

# SANGHVI MOVERS LIMITED

**Regd. Office :** Survey No. 92, Tathwade  
Taluka - Mulshi, Pune, Maharashtra - 411 033, INDIA.  
Tel. : 8669674701/2/3/4 , 71044700  
E-mail : sanghvi@sanghvicranes.com  
Web. : www.sanghvicranes.com  
CIN No.: L29150PN1989PLCO54143



REF: SML/SEC/SE/20-21/32

Date: 28<sup>th</sup> August 2020

## By Online filing

### **BSE Limited**

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

### **National Stock Exchange of India Limited**

Exchange Plaza  
Bandra Kurla Complex  
Bandra East  
Mumbai - 400051  
**Kind Attn.: Mr. K. Hari - Asst. Vice President**  
**Symbol: SANGHVIMOV**

### **Sub: Submission of Annual Report**

Dear Madam/Sir,

Pursuant to Regulation 30 and 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to submit a copy of the Thirty First Annual Report for the financial year 2019-20, along with the Notice of the Annual General Meeting.

In compliance with Circulars bearing nos. 14/2020, 17/2020 and 20/2020, issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars') and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020, the Annual Report and Notice of 31<sup>st</sup> Annual General Meeting are being sent only by e-mail to all those shareholders, whose e-mail addresses are registered with the Company / Registrar & Transfer Agents / respective Depository Participants.

The Notice and Annual Report is also available on BSE Limited ([www.bseindia.com](http://www.bseindia.com)), National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) and on Company's website ([www.sanghvicranes.com](http://www.sanghvicranes.com)).

Kindly take the same on record and acknowledge.

Thanks & Regards,

**For SANGHVI MOVERS LIMITED**

**RAJESH P. LIKHITE**  
**COMPANY SECRETARY &**  
**CHIEF COMPLIANCE OFFICER**



Encl.: As Above



**SANGHVI**

# **SANGHVI MOVERS LIMITED**



**THIRTY FIRST ANNUAL REPORT 2019-2020**



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



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



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

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

## BOARD OF DIRECTORS

<b>Managing Director</b>	Rishi Sanghvi
<b>Joint Managing Director &amp; CFO</b>	Sham Kajale
<b>Independent Director</b>	S. Padmanabhan Dara Damania Pradeep Rathi Dinesh Munot Madhukar Kotwal Madhu Dubhashi*
<b>Non-Executive Non-Independent Women Director</b>	Maithili Sanghvi#
<b>Auditors</b>	B S R & Co LLP. Chartered Accountants
<b>Company Secretary &amp; Chief Compliance Officer</b>	Rajesh Likhite
<b>Registered Office</b>	Survey No.92, Tathawade, Taluka Mulshi, Pune - 411033 Tel: +91 8669674701/2/3/4 E-Mail: <a href="mailto:cs@sanghvicranes.com">cs@sanghvicranes.com</a> Website: <a href="http://www.sanghvicranes.com">www.sanghvicranes.com</a> CIN: L29150PN1989PLC054143
<b>Registrar &amp; Share Transfer Agent</b>	Link Intime India Private Limited Block No 202, Akshay Complex, 2nd Floor, Near Ganesh Temple, Off Dhole Patil Road, Pune – 411001 Tel No.: +91 20 26160084 / 26161629 Fax No.: +91 20 26163503 E-mail: <a href="mailto:pune@linkintime.co.in">pune@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

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

# Appointed as Non-Executive Non-Independent Woman Director in the Annual General Meeting held on 08<sup>th</sup> August 2019.

**ENGINEERING**

**CRANE RENTALS**

**LIFT PLANNING**

**HEAVY LIFT**

**BS OHSAS 18001:2007 CERTIFIED COMPANY**

**ISO 45001: 2018 CERTIFIED COMPANY**

**ISO 9001:2015 & ISO 14001: 2015 CERTIFIED COMPANY**

**LEEA CERTIFIED COMPANY**

**FINANCIAL HIGHLIGHTS**

(₹ in Lakhs)

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



## CERTIFICATE 2020

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

Awarded to:

***Sanghvi Movers***

Position: 5



Editor: Alex Dahm, June 2020



**Dear Sanghvi Stakeholders,**

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

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

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

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

**Financial Performance for FY 2019-20**

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

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

**Looking forward during uncertain times:**

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

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

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

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

### **Staying Safe:**

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

With Warm Regards,

**Rishi Sanghvi**

Managing Director



## **NOTICE**

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

### **Ordinary Business:**

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

### **Special Business:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Place: Pune

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

**Registered Office:**

Survey No. 92, Tathawade,

Taluka Mulshi, Pune 411033

CIN: L29150PN1989PLC054143

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

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

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

**NOTES:**

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

## THIRTY FIRST ANNUAL REPORT 2019-2020

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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.

