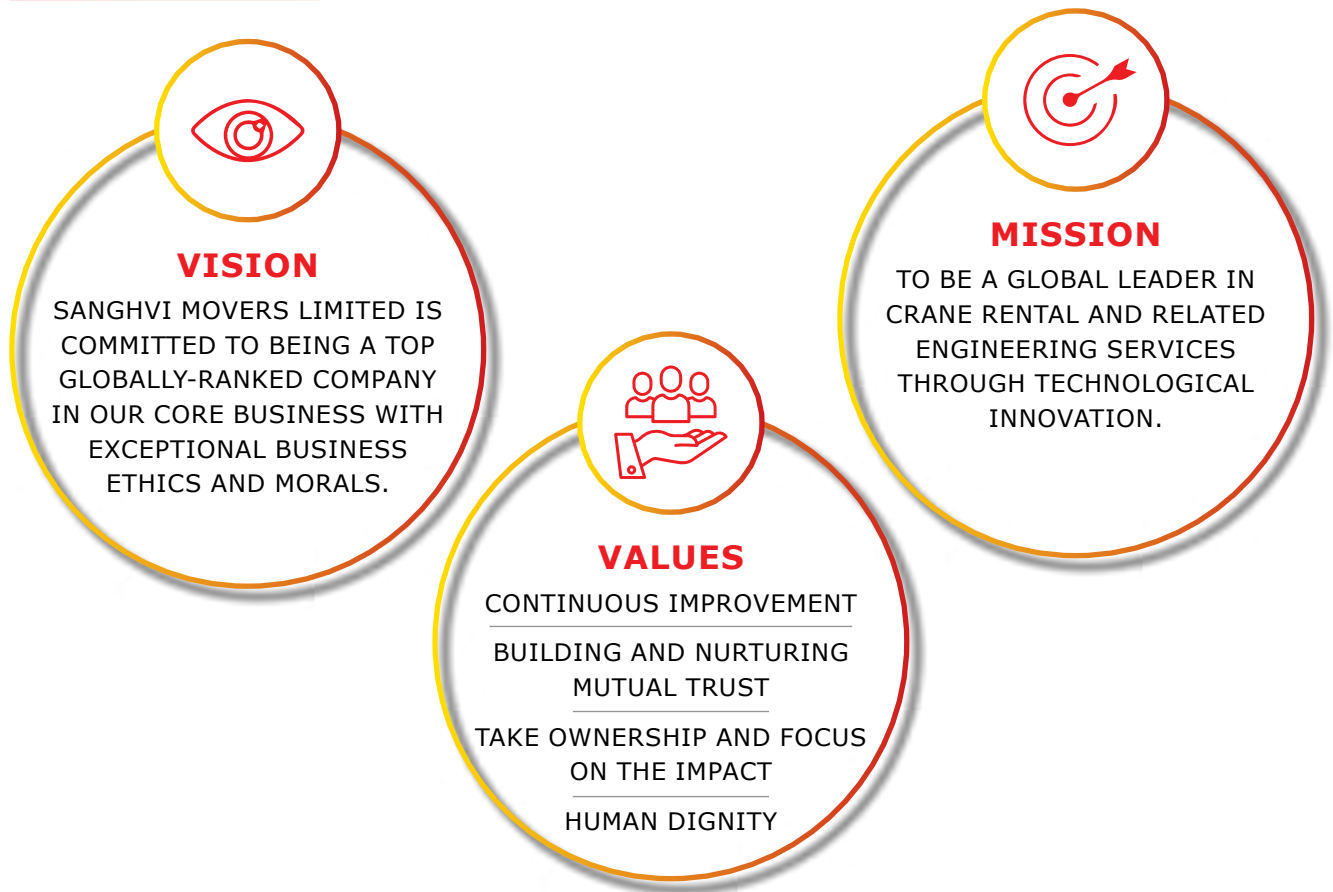
FLEET OF CRANES

# 100+

CLIENTS



## Key Values



## QUALITY POLICY

We are committed to serve as a trusted partner to our clients with the ability to complete orders/projects in a safe, economical, timely and efficient manner while ensuring consistently positive and professional expertise.

### OUR GROWTH-LED BUSINESS PHILOSOPHY

The heavy lifting industry remains volatile, experiencing new challenges every now and then. We, at SML, remain resilient and believe that learning is a continual process. We stand high despite the hurdles, and work relentlessly toward most appropriate and flexible solutions amid such circumstances.

Our operations are bound within high standards of business ethics and are compliant to the industry norms. Time, cost and quality

are the parameters we follow for measuring and maintaining our overall performance. We strive to ensure unwavering harmony among our business partners and utmost transparency with our customers.

As much as advanced technology has become an important part of our lives today, businesses can still not thrive without its people that complement its efforts toward success. Our incessant endeavours ensure higher productivity and enthusiasm to do better among our employees. As a result, today our customers can rely on us for our services, given a capable team to take care of their requirements. At present, we are Asia's leading rental service provider and rank 6<sup>th</sup> globally – by International Cranes Magazine June 2022 edition.

SML's business does not just comprise of rentals, but we also act as engineering solution partners to our clientele. From designing and advisory on appropriate equipment, specific to the project, to operations and maintenance, our efforts remain persistent to ensure smooth execution at project sites.



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# OUR PAN-INDIA PRESENCE STRENGTHENING OUR GROWTH

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SML owns a robust network of 17 active depots, spanning across the country. These enable us to optimise the time taken to mobilize cranes at project sites, and lead to quicker turnaround time alongside lower mobilisation costs. With the help of a depot in proximity, our Company significantly brings down the transportation cost component for our clients, thus, obtaining a higher competitive edge. In addition to the cranes, SML also has over 64 imported Hydraulic Multi Axle Modular Trailers & 90 trailers which are used by the company for its captive purpose for movement of critical crane components from one location to another.





This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

# MESSAGE FROM MD'S DESK



“ OUR MISSION IS TO CREATE SUSTAINABLE VALUE FOR OUR STAKEHOLDERS THROUGH TECHNOLOGICAL INNOVATION THAT SATISFIES OUR CUSTOMERS NEEDS. OUR SHARED PURPOSE IS TO BUILD A BETTER FUTURE FOR OUR EMPLOYEES, CUSTOMERS, SHAREHOLDERS, INVESTORS, SUPPLIERS, AND THE COMMUNITIES IN WHICH WE LIVE AND WORK.

Dear Shareholders,

India aspires to become a 5 trillion-dollar economy in the next few years. Notwithstanding challenges, India is on the path to a sustained economic recovery, thanks to the Government of India's policy to improve logistics infrastructure, incentives to facilitate industrial production, and measures to improve farmers' income. Furthermore, the vigorous countrywide drive to deliver COVID-19 vaccinations, helped reduce the severity of the third pandemic wave with minimal disruptions to mobility and economic activity.





### Industrial Landscape

The Indian Construction Equipment (CE) industry witnessed turbulence in the last two consecutive years. However, the Government's policy push on infrastructure in the first half of 2021-22, led to a strong recovery and stability in India's Construction and Mining Equipment (CME) industry. Nevertheless, the Construction Equipment industry witnessed some volatility in the second half which was led by extended rainfalls, increased commodity prices of cement and steel, and the Russia-Ukraine conflict. Despite this volatile situation the industry has witnessed a growth of 21% in the construction machineries and 15% in the material handling and lifting equipment, from April to January in 2021-22 as compared to the same period in 2020-21.

### Performance Highlights

During the year, your Company showcased robust operating performance. Our consistent focus on debt reduction over the past three years has further strengthened your Company's balance sheet. It has enabled us to generate surplus cash for future capital expenditures and investment opportunities in allied business. Our optimised cost structure has further strengthened EBITDA, despite escalating operating expenses. This has further led to improvement in average blended yield from 1.5 to 1.7. Our average capacity utilisation has increased from 56% to 76%. We also strengthened our position by adding 18 new cranes in our portfolio through a capex of Rs. 12,500 Lakhs during the year under review. Our order books stood at Rs. 23,600 Lakhs, which will be executed during 2022-23.

### Diversification Strategy

Your Company is strategically diversifying to evolve into an engineering solution partner. Aligned to this strategy, we shall be offering

engineering, designing and execution services to various infrastructure and core sector projects. Our value-added services in the form of Wind and Project EPC, further helps in embracing future growth prospects. We are also focused on developing allied services, such as rigging study, manpower, lifting tools & project planning for all EPC heavy lifts and renewable wind energy.

### Outlook

Going ahead, we are excited about the new opportunities in the Indian economy. Various Government initiatives coupled with our robust capital structure, growth investments, and digital transformation are driving your Company's future growth prospects. We recognise that change is an inevitable part of our life and so we embrace growth in all its forms amid changes—big or small. We remain determined to achieve consistent progress year-after-year. The commitment and dedication of our people across the business is inspiring, and I am proud to be part of this team – a team who has responded with integrity, strength and a demonstrable commitment to honour our purpose.

### Vote of Thanks

I take this opportunity to thank my colleagues and our Board for their knowledge and guidance in crafting our strategy and helping us to remain on course. Moreover, I would also like to express my gratitude to our stakeholders for their unwavering dedication and commitment towards your Company. We continue to solicit your support as we move along in our ambitious growth story.

With Regards,

**Rishi Sanghvi**  
**Managing Director**



SANGHVI

# ADDING VALUE CONSISTENTLY, ACHIEVING GROWTH PERSISTENTLY

## OUR OFFERINGS

We emphasise on strengthening our portfolio further and further, with the evolving industry dynamic. This enables consistent value addition even amid challenges, to achieve growth persistently. The following factors provide us market distinction and stronger brand recall:

- ▶ **One-Stop solution:** Through our diversified fleet of cranes ranging from 40 MT to 1000 MT, we strive to drive customer satisfaction by providing them comprehensive and effective solutions for their lifting jobs all under one roof.
- ▶ **Reliable:** We ensure industry relevance and reliability of our offerings by monitoring customer requirements and satisfaction, to serve them with the best-in-class operators.
- ▶ **Preferred choice of Indian customers:**  
The following qualities enable us to become a preferred choice in the Indian industry
  - Modern and extensive fleet of cranes in India
  - Tailor-made lifting
  - Experienced operators with rich industry insight
  - Highest standards of maintenance of cranes
  - Strategically placed depot network across India
  - Emphasis on value maximisation
  - Three decades of proven track record of qualitative, efficient services
  - Adherence to global safety standards
  - Minimal down time & zero-accidents track record
- ▶ **Value-added services:** We offer value addition through our offerings such as Wind EPC, Project EPC. We strive to retain our position as a pioneer in heavy lifts, lifting experts & diversified fleet, offering allied services, including rigging study, rigging manpower, lifting tools & project planning all heavy lifts & Windmills.
- ▶ **Integrated solutions:** Our integrated solutions cater engineering, infrastructure,

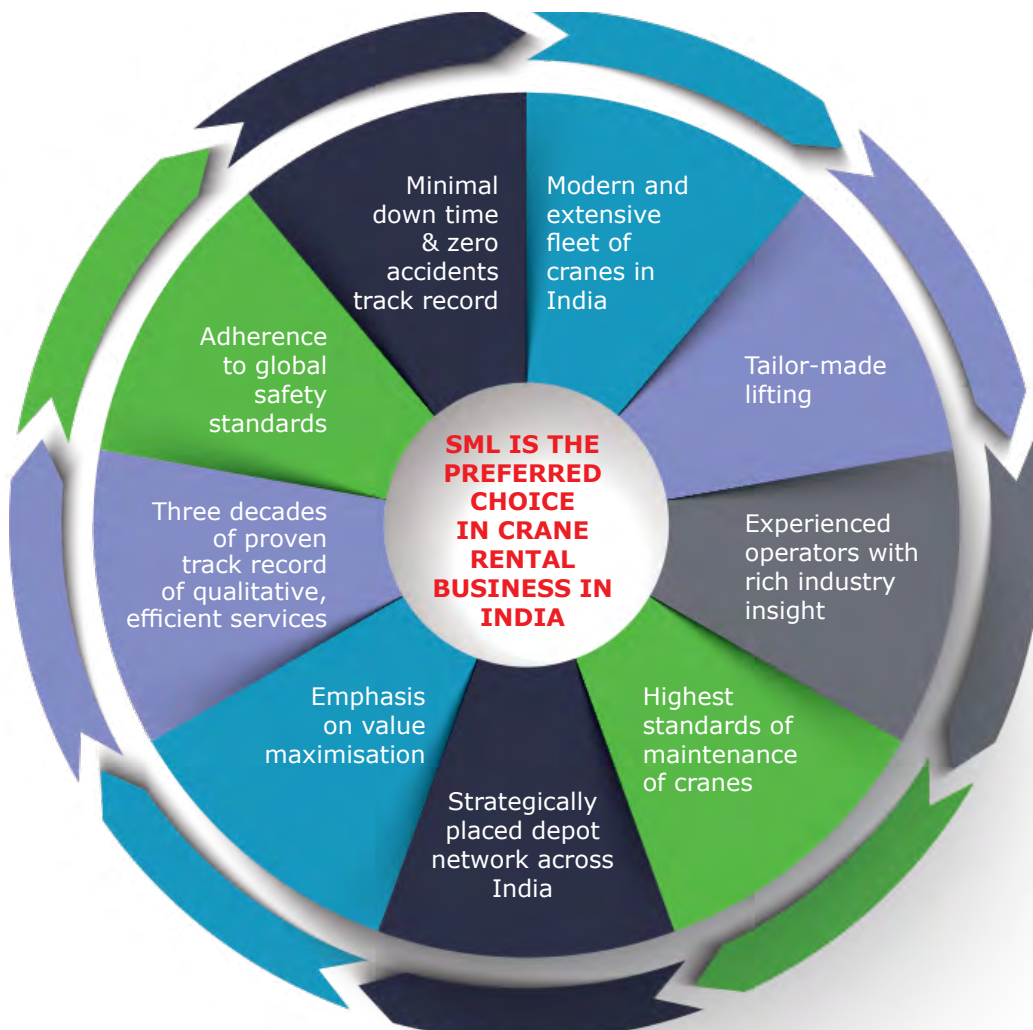
procurement, installation, and commissioning on a turnkey basis. It covers stages right from designing till advising on the appropriate equipment for the project, to operations and maintenance, ensuring smooth execution at project sites. Moreover, we offer customised solutions backed by timely delivery of projects by its clients. The turnkey contract not only allows the customer to transfer the risk and other on-site responsibilities to us, but also makes financial planning easier and more organised. Therefore, enabling us to provide a single-window solution during the project.

- ▶ **Leading market position:** As a market leader & preferred partner in the crane rental services for the Indian wind energy space, we constantly evolve to support the changing needs of the industry with Higher Turbine

heights and complex installation requirements. With the advent of far greater and broader solutions demanded by the industry, SML is poised to redefine the business' growth strategy in alignment to our vision, becoming a fully integrated solution provider and EPC Player.

- ▶ **Best-in-class-quality:** We offer cranes while also leveraging our talent pool comprising some of the best, to provide world-class services.

At Sanghvi Movers Limited, our vast experience and expertise complements our endeavours to facilitate successful execution of the projects. We adapt to the changes around us and strive to consistently grow, while keeping our customers; at the heart of our operations.





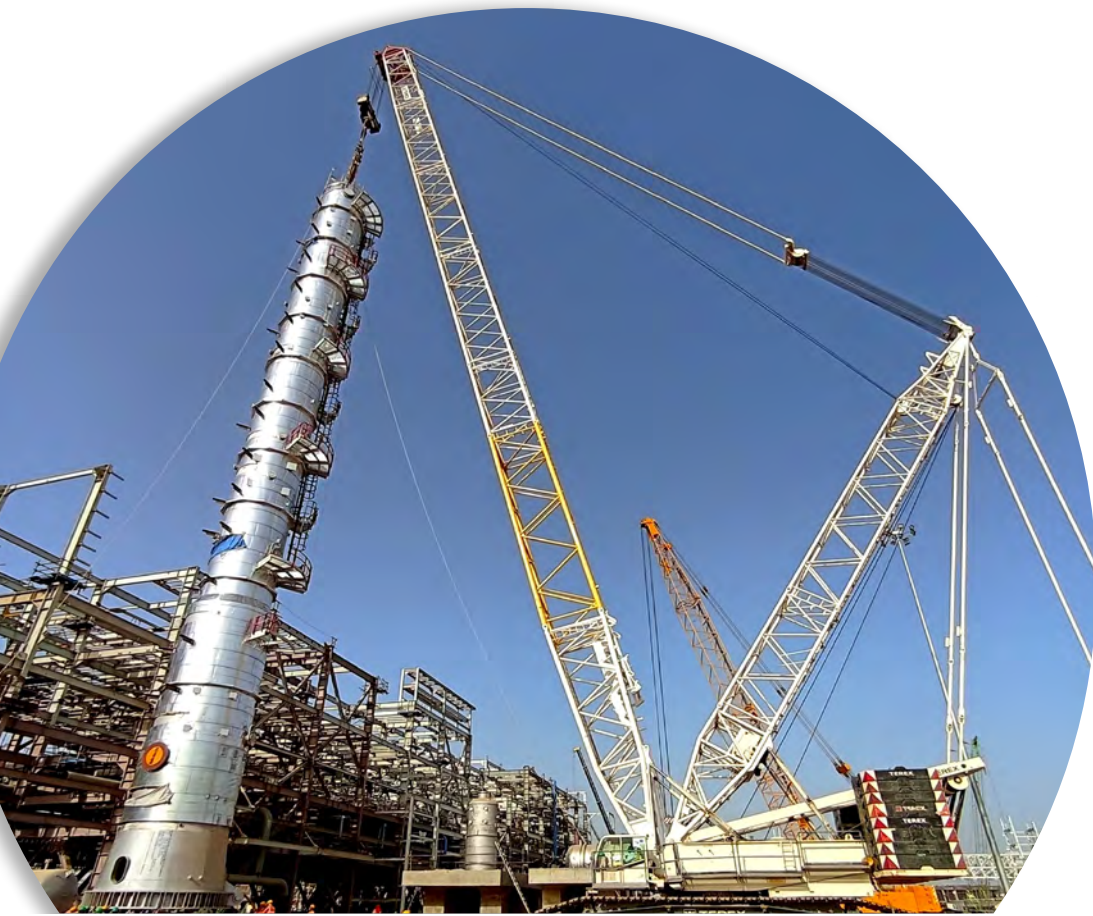
SANGHVI

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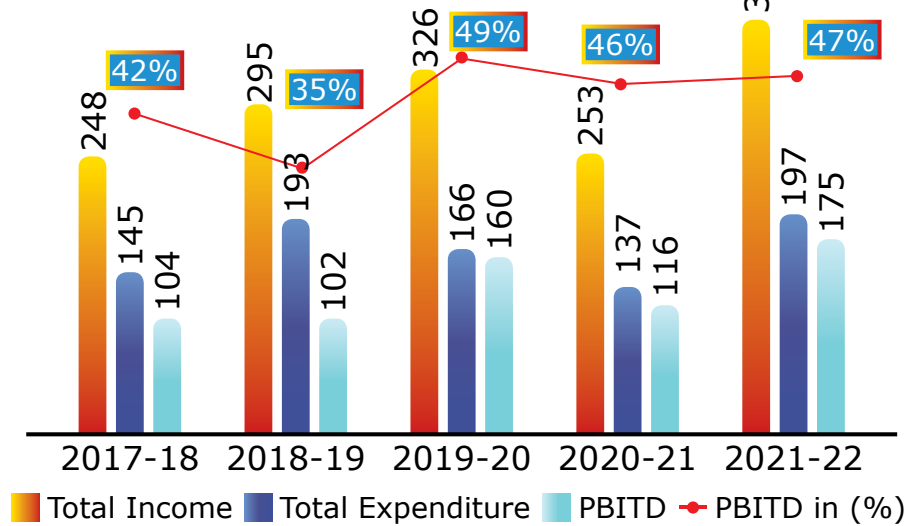
# EMBRACING FINANCIAL GROWTH

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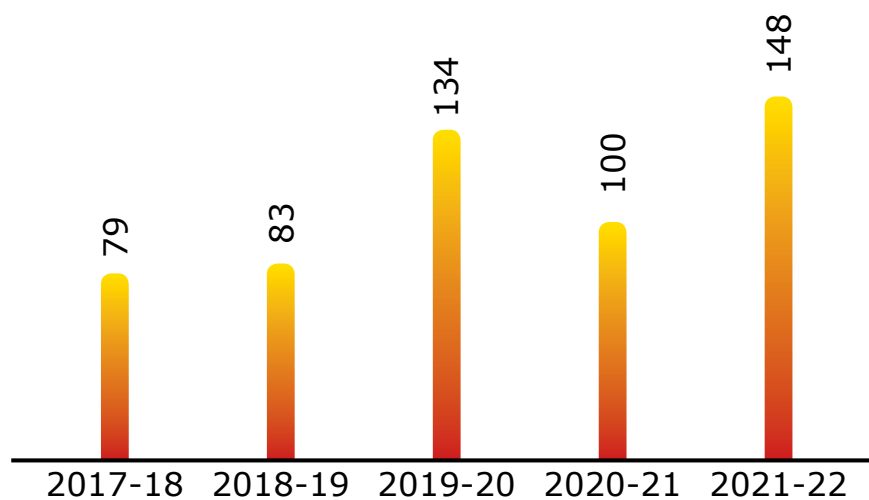
At SML, we believe in building a resilient business model to enable higher profitability even amid challenges. We ensure adherence to ethical business practices, while endeavouring to improve our shareholders' value by providing higher returns. With every passing year, we strive to showcase an enhanced performance and our financial numbers testify for the same.



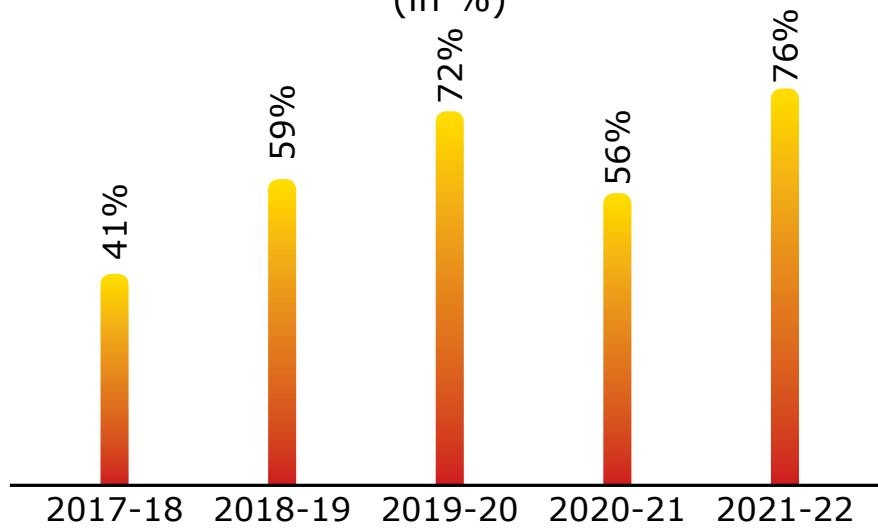
### Year-on-Year Summarised Profitability Statement (Rs. in Crores)



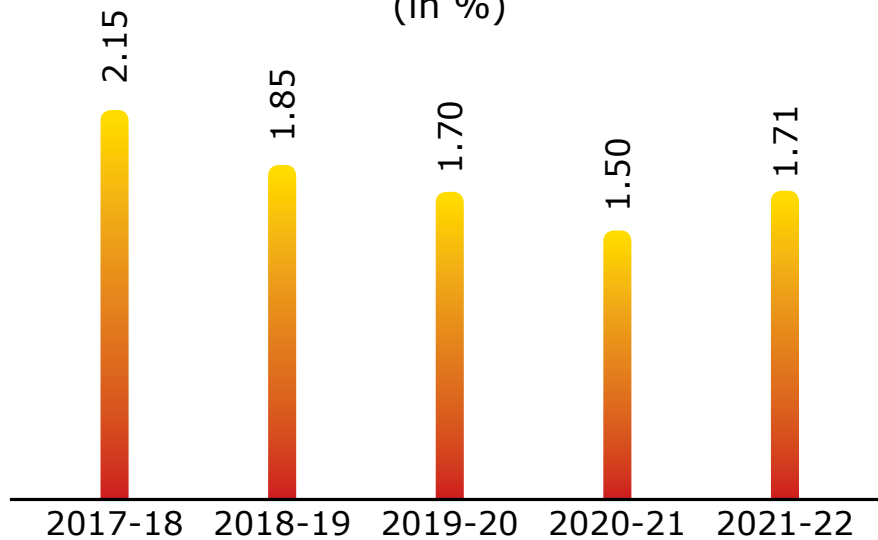
### Year-on-Year Cash Profit (Rs. in Crores)

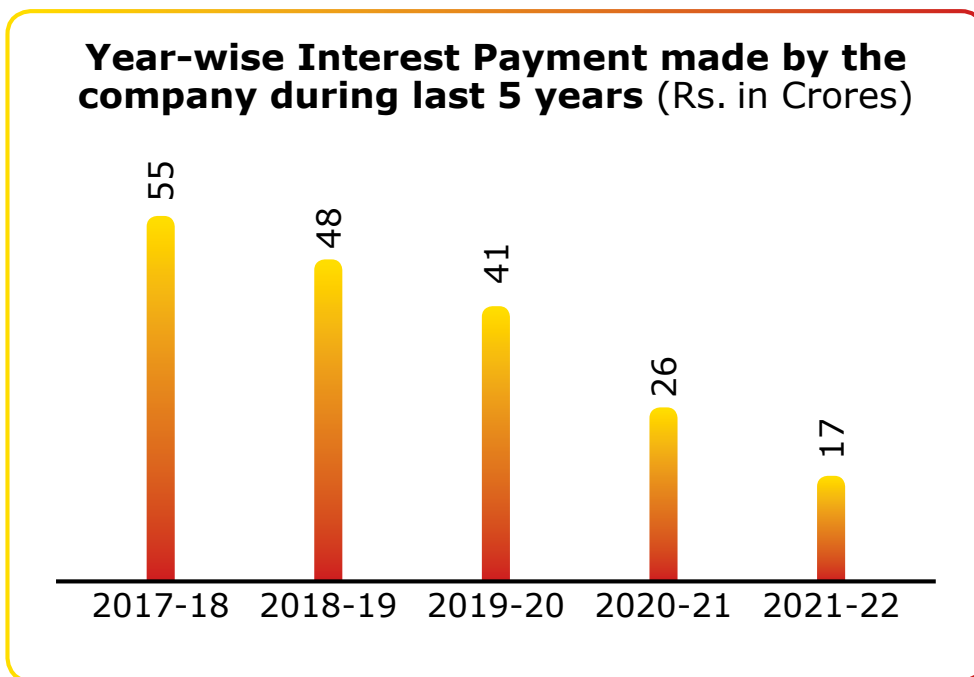
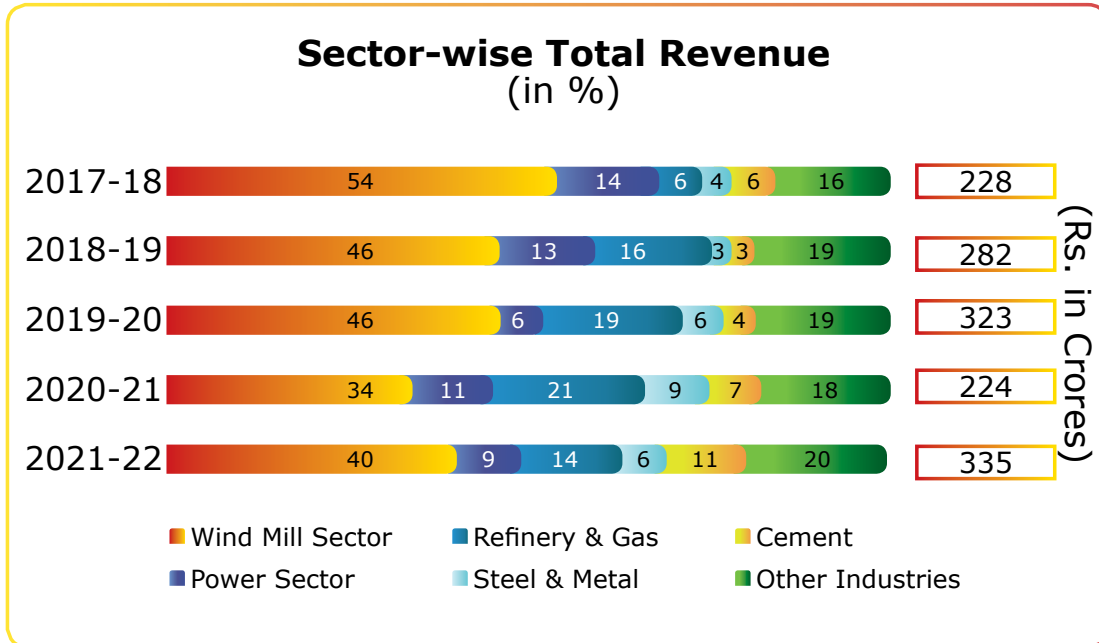


### Year-on-Year Average Capacity Utilisation (in %)

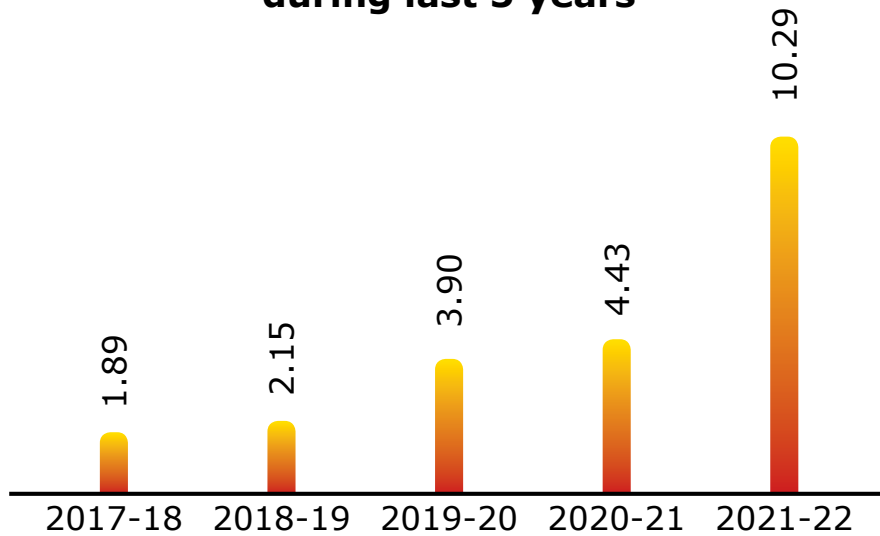


### Year-on-Year Average Blended Yield (in %)

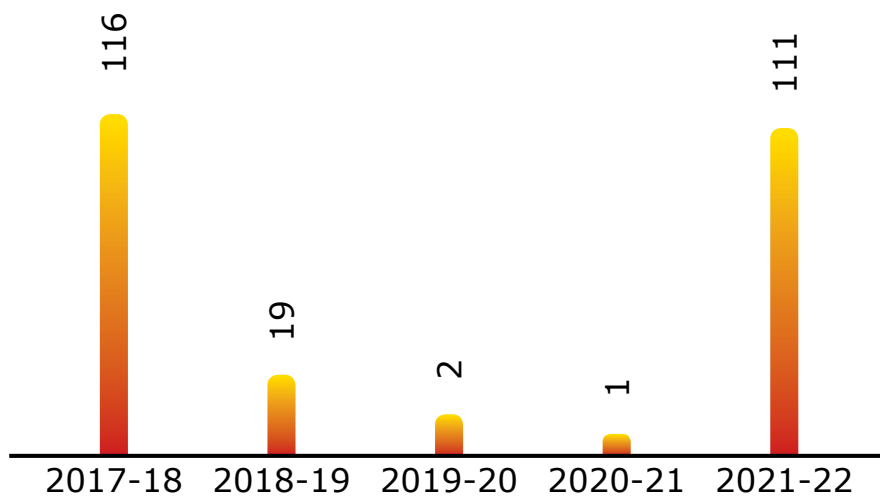




### Year-wise Interest Coverage Ratio during last 5 years

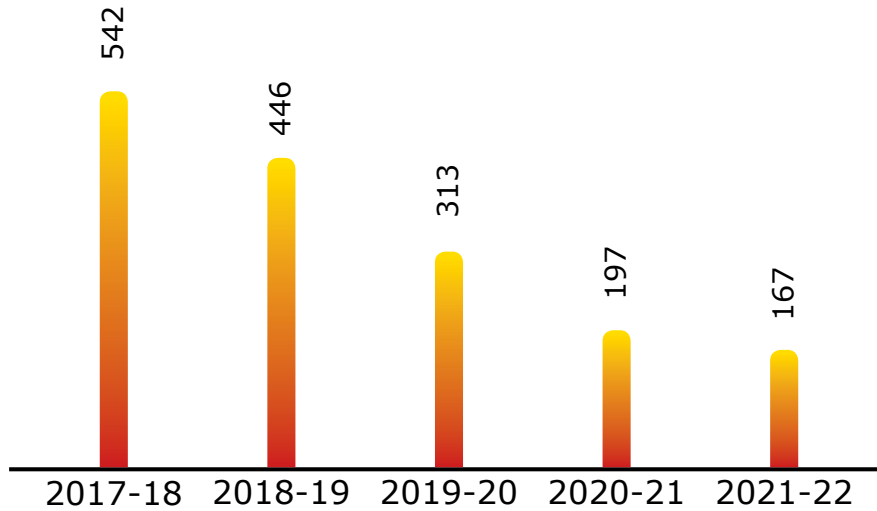


### Year-wise Capex Done by the Company (Rs. in Crores)

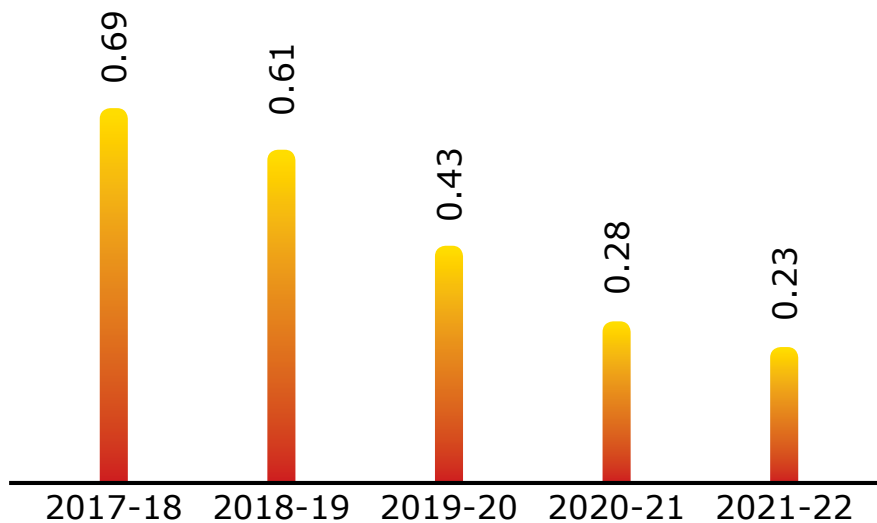




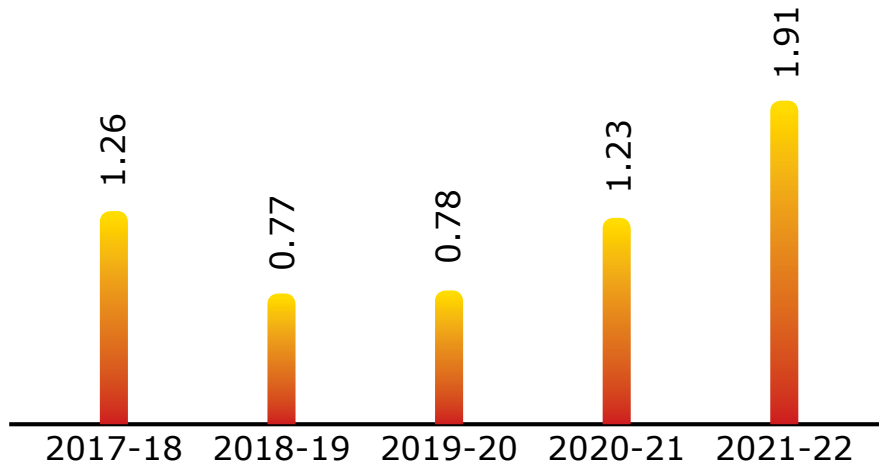
### Year-wise Position of Total Borrowings of Our Company (Rs. in Crores)



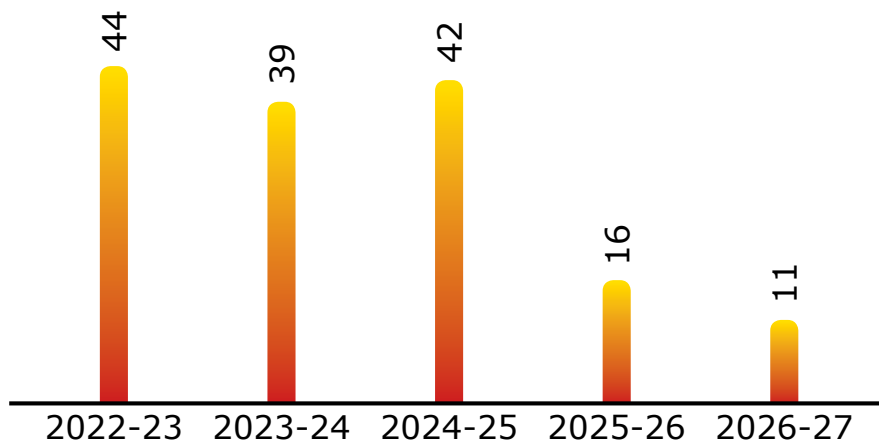
### Debt : Equity Ratio for last 5 years



### Current Ratio for last 5 years



### Year-wise Debt Repayment Obligation of the Company for next 5 years (Rs. in Crores)





The Company has recently purchased 4 Nos. units of Brand New Sany 800 MT Capacity cranes.



**SANGHVI**



**Aerial view of our Main workshop/overhauling Hub Vadgaon Maval, Sate, Pune**



**Terex CC2800-1 (600 MT Crane) in windmill configuration handling Nacelle 80 MT at the hub height of 120m Hospete, Karnataka**



Liebherr LR1800 (1,000 MT Crane) erecting ammonia converter weighing 400 MT during construction of upcoming fertiliser plant in Taloja, Navi Mumbai



Groove GMK6300 (300 MT Crane) deployed at windfarm for operation & maintenance job handling 35 MT Nacelle at the hub height of 48m Nagar District of Maharashtra



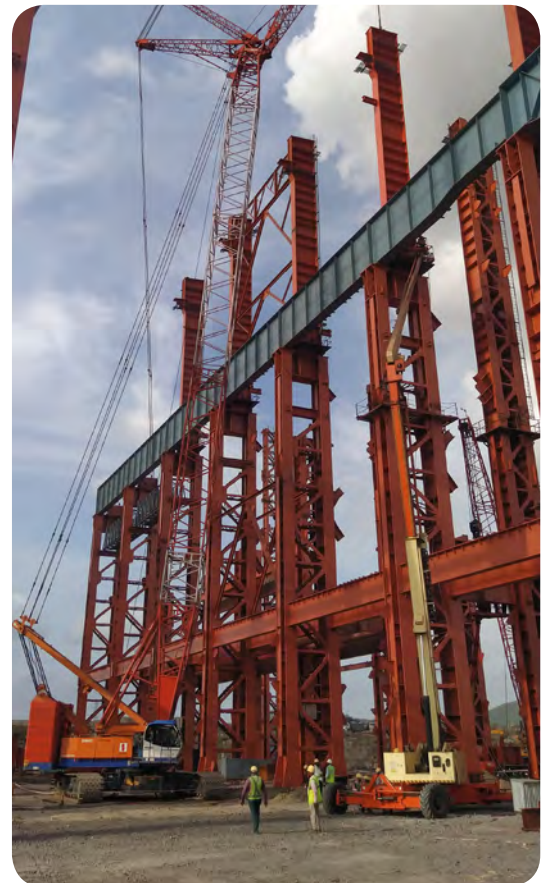
Terex CC2800-1 erecting 2.7 MW Rotor at the hub height of 130M & rotor Dia – 132 `mtrs, turbine model is- 2.7-132 RD in site at Gujarat

Liebherr LR 1750 – 750 MT successfully completed shutdown job for fertilizer plant replacing Urea Reactor – 250 MT with precision & safety within operational plant, Kota RJ





Terex CC2800-1 (600 MT lifting Capacity) along with Liebherr LR1400-2 deployed in Metro Railway Project, handling Tunnel Boring Machine (TBM) weighing 145 MT at one of the busy locality in Pune, Maharashtra



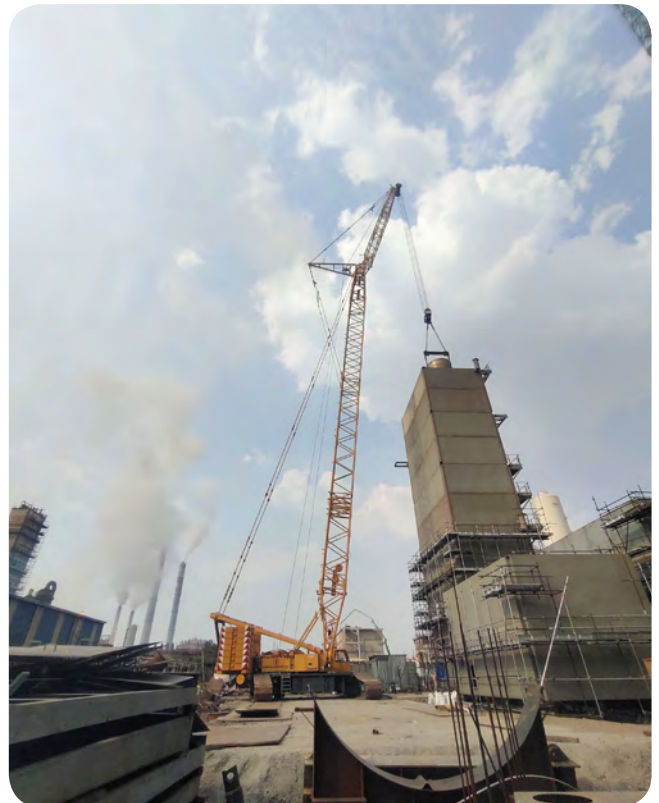
Kobelco CKE 2500-2 (250MT) erecting heavy bunker columns with luffing jib configuration at JSW, Bellary

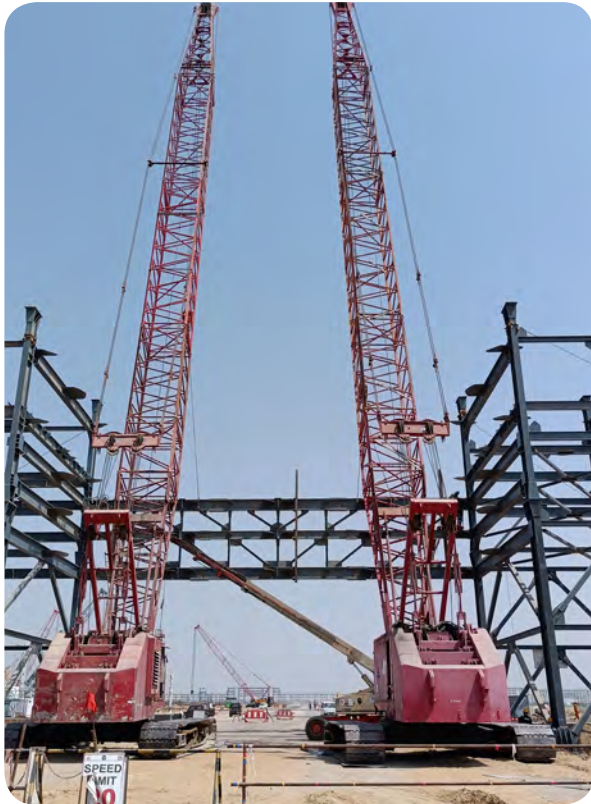




SANY SCC 1500C (150T) main boom  
27m placed on jetty for platform  
erection at Udangudi, Tamil Nadu

Liebherr LR 1400 – 2 doing Vessel  
Erection at a Steel Plant.  
Weight of the load is 35MT and  
Crane configuration is Main boom  
49m + Fixed jib 24.5m





Two Manitowoc cranes M4000 (150MT) working on Material Erection in tandem at BHEL, Rajasthan



Sany SCC 2500 C (250 MT) crawler crane doing boiler structure erection at BHEL, Rajasthan



One of the tallest Quench Tower erection successfully done with our Terex CC2800-1 (main crane) and LR1400-2 (tailing crane) in tandem lifting operation. The tower measured 55m long weighing 200MT. This is our EPC Project currently running in a refinery Dumad, Gujarat

Modular Fabrication & Structural Erection for Hydrocarbon Industrial Plant weighing 350 MT by multiple cranes executing critical lift by 4 Cranes, CKE2500-2 x 2nos. (250 MT), LR1400-2 (400 MT), C2800-1 (400 MT) in Port City of Southern India





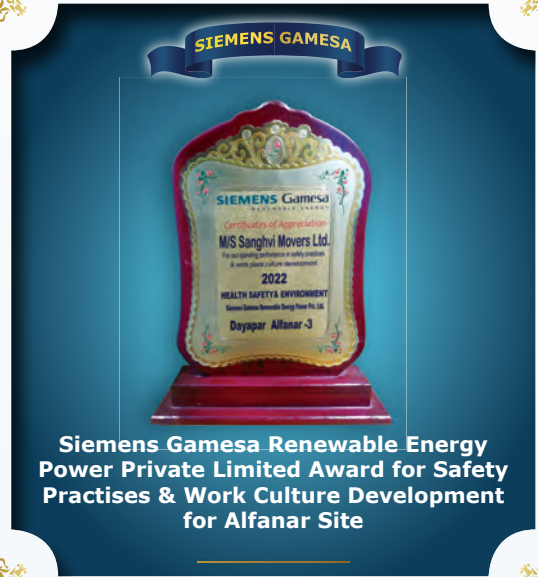
SANGHVI

# AWARDS AND CERTIFICATES





WindInsider Engineering Excellence Awards India 2022 for Project Management Practices



Siemens Gamesa Renewable Energy Private Limited Award for Safety Practises & Work Culture Development for Alfancar Site



Award from Toyo Engineering for Best Safety Conscious Contractor for PTAP SITE- TOYO – TALOJA



Certificate of Appreciation EHS - DAYAPAR - Alfancar Site



SANGHVI

# OUR KEY CLIENTELE



# BOARD OF DIRECTORS



**Mr. Rishi Sanghvi**  
**MANAGING DIRECTOR**



**Mr. Sham Kajale**  
**JOINT MANAGING  
DIRECTOR & CFO**



**Mr. S. Padmanabhan**  
**INDEPENDENT DIRECTOR**



**Mr. Dara Damania**  
**INDEPENDENT DIRECTOR**



**Mr. Pradeep Rathi**  
**INDEPENDENT DIRECTOR**



**Mr. Dinesh Munot**  
**INDEPENDENT DIRECTOR**



**Mr. Madhukar Kotwal**  
**INDEPENDENT DIRECTOR**



**Mrs. Madhu Dubhashi**  
**INDEPENDENT DIRECTOR**



**Mrs. Maithili Sanghvi**  
**NON EXECUTIVE NON INDEPENDENT DIRECTOR**



**SANGHVI**

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# CORPORATE INFORMATION

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## **MANAGING DIRECTOR**

**Mr. Rishi C. Sanghvi**

## **JOINT MANAGING DIRECTOR & CFO**

**Mr. Sham D. Kajale**

## **INDEPENDENT DIRECTORS**

**Mr. S. Padmanabhan**

**Mr. Dara Damania**

**Mr. Pradeep Rathi**

**Mr. Dinesh Munot**

**Mr. Madhukar Kotwal**

**Mrs. Madhu Dubhashi**

## **NON-EXECUTIVE NON- INDEPENDENT WOMAN DIRECTOR**

**Mrs. Maithili R. Sanghvi**

## **COMPANY SECRETARY & COMPLIANCE OFFICER**

**Mr. Rajesh Likhite**

## **AUDITORS**

**MSKA & Associates,**  
Chartered Accountants

## **CORPORATE IDENTIFICATION NUMBER**

**L29150PN1989PLC054143**

## **REGISTERED/CORPORATE OFFICE**

Survey No. 92, Tathawade,  
Taluka Mulshi, Pune - 411033

Tel: +91 8669674701/2/3/4

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

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

## **REGISTRAR AND TRANSFER AGENTS**

### **Link Intime India Private Limited**

Block No 202, Akshay Complex,  
2<sup>nd</sup> Floor, Near Ganesh Temple,  
Off Dhole Patil Road, Pune – 411001

Tel No.: +91 20 26160084 / 26161629

Fax No.: +91 20 26163503

E-mail: [pune@linkintime.co.in](mailto:pune@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## **BANKERS:**

The Saraswat Co-operative Bank Ltd

Kotak Mahindra Bank Ltd

HDFC Bank Ltd

IDFC First Bank Ltd

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**ISO 9001:2015, ISO 14001: 2015 &  
ISO 45001:2018 CERTIFIED COMPANY**





## NOTICE

**NOTICE is hereby given that the Thirty-third Annual General Meeting of the Members of Sanghvi Movers Limited will be held on Thursday, 18th day of August 2022, at 11:00 a.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), to transact the following business. The proceedings of the Annual General Meeting shall be deemed to be conducted at the Registered Office of the Company.**

### Ordinary Business:

1. To receive, consider and adopt the Audited Standalone and Consolidated financial statements of the Company for the Financial Year ended 31 March 2022, including audited Balance Sheet as at 31 March 2022 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Final Dividend on equity shares for the Financial Year 2021-22.
3. To appoint a Director in place of Mr. Rishi C. Sanghvi (DIN: 08220906), who retires by rotation and being eligible, offers himself for re-appointment and that on re-appointment there will not be any break in his service as Managing Director.
4. To appoint a Director in place of Mrs. Maithili R. Sanghvi (DIN: 08334635), who retires by rotation and being eligible, offers herself for re-appointment.

### Special Business:

5. **Alteration of the Object Clause of the Memorandum of Association of the Company as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force) and the rules framed thereunder and subject to the approval by Registrar of Companies, Ministry of Corporate Affairs and any other appropriate regulatory/statutory authorities and subject to such terms, conditions, amendments or modifications as may be required or suggested by such authority, the consent of the Members of the Company, be and is hereby accorded for alteration in the Memorandum of Association of the Company by adding following clauses in Clause No. 3rd, sub clause no. (B) as follows:

42. To carry on the business of providing cranes for equipment erection and erection of hydraulic equipments, structures, Girders, Towers and Wind Turbines. To provide complete Techno Commercial solutions i.e., Engineering Study of the project, Optimisation of cranes, lifting tools & tackles for equipment erection, along with associated services, in accordance with the customer requirements. To supply necessary manpower such as operators, helpers, erection riggers, foreman, fitter, erection engineers, mechanics, safety engineers, project lead which direct and indirect manpower which are necessary and incidental for the execution of these kinds of jobs and to supply and provide necessary tools, tackles, machineries and allied equipments which are necessary and incidental for the execution of these kind of jobs.

To provide the services of planning, co-ordination, scheduling and monitoring of entire activities of erection and commissioning including, resources identification and acquisition, formulating responsive project organisation structure, review of construction schedules and equipment erection conducting construction quality and safety audit, monitoring and corrective actions identification and removal of bottlenecks, monitoring overall construction schedule and independent assessment, pre-commissioning and commissioning procedures and support.



**SANGHVI**

## NOTICE (CONTD.)

To provide the services of project definition and scoping studies, pre-feasibility studies, feasibility studies, due diligence, project management, engineering management, design management, construction management, estimating, scheduling, multi-disciplined engineering and design.

To provide any holistic services by form of getting into JV, MOU, or Acquisition of an enterprise to meet Pre-qualification criteria from core competent enterprise.

43. To organise, undertake, layout, develop, construct, build, erect, demolish, re-erect, alter, repair, re-model, on behalf of clients as well as on its own in connection with any infrastructure development including but not limiting to land identification and development, road development, civil construction, electrical, laying of evacuation and transmission facility, erection, installation, electrification, testing & commissioning of windmills, power plants, wind power projects, renewable and green energy projects, power supply works or any other structural work of any kind whatsoever and to engage in operation and maintenance of conventional and non-conventional power projects including distributing, transferring and dealing in all kind and type, nature and description of power projects, power sources, equipments and infrastructure. To supply necessary manpower such as operators, riggers, foreman, mechanics, engineers, technicians, skilled labours, unskilled labours which are necessary and incidental for the execution of these kind of jobs and to supply and provide necessary tools, tackles, machineries and allied equipments which are necessary and incidental for the execution of these kind of jobs.

To act as a fully integrated solutions provider for the windmill industry by providing services of cranes for turbine installation and commissioning services, transport of wind turbine generators components, inter-cartering of wind turbine generator components within wind farm, erection & installation & commissioning of wind turbine generator, electrical and civil works foundations, unit switch yard, sub stations, internal external lines for balance of plant, identification of suitable land and right of way (ROW) management as a part of the value chain of an engineering and procurement contractor/ turnkey solutions of wind mill erection project. Installation of met mast for wind data and monitoring and analysing the wind density in that area. Selling of wind data and wind mast and to undertake study of seismic zones.

44. To provide the services of project management, design, detailed engineering, procurement, transportation, storage, fabrication, job site erection, on-site installation, execution, testing, pre-commissioning and commissioning of flare stack. To supply necessary manpower such as operators, riggers, foreman, mechanics, engineers, technicians, skilled labours, unskilled labours which are necessary and incidental for the erection and commissioning of flare stack and to supply and provide necessary tools, tackles, machineries and allied equipments which are necessary and incidental for the execution of these kind of jobs.
45. To carry on business as Engineering and Procurement contractors, general engineers, mechanical engineers, process engineers, civil engineers, general mechanical and civil contractors and enter either alone or in a joint with other companies or persons into contracts (on turnkey basis) or to enter into joint ventures in relation to erect, construct, supervise, maintain, alter, repair, pull down and restore, works of all descriptions, including plants of all descriptions, factories, mills, refineries, pipelines, gas works, electrical works, power plants, water works, water treatment plants, mines and ports and to undertake turnkey projects of every description and to undertake the supervision of any plant or factory and to invest in Companies or acquire partially or wholly equity stake in companies carrying on the above business.



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46. In connection with the business of the Company, to apply for, purchase or otherwise acquire, protect, renew in any part of the world patents, licenses, concessions, patent rights, trade marks, designs etc. Conferring any exclusive or non - exclusive or limited right to their use, or any secret or other information regarding any invention or research which seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, develop or grant licenses in respect thereof or otherwise turn to account the rights or information so acquired and to expend money in experimenting upon, testing or improving any such patents, rights or inventions.

**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.”

**6. Payment of remuneration to Mr. Rishi C. Sanghvi – Managing Director:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the Rules framed thereunder, (including any statutory modifications or re-enactment thereof, for the time being in force), Articles of Association of the Company and subject to such other approvals if any as may be required and pursuant to the recommendations of Nomination and Remuneration Committee, Audit Committee and Board of Directors of the Company, the approval of the Members be and is hereby accorded for variation in remuneration payable to Mr. Rishi C. Sanghvi (DIN: 08220906) - Managing Director.

**RESOLVED FURTHER THAT** the terms of remuneration as set out in the Explanatory Statement of this Resolution shall be deemed to form part hereof and in the event of any inadequacy or absence of profits in any financial year or years, the aforementioned remuneration comprising salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration to the Managing Director, subject to such other approvals as may be necessary.

**RESOLVED FURTHER THAT** the other terms and conditions of the appointment of Mr. Rishi C. Sanghvi (DIN: 08220906) - Managing Director approved vide Special Resolution passed by the Members in the Thirtieth Annual General Meeting held on 08 August 2019 shall continue to remain in full force and effect.

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

**7. Payment of remuneration to Mr. Sham D. Kajale – Joint Managing Director & CFO:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the Rules framed thereunder, (including any statutory modifications or re-enactment thereof, for the time being in force), Articles of Association of the Company and subject to such other approvals if any as may be required and pursuant to the recommendations of Nomination and Remuneration Committee, Audit Committee and Board of Directors of the Company, the approval of the Members be and is hereby accorded for variation in remuneration payable to Mr. Sham D. Kajale (DIN: 00786499) – Joint Managing Director & CFO.



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**RESOLVED FURTHER THAT** the terms of remuneration as set out in the Explanatory Statement of this Resolution shall be deemed to form part hereof and in the event of any inadequacy or absence of profits in any financial year or years, the aforementioned remuneration comprising salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration to the Joint Managing Director & CFO, subject to such other approvals as may be necessary.

**RESOLVED FURTHER THAT** the other terms and conditions of the appointment of Mr. Sham D. Kajale (DIN: 00786499) – Joint Managing Director & CFO approved vide Special Resolution passed by the Members in the Thirty-first Annual General Meeting held on 25 September 2020 shall continue to remain in full force and effect.

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

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

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

Place: Pune

Date: 25 May 2022

### **Registered Office:**

Survey No. 92, Tathawade, Taluka Mulshi, Pune 411033

CIN: L29150PN1989PLC054143

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

E-mail: cs@sanghvicranes.com

Website: www.sanghvicranes.com

## NOTICE (CONTD.)

### NOTES:

1. In view of COVID-19 pandemic, social distancing norms and restrictions on movement of persons at several places in the country and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021 and 02/2022 issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62, respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars') permitted the holding of the Annual General Meeting ('AGM ') through VC/OAVM, without the physical presence of the Members. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the Annual General Meeting (AGM) of the Company is being held through VC/OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman's of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body Resolution/Authorisation etc., authorizing its representative to attend the e-AGM on its behalf and to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Scrutinizer by e-mail through its registered e-mail address to [cs@sanghvicranes.com](mailto:cs@sanghvicranes.com).
5. In accordance with the provisions of the Income Tax Act, 1961 ("the Income Tax Act") as amended from time to time, dividend declared and paid by a Company is taxable in the hands of shareholders and the Company is required to deduct tax at source (TDS) from dividend paid to the shareholders at the applicable rates. We shall therefore be required to deduct tax at source at the time of making the payment of the said dividend.

Tax rate applicable to a shareholder depends upon residential status and classification as per the provisions of the Income Tax Act. All shareholders are thereby requested to update any change in residential status and / or category with depository participants (in case of shares held in electronic form) or with the RTA, i.e. Link Intime India Private Limited (in case of shares held in physical form), as may be applicable, before the cut-off date i.e. 11 August 2022 as the Book Closure is from 12 August 2022 to 18 August 2022 (both days inclusive). This communication summarizes applicable TDS provisions for Resident Shareholders and Non-Resident Shareholders as per the Income Tax Act.

#### **For Resident Shareholders:**

Tax will be deducted at source under Section 194 of the Income Tax Act at the rate of 10 percent on the sum of dividend payable unless exempt under any of the provisions of the Income Tax Act. However, in case of



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individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during the financial year 2022–2023 does not exceed Rs. 5,000.

TDS will not be deducted in cases where a shareholder provides Form 15G (applicable to any person other than a Company or a Firm) or Form 15H (applicable to an individual above the age of 60 years), alongwith copy of self-attested Permanent Account Number (PAN), provided that eligibility conditions are being met. Form 15G / Form 15H can be uploaded at below link provided by the RTA (i.e. Link Intime India Private Limited: <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>);

TDS will not be deducted, if the shareholder is exempted from TDS provisions through any circular(s) or notification(s) and provides an attested copy of the PAN along with documentary evidence in relation to the same. Needless to mention, PAN will be mandatorily required. If your PAN details are available in your demat account for shares held in demat form or with the RTA for shares held in physical form, then there is no need to send PAN details again to the Company. If PAN is not available or invalid, TDS would be deducted at the rate of 20 percent as per Section 206AA of the Income Tax Act.

### **For Non-Resident Shareholders:**

Tax is required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act at applicable rates in force. As per the relevant provisions of the Income Tax Act, the tax shall be withheld at the rate of 20 percent (plus applicable surcharge and cess) on the amount of dividend payable.

Further, in the case of Foreign Institutional Investors and Foreign Portfolio Investors, tax shall be deducted at source at the rate of 20 percent (plus applicable surcharge and cess) under Section 196D of the Income Tax Act.

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) and Secretarial Standard 2 issued by The Institute of Company Secretaries of India setting out material facts concerning the business under Item No. 5 to 7 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred as “SEBI Listing Regulations”), of the person seeking re-appointment as Director/(s) under Item No. 3 and 4 of the Notice is also annexed herewith.

Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 12<sup>th</sup> day of August 2022 to Thursday, 18<sup>th</sup> day of August 2022 (both days inclusive) to determine entitlement of dividend on equity shares. The cut-off date for e-voting is Thursday, 11 day of August 2022. The voting rights of Members shall be in proportion to their shares held in the paid-up equity share capital of the Company as on the cut-off date of Thursday, 11<sup>th</sup> day of August 2022.

In terms of Article 135 of the Articles of Association of the Company, read with Section 152 of the Companies Act, 2013, Mr. Rishi C. Sanghvi and Mrs. Maithili R. Sanghvi retires by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommends respective re-appointment.

Members whose shareholding is in the physical/dematerialised form are requested to direct change of address and updation of bank account details to the respective depository participants in case of shares held in dematerialised form and to Registrar & Share Transfer Agent of the Company in case of shares held in physical form.



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Members are requested to:

- 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;
- direct all their correspondence to the Registrar & Share Transfer Agent of the Company.

To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified. As per the provision of Section 72 of the Act, facility for making nomination(s) is now available to Individuals holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from Registrar and Transfer Agents, Link Intime India Private Limited. Members holding shares in demat mode should file their nomination with their DPs for availing this facility.

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 as to enable the Management to keep the information ready.

In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.

In line with the Ministry of Corporate Affairs (MCA) Circular No. 14/2020, 17/2020, 20/2020, 02/2021 and 02/2022 issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62, the Notice calling the 33rd AGM and the Annual Report for the financial year 2021-22 is available on the website of the Company at [www.sanghvicranes.com](http://www.sanghvicranes.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

### **6. CDSL e-Voting System – For Remote e-voting and e-voting during AGM**

As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020, 17/2020, 20/2020, 02/2021 and 02/2022. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Company is providing facility of remote



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e-voting to its Members in respect of the business to be transacted at the AGM . For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

### 7. THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on **Monday, 15 August 2022 at 09:00 A.M. (IST)** and ends on **Wednesday, 17 August 2022 at 05:00 P.M. (IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date Thursday, 11 August 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated May 13,2022, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to inease the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.



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**Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated May 13,2022 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>
	<ol style="list-style-type: none"> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>



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Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"><li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li></ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>



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- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Sanghvi Movers Limited on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

**(xvii) Additional Facility for Non –Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



## NOTICE (CONTD.)

- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutinizer and to the Company at the email address viz; cs@sanghvicranes.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM .
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast five days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@sanghvicranes.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance ten days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@sanghvicranes.com. These queries will be replied to by the company suitably by email.

For smooth conduct of proceedings of the AGM, Members may note that the Company reserves the right to restrict number of questions and speakers during the AGM depending upon availability of time.

- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM .
- If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.



**SANGHVI**

## NOTICE (CONTD.)

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY / DEPOSITORIES.**

- For Physical shareholders: please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [pune@linkintime.co.in](mailto:pune@linkintime.co.in).
- For Demat shareholders: Please update your email id & mobile no. with your respective Depository Participant (DP).
- For Individual Demat shareholders: Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

Mr. Hrishikesh Wagh, Partner, Kanj & Co., LLP, Company Secretaries, Pune has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

After the conclusion of e-voting at the time of the AGM, the Scrutinizer will unblock the votes cast through remote e-voting / e-voting at the time of AGM and will prepare a consolidated report and submit the same to the Managing Director or Joint Managing Director & CFO of the Company not later than forty eight hours of conclusion of the AGM .

The Results declared alongwith the report of the Scrutinizer shall be placed on BSE Limited ([www.bseindia.com](http://www.bseindia.com)), National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)), on the website of the Company i.e. [www.sanghvicranes.com](http://www.sanghvicranes.com) and on the website of CDSL e-Voting ([www.evotingindia.com](http://www.evotingindia.com)) after the declaration of result by the Managing Director or Joint Managing Director & CFO of the Company.

All documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Companies Act, 2013 shall be open for inspection by the Shareholders in electronic mode during normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays up to and including the date of the AGM of the Company. Members who wish to seek inspection, may send their request through an email at [cs@sanghvicranes.com](mailto:cs@sanghvicranes.com).



**NOTICE (CONTD.)**

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 [pune@linkintime.co.in](mailto:pune@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. The Electronic copies of necessary statutory registers, certificate(s) and other documents, if any, will be available for inspection by the Members during the AGM.

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

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

Place: Pune

Date: 25 May 2022

**Registered Office:**

Survey No. 92, Tathawade, Taluka Mulshi, Pune 411033

CIN: L29150PN1989PLC054143

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

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

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



**SANGHVI**

## NOTICE (CONTD.)

### **STATEMENT SETTING OUT MATERIAL FACTS IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No. 5**

Since last twenty five years, Sanghvi Movers Limited has been the leader and a preferred partner in the Crane rental services for the Indian Wind Energy space and constantly evolving to support the changing needs of the Industry with Higher Turbine heights and complex Installation requirements. With the advent of far greater and broader solutions demanded by the Industry, the Company is poised to redefine its growth strategy and align its vision to the new need of becoming a full EPC /Turnkey player and providing a single-window solution during the project.

In order to avail the opportunity of providing turnkey project execution services and to commence the proposed new business activities, the Object Clause of the Memorandum of Association of the Company needs to be altered.

It is proposed to amend the Objects Clause of the Memorandum of Association of the Company to enable the Company to expand and diversify its present scope of operations by inserting sub-clause No. 42 to 46 after existing sub-clause No. 41 as stated in the Special Resolution annexed to the Notice. The above amendment would be subject to the approval of the Registrar of Companies, Ministry of Corporate Affairs and / or any other Statutory or Regulatory Authority, as may be necessary.

A copy of the Memorandum of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office during normal business hours on all working days (Except Saturday and Sunday).

The Board of Directors of the Company in their meetings held on 25 May 2022 has, subject to the approval of the shareholders in accordance with the provisions of the Companies Act, 2013 and subject to such provisions as may be applicable approved above amendments in the Objects clause of the Memorandum of Association of the Company. The proposed change of Objects clause requires the approval of shareholders through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

None of the Directors or the Key Managerial Persons of the Company or their respective relatives are concerned or interested, financially or otherwise in the resolution as set out at the accompanying Notice except to the extent of their shareholding. The Board recommends passing of the resolution set out at Item No. five as a Special Resolution.

#### **Item No. 6**

The Members of the Company at the Thirtieth Annual General Meeting of the Company held on 08 August 2019 appointed Mr. Rishi C. Sanghvi as Managing Director of the company for a period of five years upto 10 April 2024. The Nomination and Remuneration Committee and the Board of Directors in their meeting held on 25 May 2022 recommended the variation in the remuneration payable to Mr. Rishi C. Sanghvi for the remaining term upto 10 April 2024, subject to approval of members.

Brief Profile:

Mr. Rishi C. Sanghvi aged 33 years, is son of Late Mr. C. P. Sanghvi - Ex-Chairman & Managing Director and Ms. Mina C. Sanghvi, Ex. Non Executive Director of the Company. Mr. Rishi C. Sanghvi has completed B.S. Mechanical & Minor Economics from Rensselaer Polytechnic Institute, Troy, New York, US and Master in Business Administration from Cornell University, New York, USA. It would be in the interest of the Company to continue to avail of his considerable expertise and to revise the remuneration of Mr. Rishi C. Sanghvi as Managing Director. He is responsible for



## NOTICE (CONTD.)

Framework for Operational Planning and Increasing Organisational Effectiveness. He is responsible for setting the ultimate direction for the corporation, for reviewing, understanding, assessing, and approving specific strategic directions and initiatives; and for assessing and understanding the issues, forces, and risks that define and drive the company's long-term performance. He is responsible for the smooth and profitable operation of a company's affairs. He supervises and provides consultation to management on strategic planning decisions & sustainability. He is also responsible to perform such other duties as may from time to time be entrusted by the Board.

The Covid-19 pandemic had considerable impact on the global economy in Financial Year 2021-2022. The prolonged shutdowns, supply chain disruptions had negative impact on human lives had pushed governments and business to unprecedented turmoil. These years would be remembered as really challenging years with unfavourable macros, slowdown in infrastructure activities, weak market liquidity, which majorly disrupted the economic activities not only in India but across the world. The economic situation of the Country was adversely impacted during the mandatory lockdown period and it includes the sectors in which your Company is operating. Your Company believes that, with its strong foundation and stakeholders' support including its loyal customers, employees, vendors and bankers it will be able to overcome the challenges and continue to maintain its market leadership position in the relevant market segments ably supported by the various customer connect initiatives put in place by the Company. As an outcome of the company's relentless pursuit to deliver services to its customers, Financial Year 2021-2022 was a year of Rebound Covid-19 pandemic had continued to impact the global economy in Financial Year 2021-2022.

It is to be noted that the Company has not given any increments to Mr. Rishi C. Sanghvi since April 2019.

Under the leadership of Mr. Rishi C. Sanghvi, the business and financial performance of the Company has improved significantly, despite difficult times and several challenges. Hence it is felt necessary that he shall be paid remuneration at least at the median level of the peers in the industry. The Board of Directors, on recommendation of the Nomination and Remuneration Committee & Audit Committee has approved the increase in remuneration payable to Mr. Rishi C. Sanghvi. The remuneration as proposed is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company. The remuneration has been decided based on the criticality of the roles and responsibilities, the Company's performance, industry benchmark and current compensation trends in the market.

In terms of Sections 188, 196, 197, 203 and Schedule V of the Act and other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under as amended, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause no. 118 of Articles of Association of the Company, variation in managerial remuneration of the Managing Director is required to be approved by the members of the Company.

Considering the job profile, experience and contribution of Mr. Rishi C. Sanghvi and Company's performance under the leadership of Mr. Rishi C. Sanghvi, the Board of Directors of the Company, at its meeting held on 25 May 2022 had, subject to the approval of the shareholders in the thirty-third Annual General Meeting approved payment of performance incentive of Rupees Thirty eight lakhs only for the financial year 2021-2022.

With reference to the requirements under the second proviso below paragraph (B) of Section II of Part II of schedule V to the companies act 2013, the members approval by way of a fresh special resolution is required for variation in managerial remuneration for the remaining term upto 10 April 2024.

Term of Appointment: The term of the Managing Director is for a period upto 10 April 2024.



**SANGHVI**

## NOTICE (CONTD.)

Remuneration:

Salary: A Salary (Basic Salary) of Rs. 13,20,000/- (Rupees Thirteen Lakh Twenty Thousand Only) per month.

The annual increments which will be effective 01<sup>st</sup> April each year will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee ("NRC") or by the NRC on authority of the Board, within the said maximum amount.

Commission: One per cent of Net profit of the company as computed under section 198 of the Companies Act, 2013.

Perquisites: In addition to the Salary payable, the Managing 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 as follows:

House Rent Allowance of Rs. 5,00,000/- (Rupees Five Lakh 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-four 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 and other benefits include contribution to National Pension Scheme (NPS) and contribution to Superannuation Fund as per the rules of the Company.

The provision of one Chauffeur driven 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.

Personal Accident and Medical Insurance: Personal Accident Insurance, Mediciam/Group Life Insurance Scheme as per the Rules of the Company.

Leave Travel Concession\Assistance : As per the rules of the Company.

Club Fees: As per the rules of the Company. Telephone expenses: As per the rules of the Company.

Other Perquisites: Reimbursement of Expenditure incurred on Gas, Electricity, Water and Furnishings.

Other terms of Appointment:

The terms and conditions of the appointment of the Managing Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Managing Director subject to such approvals as may be required.

The employment of the Managing Director may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.



**NOTICE (CONTD.)**

In terms of Section 188 (1) (f) of the Companies Act, 2013 read with Rule 15 (3) (i) of Companies (Meetings of Board and its Powers) Rules, 2014 as amended, provides that related party's appointment to any office or place of profit in the Company shall be subject to approval by the Board of Directors of the Company and prior approval of the Members of the Company by special resolution.

Members are requested to consider and approve increase in remuneration of Mr. Rishi C. Sanghvi - Managing Director u/s 188 (1) (f) of the Companies Act, 2013.

Mr. Rishi C. Sanghvi is holding 1,24,75,247 equity shares of the Company as on date. None of the Directors and Key Managerial Personnel, except Mrs. Maithili R. Sanghvi, being relative of Mr. Rishi C. Sanghvi are concerned or interested in the said resolution.

The Board commends the resolution at item no. 6 for approval of the members.

**ANNEXURE-II**

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 [INCLUDING SECRETARIAL STANDARD – 2 AND SEBI (LODR) REGULATIONS, 2015, AS APPLICABLE] IN RESPECT OF ITEM NO. 6 OF THE NOTICE:

I. General information:

- a. Nature of Industry: The Company is engaged in the business of providing medium sized heavy duty cranes on rental basis.
- b. Date or expected date of commencement of production: The Company is an existing Company and is in operation since 1989.
- c. In case of new companies, expected date of commencement of activities as per project approved by Financial Institution appearing in the prospectus: Not applicable.
- d. Financial performance based on given indicators:

	(Rs. in Lakhs)		
<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
Total Income	37,225.15	25,302.94	32,620.07
Profit/Loss before Tax	3,947.28	(3,195.04)	(2,135.61)
Net Profit after taxation	2,940.46	(2,242.29)	(660.34)

- e. Export performance and net foreign exchange earned: Nil
- f. Foreign investments or collaborators, if any: Nil

Information about Appointee:

- a. Background details: Mr. Rishi C. Sanghvi Bachelor of Science in Mechanical & Minor Economics from Rensselaer Polytechnic Institute, Troy, New York, U.S.A. and Master in Business Administration from Cornell University, New York, U.S.A. Mr. Rishi C. Sanghvi is having more than seven years of experience in the fields of business development maintenance, heavy-lift and technical support, imports, logistics, purchase and stores, land acquisitions and investigation of new business growth opportunities.



## NOTICE (CONTD.)

- b. Past remuneration: Mr. Rishi C. Sanghvi was appointed as Managing Director w.e.f. 11 April 2019. The members of the Company in the Thirtieth Annual General Meeting held on 08 August 2019 passed the special resolution towards the appointment of Mr. Rishi C. Sanghvi as Managing Director of the Company on remuneration of Rs. 5,83,333 (Rupees Five Lakh Eighty Three Thousand Three Hundred And Thirty Three Only).
  - c. Job profile and his suitability: Subject to the supervision and control of the Board of Directors, Mr. Rishi C. Sanghvi is involved in the business operations and corporate affairs of the Company. He looks after efficient running of business development, maintenance, heavy-lift and technical support, imports, logistics, purchase and stores, land acquisitions.
  - d. Remuneration proposed: The remuneration paid/proposed to be paid to Mr. Rishi C. Sanghvi Managing Director is detailed herein above and provided in the explanatory statement.
  - e. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: Taking into consideration the size of the Company, the profile of Mr. Rishi C. Sanghvi, the responsibilities shouldered by him and the industry benchmarks, the remuneration paid is commensurate with the remuneration packages paid to similar senior level managerial personnel in other companies.
  - f. Pecuniary relationship directly or indirectly with the Company or relationship with the personnel, if any: Mr. Rishi C. Sanghvi – Managing Director holds 1,24,75,247 equity shares of the Company. Mr. Rishi C. Sanghvi is the son of Late Mr. C. P. Sanghvi, Ex-Chairman & Managing Director and Ms. Mina C. Sanghvi, Ex. Non Executive Director of the Company. None of the Directors and Key Managerial Personnel of the Company or their relatives except Ms. Maithili R. Sanghvi, being relative of Mr. Rishi C. Sanghvi are concerned or interested in the said resolution. Apart from receiving remuneration as stated above and dividend as a member of the Company, he does not receive any emoluments from the Company.
  - g. Number of Board Meetings attended after appointment: Mr. Rishi C. Sanghvi attended all six Board meetings in Financial Year 2021-22.
- III Other information:

Reasons of loss or inadequate profits: During the year under report, your Company generated revenue of Rs. 37,225.15 Lakhs (previous year : Rs. 25,302.94 Lakhs) and thereby registered top line growth of nearly 47% on annualised basis. During the Financial Year 2021-2022, the earnings before Interest, Tax and Depreciation (EBITDA) of Rs.17,491.72 Lakhs (previous year: Rs.11,644.74 Lakhs) driven primarily by higher revenue generated, higher capacity utilisation and increase in average blended yield. The Company earned Net Profit of Rs. 2,942.63 Lakhs against Net Loss of Rs. 2,242.29 Lakhs in previous financial year. The average capacity utilisation stood at 76% as against 56% in previous Financial Year.

The Company has incurred capital expenditure of Rs. 11,119.00 Lakhs for purchase of cranes in Financial year 2021-2022. The business outlook is positive and on the reporting date the company has received orders in excess of Rs. 236 Crores.

Steps taken or proposed to be taken for improvement: The Company has been making conscious efforts to improve its financial performance and have initiated various cost reduction and cost optimisation efforts. The results of these initiatives are likely to be felt in the coming quarters.

Expected increase in productivity in profits in measurability terms: The Company has adopted various cost optimisation methods. The positive results of these measures can be seen in the forthcoming quarters. In

## NOTICE (CONTD.)

addition to this Company is targeting maximum deployment of its crane fleet with reasonable amount of yield which will eventually be expected to increase the top line and profitability of the Company going forward.

### IV. Disclosures:

The disclosures on remuneration paid/payable to Mr. Rishi C. Sanghvi are provided in the explanatory statement. In view of the expertise, knowledge and experience of Mr. Rishi C. Sanghvi and based on recommendation of the Nomination and Remuneration Committee, the Board considers the payment of remuneration to Mr. Rishi C. Sanghvi as Managing Director in the best interest of the Company. It is worthy to note that the Company remains committed to pursuing the long term interest of all stakeholders and ensuring that the Company's leadership is appropriately remunerated, keeping in view cyclical phases including the ones caused due to COVID-19 pandemic. This is especially imperative when the Company has ongoing significant turnaround and growth strategies under execution. None of the Directors and Key Managerial Personnel, except Mrs. Maithili R. Sanghvi, being relative of Mr. Rishi C. Sanghvi are concerned or interested in the said resolution.

### Item No. 7

The Members of the Company at the Thirty-first Annual General Meeting of the Company held on 25 September 2020 reappointed Mr. Sham D. Kajale as Joint Managing Director & CFO of the company for a period of five years upto 01 September 2025. The Nomination and Remuneration Committee and the Board of Directors in their meeting held on 25 May 2022 recommended the variation in the remuneration payable to Mr. Sham D. Kajale for the remaining term upto 01 September 2025, subject to approval of members.

#### Brief Profile:

Mr. Sham D. Kajale has done his Master's in Commerce and is the Associate Member of the Institute of Cost Accountants of India. Mr. Sham D. Kajale is working with the company since last 27 years and has been looking after Corporate Finance, Accounts, Legal, Taxation, Human Resource Management and other administrative functions. It would be in the interest of the Company to continue to avail of his considerable expertise and to revise the remuneration of Mr. Sham D. Kajale as Joint Managing Director & CFO. In the previous financial years, the Company has not posted any profits and in such difficult times, effective financial management has been critical. With his rich experience, he has raised some bank finances at competitive rates and thereby able to reduce interest costs.

The Covid-19 pandemic had considerable impact on the global economy in Financial Year 2021-2022. The prolonged shutdowns, supply chain disruptions had negative impact on human lives had pushed governments and business to unprecedented turmoil. These years would be remembered as really challenging years with unfavorable macros, slowdown in infrastructure activities, weak market liquidity, which majorly disrupted the economic activities not only in India but across the world. The economic situation of the Country was adversely impacted during the mandatory lockdown period and it includes the sectors in which your Company is operating. Your Company believes that, with its strong foundation and stakeholders' support including its loyal customers, employees, vendors and bankers it will be able to overcome the challenges and continue to maintain its market leadership position in the relevant market segments ably supported by the various customer connect initiatives put in place by the Company. As an outcome of the company's relentless pursuit to deliver services to its customers, Financial Year 2021-2022 was a year of rebound.

In terms of Sections 188, 196, 197, 203 and Schedule V of the Act and other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under as amended, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause no. 118 of Articles of Association of the Company, variation in managerial remuneration of the Joint Managing Director & CFO is required to be approved by the members of the Company.



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It is to be noted that the Company has not given any increments to Mr. Sham D. Kajale - Joint Managing Director & CFO since November 2018.

In Financial Year 2019-20 and 2020-21, the Company has not posted any profits and in such difficult times, effective financial management is critical. Taking into consideration, the immense contribution towards the Company's growth and responsibilities cast on Mr. Sham D. Kajale, the Board of Directors, on recommendation of the Nomination and Remuneration Committee & Audit Committee has approved the increase in remuneration payable to Mr. Kajale. The remuneration has been decided based on the criticality of the roles and responsibilities, the Company's performance, industry benchmark and current compensation trends in the market.

With reference to the requirements under the second proviso below paragraph (B) of Section II of Part II of schedule V to the companies act 2013, the members approval by way of a fresh special resolution is required for variation in managerial remuneration for the remaining term upto 01 September 2025.

Term of Appointment: The term of the Joint Managing Director & CFO is for a period upto 01 September 2025.

Remuneration:

Salary: A Salary (Basic Salary) of Rs. 6,42,000/- (Rupees Six Lakh Fourty Two Thousand Only) per month.

The annual increments which will be effective 01st April each year will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee ("NRC") or by the NRC on authority of the Board, within the said maximum amount.

Performance based incentive: Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only) per annum.

Perquisites: In addition to the Salary payable, the Joint Managing Director & CFO 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 as follows:

House Rent Allowance of Rs. 2,24,700/- (Rupees Two Lakh Twenty Four Thousand Seven 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-four 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 and other benefits include contribution to National Pension Scheme (NPS) and contribution to Superannuation Fund as per the rules of the Company.

Category C

The provision of one Chauffeur driven 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.

**NOTICE (CONTD.)**

Personal Accident Insurance/Medicaid/Group Life Insurance: As per rules of the Company.

Leave Travel Concession\Assistance: As per the rules of the Company.

Other terms of Appointment:

The terms and conditions of the appointment of the Joint Managing Director & CFO may be altered and varied from time to time by the Board or any committee formed by the Board of Directors as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board including Committee and the Joint Managing Director & CFO subject to such approvals as may be required.

The employment of the Joint Managing Director & CFO may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.

Mr. Sham D. Kajale is holding nil shares of the Company as on date. He does hold not any other Directorships in any other Company and is not holding position in any of the committees of other Companies. Mr. Sham D. Kajale has attended all the Board meetings held in the current and previous financial year.

The Board recommends the resolution at item no. 7 for approval of the Members. Except Mr. Sham D. Kajale, being an appointee, none of the Directors and Key Managerial Personnel's of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No 7.

**ANNEXURE-II**

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 [INCLUDING SECRETARIAL STANDARD – 2 AND SEBI (LODR) REGULATIONS, 2015, AS APPLICABLE] IN RESPECT OF ITEM NO. 7 OF THE NOTICE:

**I. General information:**

- a. Nature of Industry: The Company is engaged in the business of providing medium sized heavy duty cranes on rental basis.
- b. Date or expected date of commencement of production: The Company is an existing Company and is in operation since 1989.
- c. In case of new companies, expected date of commencement of activities as per project approved by Financial Institution appearing in the prospectus: Not applicable.
- d. Financial performance based on given indicators:

(Rs. in Lakhs)

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
Total Income	37,225.15	25,302.94	32,620.07
Profit/Loss before Tax	3,947.28	(3,195.04)	(2,135.61)
Net Profit after taxation	2,940.46	(2,242.29)	(660.34)

- e. Export performance and net foreign exchange earned: Nil
- f. Foreign investments or collaborators, if any: Nil



## NOTICE (CONTD.)

### II. Information about Appointee:

- a. Background details: Mr. Sham D. Kajale has done his Master's in Commerce and is the Associate Member of the Institute of Cost Accountants of India. Mr. Sham D. Kajale is working with the company since last 27 years and has been looking after Corporate Finance, Accounts, Legal, Taxation and Business Development and other administrative functions. The Company is immensely benefited because of the vast experience of Mr. Sham D. Kajale in the fields of Corporate Finance, Accounts, Legal, Taxation, Marketing and Business Development and other administrative functions.
- b. Past remuneration: Mr. Sham D. Kajale was reappointed as Joint Managing Director & CFO w.e.f. 02 September 2020. The members of the Company in the Thirty-first Annual General Meeting held on 25 September 2020 passed the special resolution towards reappointment of Mr. Sham D. Kajale as Joint Managing Director & CFO of the Company on remuneration of Rs. 5,62,000 (Rupees Five Lakh Sixty Two Thousand Only).
- c. Job profile and his suitability: Subject to the supervision and control of the Board of Directors, Mr. Sham D. Kajale is involved in the business operations and corporate affairs of the Company. He looks after efficient running of business operations, strategical planning, control, customer relationships, liaisoning with Banks and Financial Institutions, including credit rating agencies, investor relationships, liaisoning with Government & Semi-government authorities.
- d. Remuneration proposed: The remuneration paid/proposed to be paid to Mr. Sham D. Kajale Joint Managing Director & CFO is detailed herein above and provided in the explanatory statement.
- e. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: Taking into consideration the size of the Company, the profile of Mr. Sham D. Kajale, the responsibilities shouldered by him and the industry benchmarks, the remuneration paid is commensurate with the remuneration packages paid to similar senior level managerial personnel in other companies.
- f. Pecuniary relationship directly or indirectly with the Company or relationship with the personnel, if any: Mr. Sham D. Kajale – Joint Managing Director & CFO doesn't hold any shares of the Company. Apart from receiving remuneration as stated above, he does not receive any emoluments from the Company.
- g. Number of Board Meetings attended after appointment: Mr. Sham D. Kajale attended all six Board meetings in Financial Year 2021-22.

### III Other information:

Reasons of loss or inadequate profits: During the year under report, your Company generated revenue of Rs. 37,225.15 Lakhs (previous year : Rs. 25,302.94 Lakhs) and thereby registered top line growth of nearly 47% on annualised basis. During the Financial Year 2021-2022, the earnings before Interest, Tax and Depreciation (EBITDA) of Rs.17,491.72 Lakhs (previous year: Rs.11,644.74 Lakhs) driven primarily by higher revenue generated, higher capacity utilisation and increase in average blended yield. The Company earned Net Profit of Rs. 2,942.63 Lakhs against Net Loss of Rs. 2,242.29 Lakhs in previous financial year. The average capacity utilisation stood at 76% as against 56% in previous Financial Year.

The Company has incurred capital expenditure of Rs. 11,119.00 Lakhs for purchase of cranes in Financial year 2021-2022. The business outlook is positive and on the reporting date the company has received orders in excess of Rs. 236 Crores.



**NOTICE (CONTD.)**

Steps taken or proposed to be taken for improvement: The Company has been making conscious efforts to improve its financial performance and have initiated various cost reduction and cost optimisation efforts. The results of these initiatives are likely to be felt in the coming quarters.

Expected increase in productivity in profits in measurability terms: The Company has adopted various cost optimisation methods. The positive results of these measures can be seen in the forthcoming quarters. In addition to this Company is targeting maximum deployment of its crane fleet with reasonable amount of yield which will eventually expected to increase the top line and profitability of the Company going forward.

**V. Disclosures:**

The disclosures on remuneration paid/payable to Mr. Sham D. Kajale are provided in the explanatory statement. In view of the expertise, knowledge and experience of Mr. Sham D. Kajale and based on recommendation of the Nomination and Remuneration Committee, the Board considers the payment of remuneration to Mr. Sham D. Kajale as Joint Managing Director & CFO in the best interest of the Company. It is worthy to note that the Company remains committed to pursuing the long term interest of all stakeholders and ensuring that the Company's leadership is appropriately remunerated, keeping in view cyclical phases including the ones caused due to COVID-19 pandemic. This is especially imperative when the Company has ongoing significant turnaround and growth strategies under execution. None of the Directors and Key Managerial Personnel are concerned or interested in the said resolution.

**ANNEXURE TO THE NOTICE DATED 25 MAY 2022**

**Details Of Directors retiring by rotation / seeking appointment / re-appointment at the Meeting**

[Pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meeting]

	<b>Mr. Rishi C. Sanghvi</b>	<b>Mrs. Maithili R. Sanghvi</b>
DIN	08220906	08334635
Designation	Managing Director	Non-Executive Non-Independent Woman Director
Age	33 Years	34 Years
Date of first Appointment	07 December 2018	23 May 2019
Qualification	Bachelor of Science in Mechanical & Minor Economics and Master of Business Administration from U.S.A.	Graduate from Gujrat University and Post Graduate Diploma in Interior Design from Chelsea College of Arts and Design.
Expertise in specific area	Business Development, Heavy-lift and technical support, imports, logistics, purchase, stores, land acquisitions.	Business Management, Human Resource Development and Administration
Terms and Conditions of re-appointment	Terms and Conditions of appointment or re-appointment are as per the Nomination and Remuneration Policy of the Company as displayed on the Company's website. <a href="http://www.sanghvicranes.com">www.sanghvicranes.com</a>	Terms and Conditions of appointment or re-appointment are as per the Nomination and Remuneration Policy of the Company as displayed on the Company's website. <a href="http://www.sanghvicranes.com">www.sanghvicranes.com</a>
Relationship with other Directors and Key Managerial Personnel's of the Company	Husband of Mrs. Maithili R. Sanghvi	Wife of Mr. Rishi C. Sanghvi
Director in other Listed Companies	No	No

**SANGHVI****NOTICE (CONTD.)**

	<b>Mr. Rishi C. Sanghvi</b>	<b>Mrs. Maithili R. Sanghvi</b>
Chairman / Member of Committee of the Board of other Companies	Nil	Nil
Number of meetings of the Board attended during the FY 2021-22	6 Meetings	6 Meetings
Remuneration last drawn for the Financial year ended 31 March 2022 (including sitting fees)	Rs. 257.29 Lakhs	Rs. 4.10 Lakhs
Remuneration proposed	The details of remuneration sought to be paid is given in the Explanatory Statement Item No. 6 annexed to this Notice.	Sitting Fees towards attending the Board and Committee Meetings and in accordance with the provisions of the Companies Act 2013.
Shares held in the company as on the date of Notice	1,24,75,247 Equity Shares	4,32,880 Equity Shares

<b>Name of the Director</b>	<b>Mr. Sham D. Kajale</b>
DIN	00786499
Designation	Joint Managing Director & CFO
Age	52 years
Date of first Appointment	02 <sup>nd</sup> September 2006
Qualification	Master's in Commerce and is the Associate Member of the Institute of Cost Accountants of India.
Expertise in specific area	Corporate Finance, Accounts, Legal, Taxation, Marketing and Business Development and other administrative functions.
Terms and Conditions of payment of remuneration	The details of remuneration sought to be paid is given in the Explanatory Statement Item No. 7 annexed to this Notice.
Relationship with other Directors and Key Managerial Personnel's of the Company	Not related to any other Directors / Key Managerial Personnel's
Director in other Listed Companies	No
Chairman / Member of Committee of the Board of other Companies	Nil
Number of meetings of the Board attended during the FY 2021-22	6 Meetings
Remuneration last drawn for the Financial year ended 31st March 2022 (including sitting fees)	Rs.134.61 Lakhs
Remuneration proposed	The details of remuneration sought to be paid is given in the Explanatory Statement Item No. 7 annexed to this Notice.
Shares held in the Company as on the date of Notice	Nil

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

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

Place: Pune  
Date: 25 May 2022

**Registered Office:**

Survey No. 92, Tathawade, Taluka Mulshi, Pune 411033

CIN: L29150PN1989PLC054143

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

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

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

## DIRECTORS' REPORT

Your Directors take pleasure in presenting the Thirty-third Annual Report on the business and operations of the Company together with Audited Financial Statements of the Company for the year ended 31 March 2022.

Financial Year 2021-2022 turned out to be another challenging year for the Indian economy, marked by intensified uncertainty and volatility due to the COVID pandemic. The Central Government took several path-breaking initiatives across the areas of healthcare, infrastructure, social welfare and digital, to support various sections of the economy during the turbulent times which helped accelerate the pace of resumption of economic activities over the year.

Sanghvi Movers Limited is the largest crane rental company in India and Asia and the sixth largest in the world with market share of over 40-45% in the overall domestic crane rental market and as high as 60-65% in the high-end crane of >400 MT. During the financial year 2021-2022, the company has incorporated its wholly owned subsidiary namely Sanghvi Movers Vietnam Company Limited" at Vietnam. Further, the company has taken several strategic initiatives to include more value added services like providing customised solutions to bring down costs, reduce crane downtime and help them in timely completion of projects. The company was focused on optimum crane utilisation of its crane fleet. The average capacity utilisation of crane fleet improved to 76% in Financial Year 2021-22 as compared to 56% in previous financial year.

With the above brief synopsis, your Directors are pleased to present the financial performance of the Company, for the year ended 31 March 2022:

### FINANCIAL RESULTS

Financial Results	(Rs. in Lakhs)		
	Standalone 2021-2022	2020-2021	Consolidated 2021-2022
Total Income	37,225.15	25,302.94	37,225.15
Total Expenditure	19,733.43	13,658.20	19,735.47
Profit before Interest and Depreciation	17,491.72	11,644.74	17,489.68
Interest	1,730.78	2,629.60	1,730.91
Depreciation	11,811.49	12,210.18	11,811.49
Profit Before Tax	3,949.45	(3,195.04)	3,947.28
Provision for Taxation	(1,006.82)	(952.75)	(1,006.82)
Profit after Tax	2,942.63	(2,242.29)	2,940.46
Surplus brought forward from last year	25,913.04	28,155.33	
Profit available for Appropriation	28,855.67	25,913.04	
Appropriations:			
Transfer to General Reserves	0.00	0.00	
Dividend	432.88	0.00	
Tax on Dividend	0.00	0.00	
Surplus carried forward to Balance Sheet	28,422.79	25,913.04	

### BUSINESS REVIEW

The Covid-19 pandemic had continued to impact the global economy in Financial Year 2021-2022. The prolonged shutdowns, supply chain disruptions had negative impact on human lives had pushed governments and business to unprecedented turmoil. As an outcome of the company's relentless pursuit to deliver services to its customers, Financial Year 2021-2022 was a year of resilience. The Company significantly improved its financial performance. The resilience was evident in financial and operational parameters.



**SANGHVI**

## DIRECTORS' REPORT (Contd.)

During the Financial Year 2021-2022, your Company generated higher revenue of Rs. 37,225.15 Lakhs (previous year: Rs. 25,302.94 Lakhs). The key highlights of the Financial Performance are as under:

### **Year on Year increase in EBITDA:**

During the Financial Year 2021-2022, the earnings before Interest, Tax and Depreciation (EBITDA) of Rs.17,489.68 Lakhs (previous year: Rs.11,644.74 Lakhs) driven primarily by higher revenue generated, higher capacity utilisation and increase in average blended yield.

### **Year on Year increase in cash generated from operations:**

During the Financial Year 2021-2022, Cash generated from operations stood at Rs.14,751.00 Lakhs (previous year: Rs. 9,968.00 Lakhs) an increase of 48%.

### **Year on Year increase in PAT:**

During the Financial Year 2021-2022, the Company earned Net Profit of Rs. 2,940.46 Lakhs (previous year Net Loss of Rs. 2,242.29 Lakhs),

### **Year on Year increase in Earnings per share:**

During the Financial Year 2021-2022, the Earnings per share was Rs. 6.80 as against negative earnings per share of (Rs. 5.18) in Financial Year 2020-2021.

### **Capital Expenditure:**

During the Financial Year 2021-2022, the Company has incurred capital expenditure of Rs. 11,119.00 Lakhs for purchase of cranes.

### **Capacity Utilisation:**

During the Financial Year 2021-2022, the average capacity utilisation stood at 76% as against 56% in previous Financial Year.

### **Borrowings:**

The Company has significantly reduced its borrowings from Rs. 19,700.00 Lakhs (Financial Year 2020-21) to Rs. 16,700.00 Lakhs.

The Company's performance during Financial Year 2021-2022 was mainly attributable to the robust measures undertaken by the Company at all levels such as optimum utilisation of crane fleet, focus on pricing, disciplined project executions, focused management approach, prudent financial management and better control over cost, consistent follow-up for receivables and reduced interest costs on borrowings.

## **DIVIDEND**

The Board has recommended Dividend Rs. 1.00/- per Equity Share i.e. @ 50% on Equity Shares for the year ended 31March 2022. The Dividend @ Rs. 1.00/- 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 Rs. 432.88 Lakhs.



DIRECTORS' REPORT (Contd.)

## **SHARE CAPITAL**

The paid-up equity capital as on 31 March 2022 was Rs. 8,65,76,000/-. During the period under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

## **FINANCE**

During the year under review, the Company has availed financial assistance from Saraswat Bank, IDFC First Bank, Kotak Mahindra Bank. The costs of borrowings availed from these banks are constantly been optimised through proactive financial management coupled with negotiations with bankers. Total Secured Long Term Loan outstanding as of 31 March 2022 was Rs. 15,377 Lakhs (as on 31 March 2021 Rs. 17,321 Lakhs). The Company is regular in its repayment obligation with its banks.

## **CREDIT RATING**

During the year, the following credit ratings were assigned to the Company:

'ICRA A' as credit rating for long term loans and 'ICRA A1' as credit rating for short term loans/borrowings. The outlook on the long-term rating is stable.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013. The details of the investments made by Company are given in the notes to the financial statements.

## **DEPOSITS**

During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). As of 31 March 2022 there are no fixed deposits outstanding.

## **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The Company does not own any manufacturing facility and hence our processes are not energy intensive. Hence particulars relating to conservation of energy and technology absorption pursuant to provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable.

## **FOREIGN EXCHANGE EARNINGS AND OUT-GO**

During the year under review, there were no foreign exchange earnings and the foreign exchange outgo amounted to Rs. 3,821.94 Lakhs.

## **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.



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DIRECTORS' REPORT (Contd.)

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions which were entered into during the financial year were on an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The statement that the transactions are at arm's length and in the ordinary course of business is supported by a Certificate from the Managing Director. All Related Party Transactions are placed before the Audit Committee for their approval and to the Board, as and when required. The policy on Related Party Transactions is uploaded on the Company's website, i.e. <https://www.sanghvicranes.com/policies>.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN 31 MARCH 2022 AND 25 MAY 2022 (DATE OF THE REPORT)**

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (31 March 2022) and the date of the Report (25 May 2022). There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate system of internal control commensurate with its size and nature of business, to ensure that the resources of the Company are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorised, recorded and reported correctly, financial and other data are reliable for preparing financial information and other data and for maintaining accountability of assets. The internal control is supplemented by extensive programme of internal audits, review by management, documented policies, guidelines and procedures.

The Audit Committee and Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial year 2021-22 for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable Financial disclosures.

## **AUDITORS**

### **Statutory Auditors:**

Pursuant to provisions of Section 139 of the Act, the members at the annual general meeting of the Company held on 13 August 2022 appointed M/s. MSKA & Associates., Chartered Accountants (Firm Registration No. 105047W) as statutory auditors of the Company from the conclusion of 32nd annual general meeting till the conclusion of 37th annual general meeting, covering one term of five consecutive years. The statutory auditors have confirmed that they are not disqualified from continuing as auditors of the Company.

The statutory audit report for the year 2021-22 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

**Secretarial Audit:** Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments and modifications thereof,



## DIRECTORS' REPORT (Contd.)

the Board of Directors of the Company has appointed M/s. Kanj & Co L.L.P., Practising Company Secretaries, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure A".

### **SUBSIDIARY COMPANY**

During the financial year 2021-2022 the company has incorporated is wholly owned subsidiary company namely "Sanghvi Movers Vietnam Company Limited" at Vietnam on 16 September 2021. The said subsidiary is engaged in business of crane hiring and allied services. Consolidated Financial Statements of the Company, which include the results of the said Subsidiary Company is included in this Annual Report. Further, a statement containing the particulars of the Company's subsidiary is also enclosed herewith. The Company has formulated a policy for determining 'material' subsidiaries and such policy is hosted on the Company's website i.e. [www.sanghvicranes.com](http://www.sanghvicranes.com) Further, a statement containing salient features of the financial statements of subsidiary in the prescribed format AOC-1 is appended as Annexure – E to this Report.

### **DIRECTORS**

#### **DIRECTORS RETIRING BY ROTATION**

Mr. Rishi C. Sanghvi and Mrs. Maithili R. Sanghvi, who retires by rotation and being eligible, offers themselves for re-appointment.

#### **DECLARATION OF INDEPENDENCE**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. As per the requirements of Rule 8(5) (iiia) of Companies (Accounts) Rules, 2014, in the opinion of the Board, all the Independent Directors of the Company possess the integrity, expertise and experience including the proficiency required to be Independent Directors to effectively discharge their roles and responsibilities in directing and guiding the affairs of the Company.

#### **NUMBER OF MEETINGS OF THE BOARD**

A calendar of meetings is prepared and circulated in advance to the Directors. During the year six Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

#### **AUDIT COMMITTEE**

The details pertaining to the composition, terms of reference and other details of the Audit Committee of the Board of Directors of your Company and the meetings thereof held during the financial year are given in the Report on Corporate Governance section forming part of this Annual Report. The recommendations of the Audit Committee were accepted by the Board of Directors of your Company from time to time during the year under report.

#### **RISK MANAGEMENT COMMITTEE**

Pursuant to Section 134 (3) (n) of the Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, the Company has constituted a Risk Management Committee. The



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## DIRECTORS' REPORT (Contd.)

Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to minimise adverse impact on the business objectives and enhance the Company's competitive advantage.

The Board of Directors of the Company has framed Risk Management Policy to identify, evaluate business risks and opportunities. SEBI, vide notification dated 05 May 2021 has amended SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. According to the amended listed regulations, top 1,000 listed companies based on Market Capitalisation are required to approve Risk Management Policy. In accordance with the amendments in SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, the Board of Directors in their meeting held on 27 May 2021 approved the amendment in Risk Management Policy and the amended Risk Management Policy has been uploaded on the website of the Company at <https://www.sanghvicranes.com/policies>.

### **NOMINATION & REMUNERATION COMMITTEE**

In accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has constituted Nomination & Remuneration Committee.

The Nomination & Remuneration Committee of the Board of Directors of Sanghvi Movers Limited consists of three members and all of them are Independent Directors. Mr. Pradeep R. Rathi – Chairman, Mr. S. Padmanabhan and Mr. Dara Damania as members of the Committee. The Board of Directors of the Company has framed Remuneration Policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy has been uploaded on the website of the Company at <https://www.sanghvicranes.com/policies>.

Pursuant to the requirements of Section 178 of the Companies Act, 2013 and Company Amendment Act 2017, the salient features of the Remuneration Policy of Sanghvi Movers Limited are as follows:

- a. To formulate criteria for evaluation of Independent Directors and the Board;
- b. To devise a policy on Board diversity;
- c. To identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- d. To evaluate the Whole-Time Director's performance in the light of established goals and objectives;
- e. To review and recommend the compensation for Whole-Time Directors to the Board;
- f. To review and overseeing Company's employee benefit programs;
- g. To carry an annual evaluation on its performance, using the established procedures;
- h. To advise management on employee hiring, training, development, deployment and motivation and internal communication and culture building;
- i. Recommend to the board, all remuneration, in whatever form, payable to senior management.

### **FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS**

According to the provisions of Regulation 25 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed various programmes to familiarise the Independent Directors with the



## DIRECTORS' REPORT (Contd.)

Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of such programmes have been disclosed on the Company's website at the following link: <https://www.sanghvicranes.com/policies>.

**VIGIL MECHANISM & WHISTLE BLOWER POLICY**

The Company in accordance with the provisions of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has established a Vigil Mechanism and Whistle Blower Policy, which provides a formal mechanism for all Directors, employees and other stakeholders of the Company, to report to the management, their genuine concerns or grievances about unethical behaviour, actual or suspected fraud and any violation of the Company's Code of conduct or ethics policy. The policy also provides a direct access to the Chairman of the Audit Committee to make protective disclosures to the management about grievances or violation of the Company's Code of Conduct. The functioning of the Vigil Mechanism is reviewed by the Audit Committee from time to time. During the year, nil complaints were received. The Board of Directors in their meeting held on 27 May 2021 approved the amendment in Vigil Mechanism and Whistle Blower Policy and the amended Policy has been uploaded on the website of the Company at <https://www.sanghvicranes.com/policies>.

**POLICY ON SUCCESSION PLANNING**

The Company has a formal Policy on Succession planning, duly approved by the Board of Directors of the Company. The objective of this Policy is to ensure the orderly identification and selection of new Directors or Senior Management in the event of any vacancy, whether such vacancy exists by reason of an anticipated retirement, an un-anticipated departure or otherwise.

**PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

**POLICIES OF THE COMPANY**

The key policies adopted by the Company are as follows:

Sr. No.	Name of the Policy
1	Policy for determining of materiality of events, information
2	Code of Fair Disclosure
3	Archival Policy
4	Code of conduct for Board of Directors and Senior Management
5	Related Party Transactions Policy
6	Code of Insider Trading
7	Terms of reference for Audit Committee
8	Terms of reference for Stakeholders Relationship Committee
9	Remuneration Policy



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## DIRECTORS' REPORT (Contd.)

<b>Sr. No.</b>	<b>Name of the Policy</b>
10	Corporate Social Responsibility Policy
11	Vigil Mechanism and Whistle Blower Policy
12	Familirisation Programme
13	Terms of appointment of Independent Directors remuneration
14	Non-Executive Non Independent Directors remuneration
15	Anti-Sexual Harassment Policy
16	Dividend Distribution Policy
17	Risk Management Policy
18	Policy For Determination Of Material Subsidiaries
19	Mission Vision Policy

The policies are available on the website of the Company <https://www.sanghvicranes.com/policies>.

### **QUALITY, HEALTH, SAFETY AND ENVIRONMENT (QHSE)**

At Sanghvi Movers Limited Occupational Health and Safety of people is of the highest priority and of utmost importance and we are committed to continual improvement in Quality, Health, Safety and Environment and necessary efforts were made in this direction in line with the Quality, Safety, Health and Environment Policy laid down by the Company.

The Company has achieved certification of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. Your Company provided regular safety and skill up-gradation trainings to the employees, wherever necessary.

### **KEY MANAGERIAL PERSONNEL**

Mr. Rishi C. Sanghvi, Mr. Sham D. Kajale, and Mr. Rajesh P.Likhite were designated as “Key Managerial Personnel” of the Company pursuant to Sections 2 (51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Board of Directors of the Company have constituted the Corporate Social Responsibility Committee (CSR Committee), comprising of, Mr. Dara Damania Chairman, Mr. S Padmanabhan and Mrs. Maithili R. Sanghvi as Members of the Committee as per the requirement of the Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The said Committee has formulated the CSR Policy indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

In the financial year 2021-22, the Company has a negative average net profit and hence negative CSR contribution at 2% of average net profit in the financial year 2021-22 and therefore the Company is not required to spend anything on CSR. As there are no average net profits for the Company during the previous three financial years, no funds were set aside and spent by the Company towards Corporate Social Responsibility during the year under review. Your Company wishes to inform all stakeholders that it is well aware of its responsibility towards fulfilling its Corporate Social Responsibility (CSR). In the last three financial years, the Company has not posted any profits. Nevertheless, your Company is committed to build its CSR capabilities on a sustainable basis. Looking forward, your Company will undertake CSR activities to meet any unspent amount as and when the cash flow and liquidity permits. In light of the economic and health crisis caused due to the ongoing global COVID-19 pandemic, your Company is even more determined to fulfill any CSR obligations on a long term and viable basis.



DIRECTORS' REPORT (Contd.)

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134 (5) of the Companies Act, 2013, the Directors would like to state that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b. 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 or loss of the Company for the year under review.
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors have prepared the annual accounts on a going concern basis.
- e. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS**

In compliance with Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 and the provisions of the Companies Act, 2013, Report on Corporate Governance with Compliance Certificate from the Practicing Company Secretary and Management Discussion & Analysis Report are annexed and form an integral part of Annual Report. Your Company conducts its business with integrity and high standards of ethical behavior and in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. Taking into consideration crucial role of Independent Directors in bringing about good governance, your Company continued its efforts in utilizing their expertise and involving them in all critical decision making processes. Your Company is fully compliant with the Corporate Governance guidelines, as laid out in SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. All the Directors (and also the members of the Senior Management) have affirmed in writing their compliance with and adherence to the Code of Conduct adopted by the Company. The details of the Code of Conduct are furnished in the Corporate Governance Report attached to this Report. The Managing Director has given a certificate of compliance with the Code of Conduct, which forms part of the Corporate Governance Report, as required under SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. The Managing Director / Joint Managing Director & Chief Financial Officer (CEO/ CFO) certification as required under SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 is attached to the Corporate Governance Report. Related Party disclosures/transactions are detailed in note no. 34 of the Notes to the financial statements.

**COMMENTS ON AUDITORS' REPORT/SECRETARIAL AUDIT REPORT**

Statutory Auditors: There are no qualifications, reservations, adverse remarks, or disclaimers made by M/s. MSKA and Associates, Chartered Accountants, Statutory Auditors.



**SANGHVI**

## DIRECTORS' REPORT (Contd.)

Secretarial Auditor: The delay in filings to the stock exchanges was on account of technical glitch. Due to second wave of Covid-19, restrictions and lock down imposed, the Meeting of Nomination & Remuneration Committee was not held during the year.

### **PARTICULARS OF EMPLOYEES**

In terms of Rule 5(2) (iii) of the of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is clarified that during the Financial Year under review, no employee of the Company was in receipt of remuneration in that year, which in the aggregate or at a rate which in the aggregate is in excess of that drawn by the Whole Time Directors and holds himself/ herself along with their spouse and dependent children not less than 2% of the equity shares of the Company.

### **SECRETARIAL STANDARDS**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings.

### **REPORTING OF FRAUDS**

During the year under review, the Statutory Auditors, Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee or Board under Section 143(12) of the Companies Act, 2013.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Internal Complaints Committee(s) (ICC) has been set up across all its location in India to redress complaints received regarding sexual harassment. During the year, nil cases were reported to the Committee.

### **TRANSFER OF UNPAID DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to Section 124 and Section 125 of Companies Act, 2013 and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, during the financial year 2021-22 under review, the Company was not required to transfer any unpaid or unclaimed dividend to the investor education and protection fund ("IEPF") set up by the Government of India.

### **ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return for the financial year 2021-2022 will be uploaded at the website of the Company after filing with the MCA.

### **BUSINESS RESPONSIBILITY REPORT**

As required under Regulation 34(2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report is provided in a separate section and forms part of the Annual Report.

### **IMPACT OF COVID -19**

The ongoing Covid-19 pandemic has drastically changed the global economies and businesses. Sanghvi Movers



DIRECTORS' REPORT (Contd.)

Limited has also kept pace with the changing requirements of the industry, customers, employees and other stakeholders to fully support them in the uncertain environment. Sanghvi Movers Limited is committed to provide uninterrupted support to its customers at various locations. During the financial year 2021-2022, the Company has put in place mitigation plans to minimise the adverse impact on both revenue and profitability.

**APPRECIATION**

The Board takes this opportunity to thank the Company's Members, Customers, Vendors and all other Stakeholders for their continued support throughout the financial year. The Directors also thank the Stock Exchanges, Banks, Ministry of Corporate Affairs, State Governments, Government of India, and all other Government agencies and Regulatory authorities for the support extended by them and also look forward to their continued support in future.

Your Directors would also like to place on record their sincere thanks and appreciation for the contribution, consistent hard work, dedication and commitment of our employees at all levels for their contribution to the success achieved by the Company.

**For Sanghvi Movers Limited**

Rishi C. Sanghvi  
Managing Director  
(DIN: 08220906)

**For Sanghvi Movers Limited**

Sham D. Kajale  
Joint Managing Director & CFO  
(DIN: 00786499)

Place: Pune  
Date: 25 May 2022

**Registered Office:**

Survey No. 92, Tathawade, Taluka Mulshi, Pune 411033  
CIN: L29150PN1989PLC054143  
Tel No. +91 8669674701/2/3/4  
E-mail: [cs@sanghvicranes.com](mailto:cs@sanghvicranes.com)  
Website: [www.sanghvicranes.com](http://www.sanghvicranes.com)



## ANNEXURE A TO THE DIRECTORS REPORT

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To, Members,

**Sanghvi Movers Limited**

S. No. 92, Tathawade

Taluka Mulshi, Pune-411033

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SANGHVI MOVERS LIMITED (hereinafter called as "the Company or SML"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31 March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, '1996 and the Regulations and Bye-laws framed there under;
- (iv) (vi) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct investment, overseas Direct investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009; No events occurred during the period which attracts provisions of these guidelines hence not applicable.



**ANNEXURE A TO THE DIRECTORS REPORT (Contd.)**

- (d) The securities and Exchange Board of India (Employee stock option scheme and Employee stock Purchase scheme) Guidelines, 1999: No events occurred during the period which attracts provisions of these guidelines hence not applicable.
  - (e) The securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008: No events occurred during the period which attracts provisions of these guidelines hence not applicable.
  - (f) The securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - (g) The securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009: No events occurred during the period which attracts provisions of these guidelines hence not applicable.
  - (h) The securities and Exchange Board of India (Buyback of securities) Regulations, 1998: No events occurred during the period which attracts provisions of these guidelines hence not applicable.
- vi. we further report that, having regard to the compliance system prevailing in SML and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to SML:
- i. Water (Prevention and Control of Pollution) Act, 1974;
  - ii. Motor Vehicles Act, 1988.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India:
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited;

During the period under review the Company has generally complied with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except to the extent as mentioned below:

1. The disclosure required to be made by the Company under Regulation 30 (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 towards Annual General Meeting of the Company, was made after completion of 24 hours from the occurrence of the event to Bombay Stock Exchange.
2. The disclosure required to be made by the Company under Regulation 30 (6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 towards outcome of Board meeting held on 27.05.2021 was submitted to Bombay Stock Exchange after 30 minutes from the conclusion of the said board meeting.
3. The Company has not convened and held a meeting of the Nomination and Remuneration Committee during the financial year 2021-2022.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:



## ANNEXURE A TO THE DIRECTORS REPORT (Contd.)

1. The compliance of the Secretarial Standards needs to be strengthened.

We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

We have been informed that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the board meeting held on 30th April, 2021 which was held at a shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decision in the board meetings were carried through by majority and it was informed to us while there were no dissenting views of the members and hence not captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has taken following actions or enter into events having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

The Company has incorporated a wholly owned subsidiary company in Vietnam under the name and style of Sanghvi Movers Vietnam Company Limited and the amount of investment made by the Company is Rs. 26.44 lacs.

The Company has passed a Special resolution at the 32nd Annual General Meeting of the Company for alteration of Articles of Association of the Company.

### **For KANJ & CO. LLP**

Company Secretaries

#### **Hrishikesh Wagh**

Partner

FCS No.: 7993

C P No.: 9023

UDIN: F007993D000389187

Firm Unique Code: P2000MH005900

Date: 25 May 2022

Place: Pune

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.





## **ANNEXURE A**

To, Members,  
**Sanghvi Movers Limited**  
S. No. 92, Tathawade  
Taluka Mulshi, Pune-411033

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, Standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For KANJ & CO. LLP**  
Company Secretaries

**Hrishikesh Wagh**

Partner  
FCS No.: 7993  
C P No.: 9023  
UDIN: F007993D000389187  
Firm Unique Code: P2000MH005900

Date: 25 May 2022

Place: Pune



## ANNEXURE B TO THE DIRECTORS' REPORT

### Details of the Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as follows:

(Rs. in Lakhs)

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2021-22	% increase in Remuneration in the financial year 2021-22	Ratio of remuneration of each Director/ KMP to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1	Mr. Rishi C. Sanghvi Managing Director	257.29	18.61%	53.93	During the year under report, your Company generated revenue of Rs. 37,225.15 Lakhs (previous year: Rs. 25,302.94 Lakhs) and the Net Profit of Rs.2,942.63 Lakhs, as compared to the previous year's Net loss of Rs. 2,242.29 Lakhs.
2	Mr. Sham D. Kajale Joint Managing Director & CFO	134.61	-	28.22	
3	Mr. Rajesh P. Likhite Company Secretary	23.05	15.00%	4.83	

\* 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. However, contribution toward superannuation fund is included as part of managerial remuneration.

- The median remuneration of employees of the Company during the financial year 2021-22 was Rs. 4.77 Lakhs.
- As on 31 March 2022, there were 249 permanent employees who were on the payroll of the Company.
- In the financial year 2021-22, there was an average increase of 11% in the median remuneration of employees.
- The average percentage increase in the salaries of employees excluding Key Managerial Personnel was 11% over the previous year. The average increase in the salaries of Key Managerial Personnel was 11%.

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

#### For Sanghvi Movers Limited

Rishi C. Sanghvi  
Managing Director  
(DIN: 08220906)

#### For Sanghvi Movers Limited

Sham D. Kajale  
Joint Managing Director & CFO  
(DIN: 00786499)

Place: Pune

Date: 25 May 2022

**ANNEXURE C TO THE DIRECTORS' REPORT**

**FORM NO. AOC -2**

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

Sr. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions'	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188
Not applicable								

2. Details of contracts or arrangements or transactions at Arm's length basis:

Sr. No.	Particulars	Details			
1	Name (s) of the related party Nature of relationship	Ms. Mina C. Sanghvi Promoter	Mr. Rishi C. Sanghvi Managing Director, Promoter of the Company and Son of Late Mr. C. P. Sanghvi and Ms. Mina C. Sanghvi	Mr. Rishi C. Sanghvi Managing Director, Promoter of the Company and Son of Late Mr. C. P. Sanghvi and Ms. Mina C. Sanghvi	Mr. Sham D. Kajale Joint Managing Director & CFO
2	Nature of contracts/ arrangements/ transaction	Net of Loan availed & repaid	Net of Loan availed & repaid	Salary	Salary
3	Duration of the contracts/ arrangements/ transaction	01.04.2021 to 31.03.2022			
4	Salient terms of the contracts or arrangements or transaction	Simple average Rate of Interest on Long Term Loans and Interest Payable on Cash Credit limits outstanding as on the closing date of each and every quarter	Simple average Rate of Interest on Long Term Loans and Interest Payable on Cash Credit limits outstanding as on the closing date of each and every quarter	Salary paid is at par with industry standards	Salary paid is at par with industry standards



**SANGHVI**

**ANNEXURE C TO THE DIRECTORS REPORT (Contd.)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>			
5	Date of approval by the Board	07.02.2019	23.05.2019	25.05.2016 & 07.12.2018	07.12.2018
6	Value of the transactions (Rs. in Lakhs)	(1,565.28)	707.62	257.29*	134.61*

\*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.

However, contribution toward superannuation fund is included as part of managerial remuneration.

**For Sanghvi Movers Limited**

Rishi C. Sanghvi  
Managing Director  
(DIN: 08220906)

**For Sanghvi Movers Limited**

Sham D. Kajale  
Joint Managing Director & CFO  
(DIN: 00786499)

Place: Pune

Date: 25 May 2022

**ANNEXURE D TO THE DIRECTORS' REPORT**

**Annual Report on Corporate Social Responsibility**

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

The objective of CSR policy is to lay down guidelines for proper functioning of CSR activities, to attain sustainable development of the nearby society:

To formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder:

- a. To recommend the amount of expenditure to be incurred on the activities referred to above;
- b. To monitor the implementation of the Corporate Social Responsibility Policy of the Company from time to time;
- c. To recommend to the Board necessary amendments, if any, in the CSR policy from time to time;
- d. To monitor the budget under the CSR activities of the Company;
- e. To accomplish the various CSR projects of the Company independently or through any other eligible NGO / Social Institute, as the case may be;
- f. To seek information from any employee as considered necessary;
- g. To obtain outside legal professional advice as considered necessary, and
- h. To secure attendance of outsiders with relevant expertise.

2. Composition of CSR Committee:

No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Dara Damania	Chairman	1	1
2	Mr. S Padmanabhan	Member	1	1
3	Mrs. Maithili Sanghvi	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.sanghvicranes.com/policies>

4. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not applicable in view of net loss

No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	N.A.	N.A.	N.A.

**ANNEXURE D TO THE DIRECTORS REPORT (Contd.)**

5. Average net profit of the company as per section 135(5): Not applicable in view of net loss
6. (a) Two percent of average net profit of the company as per section 135(5): Not applicable in view of net loss  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not applicable in view of net loss  
 (c) Amount required to be set off for the financial year, if any: Not applicable in view of net loss  
 (d) Total CSR obligation for the financial year (7a+7b- 7c): Not applicable in view of net loss
7. (a) CSR amount spent or unspent for the financial year: Not applicable in view of net loss

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Not applicable in view of net loss					

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
Not applicable in view of net loss												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation Direct (Yes/No)	Mode of implementation –Through implementing agency	
				State	District			Name	CSR registration number
Not applicable in view of net loss									

- (d) Amount spent in Administrative Overheads: Not applicable
- (e) Amount spent on Impact Assessment, if applicable: Not applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Not applicable
- (g) Excess amount for set off, if any

**ANNEXURE D TO THE DIRECTORS REPORT (Contd.)**

No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Not applicable
(ii)	Total amount spent for the Financial Year	Not applicable
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Not applicable

8. (a) Details of Unspent CSR amount for the preceding three financial years:

No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
Not applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
No.	Project ID	Name of The Project	Financial Year in which the project was commenced	Project duration	Total amount allocated to the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / Ongoing
Not applicable								

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): Not applicable

(b) Amount of CSR spent for creation or acquisition of capital asset.: Not applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not applicable

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): In the financial year 2021-22, the Company has a negative average net profit and hence negative CSR contribution at 2% of average net profit in the financial year 2021-22 and therefore the Company is not required to spend anything on CSR. As there are no average net profits for the Company during the previous three financial years, no funds were set aside and spent by the Company towards Corporate Social Responsibility during the year under review.



**SANGHVI**

**ANNEXURE D TO THE DIRECTORS REPORT (Contd.)**

(Rs. in Lakhs)

<b>Particulars</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>
Net Profit Before Tax (earned in India)	(2,135.61)	(3,195.04)	3,949.45
Less: Dividends Received from companies on whom Section 135 is applicable and are carrying out CSR Activities (i.e. 2% of Avg. PBT)	Nil	Nil	Nil
Net Profit available for CSR Activities	(2,135.61)	(3,195.04)	3,949.45
Total Profits			(1381.20)
Average profits			(460.40)
Approximate CSR amount (2%)		Not Applicable in view of Net Loss	

Your Company wishes to inform all stakeholders that it is well aware of its responsibility towards fulfilling its Corporate Social Responsibility (CSR). In the last three financial years, the Company has not posted any profits. Nevertheless, your Company is committed to build its CSR capabilities on a sustainable basis. Looking forward, your Company will undertake CSR activities to meet any unspent amount as and when the cash flow and liquidity permits. In light of the economic and health crisis caused due to the ongoing global COVID-19 pandemic, your Company is even more determined to fulfill any CSR obligations on a long term and viable basis.

**For Sanghvi Movers Limited On behalf of CSR Committee**

**For Sanghvi Movers Limited**

**Rishi C. Sanghvi**

Managing Director  
(DIN: 08220906)

**Dara Damania**

Chairman CSR Committee

**Sham D. Kajale**

Joint Managing Director & CFO  
(DIN: 00786499)

Place: Pune

Date: 25 May 2022



**ANNEXURE E TO THE DIRECTORS REPORT (Contd.)****STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIALS STATEMENTS OF SUBSIDIARIES ASSOCIATES AND JOINT VENTURES**

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act read with Rule 5 of Companies

(Accounts) Rules, 2014)

Part "A": Subsidiaries:

(₹ in Lakhs)

Sl. No	Particulars	
1	Name of the Subsidiary	Sanghvi Movers Vietnam Company Limited
2	Reporting period for the Subsidiary	16 September 2021 to 31 March 2022
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting currency: Indian Rupee. Exchange rate as on 31 March 2022: USD TO INR = 75.81
4	Share capital	26.44
5	Reserves and surplus	2.17
6	Total assets	28.41
7	Total liabilities	28.41
8	Turnover	-
9	Profit/(Loss) before tax	(2.17)
10	Tax expenses	-
11	Profit/(Loss) after tax	(2.17)
12	Proposed dividend	-
13	Percentage of shareholding	100%



# MANAGEMENT DISCUSSION AND ANALYSIS

## GLOBAL ECONOMY OVERVIEW

Global economic recovery hinges on a delicate balance amid new waves of COVID-19 infections, persistent labour market challenges, lingering supply-chain constraints and rising inflationary pressures. After a global contraction of 3.4 per cent in 2020 and following an expansion of 5.5 per cent in 2021, the highest rate of growth in more than four decades, the world economy is projected to grow by 4.00 per cent in 2022 and 3.5 per cent in 2023.

The world economy continues to suffer from a series of destabilizing shocks. After more than two years of pandemic, the Russian Federation's invasion of Ukraine and its global effects on commodity markets, supply chains, inflation, and financial conditions have steepened the slowdown in global growth. In particular, the war in Ukraine is leading to soaring prices and volatility in energy markets, with improvements in activity in energy exporters more than offset by headwinds in most other economies. The invasion of Ukraine has also led to a significant increase in agricultural commodity prices, which is exacerbating food insecurity and extreme poverty in many emerging market and developing economies (EMDEs). Numerous risks could further derail what is now a precarious recovery. Among them is, in particular, the possibility of stubbornly high global inflation accompanied by tepid growth, reminiscent of the stagflation of the 1970s. This could eventually result in a sharp tightening of monetary policy in advanced economies to rein in inflation, lead to surging borrowing costs, and possibly culminate in financial stress in some EMDE's.

Potential challenges to global growth include higher financing cost and inflation risks driven by rebounding demand and supply chain disruptions. In addition, escalation of the Russia-Ukraine crisis could adversely impact the global economy with supply shock and rise in fuel prices. As far as COVID-19 is concerned, with many countries declaring their intention to treat it as endemic, and the world being better prepared with the lessons from surviving the disruptions over the last two years, the economic impact as of now seems to be limited.

**Source: Global Economic Prospects, World Bank Group, June 2022**

## INDIAN ECONOMY OVERVIEW

India is expected to be among the fastest growing economies in 2022. Economic activity has gradually inched towards normalcy, after the Second Covid wave, driven by unlocking of the economy, waning covid cases and significant progress in vaccination. The Indian economy has shown strength and resilience with key indicators pointing to a robust economic revival driven by the release of pent-up demand, stable financial policies, government's push for capital expenditure, and a normal monsoon. The faster resumption of contact-intensive services has also brightened near-term prospects for the economy. The continuous increase in vaccination coverage has aided recovery and built confidence. Improved Bank and corporate balance sheets, low and stable interest rates, an accommodative monetary policy, competitive corporate tax rates and fresh reforms undertaken by the government could help kick-start the investment cycle.

The GDP growth of India in 2021-22 is around 8.9 per cent as against a contraction of 6.6 per cent in 2020-21, driven by the government's thrust on capital expenditure and exports which are expected to enhance productive capacity and strengthen aggregate demand. This would in turn encourage more private investments. The conducive financial conditions engendered by the RBI's policy actions will provide impetus to investment activity. The outlook on the Rupee remains a challenge with depreciation as RBI is expected to remain proactive with its FX interventions to prevent excess volatility. However, there is some amount of risk in the near term due to adverse global factors. The persistent increase in international commodity prices, global supply bottlenecks geopolitical tensions and the volatility of global financial markets can exacerbate risks to the outlook. The hardening of crude oil prices presents

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

a major risk to the outlook on inflation. The Reserve Bank of India (RBI) projected that the country's economy will grow at 7.2 per cent in the Financial Year 2022-23. The central bank has increased its inflation forecast to 6.7 per cent for the current fiscal year. Moreover, Government of India's focus on exports and investments is also likely to support the economic recovery. Sector-specific measures such as the Production Linked Incentive (PLI) scheme to drive domestic manufacturing, credit guarantee scheme for MSMEs, and increased spending on infrastructure are expected to be beneficial in driving long-term economic growth.

According to World Bank, Asian Development Bank and International Monetary Fund projections, India will be the fastest growing major economy in the world during 2021-24. The World Bank forecasts India's GDP growth to be 8.7% in FY23 and 6.8% in FY24. The growth will be driven by widespread vaccine coverage, easing regulations, long-term benefits of supply-side fiscal policies along with rapid export growth and the increased capital spending. The supply-side reforms include deregulation of numerous sectors, simplification of processes, removal of legacy issues like retrospective taxation, privatisation, the PLI schemes and others.

The trajectory set for India's economy by the previous year's budget has been reinforced in the Union Budget 2022-23. The capex budget has been increased by 35.4% over the current year's budget predictions, amounting to 4.1% of GDP, which will fuel Gati Shakti's seven engines, bridging the infrastructure gap and making life easier. The capex generated by the government will also encourage private investment. The Production Linked Incentive (PLI) schemes in 14 sectors will further encourage private investment in order to boost export growth and allow for feasible import substitution in the country.

**Source: IBEF report**

### **Industry structure and developments**

The India crane market is primarily driven by the increasing construction and infrastructural activities in the country. Cranes are used in various processes and discrete industries like power, oil and gas, civil engineering, construction, and petrochemical industries to lift and transport heavy materials that are beyond manual labour capability. Furthermore, the Government of India is spending a considerable amount of money on the development of the nation's infrastructure like roads, airports, railways, commercial spaces, and housing establishments, which is positively impacting the market growth.

The India construction equipment rental market is anticipated to register a CAGR of about 6.40 per cent during the forecast period 2022–2027. With steady opening of economies, the demand is gaining back momentum in order to get the growth in GDP back on track. The increasing focus on infrastructure and development of automation in the construction and manufacturing processes had a significant impact on the market growth. The renting or leasing of construction equipment has been on the rise, owing to the equipment cost and the cost of the maintenance process. Apart from the cost, there are also other benefits associated with renting the construction equipment. Rental companies provide the machinery, along with the required professional machine operators and drivers, included in the rent. For short-term construction application, renting a machinery has been preferable than a purchase among construction contractors, as renting allows optimum utilisation of the machinery.

Private sector is emerging as a key player across various infrastructure segments, ranging from roads and communications to power and airports. Private investment into physical and social infrastructure is key to putting India in a high growth trajectory, which will make it a US\$ 5 trillion economy by 2024-25. India is expected to become the third-largest construction market globally by 2022. India has a requirement of investment worth Rs. 50 trillion (US\$ 777.73 billion) across infrastructure by 2022 for a sustainable development in the country.



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## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Prime Minister Mr. Narendra Modi announced a Rs. 100 lakh crore master plan for multi-modal connectivity in October 2021, with the goal of developing infrastructure to lower logistic costs and improve the economy.

**Sources: Heavy Equipments, Mordor Intelligence report**

### **Power**

Infrastructure is an essential component of economic growth and welfare of nations. India's economy needs adequate infrastructure to grow sustainably. A major part of India's power sector is diversified. The country's electricity demand has rapidly increased and is likely to increase in the future. The increase in the country's electricity demand calls for massive increases in installed generating capacity. India is firmly set on a path of economic growth, with the country registered GDP growth of 8.7 per cent in the financial year 2021-22, after recording 6.6 per cent in the previous fiscal. India's energy sector played an active role in helping build a stronger, more fluid economy. In India, the energy consumption almost doubled since the year 2000. This is mainly due to a growing population coupled with a boost in industrialisation and urbanisation. To meet this rising demand for energy, there must be institutional development and capacity building of resources at a domestic level. Currently, India's per capita energy consumption is almost one-third of the global average. Total energy consumption is expected to grow by 128 per cent by 2035.

India targets to reach 175 GW of renewable energy level by 2022 which includes 60 GW of onshore wind installation. In next 5 years, growth in wind energy sector will be driven by the expiry of interstate transmission charges (ISTS) waiver in 2023 and trend of hybrid tender (Wind, solar and storage technologies). As per long term vision for renewable energy sector, India targets to reach 450 GW by 2030 including 140 GW of wind capacity. However, constraints such as land allocation, grid availability, recurring financial instability of DISCOMs, tender design and PPA sanctity may create a roadblock for government in achieving 2022 targets. Low wind prices as compared to fossil fuel based generation will support renewable energy sector in India. Initiatives like National Electric Mobility Mission Plan 2020, Make in India, 24\*7 Power to All and Atmanirbhar Bharat are aiming to create low carbon energy systems which will require large scale renewable energy supply. Hence, as a clean, affordable and sustainable energy resource wind may play an important role for India to meet the growing electricity demand and wider strategic energy objectives.

The wind resources assessment carried out by the NIWE gives total wind energy potential at 302 GW at 100 metre and 695.50 GW at 120 metre hub height. Out of the total estimated potential more than 95 per cent of commercially exploitable wind resources are concentrated in seven states (Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Tamil Nadu). The estimated potential is bound to increase with upcoming technological development, which will make it possible to harness wind energy at a hub height of 150 metre. Over and above the onshore potential, India is blessed with a coastline of about 7,600 km surrounded by water on three sides and has good prospects of harnessing offshore wind energy. Considering this, the government had notified the 'national offshore wind energy policy' as per the gazette notification dated 6 October 2015. As per the policy, Ministry of New and Renewable Energy will act as the nodal ministry for development of offshore wind energy in India and work in close coordination with other government entities for development and use of maritime space within the exclusive economic zone of the country and shall be responsible for overall monitoring of offshore wind energy development in the country. The ministry has set a target of 5 GW of offshore wind installations by 2022 and 30 GW by 2030 which has been issued to give confidence to the project developers in the Indian market.

### **Roads**

India has the second largest road network in the world which spanning around 6.31 million kilometres (kms). This road network transports 64.5% of all goods in the country and 90% of India's total passenger traffic uses road network

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

to commute. Recently India government has allocated Rs. 111 lakh crore under the National Infrastructure Pipeline for FY19-FY25. The Government also aims to boost corporate investment in roads and shipping sector, along with introducing business friendly strategies that will balance profitability with effective project execution. Bharatmala Pariyojana is an umbrella program for the highways sector of the nation that is mainly focused to optimise the efficiency of freight along with smooth passenger movement across the nation, by spanning the critical infrastructure gaps. It will be done through the interventions of Economic corridors, Feeder Routes, and Inter corridors development along with the efficient movement in the National corridors, International and Border Connectivity roadways, Port and Coastal Connectivity roadways, and the green-field expressways.

### Infra

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development. According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.17 billion and US\$ 26.30 billion, respectively, between April 2000-December 2021. In FY21, infrastructure activities accounted for 13% share of the total FDI inflows of US\$ 81.72 billion.

### Real estate

Real estate sector is one of the most globally recognised sectors. It comprises of four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. In India, the real estate sector is the second-highest employment generator, after the agriculture sector. It is also expected that this sector will incur more non-resident Indian (NRI) investment, both in the short term and the long term. By 2040, real estate market will grow to Rs. 65,000 crore (US\$ 9.30 billion) from Rs. 12,000 crore (US\$ 1.72 billion) in 2019. Real estate sector in India is expected to reach US\$ 1 trillion in market size by 2030, up from US\$ 200 billion in 2021 and contribute 13% to the country's GDP by 2025. Retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

### Oil & Gas

The oil and gas sector is among the eight core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. India's economic growth is closely related to its energy demand, therefore, the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment. India retained its spot as the third-largest consumer of oil in the world as of 2021. The Government has adopted several policies to fulfil the increasing demand. It has allowed 100% Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products and refineries, among others. Today, it attracts both domestic and foreign investment as attested by the presence of Reliance Industries Ltd (RIL) and Cairn India. According to IEA (India Energy Outlook 2021), primary energy demand is expected to nearly double to 1,123 million tonnes of oil equivalent, as the country's gross domestic product (GDP) is expected to increase to US\$ 8.6 trillion by 2040.

Energy demand of India is anticipated to grow faster than energy demand of all major economies on the back of continuous robust economic growth. India's energy demand is expected to double to 1,516 Mt. Moreover, the



## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

country's share in global primary energy consumption is projected to increase by two-fold by 2035. Crude oil consumption is expected to grow at a CAGR of 3.60% to 500 million tonnes by 2040. Natural Gas consumption is forecast to increase at a CAGR of 4.18% to 143.08 million tonnes by 2040.

### Cement Industry

Cement production reached 329 million tonnes (MT) in FY 2019-20 and is projected to reach 381 MT by FY2021-22. However, the consumption stood at 327 MT in FY 2019-20 and will reach 379 MT by FY2021-22. The cement demand is estimated to touch 419.92 MT by FY 2026-27. As India has a high quantity and quality of limestone deposits throughout the country, the cement industry promises huge potential for growth. As per ICRA, in FY2021-22, the cement production in India is expected to increase by ~12% YoY, driven by rural housing demand and government's strong focus on infrastructure development. As per Crisil Ratings, the Indian cement industry is likely to add ~80 million tonnes (MT) capacity by FY2023-24, the highest since the last 10 years, driven by increasing spending on housing and infrastructure activities. Higher allocation for infrastructure – US\$ 26.74 billion in roads and US\$ 18.84 billion in railways in union budget of FY2022-23, is likely to boost demand for cement. With the rural markets normalising, the demand outlook remained strong. The Union Budget has allocated INR 139 Bn for Urban Rejuvenation Mission. Government's infrastructure push combined with housing for all, Smart Cities Mission and Swachh Bharat Abhiyan is going to boost cement demand in the country. The move is expected to boost the demand of cement from the housing segment.

The Government has been approving their investment schemes. Initiatives such as 'PM Gati Shakti - National Master Plan (NMP)' for multimodal connectivity, PM Awas Yojana, outlay of Rs. 1,99,107 crore (US\$ 26.74 billion) for the Ministry of Road Transport and Highways, Invest India National Infrastructure Pipeline 9,305 projects from 7,400 projects, Rs. 13,750 crore (US\$ 1.88 billion) and Rs. 12,294 crore (US\$ 1.68 billion) allocated for Urban Rejuvenation Mission AMRUT and Smart Cities Mission and Swachh Bharat Mission.

### Steel Industry

India's finished steel consumption is anticipated to increase to 230 MT by 2030-31 from 86.3 MT in FY22 (till January). As of October 2021, India was the world's second-largest producer of crude steel, with an output of 9.8 MT. As of October 2021, India was the world's second-largest producer of crude steel, with an output of 9.8 MT. In FY22 (till January), the production of crude steel and finished steel stood at 98.39 MT and 92.82 MT, respectively. In FY22, crude steel production in India is estimated to increase by 18%, to reach 120 million tonnes, driven by rising demand from customers. The growth in the Indian steel sector has been driven by the domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

**Source: IBEF report**

**Industry structure and developments:** Your Company is the Largest Crane Hiring Company in India and 5th Largest in the World, as per rankings from Cranes International Magazine (IC - June – 2022). 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 387 medium to large size hydraulic truck mounted telescopic & lattice boom cranes and crawler cranes with lifting capacity 20 Tons to 800 Tons. These cranes are primarily used for erection of power plants, cement plants, steel plants, refineries and petro-chemicals, fertilizers plant, metro projects and windmill erections. Your Company's main business is operation of Cranes, which accounted more than 99% of the revenues. Company's extensive network all over India through various depots ensures the timely deployment of its cranes to its valued



## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

customers. 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.

**Opportunities and Threats:** In view of the increased investments in the renewable energy sector and upcoming projects in refinery and gas, cement, power and steel sector, the company expects increase in demand and rental for the cranes.

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 effective deployment of cranes at competitive rates with due regard to time schedule as well as safety and efficiency in operations.

The growth of crane rental business is constrained due to higher capital cost may result in availability of suitable cranes as per market demand. The Company's operations may get affected on account of increase in competition in crane hiring business, delay in receivables.

Segment-wise or product-wise performance: The Company operates in single segment and hence not applicable.

**Outlook:** The Company has concentrated its fleet of cranes more on heavy duty cranes (cranes above 100 Tons). At present more than 90% of gross block of cranes is in 100 MT & above. Obviously, more than 90% of the Company's turnover is contributed by higher tonnage cranes.

**Risks and concerns:** The crane hiring business is exposed to a wide spectrum of risks and it is imperative that the various risks faced by the Company are effectively measured, monitored and managed. It helps to reduce volatility in earnings and enhances shareholder value. The Board of Directors of your Company endorses the risk strategy and approves the risk policies. The Risk Management Committee of the Board supervises implementation of the risk strategy. It guides the development of policies, procedures and systems for managing risk. The Committee periodically reviews risk level. The Company believes that effective management of the existing and emerging risks is vital for realising its objectives. The Company has a well-covered risk management framework that works at different levels across the institution. The Company's internal control systems are regularly tested for design, implementation and operating effectiveness. Overall, the Company has a robust risk management framework, that enables is to effectively manage and report on risks.

**Economic Risk:** Globalisation has ensured that the Indian economy and financial markets cannot stay insulated from the present financial crisis in the developed economies. The global economic conditions may affect the Indian economy through financial sector, exports and exchange rates.

**Competition Risk:** Currently, the Company faces competition threat from various domestic as well as foreign players. This result into decrease in market share of the company and putting pressure on pricing power (yield) of the Company.

**Cyber security Risks:** Cyber security risk is the probability of exposure or loss resulting from a cyber-attack or and data breach on the organisation. Organisations are becoming more vulnerable to cyber threats due to the increasing reliance on computers, networks, programs, social media and data globally. The company has initiated multiple steps to strengthen its cyber security posture. The Company has taken initiatives such as administering security procedures, training and testing, maintaining secure device configurations, up-to-date software and vulnerability patches, deployment of intrusion detection systems and penetration testing, configuration of secure networks that can manage and protect business networks, deployment of programs and monitoring, restriction of access to least required privilege, proper configuration of cloud services, etc.



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## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

**Sustainability Risk:** Sustainability risk" (particularly ESG risks) refers to the uncertainty in being able to sustain the growth of a company because certain practices may have negative externalities which result in the collapse of value chain of the system over a period of time or impact other related systems. ESG risks include those related to climate change impacts mitigation and adaptation, environmental management practices and duty of care, working and safety condition, respect for human rights, anti-bribery and corruption practices, and compliance to relevant laws and regulations. We have emphasised and adopted forward looking practices to address related objectives. Nevertheless, we recognise that this is an ongoing journey and involves a range of risks that warrant to be mitigated. The Code of Conduct Company which facilitates a fair working environment and appropriate behaviour by employees. We seek responsible business growth and concurrently address ESG objectives.

**Market Risk:** For crane rental business, inter-state movement of cranes, imposition of entry tax for cranes in transits and delayed payments from the customers is an area of great concern. Payment of service tax on the basis of billing, is a drain on the cash flow of the Company. The demand for crane will grow once the investments in Infrastructure Sector picks up but it will be a challenge for survival under high growth in demand at prevailing low rentals.

**Regulatory Risk:** During the course of operations, the Company is required to obtain number of licenses, approvals, permissions and registrations for operating, any changes in the regulations or norms by authorities might affect the operations of the Company.

**Manpower Risk:** Due to emerging competition, there might be shortage of Skilled Operators and Technical Staff. Also there is possibility of poaching of good manpower, as we have experienced staff.

**COVID-19 Risk:** The financial year 2020-21 unfolded as the year of recovery, although the pandemic's grip continued over the course of the year. The year ended with downside impacts, such as emergence of the Omicron variant that held back a broader recovery. With slightly receding impact of COVID, the global GDP tread on the path towards recovery, growing at an estimated rate of 5.9% in financial year 2020-21 from -3.1% in the previous year (Source: IMF World Economic Outlook, January 2022).

The Management has initiated utmost priority to safe and clean operations at its office by regularly conducting safety trainings and programmes, COVID-19 specific arrangements such as undertaking sanitisation, thermal screening and social distancing across all the offices to keep employees safe. All our offices, depots are OHSMS ISO 45001: 2018 certified. The company also conducted regular risk assessments through HIRA (Hazard Identification and Risk Assessment) technique and implementation of mitigation strategies. The Company has also provided adequate health insurance coverage to its employees.

The Company operates in domestic market and can be affected by unprecedented general crisis like the Covid-19 pandemic. This pandemic led to a significant downturn in the global economy and substantial curtailment of business activities worldwide. There remains a possibility that this crisis or a similar public health threat, could substantially affect the businesses financial condition and operations. To mitigate the risk of disruptions, alternative procurement strategies have been considered. The Company is also exploring various contractual remedies to deal with the situation. The above steps taken along with other measures, will help the organisation to be resilient and help weather any major shocks.

**Internal control systems and their adequacy:** The Company has an adequate system of internal control commensurate with its size and nature of business, to ensure that the resources of the Company are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorised use or disposition and the transactions are authorised, recorded and reported correctly, financial and other data are reliable for preparing





## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

financial information and other data and for maintaining accountability of assets. The internal control is supplemented by extensive programme of internal audits, review by management, documented policies, guidelines and procedures.

**Discussion on financial performance with respect to operational performance:** Sanghvi Movers Limited India's largest crane hiring Company in India. The performance of the Company is dependent on the Indian Economy, more particularly investments in infrastructure and core sectors of the economy both by private as well as public sector undertakings.

Total revenue from operations was Rs. 37,225.15 Lakhs for the year ended 31st March 2022 as against Rs. 25,302.94 Lakhs for the corresponding previous year.

**Material developments in Human Resources / Industrial Relations front, including number of people employed:** The Company firmly believes that employees are one of its 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 1,625 employees including indirect labour as on 31st March 2022.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor required vide part B of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018:

No	Particulars	2020-21	2021-22	% Change	Explanations if any
1)	Current Ratio	1.23	1.91	56%	Refer Note 1
2)	Debt Equity Ratio	0.28	0.23	-18%	Refer Note 2
3)	Debt Service Coverage Ratio	1.05	2.74	160%	Refer Note 3
4)	Return on Equity	-3.16%	4.01%	-227%	Refer Note 4
5)	Trade Receivables Turnover Ratio	2.69	3.31	23%	Refer Note 5
6)	Net Working Capital Turnover Ratio	10.96	3.94	-64%	Refer Note 6
7)	Net Profit Ratio	-10.02%	8.77%	-188%	Refer Note 7
8)	Return on Capital Employed Ratio	-0.62%	6.31%	-1110%	Refer Note 8
9)	Return on Investment Ratio	-3.16%	4.01%	-227%	Refer Note 9

### Note - 1: Variation in Current Ratio –

Current Ratio is calculated as Current Assets divided by Current Liabilities. Current Assets of the Company primarily include Sundry Debtors and other current assets including cash and cash equivalents recoverable within a period of next twelve months. It also includes small amount of inventory of spare parts. While current liabilities includes Sundry Creditors for spare parts and other services (transport services) availed by the Company during the year.

The major portion of current liabilities (more than 45 %) includes the current maturities of long term loans availed by the Company for funding the capex plan in earlier years. In short, it includes installments of TL due within one year. Sanghvi Movers Limited (SML) falls under Service Industry and also is a Capital Intensive Industry. Being a Service Company, it (SML) does not have inventory of Raw Material, WIP and Finished Goods which constitutes major portion of current assets in case of manufacturing industry. Further, being a capital intensive industry, SML requires to borrow monies from the banks to fund its capex plan. The average tenor of these term loans are typically five years and



## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

therefore 20% of the total amount of term loans falls due for repayment every year. As per the formula, for calculation of Current Liabilities, one needs to add the installments of Term Loans due within one year in Current Liabilities, however in practice, company repays these loans during the course of the year out of internal accruals which is not considered while calculating the current ratio. Such being the case, SML always have lower current ratio historically. However, if we remove the installments of term loans due within next twelve months from Current Liabilities, the Current Ratio can be worked out as under:

Receivable Turnover in days = 365 Divided by Debtors Turnover Ratio

Particulars	2021-22	2020-21
A) Current Assets (Rs. Lakhs)	17,848.02	11,111.84
Current Liabilities (Rs. Lakhs)	9,331.13	9,070.65
Less: Instalments of TL due within one year (Rs. Lakhs)	4,439.69	4,279.19
B) Net Current Liabilities (Rs. Lakhs)	4,891.44	4,791.46
Current Ratio :- A) divided by B)	3.64	2.31

From the aforesaid calculation, it is evident that SML has comfortable Current Ratio, if we remove the instalments of term loans from current liabilities since it would be paid during year out of internal cash accruals. Current Ratio is an indicator of liquidity position of the company. SML has sound liquidity position in spite of having lower current ratio in the past (for the reasons mentioned above) and serviced its creditors and lenders in time. In fact on many occasions, it has pre-paid the instalments of its term loans before its due date. Further undrawn bank lines (Cash Credit limits) add further cushion to the liquidity of the Company.

The reason for improvement in Current Ratio in FY 22 is primarily on account of increase in business volume/sales turnover of the company, resulting into increase in Trade Receivables, improved cash flow position pursuant to better collection from customers which is reflected in increase in ST investments made by the company and increase in bank balance at the year end.

### Note - 2: Variation in Debt: Equity Ratio

Debt: Equity Ratio is improved by 18% in the current financial year primarily on account of repayment of debt and increase in equity on account of profit made by the company in the current financial year.

### Note - 3: Variation in Debt Service Coverage Ratio

DSCR has significantly improved in FY 22 primarily on account of profit made by the company during the year. Furthermore, due to substantial amount of debt reduction, interest cost has also come down.

### Note - 4: Variation in Return on Equity Ratio

ROE has increased primarily because company has made decent amount of profits in FY 22 primarily because of increase in turnover, other income, reduction in interest cost etc.

### Note - 5: Trade Receivables Turnover Ratio

Receivables Turnover Ratio is 3.31 times of the total Turnover in F.Y.2021-22 as compared to 2.69 times in F.Y. 2020-21. It means that in F.Y. 2021-22, company has collected its average accounts receivable approximately 3.31 times over the fiscal ended 31st March, 2021. The average recovery from S. Debtors is better in FY 2021-22 as compared to FY 2020-21. The same is evident from accounts receivable turnover ratio which is calculated as under:

**MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)**

Receivable Turnover in days = 365 Divided by Debtors Turnover Ratio

Particulars	2021-22	2020-21
No. of Days in a Year	365	365
Debtors Turnover Ratio	3.31	2.69
Receivable Turnover in Days	110	135

From the aforesaid calculation, it is evident that, average receivable days in FY 2021-22 has reduced to 110 days as compared to 135 days in previous financial year i.e. FY 2020-21. This is primarily because of increase in collection from our clients through rigorous follow up, better monitoring of receivables position by the management, strict adherence to credit period allowed to the customers.

**Note - 6: Net Working Capital Turnover Ratio**

Working capital turnover ratio is a formula that calculates how efficiently a company uses working capital to generate sales. Net Working Capital Turnover Ratio is 3.94 times of the total Turnover in F.Y.2021-22 as compared to 2.22 times in F.Y. 2020-21. It means that in F.Y. 2021-22, company is using its working capital more efficiently to generate more sales. This is primarily because of increase in Sales Turnover of the company because of increased capacity utilization of crane fleet of the company, increase in sales turnover resulting into increase in receivables, better collection from our clients through rigorous follow up, better monitoring of receivables position by the management, strict adherence to credit period allowed to the customers.

**Note - 7: Net Profit Ratio**

Net Profit Ratio is healthy in FY 22 as compared to FY 21. In FY 21, company has made net loss of Rs. 22.42 crores while in FY 22, company has posted net profit of Rs. 29.40 Crores which is primarily on account of increase in Sales Turnover of the company because of increased capacity utilization of crane fleet of the company.

**Note - 8: Return on Capital Employed**

ROCE is significantly improved in FY 22 as compared to FY 21. In FY 21, company has made net loss of Rs. 22.42 crores while in FY 22, company has posted net profit of Rs. 29.40 Crores which is primarily on account of increase in Sales Turnover of the company because of increased capacity utilization of crane fleet of the company. This is also because EBIT has increased due to reduction in interest cost in FY 22 pursuant to substantial repayment of debt and increase in Shareholders' Fund / Equity because of substantial increase in net profit in FY 22.

**Note - 9: Return on Investment**

ROCE is significantly improved in FY 22 as compared to FY 21. In FY 21, company has made net loss of Rs. 22.42 crores while in FY 22, company has posted net profit of Rs. 29.40 Crores which is primarily on account of increase in Sales Turnover of the company because of increased capacity utilization of crane fleet of the company. This is also because EBIT has increased because of reduction in interest cost in FY 22 due to substantial repayment of debt and increase in Shareholders' Fund / Equity because of substantial increase in net profit in FY 22.



## REPORT ON CORPORATE GOVERNANCE

A report on compliance with corporate governance principles as prescribed under Regulation 17 to 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as listing regulations) and practices followed on Corporate Governance, the report containing the details of Corporate Governance system and process at Sanghvi Movers Limited is as under:

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to maintain high standards and continues to practice 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 and accountability. 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.

### BOARD OF DIRECTORS

#### 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 March 2022, the Company's Board consists of Nine Directors. It comprises of One Managing Director, One Joint Managing Director, One Non-Executive Non-Independent and Six Non-Executive Independent Directors including One Woman Independent Director.

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

Category	Name
Managing Director	Mr. Rishi C. Sanghvi
Joint Managing Director & CFO	Mr. Sham D. Kajale
Independent Director	Mr. Dara N. Damania
Independent Director & Chairman	Mr. S. Padmanabhan
Independent Director	Mr. Pradeep R. Rathi
Independent Director	Mr. Dinesh H. Munot
Independent Woman Director	Mrs. Madhu Dubhashi
Independent Director	Mr. Madhukar V. Kotwal
Non-Executive Non-Independent Director	Mrs. Maithili R. Sanghvi

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

**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.

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 March 2022:

Name	Attendance Particulars		Number of Other Directorships and Committee Memberships/ Chairmanships		
	Board Meetings	Last AGM	Other Directorships*	Committee Memberships**	Committee Chairmanships**
Mr. Rishi Sanghvi	06	Y	0	0	0
Mr. Dara Damania	06	Y	02	2	2
Mr. S. Padmanabhan	06	Y	02	1	1
Mr. Pradeep Rathi	06	Y	03	2	1
Mr. Dinesh Munot	06	Y	01	0	0
Mr. Madhukar V. Kotwal	06	Y	01	1	1
Mrs. Madhu Dubhashi	06	N	03	2	2
Mrs. Maithili R. Sanghvi	06	Y	0	0	0
Mr. Sham D. Kajale	06	Y	0	0	0

Excludes directorship in Sanghvi Movers Limited. Also excludes directorship in Unlisted Public and Private Companies, Companies incorporated under Section 8 of the Companies Act, 2013.

\*\* For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of Public Companies have been considered. Also excludes the Memberships & Chairmanships in Sanghvi Movers Limited.

**Directors and their Directorships in other listed Companies are as under:**

Name of the Directors	Name of the listed entities in which Director holds Directorship	Category of Directorship
Mr. Rishi C. Sanghvi	-	-
Mr. Dara Damania	02	Independent Director
Mr. S. Padmanabhan	02	Independent Director
Mr. Pradeep Rathi	03	Independent Director
Mr. Dinesh Munot	01	Independent Director
Mr. Madhukar V. Kotwal	01	Independent Director
Mrs. Madhu Dubhashi	03	Independent Director
Mr. Sham D. Kajale	-	-
Mrs. Maithili R. Sanghvi	-	-



## REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of the Directors	Name of the listed entities in which Director holds Directorship	Category of Directorship
Mr. Rishi C. Sanghvi	Nil	Not Applicable
Mr. Dara Damania	1. Sudarshan Chemical Industries Limited	Independent Director
	2. KSB Limited	Independent Director
Mr. S. Padmanabhan	1. Sudarshan Chemical Industries Limited	Independent Director
	2. Force Motors Limited	Independent Director
Mr. Pradeep Rathi	1. Sudarshan Chemical Industries Limited	Non-Executive Non Independent Director Chairperson
	2. Clean Science and Technology Limited	Non-Executive Non Independent Director, Chairperson
	3. Finolex Industries Limited	Independent Director
Mr. Dinesh Munot	1. ZF Steering Gear India Limited	Executive Director Chairperson
Mr. Madhukar V. Kotwal	1. Kirloskar Ferrous Industries Limited	Independent Director
Mrs. Madhu Dubhashi	1. Pudumjee Paper Products Limited	Independent Director
	2. Clean Science and Technology Limited	Independent Director
	3. Tega Industries Limited	Independent Director
Mr. Sham D. Kajale	Nil	Not Applicable
Mrs. Maithili R. Sanghvi	Nil	Not Applicable

### Notes:

- Excludes directorship in Sanghvi Movers Limited. The Directorships held in unlisted public limited companies, private limited companies, one person companies and companies under Section 25 of the Companies Act, 1956/ under Section 8 of the Companies Act, 2013 have not been considered.
- None of the Directors on the Board is a Director of more than eight listed companies.
- Mr. Rishi C. Sanghvi is the son of Late Mr. C. P. Sanghvi Ex. Chairman & Managing Director. Mrs. Maithili R. Sanghvi is the wife of Mr. Rishi C. Sanghvi.
- No other Director is related to any other Director of the Company within the meaning of Section 2(77) of the Companies Act, 2013 and rules thereof.

### 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 2021-22, the Board met six times on the following dates, namely, 30 April 2021, 27 May 2021, 10 August 2021, 12 November 2021, 03 December 2021 and 09 February 2022 and the maximum time gap between two meetings did not exceed one hundred and twenty days. The Board meets at least once in each quarter to review the quarterly financial results and to consider other items on the agenda.

### Board Procedures

The dates for meetings of the Board of Directors and its Committees are scheduled in advance and published as a part of the Annual Report. The Agenda and the explanatory notes are circulated well in advance to the Directors in accordance with the Secretarial Standards. The Managing Director and Joint Managing Director & CFO make presentations to the Board on matters including but not limited to the Company's performance, operations, plans,



## REPORT ON CORPORATE GOVERNANCE (Contd.)

etc. The Board has complete access to any information within your Company which includes the information as specified in Regulation 17 of the Listing Regulations. Regular updates provided to the Board, inter alia, include:

- Capital budgets and any updates;
- Quarterly financial results for your Company;
- Minutes of meetings of Committees of the Board of Directors;
- The information on recruitment and remuneration of Senior Management Personnel just below the level of Board of Directors;
- Show cause, demand, prosecution and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, if any;
- Sale of a material nature, or of investments and assets which are not part of the normal course of business;
- Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as nonpayment of dividend, delay in share transfer; and
- Any other information which is relevant for decision making by the Board.

### Directors' inter-se relationship

Mr. Rishi C. Sanghvi is the son of Late Mr. Chandrakant Sanghvi, Ex. Chairman & Managing Director of the Company. Mrs. Maithili R. Sanghvi is the wife of Mr. Rishi C. Sanghvi – 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 March 2022:

Name of the Director	No. of Equity Shares
Mr. Dara Damania	-
Mr. S. Padmanabhan	-
Mr. Pradeep Rathi	-
Mr. Dinesh Munot	-
Mr. Madhukar V. Kotwal	-
Mrs. Madhu Dubhashi	20,000

### Declaration by Independent Directors

The Company has received declaration under Section 149(7) of the Companies Act 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Familiarisation Programme for Independent Directors

The Board has adopted Familiarisation Programme Independent Directors pursuant to listing regulations. The

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programme aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company and to help them in the efficient discharge of their roles, rights and responsibilities in the Company. The familiarisation programmes along with details of the same imparted to the Independent Directors during the year are available on the website of the Company <https://www.sanghvicranes.com/investor/company-policies/>.

**Skills matrix for the Directors**

The list of core skills, expertise and competencies identified by the Board of Directors of the Company, essential for effective functioning of the Company and is available with the existing Board of Directors is provided below:

Skills	Details
Strategy & Strategic planning	<ul style="list-style-type: none"> <li>• Identification and assess strategic opportunities and threats to the Company;</li> <li>• Leading management to make decisions in uncertain environments;</li> <li>• Developing strategies for the achievement of long term goals.</li> </ul>
Corporate Governance	<ul style="list-style-type: none"> <li>• Implementation of best Corporate Governance practices in the interests of all shareholders;</li> <li>• Maintaining Board and management accountability;</li> <li>• Ensuring adherence of the Corporate Governance requirements.</li> </ul>
Financial Skills	<ul style="list-style-type: none"> <li>• Effective financial management;</li> <li>• Monitoring of finances;</li> <li>• Ensuring timely financial reporting;</li> <li>• Budgetary control;</li> <li>• Financial risk management and its mitigation;</li> <li>• Financial planning.</li> </ul>
Legal & Regulatory knowledge	<ul style="list-style-type: none"> <li>• Knowledge of statutory requirements;</li> <li>• Effective Compliance Management system;</li> <li>• Regular follow up in Board and Committee Meetings.</li> </ul>

**In the table below, the specific areas of focus or expertise of individual board members have been highlighted.**

Director	Strategy & Strategic planning	Corporate Governance	Financial Skills	Legal & Regulatory knowledge
Mr. Rishi C. Sanghvi	Y	Y	Y	Y
Mr. Dara Damania	Y	Y	Y	Y
Mr. S. Padmanabhan	Y	Y	Y	Y
Mr. Pradeep Rathi	Y	Y	Y	Y
Mr. Dinesh Munot	Y	Y	Y	Y
Mr. Madhukar V. Kotwal	Y	Y	Y	Y
Mrs. Madhu Dubhashi	Y	Y	Y	Y
Mr. Sham D. Kajale	Y	Y	Y	Y
Mrs. Maithili R. Sanghvi	Y	Y	N	N





## REPORT ON CORPORATE GOVERNANCE (Contd.)

### COMMITTEES

#### AUDIT COMMITTEE

The Audit Committee is, inter alia, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors. The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Members of the Audit Committee are financially literate and have experience in financial management.

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

The Audit Committee is empowered, pursuant to its terms of reference and its role, inter alia, includes the following:

1. Overseeing Company's financial reporting process and the disclosure of its information;
2. Reviewing with the management quarterly, half-yearly, nine months and annual financial statements before submission to the Board for approval;
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report as per Section 134(3)(c) of the Companies Act, 2013;
  - b. Changes in the accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
  - c. Compliance with the Listing Regulations and other legal requirements relating to financial statements;
  - d. Disclosure of any related party transactions; and
  - e. Qualifications in the draft audit report, if any.
5. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:
  - a. qualifications and experience of the individual/ firm proposed to be considered for appointment as auditor;
  - b. whether such qualifications and experience are commensurate with the size and requirements of the company; and
  - c. giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.



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## REPORT ON CORPORATE GOVERNANCE (Contd.)

6. Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;
7. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
8. Reviewing and approving quarterly and yearly management representation letters to the statutory auditors;
9. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
10. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
12. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor of the Company;
13. Evaluating the internal financial controls and risk management policies system of the Company;
14. Discussion with the internal auditors on internal audit reports relating to internal control weaknesses and any other significant findings and follow-up thereon;
15. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the company by its officers/employees;
16. Approval or subsequent modification of transactions of the Company with related parties including appointment and revision in remuneration of related parties to an office or place of profit in the Company;
17. Reviewing the statements of significant related party transactions submitted by the management;
18. Reviewing and Scrutinizing the inter-corporate loans and investments;
19. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy. Overseeing the functioning of the same;
20. Approval of appointment of CFO;
21. Approving the auditors (appointed under the Companies Act 2013) to render any service other than consulting and specialised services;
22. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
23. Review the cost audit report submitted by the cost auditor on audit of cost records, before submission to the Board for approval;
24. Review and approve, policy on materiality of related party transactions and also dealing with related party transactions; and
25. Any other matter referred to by the Board of Directors.

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

**Composition**

Sr. No.	Name of the Director	Acting in the Committee as	Category of Directorship
1	Mr. S. Padmanabhan	Chairman	Independent Director
2	Mr. Dara Damania	Member	Independent Director
3	Mr. Pradeep Rathi	Member	Independent Director
4	Mr. Dinesh Munot	Member	Independent Director
5	Mr. Madhukar Kotwal	Member	Independent Director
6	Mrs. Madhu Dubhashi	Member	Independent Director

All members of the Committee are financially literate. The Company Secretary acts as the Secretary to the committee. The Internal Auditor and the Statutory Auditors also make their presentations at the Committee meeting.

**Meetings and attendance during the year**

During the year 2021-2022, the Audit Committee met five times on the following dates, namely, 30 April 2021, 27 May 2021, 10 August 2021, 12 November 2021 and 09 February 2022.

Name of Director	No. of Meeting Attended
Mr. S. Padmanabhan	05
Mr. Dara Damania	05
Mr. Pradeep Rathi	05
Mr. Dinesh Munot	05
Mr. Madhukar Kotwal	05
Mrs. Madhu Dubhashi	05

**NOMINATION & REMUNERATION COMMITTEE**

The constitution and the terms of reference of the Nomination & Remuneration Committee are in compliance with the provisions of Section 178 (1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

**Brief description of terms of reference**

1. Recommend to the Board the remuneration of the Whole Time Directors, Related Party in place of Profit and key managerial personnel;
2. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
3. Carry out the evaluation of every director's performance and formulate criteria for evaluation of Independent Directors, Board/Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;
4. Undertake any other matters as the Board may decide from time to time.

**Composition**

Sr. No.	Name of the Director	Acting in the Committee as	Category of Directorship
1.	Mr. Pradeep Rathi	Chairman	Independent Director
2.	Mr. S. Padmanabhan	Member	Independent Director
3.	Mr. Dara Damania	Member	Independent Director



## REPORT ON CORPORATE GOVERNANCE (Contd.)

The Committee complies with the provisions of the Companies Act, 2013 and the corporate governance code.

Meeting and attendance during the year Due to second wave of Covid-19, restrictions and lock down imposed, the Meeting of Nomination & Remuneration Committee was not held during the year

### 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 consonance with the existing industry practice.

### Pecuniary Relationship or Transactions of the Non-Executive Directors

There was no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company, which has potential conflict with the interest of the organisation at large.

### Remuneration to Managing Director and Joint Managing Director & CFO

For the year ended 31 March 2022, the following Remuneration was paid/payable to these Directors:

(Rs. in Lakhs)

Name of Director	Salary	Performance Incentives, Ex-Gratia & other Perquisites	Commission Payable	Gratuity	Contribution towards Superannuation Scheme & National Pension Scheme	Total
Mr. Sham D. Kajale	91.60	32.89 <sup>\$</sup>	Nil	— <sup>*</sup>	10.12	134.61
Mr. Rishi C. Sanghvi	200.00	46.79 <sup>#</sup>	Nil	— <sup>*</sup>	10.50	257.29

\*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, had the Company calculated the gratuity on arithmetical basis, gratuity expense pertaining to Mr. Rishi C. Sanghvi would have amounted to Rs. 5.38 Lakhs (2021: Rs. 26.92 Lakhs) and for Mr. Sham D. Kajale would have amounted to Rs. 3.24 Lakhs (2021: Rs. 3.24 Lakhs). However, contribution toward superannuation fund is included as part of managerial remuneration.

<sup>\$</sup>The Nomination and Remuneration Committee, Audit Committee & the Board of Directors of the Company have approved the payment of performance incentive to Mr. Sham D. Kajale. The sole objective is to recognise his valuable contribution in the growth of the company, to reward him for his loyalty and integrity and to ensure his long term association with the company, till his superannuation age. The payment of performance incentive to Mr. Sham D. Kajale is based on his past performance and not linked with future financial performance or profitability of the Company.

<sup>#</sup>The Nomination and Remuneration Committee, Audit Committee & the Board of Directors of the Company have approved the payment of performance incentive to Mr. Rishi C. Sanghvi. The payment of performance incentive to Mr. Rishi C. Sanghvi is based on performance of the Company in Financial Year 2021-2022.

### Directors' Sitting Fees:

The Company paid sitting fees to the Independent and Non-Executive Directors at the rate of Rs. 70,000/- per Board Meeting and Rs.10,000/- per Committee Meeting till March 2022. In May 2022, the Director sitting fees were revised to Rs. 1,00,000/- per Board Meeting and Rs. 10,000/- per Committee Meeting. The Company also reimburses expenses for attending the meeting by these Directors. The sitting fees paid to Directors for the year ended 31 March 2022 were as follows:

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

(Rs. in Lakhs)

Name of Director	Number of Meetings attended						Total
	Board Meetings	Audit Committee Meetings	Stakeholders Relationship Committee Meetings	Nomination & Remuneration Committee Meetings	Risk Management Committee Meeting	Corporate Social Responsibility Committee Meeting	
Mr. S. Padmanabhan	6	5	4	0	1	1	5.30
Mr. Dara Damania	6	5	4	0	1	1	5.10
Mr. Pradeep Rathi	6	5	0	0	0	0	4.50
Mr. Dinesh Munot	6	5	4	0	0	0	5.10
Mr. Madhukar V. Kotwal	6	5	4	0	1	0	5.00
Mrs. Madhu Dubhashi	6	5	0	0	0	0	4.50
Mrs. Maithili R. Sanghvi	6	0	0	0	0	1	4.10

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The composition of the Stakeholders' Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

**Composition**

Sr. No.	Name of the Director	Acting in the Committee as	Category of Directorship
1	Mr. Madhukar Kotwal	Chairman	Independent Director
2	Mr. Dara Damania	Member	Independent Director
3	Mr. S. Padmanabhan	Member	Independent Director
4	Mr. Dinesh H. Munot	Member	Independent Director
5	Mr. Sham D. Kajale	Member	Joint Managing Director
6	Mr. Rishi C. Sanghvi	Member	Managing Director

The Company Secretary acts as the Secretary to the committee. During the period under review, no complaints were received by the Company from any shareholder and nil complaints are pending.

**Meetings and Attendance during the year**

During the year 2021-2022, the Stakeholders' Relationship Committee met four times on the following dates, namely, 27 May 2021, 10 August 2021, 12 November 2021 and 09 February 2022.

Name of Director	No. of Meeting Attended
Mr. Madhukar Kotwal	04
Mr. Dara Damania	04
Mr. S. Padmanabhan	04
Mr. Dinesh H. Munot	04
Mr. Sham D. Kajale	04
Mr. Rishi C. Sanghvi	04

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)**

The composition of the CSR Committee is in alignment with provisions of Section 135 of the Companies Act, 2013.



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## REPORT ON CORPORATE GOVERNANCE (Contd.)

The terms of Reference of the Committee are as follows:

- Recommend the amount of expenditure to be incurred on the activities;
- To frame the CSR Policy and its review from time-to-time;
- To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget;
- To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

### Composition

Sr. No.	Name of the Director	Acting in the Committee as	Category of Directorship
1.	Mr. Dara Damania	Chairman	Independent Director
2.	Mr. S. Padmanabhan	Member	Independent Director
3.	Mrs. Maithili R. Sanghvi	Member	Non-Executive & Non Independent Women Director

The Company Secretary acts as the Secretary to the Committee.

### Meetings and Attendance during the year

During the year 2021-2022, the Corporate Social Responsibility Committee met on 27 May 2021.

Name of the Director	No. of Meetings Attended
Mr. Dara Damania	01
Mr. S. Padmanabhan	01
Mrs. Maithili R. Sanghvi	01

The details of the CSR initiatives of your Company form part of the CSR Section in the Annual Report. The CSR Policy has been placed on the website of your Company and can be accessed through the following link:

### RISK MANAGEMENT COMMITTEE

The Board of Directors has constituted a Risk Management Committee and defined its roles and responsibilities in accordance with the provisions of Regulation 21 of the Listing Regulations.

The Committee's terms of reference, among other things, include identify Company's risk appetite set for various elements of risk, review the risk management practices, structures and recommend changes to ensure adequacy of risk management in the Company.

### Composition

Sr. No.	Name of the Director	Acting in the Committee as	Category of Directorship
1	Mr. S Padmanabhan	Chairman	Independent Director
2	Mr. Dara Damania	Member	Independent Director
3	Mr. Sham D. Kajale	Member	Joint Managing Director & CFO

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

4	Mr. Madhukar Kotwal	Member	Independent Director
5	Mr. Rishi C. Sanghvi	Member	Managing Director

The Company Secretary acts as the Secretary to the Committee.

**Meetings and Attendance during the year**

During the year 2021-2022, the Risk Management Committee met on 09 February 2022.

<b>Name of Director</b>	<b>No. of Meeting Attended</b>
Mr. S Padmanabhan	01
Mr. Dara Damania	01
Mr. Sham D. Kajale	01
Mr. Madhukar Kotwal	01
Mr. Rishi C. Sanghvi	01

**General Body Meetings & Postal Ballot**

<b>Year</b>	<b>General Meeting</b>	<b>Day</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>	<b>Special Resolution Passed</b>
2020-21	AGM	Friday	13.08.2021	11:00 a.m.	Through Video conferencing (VC) / Other Audio Visual Means (OAVM)	1. Alteration of Articles of Association of the Company.
2019-20	AGM	Friday	25.09.2020	11:30 a.m.	Through Video conferencing (VC) / Other Audio Visual Means (OAVM)	1. Re-appointment of Mr. Madhukar V. Kotwal as an Independent Director of the Company; 2. Waiver of recovery of excess remuneration paid to Mr. Sham D. Kajale – Joint Managing Director & CFO, during the financial year ended on 31 March 2020; 3. Re-appointment of Mr. Sham D. Kajale, Joint Managing Director & CFO of the Company.
2018-19	AGM	Thursday	08.08.2019	04:00 p.m.	Survey No. 92, Tathawade, Taluka Mulshi, Pune – 411033	Appointment of Mr. Rishi C. Sanghvi as Managing Director of the Company for a period of five years w.e.f. 11 April 2019.

Date of Postal Ballot Notice : 25 February 2019

Date of declaration of Postal Ballot results : 30 March 2019

**SANGHVI****REPORT ON CORPORATE GOVERNANCE (Contd.)**

Sr. No.	Resolutions	Votes in favour of the Resolution		Votes against the Resolution		Invalid Votes	
		No. of votes	% to total votes	No. of votes	% to total votes	No. of votes	% to total votes
1	Re-appointment of Mr. Dinesh Munot as an Independent Director of the Company to hold office for a second term from 01 April, 2019 to 31 March, 2024	2,66,23,133	99.99%	700	0.00%	0	0%
2	Re-appointment of Mr. Dara Damania as an Independent Director of the Company to hold office for a second term from 01 April, 2019 to 31 March, 2024	2,66,23,133	99.99%	700	0.00%	0	0%
3	Re-appointment of Mr. S. Padmanabhan as an Independent Director of the Company to hold office for a second term from 01 April, 2019 to 31 March, 2024	2,66,23,133	99.99%	700	0.00%	0	0%
4	Re-appointment of Mr. Pradeep Rathi as an Independent Director of the Company to hold office for a second term from 01 April, 2019 to 31 March, 2024	2,65,53,788	99.74%	70,045	0.26%	0	0%

Mr. Vinayak S. Khanvalkar, Practising Company Secretary, Partner, Kanj & Associates, Company Secretaries, Pune was appointed as Scrutinizer for the process of postal ballot exercise. According to the Scrutinizer's report, the resolutions were passed by the requisite majority. The result of the postal ballot was declared on 30 March 2019, uploaded on the website of the Company on 30 March 2019 and also informed to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed for the information of the members.

**Statutory Audit**

M/s. MSKA & Associates, Chartered Accountants, Pune (Firm Registration No. 105047W), were appointed as Statutory Auditor at Thirty-second Annual General Meeting of the Company in place of retiring auditors M/s. B S R & Co. LLP, Chartered Accountants, Pune (Firm Registration No. 101248W/W-100022), for a period of five consecutive years.

During the financial year 2021-2022, the particulars of payment of Statutory Auditors' fees to M/s. MSKA & Associates are as below:



**REPORT ON CORPORATE GOVERNANCE (Contd.)**

(Rs. in Lakhs)

<b>Particulars</b>	<b>Amount</b>
Services as statutory auditors (including limited review of quarterly results)	18.00
Out of pocket expenses	0.97
<b>Total Fees</b>	<b>18.97</b>

**Means of communication**

The Company has published quarterly and yearly financial results in Business Standard and Loksatta after forwarding the same to The BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). The results are also published on the Company's website, [www.sanghvicranes.com](http://www.sanghvicranes.com) under 'Investor Centre' section. After declaration of financial results, the Company submits the 'Investor Updates' to the Stock Exchanges and uploads the same on its website.

**Filings with Stock Exchanges:**

Pursuant to the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and rules thereunder, the notices, financial results, reports, statements, documents, filings and any other information that are required to be submitted to the stock exchange(s) has been submitted through online filing on the following websites: BSE Listing Centre: <https://listing.bseindia.com> NSE Electronic Application Processing System (NEAPS): <https://www.connect2nse.com>. Simultaneously the Company has also uploaded these submissions on its website, i.e., [www.sanghvicranes.com](http://www.sanghvicranes.com) under investor Centre menu. The updates on financial results have also been uploaded on the website of the company.

**General shareholder information**

AGM - Day, Date & Time are given below:

AGM - Day, Date & Time Thursday, 18 August 2022, at 11:00 A.M.

Venue AGM will be held through video conferencing (VC) or other audio-visual means (OAVM).

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

Date of Book Closure: 12 August 2022 to 18 August 2022

**Transfer of unpaid dividend during the year to the Investor Education and Protection Fund:**

Pursuant to the provisions of Section 124 (5) of the Companies Act, 2013, any amount lying in the Unpaid Dividend Account which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company to the Investor Education and Protection Fund ("IEPF") of the Central Government.

During the year, 18,147 shares in respect of which dividend remained unpaid or unclaimed for seven consecutive years from the financial year 2012-13, which had been declared at the Twenty-fourth Annual General Meeting of the Company held on 23 September 2013 amounting to nominal value of Rs. 36,294.00 were transferred in January 2022 to the Investor Education and Protection Fund ("IEPF") of the Central Government. In this regard, the Company has filed necessary forms to Ministry of Corporate Affairs.

**Unclaimed dividend**

By virtue of the provision laid down under the Companies Act, 2013, 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 IEPF established by the Central Government. No claim shall lie against the IEPF or the company for the amounts

**SANGHVI****REPORT ON CORPORATE GOVERNANCE (Contd.)**

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 2014-2015 onwards, are requested to make their claims without any delay to the Registrar and Transfer Agents, Link Intime India Private Limited.

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

(Amount in Rs.)

Financial Year	Date of declaration of dividend	Type of dividend	Total dividend	Unclaimed dividend as on 31 March 2022	Due date for transfer to Investor Education and Protection Fund (IEPF)
2014-2015	23 September 2015	Final	2,16,44,000	74,578.00	22 October 2022
2015-2016	11 March 2016	Interim	12,98,64,000	3,85,620.00	10 April 2023
2016-2017	09 August 2017	Final	17,31,52,000	5,25,780.00	08 August 2024

**Listing**

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

Annual Listing Fees have been paid to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).

**Financial calendar 2022-2023 (Tentative)**

Annual General Meeting	18 August 2022
Board Meetings	
Results for the quarter ending June 2022	02 <sup>nd</sup> Week of August 2022
Results for the quarter ending September 2022	02 <sup>nd</sup> Week of November 2022
Results for the quarter ending December 2022	02 <sup>nd</sup> Week of February 2023
Results for the year ending March 2023	04 <sup>th</sup> Week of May 2023

**Market price data**

Share Price - High & Low in rupees during each month in the year 2021-2022 at BSE and NSE:

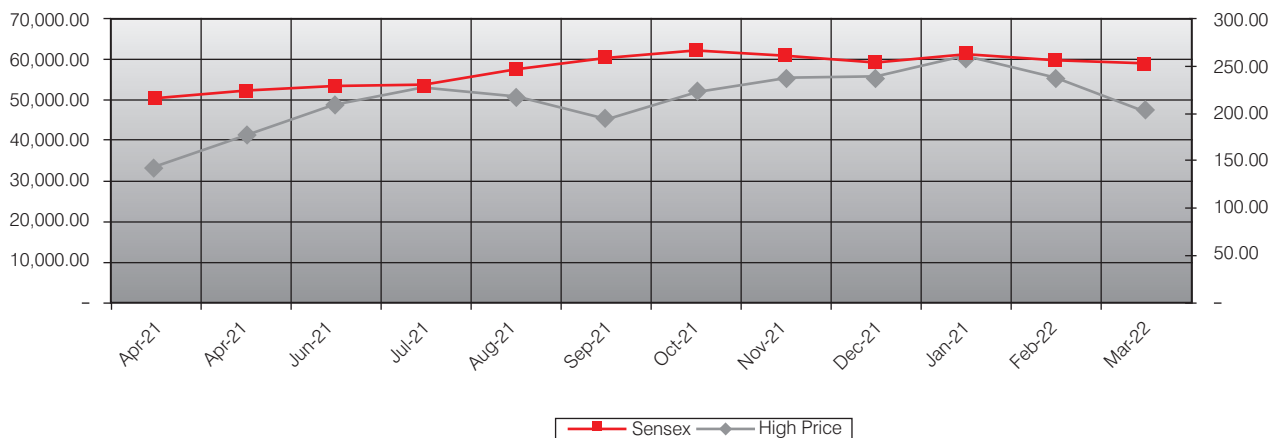
Month	BSE Price (In Rs.)		Month	NSE Price (In Rs.)	
	High	Low		High	Low
Apr-2021	144.00	100.50	Apr-2021	144.55	96.95
May-2021	177.25	122.50	May-2021	177.70	123.25
Jun-2021	208.90	165.25	Jun-2021	208.50	165.05
Jul-2021	229.85	181.80	Jul-2021	230.00	181.75
Aug-2021	218.00	169.55	Aug-2021	209.90	169.00
Sep-2021	195.90	170.50	Sep-2021	194.70	170.00
Oct-2021	224.00	176.70	Oct-2021	224.60	176.85
Nov-2021	238.00	188.80	Nov-2021	238.45	189.05

REPORT ON CORPORATE GOVERNANCE (Contd.)

Month	BSE Price (In Rs.)		Month	NSE Price (In Rs.)	
	High	Low		High	Low
Dec-2021	239.65	192.05	Dec-2021	239.45	192.15
Jan-2022	262.00	205.25	Jan-2022	262.70	205.00
Feb-2022	238.90	161.10	Feb-2022	238.00	175.00
Mar-2022	204.00	171.00	Mar-2022	199.80	175.00

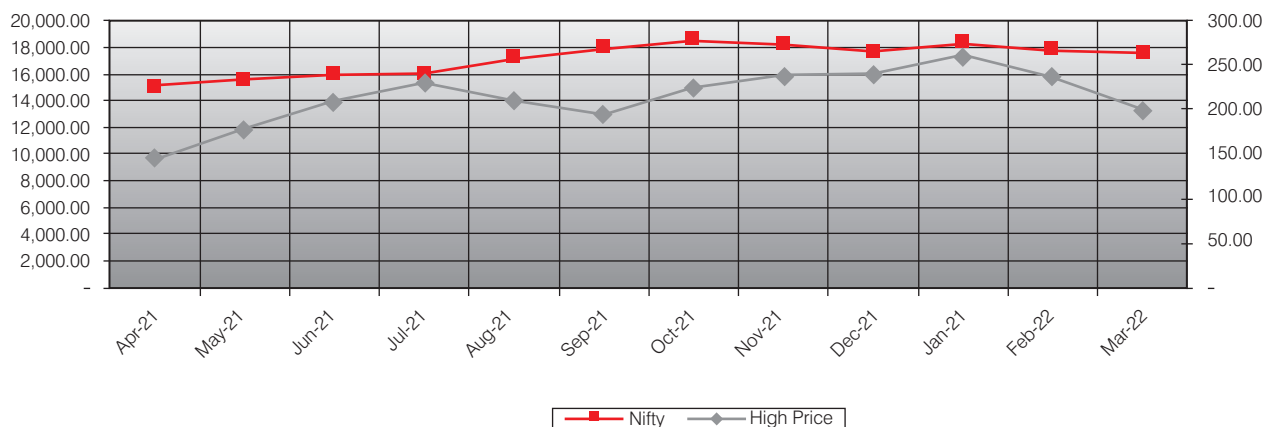
Performance in comparison to broad-based indices such as BSE Sensex and NSE Nifty is as below:

SML V/S SENSEX



Source: BSE Limited (BSE) ([www.bseindia.com](http://www.bseindia.com))

SML V/S NIFTY



Source: The National Stock Exchange of India Limited (NSE) ([www.nseindia.com](http://www.nseindia.com))



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Registrar & share transfer agents

The Company has appointed M/s. Link Intime India Private Limited as its Registrar and Share Transfer Agent with effect from 01 August 2006, to carry out the share transfer work on behalf of the Company.

### 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. In addition, the Board of Directors have delegated the authority to consider and approve the transfer of shares, transmission of shares or requests for deletion of name of the shareholder, etc., upto two thousand shares to the designated official of the Company.

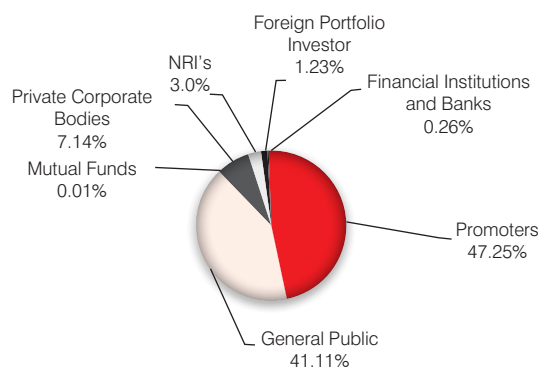
A summary of approved transfers, transmissions, deletion requests, etc., are placed before the Board of Directors from time to time as per Listing Regulations. Your Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force) and files a copy of the said certificate with BSE & NSE.

The share transfer requests are processed through M/s. Link Intime India Private Limited. The Company obtains a half yearly certificate from a Company Secretary in Practice of compliance of transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligation and Disclosure) Regulations 2015.

### Distribution of shareholding

Share holding Pattern as on 31 March 2022 is as below:

Category	No. of shares held	% of shareholding
Promoters	2,04,53,127	47.25
Mutual Funds	3,000	0.01
Financial Institutions and Banks	1,12,099	0.26
Private Corporate Bodies	30,91,771	7.14
Foreign Portfolio Investor	5,33,576	1.23
General Public	1,77,96,776	41.11
NRI's	12,97,651	3.00
Total	4,32,88,000	100.00



### Distribution schedule as on 31 March 2022:

No. of Shares	No. of Folios	% to Total	No. of Shares held	% of Shareholding
Up to 500	23,213	86.04	23,06,531	5.33
501-1000	1,594	5.91	12,52,530	2.89
1001-5000	1,640	6.08	35,42,970	8.18
5001-10000	263	0.97	18,89,035	4.36
10001 and above	268	0.99	3,42,96,934	79.23
Total	26,978	100.00	4,32,88,000	100.00

### Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on



## REPORT ON CORPORATE GOVERNANCE (Contd.)

31 March 2022, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

### **Commodity price risk or foreign exchange risk and hedging activities**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15 November 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

### **Recommendations given by the Committees of the Board**

During the year under review, the Board has generally accepted all the recommendations given by the Committees of the Board, which are mandatorily required.

### **Dematerialisation 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 ISIN is INE989A01024 for dematerialisation of shares. As on 31 March 2022, 2,86,51,460 equity shares were held in dematerialised form.

### **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. The declarations with regard to its compliance have been received for the financial year 2019-20 from all Board Members and Senior Management Personnel. The code has been uploaded on the website of the Company at <https://www.sanghvicranes.com/investor/company-policies/>.

### **CEO / CFO certification**

A certificate from the Managing Director and Joint Managing Director & CFO on the Financial Terms of the Company in terms of Regulation 17(8) of the SEBI (Listing Obligation and Disclosure) Regulations 2015 was placed before the Board, who took the same on record.

### **Certificate from Practicing Company Secretary**

A certificate has been received from Kanj & Co LLP, Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

### **Management discussion and analysis**

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

### **Reconciliation of share capital**

A qualified Practicing Company Secretary carried out 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 number of shares in physical form and total number of dematerialised shares held with NSDL & CDSL.

The status on complaints is reported to the Board of Directors as an agenda item. During the year, one complaint was received from the shareholder and resolved by the Company. During the year, the company received 56 requests



**SANGHVI**

## REPORT ON CORPORATE GOVERNANCE (Contd.)

from the shareholders and all have been resolved during the year to the satisfaction of the investors and as on 31 March 2022, there were no pending complaints and requests.

### **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, 2013, Listing Agreement, SEBI Rules and other corporate law as applicable.

### **Investor contact details**

#### **Company**

Sanghvi Movers Limited  
Secretarial Department  
Survey No. 92, Tathawade,  
Taluka Mulshi, Pune – 411033  
Tel: +91- 8669674701/2/3/4, 020-27400700  
Fax: +91 20 26163503  
Email: grievance.redressel@sanghvicranes.com

#### **Registrar & Share Transfer Agent**

M/s. Link Intime India Private Limited  
Block No 202, Akshay Complex,  
2nd Floor, Near Ganesh Temple,  
Off Dhole Patil Road, Pune - 411001  
Tel: +91 20 26160084/ 26161629  
Email: pune@linkintime.co.in

### **Disclosures**

#### **List of Credit Ratings obtained**

The Company has obtained the credit rating in the month of August 2021 from ICRA Limited has retained the long-term rating at [ICRA]A (pronounced ICRA pronounced ICRA A) and short-term rating at [ICRA]A1 (pronounced ICRA A one). The outlook on the long-term rating has been stable.

#### **Related party transactions**

During the year, no material transactions with the Directors or the management, their 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.34 forming part of 'notes to accounts'.

The Company has formulated a Policy on materiality of and dealing with Related Party Transactions and the same has been uploaded on the website of the Company .

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.

#### **Whistle Blower Policy**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. 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. The said Whistle-Blower Policy has been hosted on the website of the Company.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

Non-compliance of any requirement of corporate governance report of sub paras (2) to (10) of the Para C of Schedule V of Listing Regulations and the relevant text of SEBI (LODR) Regulations, 2015:

There has been no instance of non-compliance by the Company on any requirements of corporate governance report of sub paras (2) to (10) of the Para C of Schedule V of Listing Regulations and the relevant text of SEBI (LODR) Regulations, 2015.

Details regarding adoption of non-mandatory requirements as specified in Regulation 27(1) read with Schedule II of the SEBI LODR Regulations are as given below:

- a. Shareholder Rights: The financial results are available on the websites of BSE Limited, National Stock Exchange of India Limited and Companies Website. The Results are also published in national and regional newspapers, the same are not sent individually to each member.
- b. Modified opinion(s) in audit report: Audited Financial Statements of the Company for the financial year ended 31 March 2022 does not contain any modified audit opinion.
- c. Reporting of Internal Auditor: Internal Auditor reports to the Audit Committee and has direct access to the Audit Committee.

### **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Internal Complaints Committee(s) (ICC) has been set up across all its location in India to redress complaints received regarding sexual harassment. The said Anti Sexual Harassment Policy has been uploaded on the website of the Company at <https://www.sanghvicranes.com/investor/company-policies/>.

During the year, nil cases were reported to the Committee.

The Company has no subsidiary company. Hence, no policy for determining material subsidiaries is adopted.

### **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Listing Regulations**

During the year, the Company has fully complied with the mandatory requirements of Listing Regulations of the Stock Exchanges.



**SANGHVI**

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### **DECLARATION**

#### **Compliance with Code of Conduct**

As provided under Schedule V of the Listing Obligations and Disclosure Requirements Regulations, 2015 with the Stock Exchanges, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31 March 2022.

#### **For Sanghvi Movers Limited**

Rishi C. Sanghvi

Managing Director

(DIN: 08220906)





## REPORT ON CORPORATE GOVERNANCE (Contd.)

### CEO / CFO CERTIFICATION

The Board of Directors,  
Sanghvi Movers Limited

We hereby certify that on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31 March 2022 and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

We hereby certify that, to the best of our knowledge and belief, no transactions entered into during the year by the Company are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

- a. significant changes in internal control over financial reporting during the year;
- b. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- c. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the internal control system over financial reporting.

#### **For Sanghvi Movers Limited**

Rishi C. Sanghvi  
Managing Director  
(DIN: 08220906)

Place: Pune

Date: 25 May 2022

#### **For Sanghvi Movers Limited**

Sham D. Kajale  
Joint Managing Director & CFO  
(DIN: 00786499)



## CERTIFICATE

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
Sanghvi Movers Limited  
S. No. 92 Tathawade  
Tluka Mulshi Pune 411033

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sanghvi Movers Limited having CIN L29150PN1989PLC054143 and having registered office at S. No. 92, Tathawade, Taluka Mulshi, Pune 411033 (hereinafter referred to as 'the Company' or 'SML'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs (MCA), or any such other Statutory Authority.

Following is a list of directors as on 31st March 2022.

Sr. No.	Name of Director	DIN	Date of appointment in SML
1.	Mr. Padmanabhan Subramanian	00001207	02/09/2006
2.	Mr. Madhukar Vinayak Kotwal	00001744	05/02/2016
3.	Mr. Pradeep Ramwilas Rathi	00018577	12/04/2007
4.	Mr. Dineshchand Hirachand Munot	00049801	16/12/2009
5.	Mr. Dara Nadirshaw Damania	00403834	20/10/2008
6.	Mr. Sham Dattatraya Kajale	00786499	02/09/2006
7.	Mrs. Madhu Dubhashi	00036846	08/08/2019
8.	Mr. Rishi Chandrakant Sanghvi	08220906	07/12/2018
9.	Mr. Maithili Rishi Sanghvi	08334635	23/05/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### For KANJ & Co. LLP,

Company Secretaries,

### Hrishikesh Wagh

Partner

FCS No.: 7993

C P No.: 9023

UDIN: F007993D000389101

Firm Unique Code: P2000MH005900

Date: 25 May 2022

Place: Pune



**PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
Members,  
Sanghvi Movers Limited,  
S. NO. 92 Tathawade, Taluka Mulshi,  
Pune – 411033

We have examined all the relevant records of Corporate Governance of Sanghvi Movers Limited (the Company) for the year ended 31st March 2022, for the purpose of certifying compliance of the conditions of Corporate Governance as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 34 (3) read with regulations 17 to 27, Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations for the period 1st April 2021 to 31st March 2022.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. The certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to explanations given to us and based on the representations made by the Directors, Company Secretary and the Management, we certify that the Company has complied with the provisions of Corporate Governance specified in Regulation 17 to 27, Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations, as applicable, except for the following;

1. Meeting of nomination and remuneration committee to be held under regulation 19 (3A)

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company and this Certificate is issued solely for the purpose of complying with the aforesaid LODR and may not be suitable for any other purpose.

**For KANJ & CO LLP,**

Company Secretaries

**Hrishikesh Wagh**

Partner

FCS No.: 7993

C P No.: 9023

UDIN: F007993D000389143

Firm Unique Code: P2000MH005900

Date: 25 May 2022

Place: Pune



## BUSINESS RESPONSIBILITY REPORT

Sanghvi Movers Limited (SML), is India's largest crane rental Company and the sixth largest in the world. SML is a market leader in the Crane Rental business in India with a fleet of 387 cranes ranging from 20 MT to 800 MT lifting capacity. The Company's Equity Shares are listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

The Securities and Exchange Board of India (SEBI) as per its (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 1000 listed entities based on market capitalisation at the BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contain 9 Principles and Core Elements for each of those 9 Principles.

In keeping with the Company's commitment to responsibility and accountability towards all its stakeholders and the Company's efforts to conduct business with responsibility, the Company is pleased to present its Business Responsibility Report for the Financial Year 2021-22 in line with Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This report also takes into account the nine principles of the Government of India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVG).

### COMPOSITE BUSINESS RESPONSIBILITY (BR) POLICY

SML believes that sustainable business is founded on the basis of key business principles i.e. economic, environmental and social impact. The Company focuses on efficient deployment of resources, including people with a view to creating value for all its stakeholders. This ensures that we are balanced in our engagements with all stakeholders, keeping the community as the key factor of our existence.

#### SECTION A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L29150PN1989PLC054143
2	Name of the Company	Sanghvi Movers Limited
3	Registered Address	Survey No 92, Tathawade, Taluka Mulshi, Pune - 411033
4	Website	<a href="http://www.sanghvicranes.com">www.sanghvicranes.com</a>
5	E-mail	sanghvi@sanghvicranes.com
6	Financial Year of Report	01 April 2021 to 31 March 2022
7	Sectors that the Company is engaged (Industry Activity Code wise)	Crane hiring services - NIC Code 773
8	Key Products / Services	Crane hiring services
9	Locations where business activities are undertaken by the Company	The Company has depots at various locations pan India.
10	Markets served by the Company	The Company's provides the service in domestic markets and having PAN India presence.

#### Section B: Financial Details of the Company

1	Paid up capital (Rs.)	Rs. 8.65 Crores
2	Total turnover (Rs.) as per Ind-AS	Rs. 372.25 Crores
3	Total profit after taxes (including Discontinued Operations) (Rs.)	Rs. 29.42 Crores
4	Spending on corporate social responsibility (CSR) as percentage of average profit for last 3 financial years	Nil
5	List of activities in which expenditure in 4 above has been incurred	Nil



**BUSINESS RESPONSIBILITY REPORT (CONTD.)**

**Section C: Other Details**

**1. Does the Company have any Subsidiary Company / Companies?**

Yes.

**2. Do the subsidiary Company / companies participate in the BR initiatives of the parent Company?**

Since the subsidiary Company is incorporated on 16 September 2021 and yet to start its operations.

**3. Do any other entity / entities that the Company does business with participate in the BR initiatives of the Company?**

No other entity / entities participate in the BR Initiatives of the Company.

**Section D: BR Information**

**1. Details of Director / Directors responsible for BR:**

Details of the Director / Directors responsible for implementation of the BR policy/ policies:

Name: Rishi C. Sanghvi

Designation: Managing Director

DIN: 08220906

Name	Designation	DIN	Telephone	Email ID
Rishi C. Sanghvi	Managing Director	08220906	8669674701	sanghvi@sanghvicranes.com

**2. Principle wise (as per NVGs) BR Policy/policies**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

- P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Businesses should promote the wellbeing of all employees.
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- P5 Businesses should respect and promote human rights.
- P6 Business should respect, protect, and make efforts to restore the environment.
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner



## BUSINESS RESPONSIBILITY REPORT (CONTD.)

All nine principles as articulated in India's National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' are covered by policies of the Company as outlined in the table below:

### BR Policies and coverage of NVG nine principles

Sr. No		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? Indicate the link for the policy to be viewed online?	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Yes, Whistle Blower Policy provides a platform to report any concerns or grievances pertaining to any potential or violation of any Code of Conduct.								
9	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, policies are reviewed through internal audit functions. The Health & Safety, Quality and Environmental policies are subject to internal and external evaluation as a part of certification process.								

\*All Policies as approved by the Board of Directors can be viewed online on the website of the Company <https://www.sanghvicranes.com/policies> under the heading 'Investor Centre'.

#### Notes:

- (1) Some of the policies are linked to the following National / International Standards: International Organisation for Standardisation (ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018).
- (2) The policies have been formally communicated to internal stakeholders. The said policies are available on the website of the Company for external stakeholders.
- (3) Assessment and implementation of BR Policies are done at appropriate intervals as decided by the Management.



**BUSINESS RESPONSIBILITY REPORT (CONTD.)**

**2a. If answer to 5. No. 1 to 10 above against any principle, is 'No', please explain why:**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or man-power resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within next 1 year									
6	Any other reason ( Please specify)									

NOT APPLICABLE

**3. Governance related to BR:**

**(i) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

The Board of Directors periodically assess the BR performance of the Company.

**(ii) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company currently does not publish a separate Sustainability Report.

**Section E: Principle-wise Performance:**

**Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability**

**1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company has adopted a Fair Disclosure Code and Code of Conduct for its Directors and Senior Management personnel. Additionally, the Fair Disclosure Code and Code of Conduct applies to all employees of the Company.

**2. How many Stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

No Stakeholder complaints pertaining to the above Codes were received in the past financial year.

**Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Providing cranes on hiring basis.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):**



SANGHVI

## BUSINESS RESPONSIBILITY REPORT (CONTD.)

### **i. Reduction during sourcing / production / distribution achieved since the previous year through the value chain:**

The Primary Business of the Company is hiring of cranes to various projects. The Company has taken up energy conservation programmes involving our own team and experts from outside. Company has set up Solar Plants at its' Head Office in Pune and main workshop at Vadagaon Maval. The energy generated out of the said Solar plants are being used for captive purpose.

### **ii. Reduction during usage by consumers (energy, water) achieved since the previous year?**

The Company has installed 90 kWh solar plant at its Registered Office and of 30 kWh solar plant at its depot at Sate, Taluka Maval, Pune resulting in use of energy through renewal resources and thereby protecting environment.

### **3. Does the Company have procedures in place for sustainable sourcing (including transportation)?**

Being in the services business, the major business for the Company are providing cranes on hiring basis to various infrastructure and wind mill projects in India. All these Business are screened based on the Dealing with various clients/vendors policy which covers high quality service standards, compliance with EHS standards / regulations, as well as labor, employee and human rights related regulations. In addition to this, majority of sourcing of work force is from local areas. Hence the Company's sourcing of the services is sustainable and responsible.

### **4. Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?**

The Company follows an inclusive approach across all its business verticals and as a policy, deploys local service providers in its operations, to the maximum extent possible, in the following manner:

Under the Goods Transport Services and Enterprise Mobility Solutions, deployment of drivers is done from local communities/ rural areas. All drivers are provided road safety trainings backed by regular health programs and awareness on communicable diseases. This has been further elaborated under Principle 8.

For the Workshop Management Services, deployment of employees in workshops is done from the local communities that are close to the site of operations.

The percentage of local employment of operating workforce, as on 31 March 2022, in the form of contract labour in workshop management services, projects site and drivers for people management services is more than 50%.

### **5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as < 5%, 5-10%, > 10%). Also, provide details thereof, in about 50 words or so.**

The Nature of the Company is in Service Industry hence it can't be recycled.

## **Principle 3: Business should promote the wellbeing of all employees**

### **1. Please indicate total number of employees:**

The Company has a total of 1,625 employees as of 31 March 2022.





**BUSINESS RESPONSIBILITY REPORT (CONTD.)**

**2. Please indicate total number of employees hired on temporary/contractual/casual basis:**

The Company has a total 1,376 employees hired on contractual basis as of 31 March 2022.

**3. Please indicate the number of permanent women employees:**

The Company has nine women employees as of 31 March 2022.

**4. Please indicate the number of permanent employees with disabilities:**

The Company has no permanent employee with disabilities as of 31 March 2022. The Company do not discriminate basis the disabilities at the time of recruitment and would be looking to provide suitable opportunity to the persons with disabilities and also to contribute towards their well-being.

**5. Do you have an employee association that is recognised by the Management?**

The Company does not have an employee association.

**6. What Percentage of permanent employees who are members of this recognised employee association?**

Not applicable.

**7. Please indicate the number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and those pending as on the end of the financial year.**

There were nil complaints of this nature received during the financial year.

**8. What Percentage of under mentioned employees were given safety and skill up-gradation training in the last year?**

Employee Learning & Development is crucial for organisational success and this is an integral part of whole organisation wide Human Resources Strategy.

(a) Permanent Employees: 100%

(b) Permanent Women Employees: 100%

The organisation has clearly defined Training & Development Policy—which cut across the organisational Vision & Mission and Values. The entire employees irrespective of their grade and status have been provided with opportunity to hone their skills & competencies. A special attention was given to conduct a well-structured Assessment & Development Centre's across all categories of employees. With this outcome the employees were trained reinforcing – Job related Skills; Competencies and desired behavioral improvement etc.

**Safety:**

Company is having well-structured training program for different stakeholders. Safety induction training is imparted to all employees & contractors.



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## BUSINESS RESPONSIBILITY REPORT (CONTD.)

### **Principle 4: Business should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

#### **1. Has the Company mapped its internal and external Stakeholders?**

Yes, the Company's key Stakeholders include employees, suppliers and bankers, customers, business partners, regulatory agencies and local communities around its sites of operations.

#### **2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?**

None of the above has been identified as the disadvantaged, vulnerable and marginalised stakeholders.

#### **3. Special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders:**

Not Applicable

### **Principle 5: Business should respect and promote human rights**

#### **1. Does the Company's policy on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

The Company's commitment to follow the basic principles of human rights is embedded in "Code of Conduct" adopted by the Company. The Company strictly adheres to all applicable labour laws and other statutory requirements in order to uphold the human rights within its organisational boundary.

#### **2. How many Stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

Nil Stakeholder complaints were received during the financial year ended 31 March 2022.

### **Principle 6: Business should respect, protect, and make effort to restore the environment**

#### **1. Does the policy pertaining to this Principle cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

Environment policy of the Company does not extend to any other entities.

#### **2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage etc.**

Yes, the Company is committed to addressing the global environmental issues such as climate change and global warming through energy conservation, efficient natural resource utilisation and adoption of cleaner energy sources such as solar power.

#### **3. Does the Company identify and assess potential environmental risks? Y/N**

Yes, the Company regularly identifies and assesses environmental risk during all stages of its existing and planned operation sites.



**BUSINESS RESPONSIBILITY REPORT (CONTD.)**

**4. Does the Company have any project related to Clean Development Mechanism (CDM)? If so provide details thereof, in about 50 words or so. Also, If Yes, whether any environmental compliance report is filed?**

The Company has installed 90 kWh solar plant at its Registered Office and of 30 kWh solar plant at its depot at Sate, Taluka Maval, Pune resulting in use of energy through renewal resources and thereby protecting environment.

**5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.?**

Company has taken conscious efforts to reduce the impact of its operations on the environment. Some of our key initiatives taken in this regard are:

- a) Application of Digital technology to reduce paper waste generation.
- b) Utilisation of energy efficient lighting.
- c) Green initiative adopted by the Company by installed 90 kWh solar plant at its Registered Office and of 30 kWh solar plant at its main works at Sate, Taluka Maval, Pune resulting in significant cost optimisation.

**6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

Yes.

**7. Number of show cause / legal notices received from CPCB / SPCB which are pending?**

Nil show cause / legal notices received from CPCB/SPCB and nil show cause / legal notice are pending as on 31 March 2022.

**Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

**1. Is your Company a member of any trade and chambers of association? If Yes, name only those major ones that your business deals with.**

Assocham.

**2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (Governance and Administration, Economic Reform, Inclusive Development Polices, Energy security, Water, Food Security, Sustainable Business Principles, Others):**

Not Applicable.

**Principle 8: Business should support inclusive growth and equitable development**

**1. Does the Company have specified programme / initiatives/ projects in pursuit of the policy related to principle 8? If yes details thereof.**

There is no specific programme, initiative and project during the year.



**SANGHVI**

## BUSINESS RESPONSIBILITY REPORT (CONTD.)

- 2. Are the programmes / projects undertaken through in-house team own foundation / external NGO/ Govt. structure /any other organisation?**

Not Applicable.

- 3. Have you done any impact assessment of your initiative?**

Not Applicable.

- 4. What is the Company's direct monetary contribution to community development projects and details of projects undertaken?**

The Company's monetary contribution to community development projects in financial year 2021-22 was Nil.

- 5. Have you taken steps to ensure that community development initiative is successfully adopted by the community? Please explain in 50 words.**

Not Applicable.

### **Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner.**

- 1. What Percentage of customer complaints / consumer cases are pending as on the end of financial year 2021-22?**

As on 31 March 2022, there are nil cases pending.

- 2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

Not Applicable, since the Company is in service industry.

- 3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as of end of FY 2021-22?**

There are nil cases filed / pending against the Company in a Court of Law.

- 4. Did your Company carry out any consumer survey / consumer satisfaction trends?**

No.



# INDEPENDENT AUDITOR'S REPORT

To the Members,  
**Sanghvi Movers Limited**

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### OPINION

We have audited the standalone financial statements of Sanghvi Movers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("the Ind AS") prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2022 (current year). These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key Audit Matters

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<p><b>Provision for credit loss for accounts receivables</b></p> <p>Refer Note 10 of Standalone Financial statement with respect to the disclosures of Trade Receivables. On March 31, 2022, Trade receivable balances aggregate to INR 10,073.42 Lakhs against which provision aggregating INR 2,146.41 Lakhs has been created towards increase in credit risk and expected credit loss in the books of account.</p>	<p>Our audit procedures performed in respect of this area include but are not limited to:</p> <ul style="list-style-type: none"> <li>Obtained an understating of the Company's policy on assessment of impairment of trade receivables, including design and implementation of controls over development of the methodology for the computation of provision for credit losses including completeness and accuracy of information used in</li> </ul>



Independent Auditor's Report (Contd.)

<p>The Company determines the allowance for credit losses based on analysis of past data and determine the default rate. Further, calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows and interest rate to be used for time loss.</p> <p>We identified allowance for credit losses as a key audit matter because significant management judgement and assumptions are involved in calculating the expected credit losses. This required an increased extent of effort when performing the audit procedures to evaluate the reasonableness of management's estimate of the expected credit losses including significant discussion with management on slow recoveries.</p>	<p>such estimation and computation and validation of management review controls.</p> <ul style="list-style-type: none"> <li>- Verified the operating effectiveness of these controls on a test check basis.</li> <li>- Obtained independent balance confirmations from the Company's customers on a test check basis and performed alternative procedures wherever applicable.</li> <li>- Verified subsequent receipts after the year-end on a test check basis.</li> <li>- Verified aging of trade receivables for sample of customer transactions.</li> <li>- Evaluated management comments and recovery plans for trade receivables outstanding for more than 180 days.</li> <li>- Assessed the trade receivables impairment methodology applied in the current year and compared the Company's provisioning rates against historical collection data.</li> <li>- Verified the completeness and accuracy of the disclosures in accordance with the requirements of the relevant Ind AS, which are included in note 10 of the Standalone financial statements.</li> </ul>
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**INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Company's Board of Directors is responsible for the other information. The other information comprises the Management report, Chairman's statement, Director's report and other information included in annual report but does not include the standalone financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and Management report, Chairman's statement, Director's report and other information included in annual report, which is expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Management report, Chairman's statement, Director's report and other information included in



Independent Auditor's Report (Contd.)

annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information' (and describe actions applicable under the applicable laws and regulations)

**RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

**OTHER MATTER**

The standalone Ind AS financial statements of the Company for the year ended March 31, 2021, were audited by another auditor whose report dated May 27, 2021 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.



Independent Auditor's Report (Contd.)

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and 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 it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 48 to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.





Independent Auditor's Report (Contd.)

- (b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
  - (v) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 16 to the Standalone financial statements).
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid as prescribed under Section 197 of the Act and the rules thereunder.

**For M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

**Nitin Manohar Jumani**  
Partner  
Membership No. 111700  
**UDIN: 22111700AKLEHQ5771**

Place : Pune  
Date : May 25, 2022



Independent Auditor's Report (Contd.)

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SANGHVI MOVERS LIMITED**

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended 31 March 2022 (current year) and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For M S K A & Associates  
Chartered Accountants**

ICAI Firm Registration No. 105047W

**Nitin Manohar Jumani**  
Partner

Membership No. 111700  
UDIN: 22111700AKLEHQ5771

Place : Pune

Date : May 25, 2022

**ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SANGHVI MOVERS LIMITED FOR THE YEAR ENDED MARCH 31, 2022**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

- (i) (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- B The Company does not have any intangible assets. Accordingly paragraph 3(i)(a)(B) of the Order is not applicable.
- (b) All the Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.
- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Quarterly returns / statements are filed with such Banks/ financial institutions are in agreement with the books of account except for a few cases where reconciliation is provided as referred to in Note 40 to the Financial Statements.
- (iii) (a) According to the information explanation provided to us, the Company has made investment in one subsidiary during the year aggregating to Rs. 26.44 lacs. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order in so far it relates to loans, advances, guarantee or security are not applicable to the Company.
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made are not prejudicial to the interest of the Company.

Independent Auditor's Report (Contd.)

- (iv) In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess have generally been regularly deposited by the company with appropriate authorities in all cases during the year.
- (b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Amounts in Rs. lakhs

Name of the statute	Nature of dues	Amount of demand	Period to which the amount relates	Forum where dispute is pending	Amount paid under protest
Central Sales tax Act, 1956	Tax demand on crane hiring	6,417.80	FY 2007-08	Maharashtra Sales Tax Tribunal	
		11,110.47	FY 2008-09	The Bombay High Court	373.34
		7,738.16	FY 2010-11	Maharashtra Sales Tax Tribunal	10.81
		7,752.86	FY 2012-13	The Bombay High Court	
		1,247.67	FY 2013-14	Joint Commissioner Sales Tax, Pune	
		7,086.90	FY 2014-15	Joint Commissioner Sales Tax, Pune	
		14,198.77	FY 2015-16	Joint Commissioner Sales Tax, Pune	
		15,882.25	FY 2016-17	Joint Commissioner Sales Tax, Pune	73.98
		2,165.50	FY 2017-18	Joint Commissioner Sales Tax, Pune	23.42
Gujarat Value Added Tax Act, 2003	Tax demand on crane hiring	124.75	FY 2008-09	Gujarat Value Added Tax Tribunal	
Maharashtra Value Added Tax, 2002	Tax demand on crane hiring	1,120.38	FY 2007-08	Maharashtra Sales Tax Tribunal	

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Amounts in Rs. lakhs

Name of the statute	Nature of dues	Amount of demand	Period to which the amount relates	Forum where dispute is pending	Amount paid under protest
		582.31	FY 2009-10	Maharashtra Sales Tax Tribunal	15.63
		1,136.84	FY 2010-11	Maharashtra Sales Tax Tribunal	
		915.97	FY 2008-09	The Bombay High Court	30.79
		1,338.62	FY 2012-13	Joint Commissioner	0.63
		3,919.17	FY 2013-14	Sales Tax, Pune	
		2,009.10	FY 2014-15		14.23
		1,654.51	FY 2015-16		
		457.03	FY 2016-17		2.16
		217.35	FY 2017-18		9.13

- (viii) According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its securities, joint ventures or associate companies.
- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of



## Independent Auditor's Report (Contd.)

the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

- (xi) (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended 31 March 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The Internal Audit Reports of the company issued till the date of the audit report , for the period under audit have been considered by us.
- (xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.



- (d) The Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.
- (xvii) According to the information explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- (xviii) There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.
- (xxi) The reporting under clause 3(xxii) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

For **M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

**Nitin Manohar Jumani**  
Partner  
Membership No. 111700  
**UDIN:** 22111700AKLEHQ5771

Place : Pune  
Date : May 25, 2022



Independent Auditor's Report (Contd.)

## **ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SANGHVI MOVERS LIMITED**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor Report of even date to the Members of **Sanghvi Movers Limited** on the Financial Statements for the year ended March 31, 2022]

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

#### **OPINION**

We have audited the internal financial controls with reference to standalone financial statements of Sanghvi Movers Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **AUDITOR RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed





Independent Auditor's Report (Contd.)

risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

**MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS**

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**  
**Chartered Accountants**

ICAI Firm Registration No. 105047W

**Nitin Manohar Jumani**

Partner

Membership No. 111700

**UDIN:** 22111700AKLEHQ5771

Place : Pune

Date : May 25, 2022



SANGHVI

# STANDALONE BALANCE SHEET

as at 31 March 2022

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	76,584.61	83,227.96
Right-of-use asset	3	24.28	24.56
Investment property	4	318.87	-
<b>Financial assets</b>			
Investments	5	26.69	0.25
Loans	6	3.17	-
Other financial assets	7	300.57	169.52
Income Tax assets		486.15	513.44
Other non-current assets	8	854.52	714.37
<b>Total non-current assets</b>		<b>78,598.86</b>	<b>84,650.10</b>
<b>CURRENT ASSETS</b>			
Inventories	9	482.22	706.49
<b>Financial assets</b>			
Investments	5	3,003.86	1,224.48
Trade receivables	10	7,927.01	5,658.47
Unbilled receivable (refer footnote to Note 10)		4,183.28	2,488.39
Cash and cash equivalents	11	200.67	135.08
Bank balances other than cash and cash equivalent	12	770.71	22.21
Loans	13	15.19	8.90
Other financial assets	14	33.09	47.15
Other current assets	15	916.80	538.12
Assets classified as held for sale	3.1	288.95	282.55
<b>Total current assets</b>		<b>17,821.78</b>	<b>11,111.84</b>
<b>Total assets</b>		<b>96,420.64</b>	<b>95,761.94</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital			
Equity share capital	16	865.76	865.76
Other equity	17	72,529.37	70,034.23
<b>Total equity</b>		<b>73,395.13</b>	<b>70,899.99</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	11,955.77	14,891.14
Deferred tax liabilities (net)	30	1,740.33	900.16
<b>Total non-current liabilities</b>		<b>13,696.10</b>	<b>15,791.30</b>
<b>CURRENT LIABILITIES</b>			
<b>Financial liabilities</b>			
Borrowings	19	4,709.18	4795.94
Trade payables	20		
i) total outstanding dues of micro enterprises and small enterprises		129.48	34.84
ii) total outstanding dues of other than micro enterprise and small enterprise		1,943.59	1,609.33
Other financial liabilities	21	433.56	1,115.84
Other current liabilities	22	1,344.73	888.95
Provisions	23	117.87	25.75
Liabilities directly associated with assets classified as held for sale		651.00	600.00
<b>Total current liabilities</b>		<b>9,329.41</b>	<b>9,070.65</b>
<b>Total liabilities</b>		<b>23,025.51</b>	<b>24,861.95</b>
<b>Total equity and liabilities</b>		<b>96,420.64</b>	<b>95,761.94</b>
See accompanying notes to the financial statements	1-50		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration No.:105047W

**Nitin Manohar Jumani**

Partner

Membership No: 111700

For and on behalf of the Board of Directors of

**Sanghvi Movers Limited**

CIN: L29150PN1989PLC054143

**Rishi Sanghvi**

Managing Director

DIN - 08220906

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

Place : Pune

Date : 25 May 2022

**Sham Kajale**Joint Managing Director  
and Chief Financial Officer  
DIN - 00786499**S. Padmanabhan**Director  
DIN-00001207

Place : Pune

Date : 25 May 2022

## STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended 31 March 2022

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
<b>INCOME</b>			
Revenue from operations	24	33,525.98	22,373.55
Other income	25	3,699.17	2,929.39
<b>Total income</b>		<b>37,225.15</b>	<b>25,302.94</b>
<b>EXPENSES</b>			
Operating and Other expenses	26	17,281.40	11,150.32
Employee benefits expense	27	2,452.03	1,991.15
Finance costs	28	1,730.78	2,629.60
Depreciation and amortisation expense	29	11,811.49	12,210.18
Loss on fair valuation of call option obligation		-	516.73
<b>Total expenses</b>		<b>33,275.70</b>	<b>28,497.98</b>
<b>Profit /(Loss) before tax (A)</b>		<b>3,949.45</b>	<b>(3,195.04)</b>
<b>TAX EXPENSE</b>			
Current tax pertaining to earlier years	30	(16.15)	24.14
Deferred tax	30	(990.67)	928.61
<b>Total income tax expense (B)</b>		<b>(1,006.82)</b>	<b>952.75</b>
<b>Profit / (Loss) for the period (A +B)</b>		<b>2,942.63</b>	<b>(2,242.29)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Equity Instruments through Other Comprehensive - gain / (loss)		(624.48)	624.48
Remeasurement of net defined benefit liability	32	26.49	43.60
Income tax relating to items that will not be reclassified to profit or loss		150.50	(168.14)
<b>Other comprehensive income for the year, net of tax</b>		<b>(447.49)</b>	<b>499.94</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>2,495.14</b>	<b>(1,742.35)</b>
<b>Earnings / (Loss) per share</b>			
Basic earnings /(loss) per share (Rs.)	31	6.80	(5.18)
Diluted earnings /(loss) per share (Rs.)	31	6.80	(5.18)
See accompanying notes to the financial statements	1-50		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

For and on behalf of the Board of Directors of  
**Sanghvi Movers Limited**  
CIN: L29150PN1989PLC054143

**Nitin Manohar Jumani**  
Partner

Membership No: 111700

**Rishi Sanghvi**  
Managing Director

DIN - 08220906

**Sham Kajale**  
Joint Managing Director  
and Chief Financial Officer  
DIN - 00786499

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

**S. Padmanabhan**  
Director  
DIN-00001207

Place : Pune  
Date : 25 May 2022



# STANDALONE STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

## (A) EQUITY SHARE CAPITAL

For the year ended	31 March 2022		31 March 2021	
	Equity shares of Rs. 2 each issued, subscribed and fully paid	No. of shares	Amount	No. of shares
Balance as at beginning of the year	4,32,88,000	865.76	4,32,88,000	865.76
Changes in Equity Share Capital during the year	-	-	-	-
Balance as at end of the year	4,32,88,000	865.76	4,32,88,000	865.76

## (B) OTHER EQUITY

For the year ended 31 March 2022

Particulars	Reserve and Surplus			Items of OCI			Total
	Capital Reserve	Securities Premium	Other Reserves	Retained Earnings	Equity Instruments through Other Comprehensive Income	Remeasurement of employee benefit obligation	
Balance as at 01 April 2021	11.96	13,136.96	30,443.09	26,043.43	467.31	(68.52)	70,034.23
Profit for the year	-	-	-	2,942.63	-	-	2,942.63
Other comprehensive income	-	-	-	-	(467.31)	19.82	(447.49)
Total Comprehensive Income	-	-	-	2,942.63	(467.31)	19.82	2,495.14
Balance as at 31 March 2022	11.96	13,136.96	30,443.09	28,986.06	-	(48.70)	72,529.37

For the year ended 31 March 2021

Particulars	Reserve and Surplus			Items of OCI			Total
	Capital Reserve	Securities Premium	Other Reserves	Retained Earnings	Equity Instruments through Other Comprehensive Income	Remeasurement of employee benefit obligation	
Balance as at 01 April 2020	11.96	13,136.96	30,443.09	28,285.72	-	(101.15)	71,776.58
Profit for the year	-	-	-	(2,242.29)	-	-	(2,242.29)
Other comprehensive income	-	-	-	-	467.31	32.63	499.94
Total Comprehensive Income	-	-	-	(2,242.29)	467.31	32.63	(1,742.35)
Balance as at 31 March 2021	11.96	13,136.96	30,443.09	26,043.43	467.31	(68.52)	70,034.23

See accompanying notes to the financial statements

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M S K & Associates

Chartered Accountants

Firm Registration No.: 105047W

For and on behalf of the Board of Directors of

Sanghvi Movers Limited

CIN: L29150PN1989PLC054143

Nitin Manohar Jumani  
Partner

Membership No: 111700

Place : Pune

Date : 25 May 2022

Rishi Sanghvi  
Managing Director

DIN - 08220906

Sham Kajale  
Joint Managing Director  
and Chief Financial Officer

DIN - 00786499

S. Padmanabhan  
Director

DIN-00001207

Rajesh Likhite  
Company Secretary &  
Chief Compliance Officer

## STANDALONE STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before tax	3,949.45	(3,195.04)
Adjustments for:		
Depreciation and amortisation expenses	11,811.49	12,210.18
Interest cost	1,730.78	2,629.60
Provision for slow and non-moving inventory	52.15	-
Bad debts written off	2,037.32	-
Interest on fixed deposits	(6.91)	(81.76)
Income from sale of Investments (mutual funds)	(12.28)	-
Gain on sale/fair valuation of Investments (net)	(120.00)	-
Fair valuation adjustments of derivatives (forward cover) designated as FVTPL	(516.73)	-
Gain on sale/disposal of fixed assets	(429.39)	(1,705.14)
Liabilities written back	(49.32)	(0.29)
Reversal of provision for doubtful debts	(2,489.29)	-
<b>Operating loss before working capital changes</b>	<b>15,957.27</b>	<b>9,857.55</b>
<b>CHANGES IN WORKING CAPITAL</b>		
Increase/ (decrease) in trade payables	478.22	(411.32)
Decrease/ (increase) in inventories	172.14	356.03
Decrease/ (increase) in trade receivables and unbilled revenue	(3,511.47)	363.12
(Decrease)/ increase in other current liabilities	461.64	157.10
Increase / (decrease) in provisions	118.61	(65.69)
Increase/ (decrease) in other financial liabilities	(8.96)	694.41
Decrease/ (increase) in loans and other financial assets	(168.87)	(29.67)
Decrease/(increase) in other assets	(518.83)	136.60
<b>CASH GENERATED USED IN OPERATIONS</b>	<b>12,979.75</b>	<b>11,058.13</b>
Income tax paid	11.13	831.57
<b>Net cash flows used in operating activities (A)</b>	<b>12,990.88</b>	<b>11,889.70</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment and intangible assets	(5,788.01)	(100.10)
Purchase of Investments	(7,101.41)	(599.99)
Proceeds from sales of investments	4,705.43	-
Proceeds from sale/ disposal of fixed assets	812.01	2,755.92
Net proceeds from / investment in fixed deposits	(748.50)	(0.41)
Interest received	6.91	7.02
<b>Net cash flow from investing activities (B)</b>	<b>(8,113.57)</b>	<b>2,062.44</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	8,512.48	4,339.29
Repayment of borrowings	(11,674.24)	(15,896.52)
Interest paid	(1,649.96)	(2,573.88)
<b>Net cash flow from financing activities (C)</b>	<b>(4,811.72)</b>	<b>(14,131.11)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>65.59</b>	<b>(178.97)</b>
Cash and cash equivalents at the beginning of the year	135.08	314.05



**SANGHVI**

## STANDALONE STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2022

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Cash and cash equivalents at the end of the year	200.67	135.08
<b>CASH AND CASH EQUIVALENTS COMPRISE (REFER NOTE 11)</b>		
Balances with banks		
On current accounts	199.90	134.36
Cash on hand	0.77	0.72
<b>Total cash and bank balances at end of the year</b>	<b>200.67</b>	<b>135.08</b>
See accompanying notes to the financial statements		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration No.:105047W

**Nitin Manohar Jumani**

Partner

Membership No: 111700

For and on behalf of the Board of Directors of

**Sanghvi Movers Limited**

CIN: L29150PN1989PLC054143

**Rishi Sanghvi**

Managing Director

DIN - 08220906

**Rajesh Likhite**

Company Secretary &  
Chief Compliance Officer

**Sham Kajale**

Joint Managing Director  
and Chief Financial Officer

DIN - 00786499

**S. Padmanabhan**

Director  
DIN-00001207

Place : Pune

Date : 25 May 2022

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 1. Reporting entity

Sanghvi Movers Limited (“SML” or “the Company”) is a public company domiciled in India and 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 medium-to large-size hydraulic truck mounted telescopic and lattice boom cranes and crawler cranes with lifting capacity ranging from 20 tons to 800 tons. The Company has its registered office in Pune. The equity shares of the Company are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

## 2 (a) Basis of preparation

### (i) Statement of compliance

The standalone financial statements (“the Financial Statements”) have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the “Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

The Financial Statements were authorised for issue by the Company’s Board of Directors on 25 May 2022.

Details of the Company’s significant accounting policies are included in Note 2(b).

### (ii) Functional and presentation currency

These Financial Statements are presented in Indian Rupees (Rs.), which is also the Company’s functional currency. All amounts have been rounded-off to the nearest Lakh to two decimal points, unless otherwise indicated.

### (iii) Basis of measurement

The Financial Statements have been prepared on a historical cost convention on accrual basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit liability	Present value of defined benefit obligation less fair value of plan assets

### (iv) Going Concern Assumption

These Financial Statements have been prepared on a going concern basis. The management has, assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of these Financial Statements. Based this evaluation, Management believes that the Company will be able to continue as a ‘going concern’ in the foreseeable future and for a period of at least twelve months from the date of these Financial Statements based on the following:



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

- i) Expected future operating cash flows based on business projections, and
- ii) Available credit facilities with its bankers.

Based on the above factors, Management has concluded that the “going concern” assumption is appropriate. Accordingly, the Financial Statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a going concern.

#### **(v) Critical accounting judgements and key sources of estimation uncertainty**

In preparing these Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements are included in the following notes:

##### **a) Critical Accounting Estimates**

- Note 32 – The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2(b).
- Note 47– the Company has open litigations with tax authorities in respect of direct and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyses current information about these matters and makes provisions for probable contingent losses expected to be incurred to resolve these matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate; and
- Note 3 - Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

based on historical experience with similar assets as well as anticipation of future events, which may impact their life. The policy for the same has been explained under Note 2(b).

- Note 10 - The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period. The policy for the same has been explained under Note 2(b).

#### **(vi) Measurement of fair values**

A number of the accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values which is overseen by the Joint Managing Director/Chief Financial Officer (CFO).

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as a lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### **(vii) Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

##### **Assets**

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

### **Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be settled within 12 months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The operating cycle of the Company is less than 12 months.

## **2(b) Significant accounting policies**

### **(i) Foreign currency**

#### ***Foreign currency transactions***

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- qualifying cash flow hedges to the extent that the hedges are effective.

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

## **(ii) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **i. Recognition and initial measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

### **ii. Classification and subsequent measurement**

#### *Financial assets*

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI) – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

*Financial assets: Assessment whether contractual cash flows are solely payments of principal and Interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows
- terms that may adjust the contractual rate, including variable interest rate features
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

*Financial assets: Subsequent measurement and gains and losses*

Financial assets at FVPL	These assets are subsequently measured at fair value. Net gains and losses, including interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

*Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities held for trading include derivative liabilities that are not accounted for as hedging instrument. Financial liabilities that meets the definition of held for trading are recognised at fair value through profit or loss.

### **iii. Derecognition**

#### *Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its Balance Sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### *Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### **iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### **(iii) Property, plant and equipment**

#### ***i. Recognition and measurement***

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any

directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**iii. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation on property, plant and equipment is provided over the useful life of assets as assessed by the management are in line with useful lives prescribed in Schedule II to the Companies Act 2013, as follows –

Particulars	Useful lives (years)
Factory buildings	30
Cranes	15, 20*
Other Plant and equipment's	8-15
Furniture and fixtures	10
Office equipment	5
Vehicles	8
Windmills	22

\* Based on single shift. Cranes owned by the Company Sometimes work for more than a single shift and hence double shift and triple shift rates are considered, as applicable.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

**(iv) Inventories**

Inventories comprise of stores and spare parts and are valued at cost on first in first out (FIFO) basis, net of Goods and Service Tax credit. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

**(v) Asset classified as held for sale**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

The appropriate level of management is committed to a plan to sell the asset,

An active programme to locate a buyer and complete the plan has been initiated (if applicable),

The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment once classified as held for sale are not depreciated or amortised.

**(vi) Investment property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties will be stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates building component of investment property over 30 years from the date of original purchase.

The Company, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

## **(vii) Impairment --**

### ***i. Impairment of financial instruments***

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being past due for a period exceeding credit term offered to the customer; and
- It is probable that the borrower will enter bankruptcy or other financial reorganisation, or

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days past due.



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

The Company considers a financial asset to be in default when the financial asset is 720 days or more past due.

*Measurement of expected credit losses*

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

*Presentation of allowance for expected credit losses in the Balance Sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

*Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**ii. Impairment of non-financial assets**

The Company's non-financial assets, other inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

**(viii) Employee benefits**

***i. Short term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

***ii. Post-employment benefits (defined benefit plans)***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling').

In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

***iii. Defined contribution plans***

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

## **(ix) Revenue Recognition**

### ***Rendering of services***

Revenue from hiring of equipment's (cranes and trailers) associated with the transaction is recognised when the Company satisfies a performance obligation by transferring a promised service. When a performance obligation is satisfied, the Company recognise as revenue the amount of the transaction price that is allocated to that performance obligation.

The revenue recognition criteria are applied to two or more transactions together when they are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions as a whole.

An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time as the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

An entity recognise an asset from the costs incurred to fulfil a contract when those costs meet all of the following criteria:

- a. the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify (for example, costs relating to services to be provided under renewal of an existing contract or costs of designing an asset to be transferred under a specific contract that has not yet been approved);
- b. the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- c. the costs are expected to be recovered.

### ***Interest income***

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

### ***Dividends***

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### ***Rental income***

Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

## **(x) Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**(xi) Income tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income

**i. Current income tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of past losses, the

Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

**(xii) Borrowing costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**(xiii) Provisions and Contingent Liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**(xiv) Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**Company as a lessee**



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term

#### **(xv) Operating segments**

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. Performance is measured based on the management accounts as included in the internal management reports that are reviewed by the Company's chairman and Managing Director. Accordingly there is no separate reportable segments.



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**3. PROPERTY, PLANT AND EQUIPMENT (“PP&E”)**

	Gross block						Depreciation						Net block		
	As at 01 April 2021	Additions	Deductions	Assets reclassified as held for sale	Assets reclassified as Investment Property	As at 31 March 2022	As at 01 April 2021	For the year	Deductions	Assets classified as held for sale	Assets classified as Investment Property	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Owned assets</b>															
Freehold Land	2,326.48	-	-	-	219.05	2,107.43	-	-	-	-	-	-	-	2,107.43	2,326.48
Buildings	2,655.04	3.09	-	-	131.96	2,526.17	519.12	96.90	-	32.14	583.88	1,942.29	2,135.92	1,942.29	2,135.92
Office Equipments	151.49	75.16	-	-	-	226.65	69.74	23.59	-	-	93.33	133.32	81.75	133.32	81.75
Plant and Equipments	1,46,087.69	5,652.34	720.91	95.95	-	1,50,923.17	67,671.65	11,633.64	449.95	89.55	78,765.79	72,157.38	78,416.04	72,157.38	78,416.04
Motor Vehicles	343.23	57.60	56.00	-	-	344.83	96.01	54.22	31.90	-	118.33	226.50	247.22	226.50	247.22
Furniture & Fittings	140.82	-	-	-	-	140.82	120.27	2.86	-	-	123.13	17.69	20.55	17.69	20.55
<b>Sub-Total (A)</b>	<b>1,51,704.75</b>	<b>5,788.19</b>	<b>776.91</b>	<b>95.95</b>	<b>351.01</b>	<b>1,56,269.07</b>	<b>68,476.79</b>	<b>11,811.21</b>	<b>481.85</b>	<b>89.55</b>	<b>79,684.46</b>	<b>76,584.61</b>	<b>83,227.96</b>	<b>76,584.61</b>	<b>83,227.96</b>
<b>Right-of-use asset</b>															
Leasehold Land	26.32	-	-	-	-	26.32	1.76	0.28	-	-	2.04	24.28	24.56	24.28	24.56
<b>Sub-Total (B)</b>	<b>26.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.32</b>	<b>1.76</b>	<b>0.28</b>	<b>-</b>	<b>-</b>	<b>2.04</b>	<b>24.28</b>	<b>24.56</b>	<b>24.28</b>	<b>24.56</b>
<b>Total C= (A+B)</b>	<b>1,51,731.07</b>	<b>5,788.19</b>	<b>776.91</b>	<b>95.95</b>	<b>351.01</b>	<b>1,56,295.39</b>	<b>68,478.55</b>	<b>11,811.49</b>	<b>481.85</b>	<b>89.55</b>	<b>79,686.50</b>	<b>76,608.89</b>	<b>83,252.52</b>	<b>76,608.89</b>	<b>83,252.52</b>

	Gross block						Depreciation						Net block		
	As at 01 April 2020	Additions	Deductions	Assets reclassified as held for sale	Assets reclassified as Investment Property	As at 31 March 2021	As at 01 April 2020	For the year	Deductions	Assets classified as held for sale	Assets classified as Investment Property	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Owned assets</b>															
Freehold Land	2,494.21	-	167.73	-	-	2,326.48	-	-	-	-	-	-	-	2,326.48	-
Buildings	2,810.27	-	155.23	-	-	2,655.04	457.84	100.53	39.25	-	519.12	2,135.92	2,135.92	2,135.92	2,135.92
Office Equipments	109.51	41.98	-	-	-	151.49	50.65	19.09	-	-	69.74	81.75	81.75	81.75	81.75
Plant and Equipments	1,46,686.64	58.20	657.15	-	-	1,46,087.69	56,062.83	11,993.85	385.03	-	67,671.65	78,416.04	78,416.04	78,416.04	78,416.04
Motor Vehicles	396.13	-	52.90	-	-	343.23	87.93	58.40	50.32	-	96.01	247.22	247.22	247.22	247.22
Furniture & Fittings	140.82	-	-	-	-	140.82	116.74	3.53	-	-	120.27	20.55	20.55	20.55	20.55
Windmills	470.04	-	470.04	-	-	-	215.60	34.49	250.09	-	-	-	-	-	-
<b>Sub-Total (A)</b>	<b>1,53,107.62</b>	<b>100.18</b>	<b>1,503.05</b>	<b>-</b>	<b>-</b>	<b>1,51,704.75</b>	<b>56,991.59</b>	<b>12,209.89</b>	<b>724.69</b>	<b>-</b>	<b>68,476.79</b>	<b>83,227.96</b>	<b>83,227.96</b>	<b>83,227.96</b>	<b>83,227.96</b>
<b>Right-of-use asset</b>															
Leasehold Land	26.62	-	0.30	-	-	26.32	1.47	0.29	-	-	1.76	24.56	25.15	24.56	25.15
<b>Sub-Total (B)</b>	<b>26.62</b>	<b>-</b>	<b>0.30</b>	<b>-</b>	<b>-</b>	<b>26.32</b>	<b>1.47</b>	<b>0.29</b>	<b>-</b>	<b>-</b>	<b>1.76</b>	<b>24.56</b>	<b>25.15</b>	<b>24.56</b>	<b>25.15</b>
<b>Total C= (A+B)</b>	<b>1,53,134.24</b>	<b>100.18</b>	<b>1,503.35</b>	<b>-</b>	<b>-</b>	<b>1,51,731.07</b>	<b>56,993.06</b>	<b>12,210.18</b>	<b>724.69</b>	<b>-</b>	<b>68,478.55</b>	<b>83,252.52</b>	<b>83,252.52</b>	<b>83,252.52</b>	<b>83,252.52</b>



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

### 3.1 Assets classified as held for sale

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Freehold Land	282.55	282.55
Plant & Equipment (Net)	6.40	-
<b>Total assets classified as held for sale</b>	<b>288.95</b>	<b>282.55</b>

In FY 2019-20, the Company decided to sell the land at Sate. Memorandum of Understanding has been signed for the asset, and the sale was expected to be completed before 31 March 2022. However, on account of Covid-19 Pandemic the transaction could not be executed. Hence management expects the sale to be executed before 31 March 2023.

Plant & Equipment reclassified as held for sale in current year has been sold subsequent to the balance sheet date.

### 3.2 Property, plant and equipment pledged / hypothecated as security

Refer to Note 18 for information on property, plant and equipment pledged / hypothecated as security by the Company

### 3.3 Contractual Obligations

Refer to Note 47 for disclosure of contractual commitments for the acquisition of property, plant and equipment

## 4. INVESTMENT PROPERTY

<b>Particulars</b>	<b>Amount</b>
<b><u>Cost</u></b>	
Gross Carrying amount as at 01 April 2020	-
Additions	-
Disposals	-
<b>As at 31 March 2021</b>	-
Reclassification from PP&E (Refer Note 3)	351.01
Disposals	-
<b>Closing as at 31 March 2022</b>	<b>351.01</b>
<b><u>Accumulated depreciation</u></b>	
Accumulated depreciation as at 01 April 2020	-
For the year	-
<b>Disposals</b>	-
Up to 31 March 2021	-
Reclassification from PP&E (Refer Note 3)	27.62
For the year	4.52
Disposals	-
<b>Closing as at 31 March 2022</b>	<b>32.14</b>
<b><u>Net block</u></b>	
<b>As at 31 March 2022</b>	<b>318.87</b>
As at 31 March 2021	-



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

#### 4.1 **Estimation of fair value**

As at 31 March 2022, the fair values of the properties is Rs. 428.40 Lakhs. These valuations are based on valuations performed by an accredited independent valuer. Such independent valuer is a specialist in valuing these types of investment properties.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The valuer has carried out valuation by considering the clear & marketable title of properties, the valuation is therefore based on the verbal market survey of the real estate market in the subject area.

### 5. **FINANCIAL ASSETS- INVESTMENTS**

	Non-Current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Investment in equity instruments (fully paid-up)</b>				
<b>Quoted equity shares</b>				
Equity investments at fair value through other comprehensive income (FVOCI) (Refer footnote i)	-	-	-	1,224.48
<b>Unquoted equity shares</b>				
2500 (31 March 2021: 2500) equity shares of Rs. 10 each fully paid-up in The Saraswat Co-operative Bank Limited	0.25	0.25	-	-
Charter Capital in Sanghvi Movers Vietnam Co. Limited, Vietnam	26.44		-	-
<b>Total</b>	<b>26.69</b>	<b>0.25</b>	<b>-</b>	<b>1,224.48</b>
<b>Investment in Mutual Funds at fair value through profit and loss (fully paid)</b>				
- Investment in Mutual Funds (Quoted) (Refer footnote ii)	-	-	3,003.86	-
	<b>26.69</b>	<b>0.25</b>	<b>3,003.86</b>	<b>1,224.48</b>
<b>Aggregate book value of:</b>				
Quoted investments	-	-	3,003.86	1,224.48
Unquoted investments	26.69	0.25	-	-
<b>Aggregate market value of:</b>				
Quoted investments			3,003.86	1,224.48
Unquoted investments	26.69	0.25	-	-



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**FOOTNOTE:**

**i. Details of Equity investments at FVOCI:**

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
31 March 2022 : Nil (31 March 2021 : 2,44,89,500 equity shares of Rs. 2.45 each)	-	1,224.48
	<b>-</b>	<b>1,224.48</b>

**ii. Details of investments in Mutual Funds (Quoted) designated at FVTPL:**

	Face Value (in Rs.)	Number of units (in actual)		Amount	
		<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
HDFC Overnight Fund	1,000	95,786.75	-	3,003.86	-
		<b>95,786.75</b>	<b>-</b>	<b>3,003.86</b>	<b>-</b>

**6. NON- CURRENT FINANCIAL ASSETS - LOANS (REFER NOTE 35)**

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Unsecured, considered good		
Loan to employees	3.17	-
<b>Total</b>	<b>3.17</b>	<b>-</b>

**7. OTHER FINANCIAL ASSETS**

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Security Deposits	90.64	169.52
In Fixed deposit accounts with maturity for more than 12 months from balance sheet date.	209.93	-
	<b>300.57</b>	<b>169.52</b>

**8. OTHER NON-CURRENT ASSETS**

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Indirect taxes paid under protest	849.35	714.37
Prepaid expenses	5.17	-
<b>Total other non-current other assets</b>	<b>854.52</b>	<b>714.37</b>

**9. INVENTORIES\***

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Stores and spares parts (At cost) (net of provision for slow and non moving inventory Rs. 480.30 Lakhs (31 March 2021 : 428.15 Lakhs))	482.22	706.49
	<b>482.22</b>	<b>706.49</b>

\*Hypothecated as charge against short term-borrowings. Refer note 19.

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**10. TRADE RECEIVABLES**

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Secured, considered good		
Unsecured		
-Considered good	7,927.01	5,658.47
-Considered doubtful		
Receivables which have significant increase in Credit Risk	1,161.55	1,306.14
Credit impaired	984.86	3,329.56
<b>Total</b>	<b>10,073.42</b>	<b>10,294.17</b>
<b>Impairment allowed (allowed for bad and doubtful debts)</b>		
Considered good - Unsecured		
Receivables which have significant increase in Credit Risk	(1,161.55)	(1,306.14)
Receivables - credit impaired	(984.86)	(3,329.56)
	<b>(2,146.41)</b>	<b>(4,635.70)</b>
<b>Total</b>	<b>7,927.01</b>	<b>5,658.47</b>
<b>Further classified as (net of Allowance for bad and doubtful debts)</b>		
Receivable from related parties	-	-
Receivable from others	7,927.01	5,658.47
	<b>7,927.01</b>	<b>5,658.47</b>
The net carrying value of trade receivables is considered a reasonable approximation of fair value.		

**10. TRADE RECEIVABLE (CONTINUED)**  
**Ageing of Trade Receivables**

	31 March 2022						31 March 2021									
	Unbilled Dues	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	Unbilled Dues	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	4,183.28	3,724.65	3,676.07	449.60	76.69	-	-	12,110.29	2,488.39	2,761.15	2,423.52	218.24	86.63	-	-	7,977.93
(ii) Undisputed Trade Receivables - which have significant increase in Credit Risk	-	-	266.29	273.01	256.77	68.01	6.62	870.70	-	-	146.18	164.05	167.63	90.94	3.98	572.78
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	2.47	127.59	607.51	737.57	-	-	-	-	3.81	126.44	1,174.54	1,304.79
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	168.93
(v) Disputed Trade Receivables – which have significant increase in Credit Risk	-	-	-	-	40.88	167.83	82.46	291.17	-	-	-	-	-	101.40	209.62	733.36
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	61.36	185.61	246.97	-	-	-	-	61.36	-	1,963.41	2,024.77
	<b>4,183.28</b>	<b>3,724.65</b>	<b>3,942.36</b>	<b>722.61</b>	<b>376.81</b>	<b>424.79</b>	<b>882.20</b>	<b>14,256.70</b>	<b>2,488.39</b>	<b>2,761.15</b>	<b>2,615.83</b>	<b>505.09</b>	<b>741.77</b>	<b>318.78</b>	<b>3,351.55</b>	<b>10,024.42</b>

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

### 11. CASH AND CASH EQUIVALENTS

	As at 31 March 2022	As at 31 March 2021
Balances with banks:		
in current accounts	199.90	134.36
Cash on hand	0.77	0.72
	<b>200.67</b>	<b>135.08</b>
<b>For the purpose of the Statement of cash flows, cash and cash equivalents comprise the following:</b>		
<b>Cash and cash equivalents</b>		
Balances with banks:		
On current accounts	199.90	134.36
Cash on hand	0.77	0.72
	<b>200.67</b>	<b>135.08</b>

### 12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31 March 2022	As at 31 March 2021
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	225.50	-
Unpaid Dividend Bank Account	9.87	22.21
Debit balances in Cash Credit accounts	535.34	-
	<b>770.71</b>	<b>22.21</b>

Cash balances with bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The fixed deposits of the Company have been marked as lien against bank guarantees issued.

### 13. CURRENT FINANCIAL ASSETS - LOANS (REFER NOTE 35)

	As at 31 March 2022	As at 31 March 2021
<u>Unsecured, considered good</u>		
Loans to employees	15.19	8.90
	<b>15.19</b>	<b>8.90</b>

### 14. OTHER FINANCIAL ASSETS

	As at 31 March 2022	As at 31 March 2021
Security Deposits	28.36	-
Interest accrued on fixed deposits	0.02	0.02
Receivable against sale of fixed asset	4.71	47.13
	<b>33.09</b>	<b>47.15</b>



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

## 15. OTHER CURRENT ASSETS

	As at 31 March 2022	As at 31 March 2021
Advances for supply of goods and services	198.25	121.26
Advances to employees	18.59	34.12
Contract Fulfilment Cost	422.51	146.02
Prepaid Expenses	277.45	235.80
Other advances	-	0.92
	<b>916.80</b>	<b>538.12</b>

## 16. SHARE CAPITAL

### (A) Equity shares

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Authorised</b>		
5,00,00,000 (31 March 2021 : 5,00,00,000) equity shares of face value of Rs. 2 each	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued, subscribed and paid up</b>		
4,32,88,000 (31 March 2021 : 4,32,88,000) equity shares of face value of Rs. 2 each fully paid up	865.76	865.76
<b>Total</b>	<b>865.76</b>	<b>865.76</b>

### (i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	For the Year Ended 31 March 2022		For the Year Ended 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	4,32,88,000	865.76	4,32,88,000	865.76
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>4,32,88,000</b>	<b>865.76</b>	<b>4,32,88,000</b>	<b>865.76</b>

### (ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of Rs. 2 per share. Each shareholder is entitled to one vote per share held. They entitle the holders to participate in dividends and dividend, if any declared is payable in Indian Rupees.

The Board of Directors, in their meeting on 25 May 2022, proposed a final dividend of Rs. 1 per equity share for the year ended 31 March 2022 which is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
<b>Equity shares of Rs. 2 each fully paid</b>				
Rishi Chandrakant Sanghvi	1,24,75,247	28.82%	1,29,08,127	29.82%
Mina Chandrakant Sanghvi	50,20,000	11.60%	50,20,000	11.60%
Niyoshi Chandrakant Sanghvi	25,00,000	5.78%	25,00,000	5.78%
Kedar Dattatraya Borgaonkar	22,14,751	5.12%	21,87,098	5.05%

As per records of the Company, including its register of shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**(iv) Details of Shares held by Promoters as at the end of the year**

Promoter name	As at 31 March 2022			As at 31 March 2021		
	No. Of Shares	% of total shares	% Change during the year	No. Of Shares	% of total shares	% Change during the year
Rishi C Sanghvi	1,24,75,247	28.82%	(3.35%)	1,29,08,127	29.82%	136.51%
Mina C Sanghvi	50,20,000	11.60%	0.00%	50,20,000	11.60%	13.09%
Niyoshi C Sanghvi	25,00,000	5.78%	0.00%	25,00,000	5.78%	399.50%
Maithili Rishi Sanghvi	4,32,880	1.00%	100.00%	-	0.00%	0.00%
Jethi Builders & Traders Private Limited	25,000	0.06%	0.00%	25,000	0.06%	0.00%
<b>Total</b>	<b>2,04,53,127</b>	<b>47.25%</b>		<b>2,04,53,127</b>	<b>47.25%</b>	

**17. OTHER EQUITY**

	For the Year Ended 31 March 2022	For the Year Ended 31 March 2021
<b>(A) Securities premium</b>		
At the commencement and end of the year	13,136.96	13,136.96
<b>(B) General reserve</b>		
At the commencement and end of the year	30,443.09	30,443.09
<b>(C) Capital reserve</b>		
At the commencement and end of the year	11.96	11.96
<b>(D) Surplus/(deficit) in the Statement of Profit and Loss</b>		
Opening balance	26,043.43	28,285.72
Add: Net profit for the current year	2,942.63	(2,242.29)
<b>Closing balance</b>	<b>28,986.06</b>	<b>26,043.43</b>

**(E) Other items of Other Comprehensive Income**

	Equity instrument		Employee benefit obligations	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
-As at beginning of year	467.31	-	(68.52)	(101.15)
-Re-measurement gains/(losses)	(624.48)	624.48	26.49	43.60
-Deferred tax component	157.17	(157.17)	(6.67)	(10.97)
<b>Closing balance</b>	<b>-</b>	<b>467.31</b>	<b>(48.70)</b>	<b>(68.52)</b>
<b>Total other equity</b>			<b>72,529.37</b>	<b>70,034.23</b>

Equity Instrument through Other Comprehensive Income

The Company, during the year ended 31 March 2021, made an Investment in certain equity shares of a Company and accounted for the same at its fair value on initial recognition and chose an irrevocable option to account for the subsequent changes in this financial instrument through other comprehensive income (OCI). Accordingly, during the year ended 31 March 2021, the Company recognised gain of Rs. 624.48 Lakhs on changes in the fair value of equity instrument through OCI. Further, the Company entered into a call option contract ('written call option') against the said investment in equity shares. Call option being a derivative instrument, any loss on fair valuation of the written call option has to be recognised in statement of profit and loss. Accordingly, during the year ended 31 March 2021, the Company recognised the loss on fair valuation of call option contract amounting Rs. 516.73 Lakhs in its statement of profit and loss.

During current year ended 31 March 2022, the Company sold such investment in equity shares and therefore, the Company reversed fair value gain of Rs. 624.48 Lakhs recognised through OCI during the year ended 31 March 2021. The Company also reversed loss on fair valuation of call option amounting to Rs. 516.73 Lakhs in its statement of profit and loss on account of above.

**18. NON-CURRENT BORROWINGS**

	As at 31 March 2022	As at 31 March 2021
<u>Secured</u>		
(a) Term loan		
<b>From Banks</b>		
In Indian Rupees	15,293.87	14,426.46
In Foreign Currency	-	2,833.00
<u>Unsecured</u>		
(a) <b>From related parties</b>		
Loan from related parties	1,137.59	1,696.85
From other parties	214.00	214.00
	<b>16,645.46</b>	<b>19,170.31</b>
Less: Current maturities of long term debt	4,689.69	4,279.17
<b>Total non current maturities of long term borrowings</b>	<b>11,955.77</b>	<b>14,891.14</b>

**Term loans from banks include loans from:-**

- i) Saraswat Co-Operative Bank Limited Rs. 10,933.17 Lakhs ( 31 March 2021 : Rs. 7,915.94 Lakhs), carrying interest rate ranging from 9.15% to 10.25% ( 31 March 2021 : 9.65% to 10.65%) repayable in 1 to 60 monthly



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

or quarterly installments. Such loans are hypothecated against Plant & Equipment (Cranes) and registered mortgage on land and buildings at Survey No 92, Tathawade , Pune.

- ii) Kotak Mahindra Bank Limited Rs. 2,950 Lakhs (31 March 2021 : Rs. Nil ), carrying interest rate ranging from 8.25% to 8.30% (31 March 2021 : Nil) repayable in 1 to 60 monthly installments. Such loans are hypothecated against Plant & Equipment (6 Nos. Cranes).
- iii) HDFC Bank Limited Rs. 1,494.14 Lakhs (31 March 2021 : Rs. 2,382.99 Lakhs), carrying interest rate ranging from 8.25% to 9.03% (31 March 2021 8.25% to 9.03% ) repayable in 1 to 36 monthly or quarterly installments. Such loans are hypothecated against Plant & Equipment (2 Nos. Cranes).
- iv) IDBI Bank Limited Rs. Nil (31 March 2021 : Rs. 665.00 Lakhs), carrying interest rate Nil (31 March 2021 9.00%) repayable in 1 to 15 monthly installments. Such loans are hypothecated against Plant & Equipment.
- v) State Bank of India Rs. Nil (31 March 2021 : Rs. 2,519.45 Lakhs), carrying interest rate (31 March 2021 : 9.15%) repayable in 1 to 60 monthly installments. Such loans are hypothecated against Plant & Equipment.
- vi) Bank of Baroda Rs. Nil (31 March 2021 : Rs. 1,004.58 Lakhs), carrying interest rate (31 March 2021 : 9.05%) repayable in 1 to 15 monthly installments. Such loans are hypothecated against Plant & Equipment.
- vii) State Bank of India (Foreign Currency) Rs. Nil (31 March 2021 : Rs. 2,833.00 Lakhs), carrying interest rate (31 March 2021 : 3.55%) repayable in 1 to 33 monthly installments. Such loans are hypothecated against Plant & Equipment.

## 19. SHORT - TERM BORROWINGS

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>Secured, from banks</b>		
Cash Credit	19.49	216.77
Current Maturities of Term loan	4,439.69	4,279.17
<b>Unsecured, from related parties</b>		
Loans	-	300.00
Current Maturities of Loans	250.00	-
<b>Total short-term borrowings</b>	<b>4,709.18</b>	<b>4,795.94</b>

- i) Working capital loans from kotak mahindra bank representing cash credit facilities as at 31 March 2022 are secured against first & excluding charge on Current Assets i.e. receivables, stock of spares and equitable / registered mortgage of land & building at Gat No. 110 & 111 at Vadgaon Maval, Pune. The cash credit facilities are repayable on demand and carry interest rate of 6.8% p.a.
- ii) Working capital loans from State Bank of India representing cash credit facilities as at 31 March 2021 are secured against receivables, stock of spares and equitable / registered mortgage of land & building at Gat No. 110 & 111 at Vadgaon Maval, Pune. The cash credit facilities are repayable on demand and carry interest rate of 7.90% p.a.



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

## 20. TRADE PAYABLES

	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises	129.48	34.84
Total outstanding dues of other than micro enterprises and small enterprises	1,943.59	1,609.33
<b>Total trade payables</b>	<b>2,073.07</b>	<b>1,644.17</b>

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

	As at 31 March 2022	As at 31 March 2021
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	123.66	29.86
Interest	5.82	4.98
<b>Total</b>	<b>129.48</b>	<b>34.84</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	0.83	0.26
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	5.82	4.98
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

## 20. TRADE PAYABLES (CONTINUED)

### Trade Payables ageing schedule

31 March 2022	Payables Not Due	Outstanding for following periods from due date of Payment				
Particulars		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) MSME (Including Interest)	-	129.48	-	-	-	129.48
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	337.69	1,590.73	15.17	-	-	1,943.59
(iv) Disputed dues - Others	-	-	-	-	-	-
	337.69	1,720.21	15.17	-	-	2,073.07

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

31 March 2021 Particulars	Payables Not Due	Outstanding for following periods from due date of Payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME (Including Interest)	-	34.84	-	-	-	34.84
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	423.67	1,127.81	8.93	17.82	31.10	1,609.33
(iv) Disputed dues - Others	-	-	-	-	-	-
	423.67	1,162.65	8.93	17.82	31.10	1,644.17

**21. OTHER FINANCIAL LIABILITIES**

	As at 31 March 2022	As at 31 March 2021
Accrued employee liabilities	48.84	61.81
Capital creditors	9.76	9.58
Others	25.13	21.12
<b>Other financial liabilities at amortised cost</b>		
Interest accrued but not due on loan	98.60	18.22
Interest Payable on unsecured Loans	251.23	250.79
<b>Financial liabilities at fair value through profit or loss</b>		
Foreign current forward contract not designated in hedge accounting relationship	-	139.63
Call Option Obligation	-	614.69
<b>Total other financial liabilities</b>	<b>433.56</b>	<b>1,115.84</b>

**22. OTHER CURRENT LIABILITIES**

	As at 31 March 2022	As at 31 March 2021
Unpaid dividend	9.86	9.86
Statutory dues payable	442.07	407.56
Advance from customers	369.49	261.43
Deferred revenue	512.36	193.29
Advances / deposits received for sale of PP&E	10.95	16.81
<b>Total other current liabilities</b>	<b>1,344.73</b>	<b>888.95</b>

**23. PROVISIONS**

	As at 31 March 2022	As at 31 March 2021
<b>Provision for employee benefits (Refer note 32)</b>		
Provision for gratuity (funded)	16.32	11.59
Provision for leave encashment (funded)	101.55	14.16
<b>Total Provisions</b>	<b>117.87</b>	<b>25.75</b>



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

#### 24. REVENUE FROM OPERATIONS

	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Revenue from contracts with customers (Refer Note 38)</b>		
Sale of services	33,525.98	22,249.05
	33,525.98	22,249.05
<b>Other operating revenue</b>		
Revenue from Power Generation	-	124.50
<b>Total revenue from operations</b>	<b>33,525.98</b>	<b>22,373.55</b>

#### 25. OTHER INCOME

	Year Ended 31 March 2022	Year Ended 31 March 2021
Interest income		
- on fixed deposits designated as amortised cost	6.91	0.44
- on income taxes	12.69	81.32
Other non operating income	62.56	32.19
- Income from sale of Investments (mutual funds)	12.28	-
Gain on sale/fair valuation of Investments (net)	120.00	-
- Fair valuation adjustments of derivatives (forward cover) designated as FVTPL	516.73	-
Gain on sale/disposal of fixed assets	429.39	1,705.14
Liabilities written back	49.32	0.29
Reversal of provision for doubtful debts	2,489.29	1,110.01
<b>Total other income</b>	<b>3,699.17</b>	<b>2,929.39</b>

#### 26. OPERATING AND OTHER EXPENSES

	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Operating expenses</b>		
Crane and trailer hire charges	255.73	81.48
Crane and trailer operating expenses	845.56	580.80
Freight & carriage	3,957.29	2,391.46
Repairs and maintenance expenses		
Plant and equipment's	91.47	216.90
Wind mills	-	7.22
Consumption of stores and spares	2,081.54	1,573.00
Power and fuel	1,661.76	998.62
Contract labour charges	3,651.20	2,804.84
Wind mill operating expenses	-	43.64
<b>Total operating expenses (A)</b>	<b>12,544.55</b>	<b>8,697.96</b>

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

	Year Ended 31 March 2022	Year Ended 31 March 2021
Rates and taxes	406.75	232.80
Bad debts	2,037.32	248.39
Directors' sitting fees	33.60	22.90
Insurance	505.81	544.56
Repairs and maintenance		
Building	24.04	13.17
Others	21.88	14.56
Legal and Professional Fees	294.92	283.48
Payments to auditors (see note below)	18.97	29.36
Rent	325.37	261.86
Travel and conveyance	365.09	251.58
Foreign exchange fluctuation	74.28	104.24
Miscellaneous expenses	628.82	445.46
<b>Total other expenses (B)</b>	<b>4,736.85</b>	<b>2,452.36</b>
<b>Total Operating and other expenses (A+B)</b>	<b>17,281.40</b>	<b>11,150.32</b>

\*Note : The following is the break-up of Auditors remuneration (exclusive of service tax)

	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>As auditor:</b>		
Statutory audit	13.00	20.50
Limited Review of quarterly results	5.00	7.50
<b>In other capacity:</b>		
Other matters	0.11	0.50
Reimbursement of expenses	0.86	0.86
<b>Total</b>	<b>18.97</b>	<b>29.36</b>

## 27. EMPLOYEE BENEFITS EXPENSE

	Year Ended 31 March 2022	Year Ended 31 March 2021
Salaries, wages, bonus and other allowances	2,274.87	1,822.63
Contribution to Provident and Other funds and pension schemes	100.44	93.21
Gratuity and compensated absences expenses (Refer Note 32)	45.99	48.28
Staff welfare expenses	30.73	27.03
<b>Total employee benefits expense</b>	<b>2,452.03</b>	<b>1,991.15</b>

## 28. FINANCE COSTS

	Year Ended 31 March 2022	Year Ended 31 March 2021
Interest expense on financial liabilities measured at amortised cost		
On borrowings from banks	1,340.99	2,238.87
On borrowings from related parties	156.16	189.33
Others	16.72	18.38
Interest on delay in payment of taxes	1.99	13.18
Other borrowing costs	214.92	169.84
<b>Total finance costs</b>	<b>1,730.78</b>	<b>2,629.60</b>



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

## 29. DEPRECIATION AND AMORTISATION EXPENSE

	Year Ended 31 March 2022	Year Ended 31 March 2021
Depreciation (Refer Note 3)	11,811.49	12,210.18
<b>Total depreciation and amortisation expense</b>	<b>11,811.49</b>	<b>12,210.18</b>

## 30. INCOME TAX AND DEFERRED TAX

### (A) Deferred tax relates to the following:

	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Deferred tax liabilities</b>		
On property, plant and equipment	5,648.92	6,419.52
On Contract Fulfillment Costs	106.35	-
	<b>5,755.27</b>	<b>6,419.52</b>
<b>Deferred tax assets</b>		
On Carried Forward losses	3,206.00	4,242.57
On Gratuity	4.11	2.92
On Leave Encashment	25.56	3.56
On Allowance for doubtful debts - trade receivable	540.21	1,166.71
On others	239.06	103.60
	4,014.94	5,519.36
Net Deferred Tax Liability	<b>1,740.33</b>	<b>900.16</b>

### (B) Reconciliation of deferred tax assets/ (liabilities) (net):

	Year Ended 31 March 2022	Year Ended 31 March 2021
Opening balance as of 1 April	900.16	1,660.63
Tax liability recognised in Statement of Profit and Loss	990.67	(928.61)
Tax liability recognised in OCI		
On re-measurements gain/(losses) of post-employment benefit obligations	6.67	10.97
Unrealised (gain)/loss on FVTOCI equity securities	(157.17)	157.17
Closing balance as at 31 March	<b>1,740.33</b>	<b>900.16</b>

### (C) Deferred tax assets/ (liabilities) to be recognised in Statement of Profit and Loss

	Year Ended 31 March 2022	Year Ended 31 March 2021
Tax liability / (asset)	990.67	(928.61)
	<b>990.67</b>	<b>(928.61)</b>

### (D) Income tax expense

	Year Ended 31 March 2022	Year Ended 31 March 2021
Current tax taxes		
- Adjustments in respect of current income tax of previous year	16.15	(24.14)
Deferred tax charge / (income)	990.67	(928.61)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>1,006.82</b>	<b>(952.75)</b>

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**(E) Income tax expense charged to OCI**

	Year Ended 31 March 2022	Year Ended 31 March 2021
Unrealised (gain)/loss on FVTOCI debt securities		
Unrealised (gain)/loss on FVTOCI equity securities	157.17	(157.17)
Net loss/(gain) on remeasurements of defined benefit plans	(6.67)	(10.97)
<b>Income tax charged to OCI</b>	<b>150.50</b>	<b>(168.14)</b>

**(F) Reconciliation of tax charge**

	Year Ended 31 March 2022	Year Ended 31 March 2021
Profit before tax	3,949.45	(3,195.04)
Income tax expense at tax rates applicable	994.08	(804.13)
Tax effects of:		
- Item not deductible for tax	(25.56)	15.26
- Permanent difference on sale of land		(159.19)
- Others	22.15	19.45
<b>Income tax expense</b>	<b>990.67</b>	<b>(928.61)</b>

**31. EARNINGS/ LOSS PER SHARE ("EPS")**

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Year Ended 31 March 2022	Year Ended 31 March 2021
Profit / (Loss) attributable to equity shareholders	2,942.63	(2,242.29)
Weighted average number of equity shares for basic and diluted EPS	4,32,88,000	4,32,88,000
Basic and Diluted EPS (in Rs.)	6.80	(5.18)

**32. EMPLOYEE BENEFITS**

**(A) Defined Contribution Plans**

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss –

	Year Ended 31 March 2022	Year Ended 31 March 2021
Employers' Contribution to Provident and Other Funds & Pension Schemes	100.44	93.21



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

- (B) Defined benefit plans
- a) Gratuity payable to employees
  - b) Compensated absences for Employees

**i) Actuarial assumptions**

	<b>Year Ended 31 March 2022</b>	<b>Year Ended 31 March 2021</b>
Discount rate (per annum)	7.30%	6.90%
Rate of increase in Salary	9.00%	9.00%
Expected average remaining working lives of employees (years)	14.96	14.86
Attrition rate	2%	2%
Expected return on plan assets	6.90%	6.90%
Mortality Rate	Indian Assured Lives Mortality (2012-14)	

**ii) Changes in the present value of defined benefit obligation**

	<b>Employee's gratuity fund</b>	
	<b>Year Ended 31 March 2022</b>	<b>Year Ended 31 March 2021</b>
<b>Present value of obligation at the beginning of the year</b>	<b>407.92</b>	<b>396.49</b>
Interest cost	27.64	27.07
Current service cost	44.88	43.74
Benefits paid	(14.50)	(8.29)
Remeasurements on obligation - (Gain) / Loss	(24.44)	(51.09)
<b>Present value of obligation at the end of the year*</b>	<b>441.50</b>	<b>407.92</b>
*Included in provision for employee benefits (Refer note 23)		

**iii) Changes in fair value of plan assets**

	<b>Employee's gratuity fund</b>	
	<b>Year Ended 31 March 2022</b>	<b>Year Ended 31 March 2021</b>
Fair value of plan assets at the beginning of the year	396.33	295.88
Interest Income	27.33	22.36
Contributions	13.97	64.72
Mortality Charges and Taxes	-	(0.85)
Benefits paid	(14.51)	(8.29)
Return on plan assets, excluding amount recognised in Interest Income - Gain / (Loss)	2.05	22.51
<b>Fair value of plan assets at the end of the year</b>	<b>425.17</b>	<b>396.33</b>



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**iv) Assets and liabilities recognised in the Balance Sheet:**

	Employee's gratuity fund	
	Year Ended 31 March 2022	Year Ended 31 March 2021
Present value of funded obligation as at the end of the year	441.50	407.92
Fair value of plan assets	425.17	396.33
<b>Funded net asset / (liability) recognised in Balance Sheet*</b>	<b>(16.33)</b>	<b>(11.59)</b>
*Included in provision for employee benefits (Refer note 23)		

**v) Expense recognised in the Statement of Profit and Loss**

	Employee's gratuity fund	
	Year Ended 31 March 2022	Year Ended 31 March 2021
Current service cost	44.88	43.74
Interest cost (net)	0.29	4.71
<b>Total expenses recognised in the Statement Profit and Loss*</b>	<b>45.17</b>	<b>48.45</b>

\*Included in Employee benefits expense (Refer Note 27). Actuarial (gain)/loss of Rs. 26.49 (31 March 2021: Rs. 43.60) is included in other comprehensive income.

**vi) Expected contribution to the fund in the next year**

	Employee's gratuity fund	
	Year Ended 31 March 2022	Year Ended 31 March 2021
Gratuity	16.00	100.00

**vii) A quantitative sensitivity analysis for significant assumption as at 31 March 2022 is as shown below:**

	Employee's gratuity fund	
	Year Ended 31 March 2022	Year Ended 31 March 2021
Impact on defined benefit obligation		
Discount rate		
1% increase	401.78	368.47
1% decrease	487.73	454.02
Rate of increase in salary		
1% increase	482.18	448.52
1% decrease	405.64	372.24

**viii) Expected future benefit payments**

	Employee's gratuity fund	
	Year Ended 31 March 2022	Year Ended 31 March 2021
Year Ending March 31		
2022	-	13.60
2023	36.63	25.61
2024	15.31	15.83



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

	Employee's gratuity fund	
	Year Ended 31 March 2022	Year Ended 31 March 2021
2025	13.98	14.36
2026	16.45	17.12
2027	24.73	-
2027-2031	-	416.44
2028-2032	430.43	-

### 33. LEASES

The Company incurred Rs. 325.61 Lakhs (31 March 2021 Rs. 261.86 Lakhs) for the year ended towards expenses relating to short term leases and leases of low-value assets.

### 34. RELATED PARTY DISCLOSURES

(A) Names of related parties and description of relationship as identified and certified by the Company:

#### Key Management Personnel (KMP)

Rishi Sanghvi - Managing Director

Sham Kajale - Joint Managing Director and Chief Financial Officer

Rajesh Likhite - Company Secretary and Chief Compliance Officer

#### Non Executive and Independent Directors

Maithili Sanghvi - Non Executive Woman Director

Dara Damania - Non Executive Independent Director \*

S. Padmanabhan - Non Executive Independent Director \*

Pradeep Rathi - Non Executive Independent Director \*

Dinesh Munot - Non Executive Independent Director \*

Madhukar Kotwal - Non Executive Independent Director \*

Madhu Dubhashi - Non Executive Independent Director \*

#### Relatives of Individuals exercising significant influence over the Company

Mina Sanghvi

Niyoshi Sanghvi

#### Related parties where control exists

#### Wholly Owned Subsidiary

Sanghvi Movers Vietnam Co. Limited, Vietnam

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**(B) Details of transactions with related party in the ordinary course of business for the year ended:**

**(i) Key Management Personnel (KMP) and Directors**

	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Salaries including bonuses / Incentives</b>		
Rishi Sanghvi	257.29	216.92
Sham Kajale	134.61	134.61
Rajesh Likhite	23.06	20.05
<b>Director's sitting fees</b>		
Maithili Sanghvi	4.10	2.60
* The Company has paid sitting fees amounting to Rs. 29.50 Lakhs (31 March 2020 Rs. 20.30 Lakhs) to non executive independent directors.		
<b>Interest expense</b>		
Rishi Sanghvi	36.22	33.90
Maithili Sanghvi	0.01	1.78
<b>Loans Taken</b>		
Rishi Sanghvi	1,122.18	688.09
Maithili Sanghvi	-	48.35
<b>Loans Repaid</b>		
Rishi Sanghvi	414.56	481.59
Maithili Sanghvi	1.60	46.75

**(ii) Relatives of Individuals exercising significant influence over the Company**

	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Interest expense</b>		
Mina Sanghvi	119.94	153.64
<b>Loans Repaid</b>		
Mina Sanghvi	1,565.28	130.00

**(iii) Related parties where control exists**

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Investment made</b>		
Sanghvi Movers Vietnam Co. Limited, Vietnam	26.44	-

**(C) Amount due to/from related party as on:**

**(i) Key Management Personnel (KMP) and Directors**

	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Borrowings</b>		
Rishi Sanghvi	1,137.59	429.97
Maithili Sanghvi	-	1.60
<b>Payable towards interest</b>		
Rishi Sanghvi	8.20	9.68
Maithili Sanghvi	-	0.60



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Advance for Expenses</b>		
Rishi Sanghvi	0.44	0.51
<b>Remuneration / Incentive payable to KMP</b>		
Rishi Sanghvi	23.95	-

(ii) **Relatives of Individuals exercising significant influence over the Company**

	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Borrowings</b>		
Mina Sanghvi	-	1,565.28
<b>Payable towards interest</b>		
Mina Sanghvi	21.51	32.04

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

**35. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

The fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, security deposits, interest accrued on fixed deposits, trade receivables, unbilled Receivables, loans, investments, trade payables, interest accrued but not due on borrowings, accrued employee liabilities, short-term borrowings Capital creditors, interest payable on unsecured Loans and other financial liabilities approximate the carrying amounts because of the short term nature of such financial instruments.

The amortised cost using effective interest rate (EIR) of non-current financial assets consisting of security deposits, fixed deposit accounts with maturity for more than 12 months from balance sheet date are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

Set out below is a comparison, of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value		Fair value	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Financial assets</b>				
Investments in mutual funds (Fair Value through Profit and Loss "FVTPL")	3,003.86	-	3,003.86	-
Investments in Suzlon Shares	-	1224.48	-	1,224.48

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

	Carrying value		Fair value	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Investments in equity instruments	26.69	0.25	26.69	0.25
Loans	18.36	8.90	18.36	8.90
Trade receivables	7,927.01	5,658.47	7,927.01	5,658.47
Unbilled Receivables	4,183.28	2,488.39	4,183.28	2,488.39
Cash and cash equivalents	200.67	135.08	200.67	135.08
Bank balances other than cash and cash equivalent	770.71	22.21	770.71	22.21
Security Deposits	119.00	169.52	119.00	169.52
Fixed deposit accounts with maturity for more than 12 months from balance sheet date.	209.93	-	209.93	-
Interest accrued on fixed deposits	0.02	0.02	0.02	0.02
Receivable against sale of fixed asset	4.71	47.13	4.71	47.13
<b>Total</b>	<b>16,464.24</b>	<b>9,754.45</b>	<b>16,464.24</b>	<b>9,754.45</b>
Foreign current forward contract not designated in hedge accounting relationship	-	139.63	-	139.63
Call Option Obligation	-	614.69	-	614.69
Borrowings (non-current)	11,955.77	14,891.14	11,955.77	14,891.14
Borrowings (current)	4,709.18	4,795.94	4,709.18	4,795.94
Trade Payables	2,073.07	1,644.17	2,073.07	1,644.17
Accrued employee liabilities	48.84	61.81	48.84	61.81
Capital creditors	9.76	9.58	9.76	9.58
Interest accrued but not due on loan	98.60	18.22	98.60	18.22
Interest Payable on unsecured Loans	251.23	250.79	251.23	250.79
Others	25.13	21.12	25.13	21.12
<b>Total</b>	<b>19,171.58</b>	<b>22,447.09</b>	<b>19,171.58</b>	<b>22,447.09</b>

### 36. FAIR VALUE HIERARCHY

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**Fair value measurement hierarchy of assets**

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
(a) Financial Assets measured at fair value		
<b>Level 1 (Quoted price in active markets)</b>		
Investments in mutual funds FVTPL	3,003.86	-
(b) Financial assets measured at FVTOCI		
<b>Level 1 (Quoted price in active markets)</b>		
Investments in Suzlon Shares	-	1,224.48
(c) <b>Financial assets measured at amortised cost</b>		
Investments in equity instruments	26.69	0.25
Loans	18.36	8.90
Trade receivables	7,927.01	5,658.47
Unbilled Receivables	4,183.28	2,488.39
Cash and cash equivalents	200.67	135.08
Bank balances other than cash and cash equivalent	770.71	22.21
Security Deposits	119.00	169.52
"Fixed deposit accounts with maturity for more than 12 months from balance sheet date."	209.93	-
Interest accrued on fixed deposits	0.02	0.02
Receivable against sale of fixed asset	4.71	47.13
(d) Assets for which fair values are disclosed:		
<b>Level 3</b>		
Investment property	318.87	-
There have been no transfers between Level 1 and Level 2 during the period		
<b>Fair value measurement hierarchy for liabilities:</b>		
(a) Financial liabilities measured at fair value:		
<b>Level 2</b>		
Financial liabilities measured at fair value through profit or loss		
Foreign current forward contract not designated in hedge accounting relationship	-	139.63
Call Option Obligation	-	614.69
(b) Financial liabilities measured at amortised cost		
Borrowings (non-current)	11,955.77	14,891.14
Borrowings (current)	4,709.18	4,795.94
Trade Payables	2,073.07	1,644.17
Accrued employee liabilities	48.84	61.81
Capital creditors	9.76	9.58
Interest accrued but not due on loan	98.60	18.22
Interest Payable on unsecured Loans	251.23	250.79
Others	25.13	21.12

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

### **37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial liabilities comprise Borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to various financial risks. These risks are categorised into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

#### **(A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

##### **(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates (if applicable).

Interest rate sensitivity

Since the long term debt obligations carry fixed interest rates, no risk is anticipated on account of interest

##### **(ii) Foreign currency risk rate changes**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company does not have any transaction / exposure in foreign currency, accordingly there is no foreign currency risk exist on balance sheet date.

#### **(B) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's trade receivables, receivables from deposits and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts.



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

The maximum exposure to the credit risk as at the reporting period is primarily from trade receivables amounting to Rs. 7,927.01 Lakhs and Rs. 5,658.47 Lakhs as at 31 March 2022 and 31 March 2021 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109 - Financial Instruments ("Ind AS 109"), the Company uses expected credit loss model to assess the impairment loss. The Company computes the expected credit loss allowance for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer, industry information and the Company's historical experience for customers.

### (C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

As at 31 March 2022, the Company had a working capital of Rs. 8,492.37 Lakhs (31 March 2021 : Rs. 2,041.19 Lakhs). The working capital of the Company for this purpose has been derived as follows:

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Total current assets (A)	17,821.78	11,111.84
Total current liabilities (B)	9,329.41	9,070.65
<b>Working capital (A-B)</b>	<b>8,492.37</b>	<b>2,041.19</b>

The table below summarises the maturity profile of the Company's financial liabilities:

	<b>Upto 1 Year</b>	<b>1-2 Year</b>	<b>2-4 Years</b>	<b>More than 4 Years</b>	<b>Total</b>
<b>31 March 2022</b>					
Term loan	4,439.69	3,916.91	5,774.70	1,246.02	15,377.32
Unsecured loan	250.00	-	887.59	214.00	1,351.59
Trade payables	2,073.07	-	-	-	2,073.07
Other financial liability	433.56	-	-	-	433.56
	<b>7,196.32</b>	<b>3,916.91</b>	<b>6,662.29</b>	<b>1,460.02</b>	<b>19,235.54</b>
<b>31 March 2021</b>					
Term Loan	3,012.29	8,349.11	5,294.25	665.28	17,320.93
Unsecured loan	1,566.88	-	429.97	214.00	2,210.85
Trade payables	1,644.17	-	-	-	1,644.17
Other financial liability	1,115.84	-	-	-	1,115.84
	<b>7,339.18</b>	<b>8,349.11</b>	<b>5,724.22</b>	<b>879.28</b>	<b>22,291.79</b>



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

### 38. REVENUE FROM OPERATIONS

#### (a) Revenue recognised from Contracts

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
Revenue recognised from Customer contracts	33,525.98	22,373.55
Less:-Impairment losses recognised*	-	-
	<b>33,525.98</b>	<b>22,373.55</b>

#### (b) Disaggregate revenue information

##### Geographic revenue

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
India	33,525.98	22,373.55
	<b>33,525.98</b>	<b>22,373.55</b>

##### Nature of Services

Revenue from hiring of equipments	33,525.98	22,249.05
Revenue from power generation		124.50
	<b>33,525.98</b>	<b>22,249.05</b>

##### Revenue by contract type

Time & Material	33,525.98	22,249.05
	<b>33,525.98</b>	<b>22,249.05</b>

#### (c) Movement in Expected Credit Loss during the year.

Particulars	Trade receivables covered under Ind AS 115	
	Year Ended 31 March 2022	Year Ended 31 March 2021
Opening balance (A)	4,635.71	5,745.72
Ind AS 115 transition impact	-	-
Changes in loss allowance:		
1. Loss allowance based on Expected credit loss	-	-
2. Additional provision(net)	(534.65)	(861.91)
3. Write off as bad debts	(1,954.65)	(248.10)
Closing Balance(B)	<b>2,146.41</b>	<b>4,635.71</b>

In accordance with Ind As 109 on any receivables or contract asset arising from an entity's contracts with customer

#### (d) Contract balances : Following table covers the movement in contract balances during the year.

Particulars	Contract Asset	Contract Liabilities
	Year Ended 31 March 2022	Year Ended 31 March 2021
Opening balance(A)	2,488.39	454.72
Add/(Less):Revenue recognised during the year	1,694.89	427.13
Closing Balance (B)	<b>4,183.28</b>	<b>881.85</b>



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

### 39. RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS

Quarter ended	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for adverse material discrepancies
30 June 2021	State Bank of India	Inventories	1,077.95	1,072.98	4.97	Due to assumptions for calculating Allowance for credit impaired receivables.
		Trade Receivables	9,686.45	9,759.44	(72.99)	
30 September 2021	State Bank of India	Inventories	945.71	942.86	2.85	
		Trade Receivables	7,261.96	6,768.83	493.13	
31 December 2021	State Bank of India	Inventories	940.17	940.00	0.16	
		Trade Receivables	7,115.94	6,723.90	392.04	
31 March 2022	Kotak Mahindra Bank	Inventories (net of provision for slow and non moving)	482.22	534.56	(52.34)	Difference due to provision for quarter 4 which was pending due to book closure for audit.
		Trade Receivables	10,018.65	9,387.83	630.82	

### 40. RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956,

Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company, if any	Balance outstanding as at current period	Balance outstanding as at previous period
Shalom Security Services Private Limited	Payables	Not Related	0.49	0.24
Xplorelogic Systems Private Limited	Payables	Not Related	-	0.37
Mutcharla Constructions Private Limited	Receivables	Not Related	13.22	6.61

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**41. REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES**

<b>A brief description of the charges or satisfaction</b>	<b>The location of the Registrar</b>	<b>The period (in days or months) by which such charge had to be registered as on 31 March 2022</b>	<b>The period (in days or months) by which such charge had to be registered as on 31 March 2021</b>	<b>Reason for delay in registration</b>
CHG-1 - Creation / Modification of Charge	Pune	12-03-2022	NA	On account of technical errors, the form has been filed with the payment of additional fees.

**42. COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES**

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**43. UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM:**

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**44. RATIOS**

S No.	Ratio	Formula	31 March 2022		31 March 2021		Ratio as on		Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	31 March 2022	31 March 2021		
(a)	Current Ratio	Current Assets / Current Liabilities	17,821.78	9,329.41	11,111.84	9,070.65	1.91	1.23	55.94%	Refer Note 1 below
(b)	Debt-Equity Ratio	Debt / Equity	16,664.95	73,395.13	19,687.08	70,899.99	0.23	0.28	(18.23%)	Refer Note 2 below
(c)	Debt Service Coverage Ratio ('DSCR')	Net Operating Income / Debt Service	16,484.90	6,009.95	12,597.49	11,946.51	2.74	1.05	160.12%	Refer Note 3 below
(d)	Return on Equity Ratio ('ROE')	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	2,942.63	73,395.13	(2,242.29)	70,899.99	4.01%	(3.16%)	(226.77%)	Refer Note 4 below
(e)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	33,525.98	10,128.57	22,373.55	8,328.42	3.31	2.69	23.21%	Refer Note 5 below
(f)	Net Capital Turnover Ratio	Revenue / Average Working Capital	33,525.98	8,492.37	22,373.55	2,041.19	3.95	10.96	(63.98%)	Refer Note 6 below
(g)	Net Profit Ratio	Net Profit / Net Sales	2,942.63	33,525.98	(2,242.29)	22,373.55	8.78%	(10.02%)	(187.58%)	Refer Note 7 below
(h)	Return on Capital Employed ('ROCE')	EBIT / Capital Employed	5,680.23	90,060.08	(565.44)	90,587.07	6.31%	(0.62%)	(1,110.45%)	Refer Note 8 below
(i)	Return on Investment ('ROI')	Net Profit / Net Investment	2,942.63	73,395.13	(2,242.29)	70,899.99	4.01%	(3.16%)	(226.77%)	Refer Note 8 below

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

1) **Variation in Current Ratio –**

Current Ratio is calculated as Current Assets divided by Current Liabilities. Current Assets of the Company primarily include Sundry Debtors and other current assets including cash and cash equivalents recoverable within a period of next twelve months. It also includes small amount of inventory of spare parts. While current liabilities includes Sundry Creditors for spare parts and other services (transport services) availed by the Company during the year.

The major portion of current liabilities (more than 45 %) includes the current maturities of long term loans availed by the Company for funding the capex plan in earlier years. In short, it includes installments of TL due within one year. Sanghvi Movers Limited (SML) falls under Service Industry and also is a Capital Intensive Industry. Being a Service Company, it (SML) does not have inventory of Raw Material, WIP and Finished Goods which constitutes major portion of current assets in case of manufacturing industry. Further, being a capital intensive industry, SML requires to borrow monies from the banks to fund its capex plan. The average tenor of these term loans are typically five years and therefore 20% of the total amount of term loans falls due for repayment every year. As per the formula, for calculation of Current Liabilities, one needs to add the installments of Term Loans due within one year in Current Liabilities, however in practice, company repays these loans during the course of the year out of internal accruals which is not considered while calculating the current ratio. Such being the case, SML always have lower current ratio historically. However, if we remove the installments of term loans due within next twelve months from Current Liabilities, the Current Ratio can be worked out as under:

Particulars	As at 31 March 2022	As at 31 March 2021
A) Current Assets	17,821.78	11,111.84
Current Liabilities	9,329.41	9,070.65
Less: Instalments of term loans due within one year	4,439.69	4,279.17
B) Net Current Liabilities	4,889.72	4,791.48
C) Current Ratio (A/B)	3.64	2.32

From the aforesaid calculation, it is evident that SML has comfortable Current Ratio, if we remove the instalments of term loans from current liabilities since it would be paid during year out of internal cash accruals. Current Ratio is an indicator of liquidity position of the Company. SML has sound liquidity position in spite of having lower current ratio in the past (for the reasons mentioned above) and serviced its creditors and lenders in time. In fact on many occasions, it has pre-paid the instalments of its term loans before its due date. Further undrawn bank lines (Cash Credit limits) add further cushion to the liquidity of the Company.

The reason for improvement in Current Ratio in FY 22 is primarily on account of increase in business volume/sales turnover of the Company, resulting into increase in Trade Receivables, improved cash flow position pursuant to better collection from customers which is reflected in increase in ST investments made by the Company and increase in bank balance at the year end.

- 2) Debt: Equity Ratio is improved by 18% in the current financial year primarily on account of repayment of debt and increase in equity on account of profit made by the Company in the current financial year.
- 3) DSCR has significantly improved in FY 2021-22 primarily on account of profit made by the Company during the year. Furthermore, due to substantial amount of debt reduction, interest cost has also come down



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

- 4) ROE has increased primarily because company has made decent amount of profits in FY 2021-22 primarily because of increase in turnover, other income, reduction in interest cost etc.
- 5) Receivables Turnover Ratio is 3.31 times of the total Turnover in FY2021-22 as compared to 2.69 times in FY 2020-21. It means that in FY 2021-22, company has collected its average accounts receivable approximately 3.31 times over the fiscal ended 31 March 2021. The average recovery from S. Debtors is better in FY 2021-22 as compared to FY 2020-21. The same is evident from accounts receivable turnover ratio which is calculated as under:

Receivable Turnover in days = 365 Divided by Debtors Turnover Ratio

Particulars	As at 31 March 2022	As at 31 March 2021
Number of Days in a year	365	365
Debtor Turnover Ratio	3.31	2.69
Receivable Turnover in Days	110.27	135.87

From the aforesaid calculation, it is evident that, average receivable days in FY 2021-22 has reduced to 110 days as compared to 135 days in previous financial year i.e. FY 2020-21. This is primarily because of increase in collection from our clients through rigorous follow up, better monitoring of receivables position by the management, strict adherence to credit period allowed to the customers.

- 6) Working capital turnover ratio calculates how efficiently a company uses working capital to generate sales. Net Working Capital Turnover Ratio is 3.95 times of the total Turnover in FY 2021-22 as compared to 10.96 times in FY 2020-21. It means that in FY 2021-22, company is using its working capital more efficiently to generate more sales. This is primarily because of increase in Sales Turnover of the Company because of increased capacity utilisation of crane fleet of the Company, increase in sales turnover resulting into increase in receivables, better collection from our clients through rigorous follow up, better monitoring of receivables position by the management, strict adherence to credit period allowed to the customers.
- 7) Net Profit Ratio is healthy in FY 2021-22 as compared to FY 2020-21. In FY 2020-21, company has made net loss of Rs. 2,242.29 Lakhs while in FY 2021-22, company has posted net profit of Rs. 2,942.63 Lakhs which is primarily on account of increase in Sales Turnover of the Company because of increased capacity utilisation of crane fleet of the Company.
- 8) ROCE and ROI is significantly improved in FY 2021-22 as compared to FY 2020-21. In FY 2020-21, company has made net loss of Rs. 2,242.29 Lakhs while in FY 2021-22, company has posted net profit of Rs. 2,942.63 Lakhs which is primarily on account of increase in Sales Turnover of the Company because of increased capacity utilisation of crane fleet of the Company. This is also because EBIT has increased because of reduction in interest cost in FY 2021-22 due to substantial repayment of debt and increase in Shareholders' Fund / Equity because of substantial increase in net profit in FY 2021-22.

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

#### 45. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of borrowings from various banks / financial institutions. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
Equity		73,395.13	70,899.99
Total equity	(i)	73,395.13	70,899.99
Borrowings		16,664.95	19,687.08
Less: cash and cash equivalents		(200.67)	(135.08)
Total debt	(ii)	16,464.28	19,552.00
Overall financing	(iii) = (i) + (ii)	89,859.41	90,451.99
Gearing ratio	(ii)/ (iii)	18.32%	21.62%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021

#### 46. COMMITMENTS

<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
- Estimated amount of contracts remaining to be executed on capital account and not provided, net of advances	5,314.08	-
	<b>5,314.08</b>	<b>-</b>

The Company has opened 2 Nos. Import Letter of Credit for import of 2 Nos Brand New Sany 800 Ton Cranes, prior to 31 March 2022. The shipment of these cranes happened from Shanghai Sea Port in the month of March, 2022 and these Cranes are delivered at Kandla Sea Port in the month of April, 2022 and therefore the said amount has been shown under the Head Capital Account Commitment (Also refer note 47).



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

#### 47. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made

	As at 31 March 2022	As at 31 March 2021
<b>Contingent Liabilities</b>		
(a) Claims against the Company not acknowledged as debts	213.48	221.05
(b) Sales tax matters	87,076.21	52,501.00
(c) Income tax matters	5.11	4.03
(d) LC Outstanding	USD 70,10,000	-

- (a) Claims against the Company not acknowledged as debts comprises of claims raised on Company by it's customers amounting to Rs. Nil (31 March 2021 : Rs. 10 Lakhs) and by it's creditors amounting to Rs. 24.66 Lakhs (31 March 2021 : 24.66 Lakhs) for breach of contracts, and by certain government authorities amounting to Rs. 188.82 Lakhs (31 March 2021 : Rs. 186.39 Lakhs) on account of road taxes and charges for conversion fees for land. The Company has been advised by its legal counsel that it is possible, but not probable, that action will succeed in respect of claims against the Company. These claims are being contested in the courts by the Company. The Management does not expect these claims to succeed. Accordingly, no provision for the contingent liability has been recognised in the financial statements.
- (b) Sales tax matters include demand notice received from various authorities regarding transfer of right to use the goods as mentioned below:

Financial Year	Basic Liability	Interest	Penalty	Total (2021-22)	Amount Paid under Protest	Total (2020-21)
<b>FY 2007-08</b>						
Central Sales tax Act, 1956	2,689.59	3,728.21	-	6,417.80	-	6,417.80
Maharashtra Value Added Tax, 2002	469.50	650.88	-	1,120.38	-	1,120.38
<b>FY 2008-09</b>						
Central Sales tax Act, 1956	3,737.00	3,640.07	3,733.40	11,110.47	373.34	11,110.47
Maharashtra Value Added Tax, 2002	307.89	300.19	307.89	915.97	30.79	915.97
Gujarat Value Added Tax Act, 2003	124.75	-	-	124.75	-	124.75
<b>FY 2009-10</b>						
Maharashtra Value Added Tax, 2002	363.94	218.37	-	582.31	15.63	582.31
<b>FY 2010-11</b>						
Central Sales tax Act, 1956	4,009.58	3,728.58	-	7,738.16	10.81	7,738.16
Maharashtra Value Added Tax, 2002	588.29	548.55	-	1,136.84	-	1,136.84
<b>FY 2012-13</b>						
Central Sales tax Act, 1956	3,535.81	4,217.05	-	7,752.86	-	7,752.86



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

Maharashtra Value Added Tax, 2002	610.50	728.12	-	1,338.62	-	1,338.62
<b>FY 2013-14</b>						
Central Sales tax Act, 1956	712.84	534.63	-	1,247.47	71.28	1,247.67
Maharashtra Value Added Tax, 2002	2,239.53	1,679.64	-	3,919.17	223.95	3,919.17
<b>FY 2014-15</b>						
Central Sales tax Act, 1956	2,979.67	4,107.23	-	7,086.90	-	7,086.90
Maharashtra Value Added Tax, 2002	844.72	1,164.38	-	2,009.10	0.63	2,009.10
<b>FY 2015-16</b>						
Central Sales tax Act, 1956	6,082.15	8,116.62	-	14,198.77	-	-
Maharashtra Value Added Tax, 2002	708.72	945.79	-	1,654.51	14.23	-
<b>FY 2016-17</b>						
Central Sales tax Act, 1956	7,643.66	8,238.59	-	15,882.25	73.98	-
Maharashtra Value Added Tax, 2002	219.96	237.07	-	457.03	2.16	-
<b>FY 2017-18</b>						
Central Sales tax Act, 1956	1,073.54	1,091.96	-	2,165.50	23.42	-
Maharashtra Value Added Tax, 2002	107.75	109.60	-	217.35	9.13	-
<b>Total</b>	<b>39,049.39</b>	<b>43,985.53</b>	<b>4,041.29</b>	<b>87,076.21</b>	<b>849.36</b>	<b>52,501.00</b>

The Company has received Notice of Demand in respect of Order of Assessment for FY 2007-08, FY 2008-09, FY 2009-10, FY 2010-11, FY 2012-13, FY 2013-14, FY 2014-15, FY 2015-16, FY 2016-17 and FY 2017-18 towards VAT and CST liability regarding transfer of right to use the goods .

Based on various favourable judgments and considering the nature of its business, the management believes that rendering Crane Services on rental basis does not involve “transfer of right to use goods” so as to fall under the purview of VAT or Sales tax. As the Company never passes effective control and possession of its cranes to its customers, the question of levying VAT or CST does not arise. The Company has also received a favourable order for FY 2008-09 from Maharashtra Sales Tax Tribunal.

- C. Income tax matters comprise demand from the tax authorities for the payment of additional tax of Rs. 5.11 Lakhs (2020: Rs. 4.03 Lakhs) upon completion of their tax reviews for the various financial years. The tax demands are mainly on account of TDS liability under the Income Tax Act and disallowances of certain expenses. The matter is pending before the Assessing Officer of Income Tax.

The Company is contesting the above demands of Sales tax and Income tax and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company’s financial position and results of operations.

Contingent assets are neither recorded nor disclosed in the financial statements.



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

#### 48. THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on 28 September 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on 13 November 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

#### 49. ESTIMATED UNCERTAINTY RELATING TO COVID-19 OUTBREAK

The World Health Organisation announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on 11 March 2020. In response, the Indian government have taken various actions and ensured many precautionary measures which posed significant disruption to business operations and adversely impacting most of the industries which has resulted in global slowdown.

The full extent and duration of the impact of COVID-19 on the Company's operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat its impact, among others.

Any of these outcomes could have a material adverse impact on Company's business, financial condition, results of operations and cash flows for the year ended 31 March 2021 and thereafter.

Management currently believes that it has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with COVID-19 for the next 12 months from the date of these Financial Statements.

50. Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by Schedule III of the Act.

As per our report of even date  
**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

**Nitin Manohar Jumani**  
Partner

Membership No: 111700

Place : Pune  
Date : 25 May 2022

For and on behalf of the Board of Directors of  
**Sanghvi Movers Limited**  
CIN: L29150PN1989PLC054143

**Rishi Sanghvi**  
Managing Director

DIN - 08220906

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

**Sham Kajale**  
Joint Managing Director  
and Chief Financial Officer  
DIN - 00786499

**S. Padmanabhan**  
Director  
DIN-00001207



# INDEPENDENT AUDITOR’S REPORT

To the Members  
**Sanghvi Movers Limited**

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

We have audited the accompanying consolidated financial statements of Sanghvi Movers Limited (hereinafter referred to as the “Holding Company”) and its subsidiary (Holding Company and its subsidiary together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the other financial information of subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2022, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India (“ICAI”), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2022 (current year). These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key Audit Matters

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<p><b>Provision for credit loss for accounts receivables</b></p> <p>Refer Note 10 of Consolidated Financial statement with respect to the disclosures of Trade Receivables. On March 31, 2022, Trade receivable balances aggregate to INR 10,073.42 Lakhs against which provision aggregating INR 2,146.41 Lakhs has been created towards increase in credit risk and expected credit loss in the books of account.</p>	<p>Our audit procedures performed in respect of this area include but are not limited to:</p> <ul style="list-style-type: none"> <li>Obtained an understating of the Company’s policy on assessment of impairment of trade receivables, including design and implementation of controls over development of the methodology for the computation of provision for credit losses including completeness and accuracy of information used in such estimation and computation and validation of management review controls.</li> </ul>



Independent Auditor's Report (Contd.)

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<p>The Company determines the allowance for credit losses based on analysis of past data and determine the default rate. Further, calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows and interest rate to be used for time loss.</p> <p>We identified allowance for credit losses as a key audit matter because significant management judgement and assumptions are involved in calculating the expected credit losses. This required an increased extent of effort when performing the audit procedures to evaluate the reasonableness of management's estimate of the expected credit losses including significant discussion with management on slow recoveries.</p>	<ul style="list-style-type: none"> <li>- Verified the operating effectiveness of these controls on a test check basis.</li> <li>- Obtained independent balance confirmations from the Company's customers on a test check basis and performed alternative procedures wherever applicable.</li> <li>- Verified subsequent receipts after the year-end on a test check basis.</li> <li>- Verified aging of trade receivables for sample of customer transactions.</li> <li>- Evaluated management comments and recovery plans for trade receivables outstanding for more than 180 days.</li> <li>- Assessed the trade receivables impairment methodology applied in the current year and compared the Company's provisioning rates against historical collection data.</li> <li>- Verified the completeness and accuracy of the disclosures in accordance with the requirements of the relevant Ind AS, which are included in note 10 of the Consolidated financial statements.</li> </ul>

**INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Management report, Chairman's statement, Director's report and other information included in annual report, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Management report, Chairman's statement, Director's report and other information included in annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Management report, Chairman's statement, Director's report and other information included in annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Independent Auditor's Report (Contd.)

## **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

## **OTHER MATTERS**

- a. We did not audit the financial information of subsidiary, whose financial information reflect total assets of INR 28.41 Lakhs as at March 31, 2022, total revenues of INR Nil and total net (loss) after tax amounting to INR 2.16 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such financial information. In our opinion and according to



## Independent Auditor's Report (Contd.)

the information and explanations given to us by the management, these financial information are not material to the group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial information certified by the Management.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company, are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 48 to the consolidated financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.



Independent Auditor's Report (Contd.)

- iv. (1) The respective Managements of the Holding Company and its subsidiary, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or subsidiary to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or subsidiary, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (2) The respective Managements of the Holding Company and its subsidiary, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company or subsidiary, from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or subsidiary, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other Auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- (v) 1. On the basis of our verification, we report that the Board of Directors of the Holding Company, have proposed final dividend for the year which is subject to the approval of their respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 16 to the consolidated financial statements).
2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.
3. According to the information and explanations given to us and since the reporting under the Companies' (Audit Report) Order, 2020 is not applicable for the subsidiary incorporated outside India, based on the CARO report issued by us for the Holding Company included in the consolidated financial statements of the Holding Company to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

**For M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

**Nitin Manohar Jumani**  
Partner  
Membership No. 111700  
**UDIN:** 22111700AKLEOP7620

Place : Pune  
Date : May 25, 2022



Independent Auditor's Report (Contd.)

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SANGHVI MOVERS LIMITED**

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





Independent Auditor's Report (Contd.)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended 31 March 2022 (current year) and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For M S K A & Associates**  
**Chartered Accountants**

ICAI Firm Registration No. 105047W

**Nitin Manohar Jumani**

Partner

Membership No. 111700

**UDIN:** 22111700AKLEOP7620

Place : Pune

Date : May 25, 2022



Independent Auditor's Report (Contd.)

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SANGHVI MOVERS LIMITED**

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Sanghvi Movers Limited on the consolidated Financial Statements for the year ended March 31, 2022]

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

#### **OPINION**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Sanghvi Movers Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, and its subsidiary company have in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The respective Board of Directors of the Holding company and its subsidiary company, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.



Independent Auditor's Report (Contd.)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

**MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani  
Partner

Membership No. 111700

**UDIN:** 22111700AKLEOP7620

Place : Pune  
Date : May 25, 2022

**SANGHVI**

# CONSOLIDATED BALANCE SHEET

as at 31 March 2022

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

Particulars	Note	31 March 2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	3	76,584.61
Right-of-use asset	3	24.28
Investment property	4	318.87
Financial assets		
Investments	5	0.25
Loans	6	3.17
Other financial assets	7	300.57
Income Tax assets		486.15
Other non-current assets	8	854.52
<b>Total non-current assets</b>		<b>78,572.42</b>
<b>CURRENT ASSETS</b>		
Inventories	9	482.22
Financial assets		
Investments	5	3,003.86
Trade receivables	10	7,927.01
Unbilled receivable (refer footnote to Note 10)		4,183.28
Cash and cash equivalents	11	226.83
Bank balances other than cash and cash equivalents	12	770.71
Loans	13	15.19
Other financial assets	14	33.09
Other current assets	15	916.88
Assets classified as held for sale	3.1	288.95
<b>Total current assets</b>		<b>17,848.02</b>
<b>Total assets</b>		<b>96,420.44</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	16	865.76
Other equity	17	72,527.44
<b>Total equity</b>		<b>73,393.20</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	18	11,955.77
Deferred tax liabilities (net)	30	1,740.33
<b>Total non-current liabilities</b>		<b>13,696.10</b>
<b>CURRENT LIABILITIES</b>		
Financial liabilities		
Borrowings	19	4,709.18
Trade payables	20	
i) total outstanding dues of micro enterprises and small enterprises		129.48
ii) total outstanding dues of other than micro enterprise and small enterprise		1,945.32
Other financial liabilities	21	433.56
Other current liabilities	22	1,344.73
Provisions	23	117.87
Liabilities directly associated with assets classified as held for sale		651.00
<b>Total current liabilities</b>		<b>9,331.14</b>
<b>Total liabilities</b>		<b>23,027.24</b>
<b>Total equity and liabilities</b>		<b>96,420.44</b>
See accompanying notes to the financial statements	1-48	

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration No.:105047W

**Nitin Manohar Jumani**

Partner

Membership No: 111700

Place : Pune

Date : 25 May 2022

For and on behalf of the Board of Directors of

**Sanghvi Movers Limited**

CIN: L29150PN1989PLC054143

**Rishi Sanghvi**

Managing Director

DIN - 08220906

**Rajesh Likhite**Company Secretary &  
Chief Compliance Officer**Sham Kajale**Joint Managing Director  
and Chief Financial Officer  
DIN - 00786499**S. Padmanabhan**Director  
DIN-00001207

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31 March 2022

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

Particulars	Note	Year ended 31 March 2022
<b>INCOME</b>		
Revenue from operations	24	33,525.98
Other income	25	3,699.17
<b>Total income</b>		<b>37,225.15</b>
<b>EXPENSES</b>		
Operating and Other expenses	26	17,283.44
Employee benefits expense	27	2,452.03
Finance costs	28	1,730.91
Depreciation and amortisation expense	29	11,811.49
<b>Total expenses</b>		<b>33,277.87</b>
<b>Profit /(Loss) before tax (A)</b>		<b>3,947.28</b>
<b>TAX EXPENSE</b>		
Current tax pertaining to earlier years	30	(16.15)
Deferred tax	30	(990.67)
<b>Total income tax expense (B)</b>		<b>(1,006.82)</b>
<b>Profit / (Loss) for the period (A +B)</b>		<b>2,940.46</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Equity Instruments through Other Comprehensive - gain / (loss)		(624.48)
Remeasurement of net defined benefit liability	32	26.49
Income tax relating to items that will not be reclassified to profit or loss		150.50
<b>Other comprehensive income for the year, net of tax</b>		<b>(447.49)</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>2,492.97</b>
<b>Earnings / (Loss) per share</b>		
Basic earnings /(loss) per share (Rs.)	31	6.79
Diluted earnings /(loss) per share (Rs.)	31	6.79
See accompanying notes to the financial statements	1-48	

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

For and on behalf of the Board of Directors of  
**Sanghvi Movers Limited**  
CIN: L29150PN1989PLC054143

**Nitin Manohar Jumani**  
Partner

**Rishi Sanghvi**  
Managing Director

**Sham Kajale**  
Joint Managing Director  
and Chief Financial Officer  
DIN - 00786499

Membership No: 111700

DIN - 08220906

Place : Pune  
Date : 25 May 2022

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

**S. Padmanabhan**  
Director  
DIN-00001207



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

## (A) EQUITY SHARE CAPITAL

For the year ended	31 March 2022	
	Equity shares of Rs. 2 each issued, subscribed and fully paid	Amount
Balance as at beginning of the year	4,32,88,000	865.76
Changes in Equity Share Capital during the year	-	-
Balance as at end of the year	4,32,88,000	865.76

## (B) OTHER EQUITY

For the year ended 31 March 2022

Particulars	Reserve and Surplus				Items of OCI		Total
	Capital Reserve	Securities Premium	Other Reserves	Foreign exchange fluctuation Reverse	Equity Instruments through Other Comprehensive Income	Remeasurement of employee benefit obligation	
Balance as at 01 April 2021	11.96	13,136.96	30,443.09	-	467.31	(68.52)	70,034.23
Profit for the year	-	-	-	0.24	-	-	2,940.70
Other comprehensive income	-	-	-	-	(467.31)	19.82	(447.49)
<b>Total Comprehensive Income</b>	-	-	-	<b>0.24</b>	<b>(467.31)</b>	<b>19.82</b>	<b>2,493.21</b>
<b>Balance as at 31 March 2022</b>	<b>11.96</b>	<b>13,136.96</b>	<b>30,443.09</b>	<b>0.24</b>	<b>-</b>	<b>(48.70)</b>	<b>72,527.44</b>

See accompanying notes to the financial statements

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration No.:105047W

For and on behalf of the Board of Directors of

**Sanghvi Movers Limited**

CIN: L29150PN1989PLC054143

**Nitin Manohar Jumani**  
Partner

Membership No: 111700

Place : Pune

Date : 25 May 2022

**Rishi Sanghvi**  
Managing Director

DIN - 08220906

**Sham Kajale**  
Joint Managing Director  
and Chief Financial Officer

DIN - 00786499

**S. Padmanabhan**  
Director

DIN-00001207

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

Particulars	Year ended 31 March 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit/ (Loss) before tax	3,947.28
Adjustments for:	
Depreciation and amortisation expenses	11,811.49
Interest cost	1,730.91
Provision for slow and non-moving inventory	52.15
Bad debts written off	2,037.32
Interest on fixed deposits	(6.91)
Income from sale of Investments (mutual funds)	(12.28)
Gain on sale/fair valuation of Investments (net)	(120.00)
Fair valuation adjustments of derivatives (forward cover) designated as FVTPL	(516.73)
Gain on sale/disposal of fixed assets	(429.39)
Liabilities written back	(49.32)
Reversal of provision for doubtful debts	(2,489.29)
<b>Operating loss before working capital changes</b>	15,955.23
<b>CHANGES IN WORKING CAPITAL</b>	
Increase/ (decrease) in trade payables	479.95
Decrease/ (increase) in inventories	172.14
Decrease/ (increase) in trade receivables and unbilled revenue	(3,511.47)
(Decrease)/ increase in other current liabilities	461.89
Increase / (decrease) in provisions	118.61
Increase/ (decrease) in other financial liabilities	(8.96)
Decrease/ (increase) in loans and other financial assets	(168.87)
Decrease/(increase) in other assets	(518.91)
<b>CASH GENERATED USED IN OPERATIONS</b>	12,979.60
Income tax paid	11.13
<b>Net cash flows used in operating activities (A)</b>	12,990.73
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Payment for property, plant and equipment and intangible assets	(5,788.01)
Purchase of Investments	(7,074.97)
Proceeds from sales of investments	4,705.43
Proceeds from sale/ disposal of fixed assets	812.01
Net proceeds from / investment in fixed deposits	(748.50)
Interest received	6.91
<b>Net cash flow from investing activities (B)</b>	(8,087.13)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Proceeds from borrowings	8,512.48
Repayment of borrowings	(11,674.24)
Interest paid	(1,650.09)
<b>Net cash flow from financing activities (C)</b>	(4,811.85)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	91.75
Cash and cash equivalents at the beginning of the year	135.08
Cash and cash equivalents at the end of the year	226.83



**SANGHVI**

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 March 2022

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

Particulars	Year ended 31 March 2022
<b>CASH AND CASH EQUIVALENTS COMPRISE (REFER NOTE 11)</b>	
Balances with banks	
On current accounts	226.06
Cash on hand	0.77
<b>Total cash and bank balances at end of the year</b>	<b>226.83</b>
See accompanying notes to the financial statements	1-48

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration No.:105047W

**Nitin Manohar Jumani**

Partner

Membership No: 111700

Place : Pune

Date : 25 May 2022

For and on behalf of the Board of Directors of

**Sanghvi Movers Limited**

CIN: L29150PN1989PLC054143

**Rishi Sanghvi**

Managing Director

DIN - 08220906

**Rajesh Likhite**

Company Secretary &  
Chief Compliance Officer

**Sham Kajale**

Joint Managing Director  
and Chief Financial Officer  
DIN - 00786499

**S. Padmanabhan**

Director  
DIN-00001207





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 1. General Information

The Consolidated financial statements comprise financial statements of Sanghvi Movers Limited (the Holding Company) and its subsidiary (namely, Sanghvi Movers Vietnam Co. Limited, Vietnam) (collectively, the Group) for the year ended 31 March 2022. The Holding Company is a public company domiciled in India and was incorporated in 1989. The Group is engaged in the business of providing hydraulic and crawler cranes to various industries in the infrastructure sector and has a fleet of medium - to large - size hydraulic truck mounted telescopic and lattice boom cranes and crawler cranes with lifting capacity ranging from 20 tons to 800 tons. The Holding Company has its registered office in Pune. The equity shares of the Holding Company are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

## 2 (a) Basis of preparation

### (i) Statement of compliance

The consolidated financial statements ("the Financial Statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

The Holding Company incorporated a wholly owned subsidiary during the current financial year and has prepared consolidated financial statements for the first time. Hence, no comparatives have been presented in the Financial Statements.

The Financial Statements were authorised for issue by the Holding Company's Board of Directors on 25 May 2022.

Details of the Group's significant accounting policies are included in Note 2(b).

### (ii) Functional and presentation currency

These Financial Statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest Lakh to two decimal points, unless otherwise indicated.

### (iii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the group and its subsidiary as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent group, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

**(iv) Basis of measurement**

The Financial Statements have been prepared on a historical cost convention on accrual basis except for the following items:

<b>Items</b>	<b>Measurement basis</b>
Certain financial assets and liabilities	Fair value
Net defined benefit liability	Present value of defined benefit obligation less fair value of plan assets

**(v) Going Concern Assumption**

These Financial Statements have been prepared on a going concern basis. The management has, assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of these Financial Statements. Based this evaluation, Management believes that the Group will be able to continue as a 'going concern' in the foreseeable future and for a period of at least twelve months from the date of these Financial Statements based on the following:

- i) Expected future operating cash flows based on business projections, and
- ii) Available credit facilities with its bankers.

Based on the above factors, Management has concluded that the "going concern" assumption is appropriate. Accordingly, the Financial Statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Group be unable to continue as a going concern.

**(vi) Critical accounting judgements and key sources of estimation uncertainty**

In preparing these Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements are included in the following notes:

**a) Critical Accounting Estimates**

- Note 32 – The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2(b).
- Note 46– the Holding Company has open litigations with tax authorities in respect of direct and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyses current information about these matters and makes provisions for probable contingent losses expected to be incurred to resolve these matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Holding Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate; and
- Note 3 - Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life. The policy for the same has been explained under Note 2(b).
- Note 10 - The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period. The policy for the same has been explained under Note 2(b).

**(vii) Measurement of fair values**

A number of the accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.



Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

The Group has an established control framework with respect to the measurement of fair values which is overseen by the Joint Managing Director/Chief Financial Officer (CFO).

Significant valuation issues are reported to the Holding Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as a lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### **(viii) Current versus non-current classification**

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

##### **Assets**

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

##### **Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Group's normal operating cycle;
- b) it is held primarily for the purpose of being traded;

Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

- c) it is expected to be settled within 12 months after the reporting date; or
- d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The operating cycle of the Group is less than 12 months.

## **2 (b) Significant accounting policies**

### **(i) Foreign currency**

#### ***Foreign currency transactions***

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- qualifying cash flow hedges to the extent that the hedges are effective.

### **(ii) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### ***i. Recognition and initial measurement***

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.



Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

**ii. Classification and subsequent measurement**

*Financial assets*

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI) – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

*Financial assets: Assessment whether contractual cash flows are solely payments of principal and Interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows
- terms that may adjust the contractual rate, including variable interest rate features

Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

*Financial assets: Subsequent measurement and gains and losses*

Financial assets at FVPL	These assets are subsequently measured at fair value. Net gains and losses, including interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

*Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities held for trading include derivative liabilities that are not accounted for as hedging instrument. Financial liabilities that meets the definition of held for trading are recognised at fair value through profit or loss.

**iii. Derecognition**

*Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred



or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its Balance Sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### *Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

#### **iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### **(iii) Property, plant and equipment**

##### ***i. Recognition and measurement***

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

##### ***ii. Subsequent expenditure***

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.



Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

**iii. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation on property, plant and equipment is provided over the useful life of assets as assessed by the management are in line with useful lives prescribed in Schedule II to the Companies Act 2013, as follows –

Particulars	Useful lives (years)
Factory buildings	30
Cranes	15, 20*
Other Plant and equipment's	8-15
Furniture and fixtures	10
Office equipment	5
Vehicles	8

\* Based on single shift. Cranes owned by the Group Sometimes work for more than a single shift and hence double shift and triple shift rates are considered, as applicable.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

**(iv) Inventories**

Inventories comprise of stores and spare parts and are valued at cost on first in first out (FIFO) basis, net of Goods and Service Tax credit. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

**(v) Asset classified as held for sale**

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets , its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

The appropriate level of management is committed to a plan to sell the asset,

An active programmed to locate a buyer and complete the plan has been initiated (if applicable),

The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,



Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment once classified as held for sale are not depreciated or amortised.

**(vi) Investment property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties will be stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Group depreciates building component of investment property over 30 years from the date of original purchase.

The Group, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

**(vii) Impairment --**

***i. Impairment of financial instruments***

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being past due for a period exceeding credit term offered to the customer; and

Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

- It is probable that the borrower will enter bankruptcy or other financial reorganisation, or The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:
- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days past due.

The Group considers a financial asset to be in default when the financial asset is 720 days or more past due.

*Measurement of expected credit losses*

*Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).*

*Presentation of allowance for expected credit losses in the Balance Sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

*Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.



Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

**ii. Impairment of non-financial assets**

The Group's non-financial assets, other inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(viii) Employee benefits**

**i. Short term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**ii. Post-employment benefits (defined benefit plans)**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling').

In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### **iii. Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

## **(ix) Revenue Recognition**

### **Rendering of services**

Revenue from hiring of equipment's (cranes and trailers) associated with the transaction is recognised when the Group satisfies a performance obligation by transferring a promised service. When a performance obligation is satisfied, the Group recognise as revenue the amount of the transaction price that is allocated to that performance obligation.

The revenue recognition criteria are applied to two or more transactions together when they are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions as a whole.

An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time as the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

An entity recognise an asset from the costs incurred to fulfil a contract when those costs meet all of the following criteria:

- a. the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify (for example, costs relating to services to be provided under renewal of an existing contract or costs of designing an asset to be transferred under a specific contract that has not yet been approved);

- b. the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- c. the costs are expected to be recovered.

**Interest income**

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

**Dividends**

*Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.*

**Rental income**

*Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.*

**(x) Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**(xi) Income tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

**i. Current income tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

*Deferred income tax is provided in full, using the balance sheet approach, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.*

Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of past losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

**(xii) Borrowing costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**(xiii) Provisions and Contingent Liabilities**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to



settle or a reliable estimate of the amount cannot be made.

#### **(xiv) Leases**

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

#### **Group as a lessee**

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease



Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss

The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

**(xv) Segment Reporting**

The Group is primarily engaged in the business of providing cranes on rental basis. Further all the commercial operations of the Company are based in India. Performance is measured based on the management accounts as included in the internal management reports that are reviewed by the Group's chairman and Managing Director. Accordingly, there is no separate reportable segments.

Notes to the Financial Consolidated for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**3. PROPERTY, PLANT AND EQUIPMENT ("PP&E")**

	Gross block						Depreciation				Net block		
	As at 01 April 2021	Additions	Deductions	Assets reclassified as held for sale	Assets reclassified as Investment Property	As at 31 March 2022	As at 01 April 2021	For the year	Deductions	Assets classified as held for sale	Assets classified as Investment Property	As at 31 March 2022	As at 31 March 2022
<b>Owned assets</b>													
Freehold Land	2,326.48	-	-	-	219.05	2,107.43	-	-	-	-	-	-	2,107.43
Buildings	2,655.04	3.09	-	-	131.96	2,526.17	519.12	96.90	-	-	32.14	583.88	1,942.29
Office Equipments	151.49	75.16	-	-	-	226.65	69.74	23.59	-	-	-	93.33	133.32
Plant and Equipments	146,087.69	5,652.34	720.91	95.95	-	150,923.17	67,671.65	11,633.64	449.95	89.55	-	78,765.79	72,157.38
Motor Vehicles	343.23	57.60	56.00	-	-	344.83	96.01	54.22	31.90	-	-	118.33	226.50
Furniture & Fittings	140.82	-	-	-	-	140.82	120.27	2.86	-	-	-	123.13	17.69
<b>Sub-Total (A)</b>	<b>151,704.75</b>	<b>5,788.19</b>	<b>776.91</b>	<b>95.95</b>	<b>351.01</b>	<b>156,269.07</b>	<b>68,476.79</b>	<b>11,811.21</b>	<b>481.85</b>	<b>89.55</b>	<b>32.14</b>	<b>79,684.46</b>	<b>76,584.61</b>
<b>Right-of-use asset</b>													
Leasehold Land	26.32	-	-	-	-	26.32	1.76	0.28	-	-	-	2.04	24.28
<b>Sub-Total (B)</b>	<b>26.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.32</b>	<b>1.76</b>	<b>0.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.04</b>	<b>24.28</b>
<b>Total C = (A + B)</b>	<b>151,731.07</b>	<b>5,788.19</b>	<b>776.91</b>	<b>95.95</b>	<b>351.01</b>	<b>156,295.39</b>	<b>68,478.55</b>	<b>11,811.49</b>	<b>481.85</b>	<b>89.55</b>	<b>32.14</b>	<b>79,686.50</b>	<b>76,608.89</b>

Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

### 3.1 Assets classified as held for sale

Particulars	As at 31 March 2022
Freehold Land	282.55
Plant & Equipment (Net)	6.40
<b>Total assets classified as held for sale</b>	<b>288.95</b>

In FY 2019-20, the Holding Company decided to sell the land at Sate. Memorandum of Understanding has been signed for the asset, and the sale was expected to be completed before 31 March 2022. However, on account of Covid-19 Pandemic the transaction could not be executed. Hence management expects the sale to be executed before 31 March 2023.

Plant & Equipment reclassified as held for sale in current year has been sold subsequent to the balance sheet date.

### 3.2 Property, plant and equipment pledged / hypothecated as security

Refer to Note 18 for information on property, plant and equipment pledged / hypothecated as security by the Group

### 3.3 Contractual Obligations

Refer to Note 45 for disclosure of contractual commitments for the acquisition of property, plant and equipment

## 4. INVESTMENT PROPERTY

Particulars	Amount
<b>Cost</b>	
<b>As at 31 March 2021</b>	-
Reclassification from PP&E (Refer Note 3)	351.01
Disposals	-
<b>Closing as at 31 March 2022</b>	<b>351.01</b>
<b>Accumulated depreciation</b>	
<b>Up to 31 March 2021</b>	-
Reclassification from PP&E (Refer Note 3)	27.62
For the year	4.52
Disposals	-
<b>Closing as at 31 March 2022</b>	<b>32.14</b>
<b>Net block</b>	
<b>As at 31 March 2022</b>	<b>318.87</b>

### 4.1 Estimation of fair value

As at 31 March 2022, the fair values of the properties is Rs. 428.40 lakhs. These valuations are based on valuations performed by an accredited independent valuer. Such independent valuer is a specialist in valuing these types of investment properties.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The valuer has carried out valuation by considering the clear & marketable title of properties, the valuation is therefore based on the verbal market survey of the real estate market in the subject area.



Notes to the Financial Consolidated for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

## 5. FINANCIAL ASSETS- INVESTMENTS

Particulars	31 March 2022	
	Non-Current	Current
<b>Unquoted equity shares</b>		
2500 equity shares of ₹10 each fully paid-up in The Saraswat Co-operative Bank Limited	0.25	-
<b>Total</b>	<b>0.25</b>	<b>-</b>
<b>Investment in Mutual Funds at fair value through profit and loss (fully paid)</b>		
- Investment in Mutual Funds (Quoted) (Refer footnote i)	-	3,003.86
	<b>0.25</b>	<b>3,003.86</b>
<b>Aggregate book value of:</b>		
Quoted investments	-	3,003.86
Unquoted investments	0.25	-
<b>Aggregate market value of:</b>		
Quoted investments	-	3,003.86
Unquoted investments	0.25	-

## FOOTNOTE:

### i. Details of investments in Mutual Funds (Quoted) designated at FVTPL:

Particulars	Face Value (in Rs.)	Number of units	Amount
HDFC Overnight Fund	1,000	95,786.75	3,003.86
		<b>95,786.75</b>	<b>3,003.86</b>

## 6. NON- CURRENT FINANCIAL ASSETS - LOANS (REFER NOTE 35)

Particulars	As at 31 March 2022
Unsecured, considered good	
Loan to employees	3.17
<b>Total</b>	<b>3.17</b>

## 7. OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2022
Security Deposits	90.64
In Fixed deposit accounts with maturity for more than 12 months from balance sheet date.	209.93
	<b>300.57</b>

## 8. OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2022
Indirect taxes paid under protest	849.35
Prepaid expenses	5.17
<b>Total other non-current other assets</b>	<b>854.52</b>

Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**9. INVENTORIES\***

Particulars	As at 31 March 2022
Stores and spares parts (At cost) (net of provision for slow and non moving inventory Rs. 480.30 Lakhs)	482.22
	<b>482.22</b>

\*Hypothecated as charge against short term-borrowings. Refer note 19.

**10. TRADE RECEIVABLES**

Particulars	As at 31 March 2022
Secured, considered good	
Unsecured	
-Considered good	7,927.01
-Considered doubtful	
Receivables which have significant increase in Credit Risk	1,161.55
Credit impaired	984.86
<b>Total</b>	<b>10,073.42</b>
<b>Impairment allowed (allowed for bad and doubtful debts)</b>	
Considered good - Unsecured	-
Receivables which have significant increase in Credit Risk	(1,161.55)
Receivables - credit impaired	(984.86)
	<b>(2,146.41)</b>
<b>Total</b>	<b>7,927.01</b>
<b>Further classified as (net of Allowance for bad and doubtful debts)</b>	
Receivable from related parties	-
Receivable from others	7,927.01
	<b>7,927.01</b>
The net carrying value of trade receivables is considered a reasonable approximation of fair value.	

**10. TRADE RECEIVABLE (CONTINUED)**  
**Ageing of Trade Receivables**

Particulars	Current						Total
	Unbilled Dues	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	
<b>31 March 2022</b>							
(i) Undisputed Trade receivables – considered good	4,183.28	3,724.65	3,676.07	449.60	76.69	-	<b>12,110.29</b>
(ii) Undisputed Trade Receivables - which have significant increase in Credit Risk	-	-	266.29	273.01	256.77	68.01	<b>870.70</b>
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	2.47	127.59	<b>737.57</b>
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	<b>-</b>
(v) Disputed Trade Receivables – which have significant increase in Credit Risk	-	-	-	-	40.88	167.83	<b>291.17</b>
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	61.36	<b>246.97</b>
	<b>4,183.28</b>	<b>3,724.65</b>	<b>3,942.36</b>	<b>722.61</b>	<b>376.81</b>	<b>424.79</b>	<b>13,718.56</b>

Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

### 11. CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2022
Balances with banks:	
in current accounts	226.06
Cash on hand	0.77
	<b>226.83</b>
<b>For the purpose of the Statement of cash flows, cash and cash equivalents comprise the following:</b>	
<b>Cash and cash equivalents</b>	
Balances with banks:	
On current accounts	226.06
Cash on hand	0.77
	<b>226.83</b>

### 12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2022
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	225.50
Unpaid Dividend Bank Account	9.87
Debit balances in Cash Credit accounts	535.34
	<b>770.71</b>

Cash balances with bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The fixed deposits of the Group have been marked as lien against bank guarantees issued.

### 13. CURRENT FINANCIAL ASSETS - LOANS (REFER NOTE 35)

Particulars	As at 31 March 2022
Unsecured, considered good	
Loans to employees	15.19
	<b>15.19</b>

### 14. OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2022
Security Deposits	28.36
Interest accrued on fixed deposits	0.02
Receivable against sale of fixed asset	4.71
	<b>33.09</b>



Notes to the Financial Consolidated for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

## 15. OTHER CURRENT ASSETS

Particulars	As at 31 March 2022
Advances for supply of goods and services	198.24
Advances to employees	18.59
Contract Fulfilment Cost	422.51
Prepaid Expenses	277.54
	<b>916.88</b>

## 16. SHARE CAPITAL

### (A) Equity shares

Particulars	As at 31 March 2022
<b>Authorised</b>	
5,00,00,000 (31 March 2021 : 5,00,00,000) equity shares of face value of Rs. 2 each	1,000.00
	<b>1,000.00</b>
<b>Issued, subscribed and paid up</b>	
4,32,88,000 (31 March 2021 : 4,32,88,000) equity shares of face value of Rs. 2 each fully paid up	865.76
<b>Total</b>	<b>865.76</b>

### (i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	For the Year Ended 31 March 2022	
	Number of shares	Amount
Outstanding at the beginning of the year	43,288,000	865.76
Add: Issued during the year	-	-
Outstanding at the end of the year	<b>43,288,000</b>	<b>865.76</b>

### (ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Holding Company has only one class of equity shares having par value of Rs. 2 per share. Each shareholder is entitled to one vote per share held. They entitle the holders to participate in dividends and dividend, if any declared is payable in Indian Rupees.

The Board of Directors of the Holding Company, in their meeting on 25 May 2022, proposed a final dividend of Rs. 1 per equity share for the year ended 31 March 2022 which is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Holding Company**

Name of the shareholder	As at 31 March 2022	
	Number of shares	% of holding in the class
<b>Equity shares of Rs. 2 each fully paid</b>		
Rishi Chandrakant Sanghvi	12,475,247	28.82%
Mina Chandrakant Sanghvi	5,020,000	11.60%
Niyoshi Chandrakant Sanghvi	2,500,000	5.78%
Kedar Dattatraya Borgaonkar	2,214,751	5.12%

As per records of the Holding Company, including its register of shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**(iv) Details of Shares held by Promoters as at the end of the year**

Promoter name	As at 31 March 2022		
	No. Of Shares	% of total shares	% Change during the year
Rishi C Sanghvi	12,475,247	28.82%	(3.35%)
Mina C Sanghvi	5,020,000	11.60%	0.00%
Niyoshi C Sanghvi	2,500,000	5.78%	0.00%
Maithili Rishi Sanghvi	432,880	1.00%	100.00%
Jethi Builders & Traders Private Limited	25,000	0.06%	0.00%
<b>Total</b>	<b>20,453,127</b>	<b>47.25%</b>	

**17. OTHER EQUITY**

Particulars	For the Year Ended 31 March 2022
<b>(A) Securities premium</b>	
At the commencement and end of the year	13,136.96
<b>(B) General reserve</b>	
At the commencement and end of the year	30,443.09
<b>(C) Capital reserve</b>	
At the commencement and end of the year	11.96
<b>(D) Foreign exchange fluctuation Reverse</b>	0.24
<b>(E) Surplus/(deficit) in the Statement of Profit and Loss</b>	
Opening balance	26,043.43
Add: Net profit for the current year	2,940.46
<b>Closing balance</b>	<b>28,983.89</b>

**(F) Other items of Other Comprehensive Income**

Particulars	Equity instrument	Employee benefit obligations
	31 March 2022	31 March 2022
-As at beginning of year	467.31	(68.52)
-Re-measurement gains/ (losses)	(624.48)	26.49
-Deferred tax component	157.17	(6.67)
<b>Closing balance</b>	-	<b>(48.70)</b>
<b>Total other equity</b>		<b>72,527.44</b>

Equity Instrument through Other Comprehensive Income

The Holding Company, during the year ended 31 March 2021 made an Investment in certain equity shares of a Company and accounted for the same at its fair value on initial recognition and chose an irrevocable option to account for the subsequent changes in this financial instrument through other comprehensive income (OCI). Accordingly, during the year ended 31 March 2021, the Holding Company recognised gain of Rs. 624.48 lakhs on changes in the fair value of equity instrument through OCI. Further, the Holding Company entered into a call option contract ('written call option') against the said investment in equity shares. Call option being a derivative instrument, any loss on fair valuation of the written call option has to be recognised in statement of profit and loss. Accordingly, during the year ended 31 March 2021, the Holding Company recognised the loss on fair valuation of call option contract amounting Rs. 516.73 lakhs in its statement of profit and loss.

During current year ended 31 March, 2022, the Holding Company sold such investment in equity shares and therefore, the Holding Company reversed fair value gain of Rs. 624.48 lakhs recognised through OCI during the year ended 31 March 2021. The Holding Company also reversed loss on fair valuation of call option amounting to Rs. 516.73 lakhs in its statement of profit and loss on account of above.

**18. NON-CURRENT BORROWINGS**

Particulars	As at 31 March 2022
<u>Secured</u>	
(a) Term loan	
<b>From Banks</b>	
In Indian Rupees	15,293.87
In Foreign Currency	-
<u>Unsecured</u>	
(a) <b>From related parties</b>	
Loan from related parties	1,137.59
From other parties	214.00
	<b>16,645.46</b>
Less: Current maturities of long term debt	4,689.69
<b>Total non current maturities of long term borrowings</b>	<b>11,955.77</b>

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**Term loans from banks include loans from:-**

- i) Saraswat Co-Opeartive Bank Limited Rs. 10,933.17 Lakhs, carrying interest rate ranging from 9.15% to 10.25% repayable in 1 to 60 monthly or quarterly installments. Such loans are hypothecated against Plant & Equipment (Cranes) and registered mortgage on land and buildings at Survey No 92, Tathawade, Pune.
- ii) Kotak Mahindra Bank Limited Rs. 2,950 Lakhs, carrying interest rate ranging from 8.25% to 8.30% repayable in 1 to 60 monthly installments. Such loans are hypothecated against Plant & Equipment (6 Nos. Cranes).
- iii) HDFC Bank Limited Rs. 1,494.14 Lakhs, carrying interest rate ranging from 8.25% to 9.03% repayable in 1 to 36 monthly or quarterly installments. Such loans are hypothecated against Plant & Equipment (2 Nos. Cranes).

**19. SHORT - TERM BORROWINGS**

Particulars	As at 31 March 2022
<b>Secured, from banks</b>	
Cash Credit	19.49
Current Maturities of Term loan	4,439.69
<b>Unsecured, from related parties</b>	
Current Maturities of Loans	250.00
<b>Total short-term borrowings</b>	<b>4,709.18</b>

- i) Working capital loans from kotak mahindra bank representing cash credit facilities as at 31 March 2022 are secured against first & excluding charge on Current Assets i.e. receivables, stock of spares and equitable / registered mortgage of land & building at Gat No. 110 & 111 at Vadgaon Maval, Pune. The cash credit facilities are repayable on demand and carry interest rate of 6.8% p.a.

**20. TRADE PAYABLES**

Particulars	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises	129.48
Total outstanding dues of other than micro enterprises and small enterprises	1,945.32
<b>Total trade payables</b>	<b>2,074.80</b>

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Group:

Particulars	As at 31 March 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:	
Principal	123.66
Interest	5.82
<b>Total</b>	<b>129.48</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	0.83



Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

Particulars	As at 31 March 2022
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	5.82
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-

## 20. TRADE PAYABLES (CONTINUED)

### Trade Payables ageing schedule

31 March 2022	Payables Not Due	Outstanding for following periods from due date of Payment				
Particulars		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) MSME (Including Interest)	-	129.48	-	-	-	129.48
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	337.69	1,592.46	15.17	-	-	1,945.32
(iv) Disputed dues - Others	-	-	-	-	-	-
	<b>337.69</b>	<b>1,721.94</b>	<b>15.17</b>	<b>-</b>	<b>-</b>	<b>2,074.80</b>

## 21. OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2022
Accrued employee liabilities	48.84
Capital creditors	9.76
Others	25.13
<b>Other financial liabilities at amortised cost</b>	
Interest accrued but not due on loan	98.60
Interest Payable on unsecured Loans	251.23
<b>Total other financial liabilities</b>	<b>433.56</b>

## 22. OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2022
Unpaid dividend	9.86
Statutory dues payable	442.07
Advance from customers	369.49
Deferred revenue	512.36
Advances / deposits received for sale of PP&E	10.95
<b>Total other current liabilities</b>	<b>1,344.73</b>

Notes to the Standalone Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

### 23. PROVISIONS

Particulars	As at 31 March 2022
<b>Provision for employee benefits (Refer note 32)</b>	
Provision for gratuity (funded)	16.32
Provision for leave encashment (funded)	101.55
<b>Total Provisions</b>	<b>117.87</b>

### 24. REVENUE FROM OPERATIONS

Particulars	Year Ended 31 March 2022
<b>Revenue from contracts with customers (Refer Note 38)</b>	
Sale of services	33,525.98
<b>Total revenue from operations</b>	<b>33,525.98</b>

### 25. OTHER INCOME

Particulars	Year Ended 31 March 2022
Interest income	
- on fixed deposits designated as amortised cost	6.91
- on income taxes	12.69
Other non operating income	62.56
- Income from sale of Investments (mutual funds)	12.28
Gain on sale/fair valuation of Investments (net)	120.00
- Fair valuation adjustments of derivatives (forward cover) designated as FVTPL	516.73
Gain on sale/disposal of fixed assets	429.39
Liabilities written back	49.32
Reversal of provision for doubtful debts	2,489.29
<b>Total other income</b>	<b>3,699.17</b>

### 26. OPERATING AND OTHER EXPENSES

Particulars	Year Ended 31 March 2022
<b>Operating expenses</b>	
Crane and trailer hire charges	255.73
Crane and trailer operating expenses	845.56
Freight & carriage	3,957.29
Repairs and maintenance expenses	
Plant and equipment's	91.47
Consumption of stores and spares	2,081.54
Power and fuel	1,661.76
Contract labour charges	3,651.20
<b>Total operating expenses (A)</b>	<b>12,544.55</b>



Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

Particulars	Year Ended 31 March 2022
Rates and taxes	406.75
Bad debts	2,037.32
Directors' sitting fees	33.60
Insurance	505.81
Repairs and maintenance	
Building	24.04
Others	21.88
Legal and Professional Fees	294.92
Payments to auditors (see note below)	18.97
Rent	325.61
Travel and conveyance	365.09
Foreign exchange fluctuation	74.28
Miscellaneous expenses	630.62
<b>Total other expenses (B)</b>	<b>4,738.89</b>
<b>Total Operating and other expenses (A+B)</b>	<b>17,283.44</b>

\*Note : The following is the break-up of Auditors remuneration (exclusive of service tax)

Particulars	Year Ended 31 March 2022
<b>As auditor:</b>	
Statutory audit	13.00
Limited Review of quarterly results	5.00
<b>In other capacity:</b>	
Other matters	0.11
Reimbursement of expenses	0.86
<b>Total</b>	<b>18.97</b>

## 27. EMPLOYEE BENEFITS EXPENSE

Particulars	Year Ended 31 March 2022
Salaries, wages, bonus and other allowances	2,274.87
Contribution to Provident and Other funds and pension schemes	100.44
Gratuity and compensated absences expenses (Refer Note 32)	45.99
Staff welfare expenses	30.73
<b>Total employee benefits expense</b>	<b>2,452.03</b>

## 28. FINANCE COSTS

Particulars	Year Ended 31 March 2022
Interest expense on financial liabilities measured at amortised cost	
On borrowings from banks	1,340.99
On borrowings from related parties	156.16
Others	16.72
Interest on delay in payment of taxes	1.99
Other borrowing costs	215.05
<b>Total finance costs</b>	<b>1,730.91</b>

Notes to the Financial Consolidated for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

## 29. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year Ended 31 March 2022
Depreciation (Refer Note 3)	11,811.49
<b>Total depreciation and amortisation expense</b>	<b>11,811.49</b>

## 30. INCOME TAX AND DEFERRED TAX

### (A) Deferred tax relates to the following:

Particulars	Year Ended 31 March 2022
<b>Deferred tax liabilities</b>	
On property, plant and equipment	5,648.92
On Contract Fulfillment Costs	106.35
	<b>5,755.27</b>
<b>Deferred tax assets</b>	
On Carried Forward losses	3,206.00
On Gratuity	4.11
On Leave Encashment	25.56
On Allowance for doubtful debts - trade receivable	540.21
On others	239.06
	4,014.94
Net Deferred Tax Liability	<b>1,740.33</b>

### (B) Reconciliation of deferred tax assets/ (liabilities) (net):

Particulars	Year Ended 31 March 2022
Opening balance as of 1 April	900.16
Tax liability recognised in Statement of Profit and Loss	990.67
Tax liability recognised in OCI	
On re-measurements gain/(losses) of post-employment benefit obligations	6.67
Unrealised (gain)/loss on FVTOCI equity securities	(157.17)
Closing balance as at 31 March	<b>1,740.33</b>

### (C) Deferred tax assets/ (liabilities) to be recognised in Statement of Profit and Loss

Particulars	Year Ended 31 March 2022
Tax liability / (asset)	990.67
	<b>990.67</b>

### (D) Income tax expense

Particulars	Year Ended 31 March 2022
Current tax taxes	
- Adjustments in respect of current income tax of previous year	16.15
Deferred tax charge / (income)	990.67
<b>Income tax expense reported in the statement of profit or loss</b>	<b>1,006.82</b>



Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**(E) Income tax expense charged to OCI**

Particulars	Year Ended 31 March 2022
Unrealised (gain)/loss on FVTOCI debt securities	
Unrealised (gain)/loss on FVTOCI equity securities	157.17
Net loss/(gain) on remeasurements of defined benefit plans	(6.67)
<b>Income tax charged to OCI</b>	<b>150.50</b>

**(F) Reconciliation of tax charge**

Particulars	Year Ended 31 March 2022
Profit before tax	3,947.28
Income tax expense at tax rates applicable	993.53
Tax effects of:	
- Item not deductible for tax	(25.56)
- Permanent difference on sale of land	
- Others	22.70
Income tax expense	<b>990.67</b>

**31. EARNINGS/ LOSS PER SHARE (“EPS”)**

Basic earnings/(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings/(loss) per share amounts are calculated by dividing the profit/loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year Ended 31 March 2022
Profit/(Loss) attributable to equity shareholders	2,940.46
Weighted average number of equity shares for basic and diluted EPS	43,288,000
Basic and Diluted EPS (in Rs.)	6.79

**32. EMPLOYEE BENEFITS**

**(A) Defined Contribution Plans**

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss –

Particulars	Year Ended 31 March 2022
Employers' Contribution to Provident and Other Funds & Pension Schemes	100.44



Notes to the Financial Consolidated for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

- (B) Defined benefit plans
- a) Gratuity payable to employees
  - b) Compensated absences for Employees

**i) Actuarial assumptions**

Particulars	Year Ended 31 March 2022
Discount rate (per annum)	7.30%
Rate of increase in Salary	9.00%
Expected average remaining working lives of employees (years)	14.96
Attrition rate	2%
Expected return on plan assets	6.90%
Mortality Rate	Indian Assured Lives Mortality (2012-14)

**ii) Changes in the present value of defined benefit obligation**

Particulars	Year Ended 31 March 2022
<b>Present value of obligation at the beginning of the year</b>	<b>407.92</b>
Interest cost	27.64
Current service cost	44.88
Benefits paid	(14.50)
Remeasurements on obligation - (Gain) / Loss	(24.44)
<b>Present value of obligation at the end of the year*</b>	<b>441.50</b>
*Included in provision for employee benefits (Refer note 23)	

**iii) Changes in fair value of plan assets**

Particulars	Year Ended 31 March 2022
Fair value of plan assets at the beginning of the year	396.33
Interest Income	27.33
Contributions	13.97
Mortality Charges and Taxes	-
Benefits paid	(14.51)
Return on plan assets, excluding amount recognised in Interest Income - Gain / (Loss)	2.05
Fair value of plan assets at the end of the year	<b>425.17</b>

**iv) Assets and liabilities recognised in the Balance Sheet:**

Particulars	Year Ended 31 March 2022
Present value of funded obligation as at the end of the year	441.50
Fair value of plan assets	425.17
<b>Funded net asset / (liability) recognised in Balance Sheet*</b>	<b>(16.33)</b>
*Included in provision for employee benefits (Refer note 23)	



Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**v) Expense recognised in the Statement of Profit and Loss**

Particulars	Year Ended 31 March 2022
Current service cost	44.88
Interest cost (net)	0.29
<b>Total expenses recognised in the Statement Profit and Loss*</b>	<b>45.17</b>

\*Included in Employee benefits expense (Refer Note 27). Actuarial (gain)/loss of Rs. 26.49 is included in other comprehensive income.

**vi) Expected contribution to the fund in the next year**

Particulars	Year Ended 31 March 2022
Gratuity	16.00

**vii) A quantitative sensitivity analysis for significant assumption as at 31 March 2022 is as shown below:**

Particulars	Year Ended 31 March 2022
Impact on defined benefit obligation	
Discount rate	
1% increase	401.78
1% decrease	487.73
Rate of increase in salary	
1% increase	482.18
1% decrease	405.64

**viii) Expected future benefit payments**

Particulars	Year Ended 31 March 2022
Year Ending March 31	
2023	36.63
2024	15.31
2025	13.98
2026	16.45
2027	24.73
2028-2032	430.43

**33. LEASES**

The Group incurred Rs. 325.61 Lakhs for the year ended towards expenses relating to short term leases and leases of low-value assets.

**34. RELATED PARTY DISCLOSURES**

(A) Names of related parties and description of relationship as identified and certified by the Group:

**Key Management Personnel (KMP)**

Rishi Sanghvi - Managing Director

Notes to the Financial Consolidated for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

Sham Kajale - Joint Managing Director and Chief Financial Officer

Rajesh Likhite - Company Secretary and Chief Compliance Officer

**Non Executive and Independent Directors**

Maithili Sanghvi - Non Executive Woman Director

Dara Damania - Non Executive Independent Director \*

S. Padmanabhan - Non Executive Independent Director \*

Pradeep Rathi - Non Executive Independent Director \*

Dinesh Munot - Non Executive Independent Director \*

Madhukar Kotwal - Non Executive Independent Director \*

Madhu Dubhashi - Non Executive Independent Director \*

**Relatives of Individuals exercising significant influence over the Holding Company**

Mina Sanghvi

Niyoshi Sanghvi

**(B) Details of transactions with related party in the ordinary course of business for the year ended:**

**(i) Key Management Personnel (KMP) and Directors**

Particulars	Year Ended 31 March 2022
<b>Salaries including bonuses / Incentives</b>	
Rishi Sanghvi	257.29
Sham Kajale	134.61
Rajesh Likhite	23.06
<b>Director's sitting fees</b>	
Maithili Sanghvi	4.10
* The Group has paid sitting fees amounting to Rs. 29.50 Lakhs (31 March 2020 Rs. 20.30 Lakhs) to non executive independent directors.	
<b>Interest expense</b>	
Rishi Sanghvi	36.22
Maithili Sanghvi	0.01
<b>Loans Taken</b>	
Rishi Sanghvi	1,122.18
<b>Loans Repaid</b>	
Rishi Sanghvi	414.56
Maithili Sanghvi	1.60

**(ii) Relatives of Individuals exercising significant influence over the Holding Company**

Particulars	Year Ended 31 March 2022
<b>Interest expense</b>	
Mina Sanghvi	119.94
<b>Loans Repaid</b>	
Mina Sanghvi	1,565.28



Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**(C) Amount due to/from related party as on:**

**(i) Key Management Personnel (KMP) and Directors**

<b>Particulars</b>	<b>Year Ended 31 March 2022</b>
<b>Borrowings</b>	
Rishi Sanghvi	1,137.59
<b>Payable towards interest</b>	
Rishi Sanghvi	8.20
<b>Advance for Expenses</b>	
Rishi Sanghvi	0.44
<b>Remuneration / Incentive payable to KMP</b>	
Rishi Sanghvi	23.95

**(ii) Relatives of Individuals exercising significant influence over the Holding Company**

<b>Particulars</b>	<b>Year Ended 31 March 2022</b>
<b>Payable towards interest</b>	
Mina Sanghvi	21.51

**(D) Terms and conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

**35. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

The fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, security deposits, interest accrued on fixed deposits, trade receivables, unbilled Receivables, loans, investments, trade payables, interest accrued but not due on borrowings, accrued employee liabilities, short-term borrowings Capital creditors, interest payable on unsecured Loans and other financial liabilities approximate the carrying amounts because of the short term nature of such financial instruments.

The amortised cost using effective interest rate (EIR) of non-current financial assets consisting of security deposits, fixed deposit accounts with maturity for more than 12 months from balance sheet date are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

Notes to the Financial Consolidated for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

Set out below is a comparison, of the carrying amounts and fair value of the Group's financial instruments:

Particulars	As at 31 March 2022	
	Carrying Value	Fair Value
<b>Financial assets</b>		
Investments in mutual funds (Fair Value through Profit and Loss "FVTPL")	3,003.86	3,003.86
Investments in equity instruments	0.25	0.25
Loans	18.36	18.36
Trade receivables	7,927.01	7,927.01
Unbilled Receivables	4,183.28	4,183.28
Cash and cash equivalents	226.83	226.83
Bank balances other than cash and cash equivalent	770.71	770.71
Security Deposits	119.00	119.00
Fixed deposit accounts with maturity for more than 12 months from balance sheet date.	209.93	209.93
Interest accrued on fixed deposits	0.02	0.02
Receivable against sale of fixed asset	4.71	4.71
<b>Total</b>	<b>16,463.96</b>	<b>16,463.96</b>
<b>Borrowings (non-current)</b>	<b>11,955.77</b>	<b>11,955.77</b>
Borrowings (current)	4,709.18	4,709.18
Trade Payables	2,074.80	2,074.80
Accrued employee liabilities	48.84	48.84
Capital creditors	9.76	9.76
Interest accrued but not due on loan	98.60	98.60
Interest Payable on unsecured Loans	251.23	251.23
Others	25.13	25.13
<b>Total</b>	<b>19,173.31</b>	<b>19,173.31</b>

### 36. FAIR VALUE HIERARCHY

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**Fair value measurement hierarchy of assets**

Particulars	As at 31 March 2022
(a) Financial Assets measured at fair value	
<b>Level 1 (Quoted price in active markets)</b>	
Investments in mutual funds FVTPL	3,003.86
(b) Financial assets measured at amortised cost	
Investments in equity instruments	0.25
Loans	18.36
Trade receivables	7,927.01
Unbilled Receivables	4,183.28
Cash and cash equivalents	226.83
Bank balances other than cash and cash equivalent	770.71
Security Deposits	119.00
Fixed deposit accounts with maturity for more than 12 months from balance sheet date.	209.93
Interest accrued on fixed deposits	0.02
Receivable against sale of fixed asset	4.71
(c) Assets for which fair values are disclosed:	
<b>Level 3</b>	
Investment property	318.87
There have been no transfers between Level 1 and Level 2 during the period	
<b>Fair value measurement hierarchy for liabilities:</b>	
(a) Financial liabilities measured at amortised cost	
Borrowings (non-current)	11,955.77
Borrowings (current)	4,709.18
Trade Payables	2,074.80
Accrued employee liabilities	48.84
Capital creditors	9.76
Interest accrued but not due on loan	98.60
Interest Payable on unsecured Loans	251.23
Others	25.13

**37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principal financial liabilities comprise Borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's principal financial assets include investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to various financial risks. These risks are categorised into market risk, credit risk and liquidity risk. The Group's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Group does not engage in trading of financial assets for speculative purposes.

Notes to the Financial Consolidated for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates (if applicable).

Interest rate sensitivity

Since the long term debt obligations carry fixed interest rates, no risk is anticipated on account of interest rate changes

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group does not have any transaction / exposure in foreign currency, accordingly there is no foreign currency risk exist on balance sheet date.

(B) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Group's trade receivables, receivables from deposits and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Group limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts.

The maximum exposure to the credit risk as at the reporting period is primarily from trade receivables amounting to Rs. 7,927.01 Lakhs as at 31 March 2022. Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109 - Financial Instruments ("Ind AS 109"), the Group uses expected credit loss model to assess the impairment loss. The Group computes the expected credit loss allowance for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer, industry information and the Group's historical experience for customers..



Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

### (C) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

As at 31 March 2022, the Group had a working capital of Rs. 8,492.37 Lakhs. The working capital of the Group for this purpose has been derived as follows:

Particulars	As at 31 March 2022
Total current assets (A)	17,848.02
Total current liabilities (B)	9,331.14
<b>Working capital (A-B)</b>	<b>8,516.88</b>

The table below summarises the maturity profile of the Group's financial liabilities:

	Upto 1 Year	1-2 Year	2-4 Years	More than 4 Years	Total
<b>31 March 2022</b>					
Term loan	4,439.69	3,916.91	5,774.70	1,246.02	15,377.32
Unsecured loan	250.00	-	887.59	214.00	1,351.59
Trade payables	2,074.80	-	-	-	2,074.80
Other financial liability	433.56	-	-	-	433.56
	<b>7,198.05</b>	<b>3,916.91</b>	<b>6,662.29</b>	<b>1,460.02</b>	<b>19,237.27</b>

## 38. REVENUE FROM OPERATIONS

### (a) Revenue recognised from Contracts

Particulars	Year Ended 31 March 2022
Revenue recognised from Customer contracts	33,525.98
Less:-Impairment losses recognised*	-
	<b>33,525.98</b>

### (b) Disaggregate revenue information

#### Geographic revenue

Particulars	Year Ended 31 March 2022
India	33,525.98
	<b>33,525.98</b>
<b>Nature of Services</b>	
Revenue from hiring of equipments	33,525.98
	<b>33,525.98</b>
<b>Revenue by contract type</b>	
Time & Material	33,525.98
	<b>33,525.98</b>



Notes to the Financial Consolidated for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**(c) Movement in Expected Credit Loss during the year.**

Particulars	Year Ended 31 March 2022
Opening balance (A)	4,635.71
Ind AS 115 transition impact	-
Changes in loss allowance:	
1. Loss allowance based on Expected credit loss	-
2. Additional provision(net)	(534.65)
3. Write off as bad debts	(1,954.65)
Closing Balance(B)	<b>2,146.41</b>

In accordance with Ind AS 109 on any receivables or contract asset arising from an entity's contracts with customer

**(d) Contract balances : Following table covers the movement in contract balances during the year.**

Particulars	Contract Asset	Contract Liabilities
Opening balance(A)	2,488.39	454.72
Add/(Less): movement during the year	1,694.89	427.13
Closing Balance (B)	4,183.28	881.85

**39. RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS**

Quarter ended	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for adverse material discrepancies
30 June 2021	State Bank of India	Inventories	1,077.95	1,072.98	4.97	
		Trade Receivables	9,686.45	9,759.44	(72.99)	Due to assumptions for calculating allowance for credit impaired receivables.
30 September 2021	State Bank of India	Inventories	945.71	942.86	2.85	
		Trade Receivables	7,261.96	6,768.83	493.13	
31 December 2021	State Bank of India	Inventories	940.17	940.00	0.16	
		Trade Receivables	7,115.94	6,723.90	392.04	



Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

Quarter ended	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for adverse material discrepancies
31 March 2022	Kotak Mahindra Bank	Inventories (net of provision for slow and non moving)	482.22	534.56	(52.34)	Difference due to provision for quarter 4 which was pending due to book closure for audit.
		Trade Receivables	10,018.65	9,387.83	630.82	

**40. RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956,**

Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company, if any	Balance outstanding as at current period
Shalom Security Services Private Limited	Payables	Not Related	0.49
Mutcharla Constructions Private Limited	Receivables	Not Related	13.22

**41. REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES**

A brief description of the charges or satisfaction	The location of the Registrar	The period (in days or months) by which such charge had to be registered as on 31 March 2022	The period (in days or months) by which such charge had to be registered as on 31 March 2021	Reason for delay in registration
CHG-1 - Creation / Modification of Charge	Pune	12-03-2022	NA	On account of technical errors, the form has been filed with the payment of additional fees.

**42. COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES**

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Notes to the Financial Consolidated for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

**43. UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM:**

- (i) The group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (ii) The group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

**44. CAPITAL MANAGEMENT**

For the purpose of the Group’s capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Group’s capital management is to maximise the shareholder value and to ensure the Group’s ability to continue as a going concern.

The Group has not distributed any dividend to its shareholders. The Group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of borrowings from various banks/financial institutions. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	As at 31 March 2022
Equity	73,393.20
Total equity (i)	73,393.20
Borrowings	16,664.95
Less: cash and cash equivalents	(226.83)
Total debt (ii)	16,438.12
Overall financing (iii) = (i) + (ii)	89,831.32
Gearing ratio (ii)/ (iii)	18.30%

**45. COMMITMENTS**

Particulars	As at 31 March 2022
- Estimated amount of contracts remaining to be executed on capital account and not provided, net of advances	5,314.08
	<b>5,314.08</b>

The Group has opened 2 Nos. Import Letter of Credit for import of 2 Nos Brand New Sany 800 Ton Cranes, prior to 31 March 2022. The shipment of these cranes happened from Shanghai Sea Port in the month of March, 2022 and these Cranes are delivered at Kandla Sea Port in the month of April, 2022 and therefore the said amount has been shown under the Head Capital Account Commitment (Also refer note 46).

#### 46. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Particulars	As at 31 March 2022
<b>Contingent Liabilities</b>	
(a) Claims against the Holding Company not acknowledged as debts	213.48
(b) Sales tax matters	87,076.21
(c) Income tax matters	5.11
(d) LC Outstanding	USD 70,10,000

- (a) Claims against the Holding Company not acknowledged as debts comprises of claims raised on Company by its creditors for breach of contracts amounting to Rs. 24.66 Lakhs and certain government authorities amounting to Rs. 188.82 Lakhs on account of road taxes and charges for conversion fees for land. The Holding Company has been advised by its legal counsel that it is possible, but not probable, that action will succeed in respect of claims against the Company. These claims are being contested in the courts by the Holding Company. The Management does not expect these claims to succeed. Accordingly, no provision for the contingent liability has been recognised in the financial statements.
- (b) Sales tax matters include demand notice received from various authorities regarding transfer of right to use the goods as mentioned below:

Financial Year	Basic Liability	Interest	Penalty	Total (2021-22)	Amount Paid under Protest
<b>FY 2007-08</b>					
Central Sales tax Act, 1956	2,689.59	3,728.21	-	6,417.80	-
Maharashtra Value Added Tax, 2002	469.50	650.88	-	1,120.38	-
<b>FY 2008-09</b>					
Central Sales tax Act, 1956	3,737.00	3,640.07	3,733.40	11,110.47	373.34
Maharashtra Value Added Tax, 2002	307.89	300.19	307.89	915.97	30.79
Gujarat Value Added Tax Act, 2003	124.75	-	-	124.75	-
<b>FY 2009-10</b>					
Maharashtra Value Added Tax, 2002	363.94	218.37	-	582.31	15.63
<b>FY 2010-11</b>					
Central Sales tax Act, 1956	4,009.58	3,728.58	-	7,738.16	10.81
Maharashtra Value Added Tax, 2002	588.29	548.55	-	1,136.84	-
<b>FY 2012-13</b>					
Central Sales tax Act, 1956	3,535.81	4,217.05	-	7,752.86	-
Maharashtra Value Added Tax, 2002	610.50	728.12	-	1,338.62	-

Notes to the Financial Consolidated for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

Financial Year	Basic Liability	Interest	Penalty	Total (2021-22)	Amount Paid under Protest
<b>FY 2013-14</b>					
Central Sales tax Act, 1956	712.84	534.63	-	1,247.47	71.28
Maharashtra Value Added Tax, 2002	2,239.53	1,679.64	-	3,919.17	223.95
<b>FY 2014-15</b>					
Central Sales tax Act, 1956	2,979.67	4,107.23	-	7,086.90	-
Maharashtra Value Added Tax, 2002	844.72	1,164.38	-	2,009.10	0.63
<b>FY 2015-16</b>					
Central Sales tax Act, 1956	6,082.15	8,116.62	-	14,198.77	-
Maharashtra Value Added Tax, 2002	708.72	945.79	-	1,654.51	14.23
<b>FY 2016-17</b>					
Central Sales tax Act, 1956	7,643.66	8,238.59	-	15,882.25	73.98
Maharashtra Value Added Tax, 2002	219.96	237.08	-	457.03	2.16
<b>FY 2017-18</b>					
Central Sales tax Act, 1956	1,073.54	1,091.97	-	2,165.52	23.42
Maharashtra Value Added Tax, 2002	107.75	109.60	-	217.34	9.13
<b>Total</b>	<b>39,049.39</b>	<b>43,985.53</b>	<b>4,041.29</b>	<b>87,076.21</b>	<b>849.36</b>

The Holding Company has received Notice of Demand in respect of Order of Assessment for FY 2007-08, FY 2008-09, FY 2009-10, FY 2010-11, FY 2012-13, FY 2013-14, FY 2014-15, FY 2015-16, FY 2016-17 and FY 2017-18 towards VAT and CST liability regarding transfer of right to use the goods.

Based on various favourable judgments and considering the nature of its business, the management believes that rendering Crane Services on rental basis does not involve "transfer of right to use goods" so as to fall under the purview of VAT or Sales tax. As the Group never passes effective control and possession of its cranes to its customers, the question of levying VAT or CST does not arise. The Holding Company has also received a favourable order for FY 2008-09 from Maharashtra Sales Tax Tribunal.

- C. Income tax matters comprise demand from the tax authorities for the payment of additional tax of Rs. 5.11 Lakhs upon completion of their tax reviews for the various financial years. The tax demands are mainly on account of TDS liability under the Income Tax Act and disallowances of certain expenses. The matter is pending before the Assessing Officer of Income Tax.

The Holding Company is contesting the above demands of Sales tax and Income tax and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

Contingent assets are neither recorded nor disclosed in the financial statements.



Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (Contd.)

(Amounts in Rs. Lakhs, except share data and unless otherwise stated)

#### 47. THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on 28 September 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on 13 November 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Holding Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

#### 48. ESTIMATED UNCERTAINTY RELATING TO COVID-19 OUTBREAK

The World Health Organisation announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on 11 March 2020. In response, the Indian government have taken various actions and ensured many precautionary measures which posed significant disruption to business operations and adversely impacting most of the industries which has resulted in global slowdown.

The full extent and duration of the impact of COVID-19 on the Group's operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat its impact, among others.

Any of these outcomes could have a material adverse impact on Group's business, financial condition, results of operations and cash flows for the year ended 31 March 2021 and thereafter.

Management currently believes that it has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with COVID-19 for the next 12 months from the date of these Financial Statements.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For M S K A & Associates**

Chartered Accountants

Firm Registration No.:105047W

**Nitin Manohar Jumani**

Partner

Membership No: 111700

Place : Pune

Date : 25 May 2022

For and on behalf of the Board of Directors of

**Sanghvi Movers Limited**

CIN: L29150PN1989PLC054143

**Rishi Sanghvi**

Managing Director

DIN - 08220906

**Rajesh Likhite**

Company Secretary &  
Chief Compliance Officer

**Sham Kajale**

Joint Managing Director  
and Chief Financial Officer

DIN - 00786499

**S. Padmanabhan**

Director  
DIN-00001207



**Sany SCC8000A - (800 MT) in action**



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