4. 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.
5. 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/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to [cs@sanghvicranes.com](mailto:cs@sanghvicranes.com).
6. The relevant 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. 4 & 5 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 appointment/ re-appointment as Director/(s) under Item No. 2, 3, 4, 5 and 7 of the Notice are also annexed herewith.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 19<sup>th</sup> day of September 2020 to Friday, 25<sup>th</sup> day of September 2020 (both days inclusive) for the purpose of Annual General Meeting. The cut-off date for e-voting is 18<sup>th</sup> September 2020.
10. 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 retire 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.
11. Members whose shareholding is in the physical/dematerialized 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 dematerialized form and to Registrar & Share Transfer Agent of the Company in case of shares held in physical form.
12. Shareholders holding shares in identical order of names in more than one folio, are requested to write to the Company or to the office of the Registrar & Share Transfer Agent, M/s Link Intime India Private Limited, Block No 202, Akshay Complex, 2<sup>nd</sup> Floor, Near Ganesh Temple, Off Dhole Patil Road, Pune – 411001 enclosing their share certificate(s) to enable the Company to consolidate their holdings in one single folio.
13. 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.
14. 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.
  15. 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.
  16. On 28<sup>th</sup> February 2017, the Ministry of Corporate Affairs notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017. Further, as per provisions of Section 124 (6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, including the statutory modification(s) or re-enactment(s) thereof, for the time being in force ("IEPF Rules, 2016"), Equity Shares of the Company in respect of which dividend amounts have not been claimed/encashed for the last seven consecutive years or more are required to be transferred by the Company to the IEPF Suspense Account of the Investor Education and Protection Fund Authority ("IEPF"). The Shareholders, who have not claimed the Dividend for the Years ended 31<sup>st</sup> March 2013, onwards, are requested to claim the same from the Company at the earliest.
  17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. The Members holding shares in dematerialized form are requested to submit the PAN to the Depository Participants with whom the demat account is maintained. Members holding the shares in physical mode are requested to submit their PAN to the Company/Registrars and Transfer Agent.
  18. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, 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.
  19. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 31<sup>st</sup> AGM and the Annual Report for the financial year 2019-20 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).

20. **VOTING THROUGH ELECTRONIC MEANS:**

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, modifications and amendments thereof and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-Voting to enable the Shareholders to cast their votes electronically. The facility of casting votes by members using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL.

**INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER**

21. The e-voting period commences on 22<sup>nd</sup> September 2020 (09:00 am IST) and ends on 24<sup>th</sup> September 2020 (5.00 pm IST). A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Friday, 18<sup>th</sup> September 2020 only shall be entitled to avail the facility of remote e-voting/venue e-voting. The e-voting module shall be disabled by CDSL for voting thereafter. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

A. In case a Member receives an email [for Members whose email IDs are registered with the Company/ Depository Participants(s)]:

- (i) Launch internet browser by typing the following URL: [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" module.
- (iii) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.

Or

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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 voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). 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.
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	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 as mentioned in instruction (iii).</li> </ul>

- (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, Members 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 of 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 out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- (xv) If Demat account holder has forgotten the changed 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android/IOS/windows based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xvii) Note for Non - Individual Shareholders and Custodians:
  - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - 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 they have to create 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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

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- 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.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@sanghvicranes.com](mailto: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.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- (xix) Mr. Vinayak S. Khanvalkar, Practicing Company Secretary, 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 filed on BSE Limited ([www.bseindia.com](http://www.bseindia.com)), National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) and also on the website of the Company [www.sanghvicranes.com](http://www.sanghvicranes.com) and on the website of CDSL e-Voting [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of result by the Managing Director or Joint Managing Director & CFO of the Company.

- (xx) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> 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 on 022-23058542/43.
- (xxi) Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:
- For Physical shareholder - 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 Aadhaar Card) by email to Company/RTA email id.
  - For Demat shareholder -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhaar Card) to Company/RTA email id.
  - The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.



- (xxii) Instructions for Shareholders attending the AGM through VC/OAVM are as under:
- Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Members login where the EVSN of Company will be displayed.
  - 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 holding shares as on the cut-off date i.e. 18<sup>th</sup> September 2020 and who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending an email to [cs@sanghvicranes.com](mailto:cs@sanghvicranes.com) from 20<sup>th</sup> September 2020 to 23<sup>rd</sup> September 2020, mentioning their name, demat account number/folio number, email id, mobile number. The shareholders who do not wish to speak during the AGM but have queries may send their queries by sending an email to [cs@sanghvicranes.com](mailto:cs@sanghvicranes.com) ten days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number. These queries will be replied to by the company suitably by email.
  - Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- (xxiii) Instructions for Shareholders for e-voting during the AGM are as under:-
- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
  - 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 shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
  - Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
22. All documents referred to in the accompanying Notice and the Explanatory Statement 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).

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23. Your Company is concerned about the environment and utilizes natural resources in a sustainable manner. The Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance”, by allowing companies to send notices and documents to their shareholders electronically to facilitate paperless communication.
24. Sanghvi Movers Limited as a part of its corporate social responsibility undertakes “Green initiative” and intends to send documents to the Members in electronic form, at the email address, registered with the Depository Participant. We request you to update your email address with your Depository Participant to ensure that documents reach your preferred email address. By registering email address, you will receive the communication swiftly, save trees, reduce paper consumption, eliminate wastage of paper, avoid loss of documents in post and savings on the printing and postage.
25. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Rules made thereunder, B S R & Co. LLP, Chartered Accountants (Firm Registration. No.: 101248W/W-100022) were appointed as Statutory Auditors of the Company from the conclusion of 30<sup>th</sup> AGM till the conclusion of 32<sup>nd</sup> AGM to be held in year 2021. As per MCA Notification and the provisions of Section 139 of the Act and Rules made thereunder, the mandatory requirement for ratification of appointment of Statutory Auditors by the members at every AGM has been omitted and therefore the Company is not proposing an item on ratification of appointment of Statutory Auditors in this AGM.
26. The Annual Report is available on the website of the Company i.e. on [www.sanghvicranes.com](http://www.sanghvicranes.com).
27. 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.
28. The Register of Directors' Shareholding & Key Managerial Personnel, the Register of Contracts or arrangements in which Directors are interested shall be made accessible for inspection through electronic mode, which shall remain open and be accessible to any Member during the continuance of the meeting.

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

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

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

**Registered Office:**

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

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

### **Item No. 4**

Mrs. Madhu Dubhashi was appointed as an Additional Independent Director by the Board of Directors at its meeting held on 08<sup>th</sup> August 2019. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mrs. Madhu Dubhashi, being eligible and seeking appointment as an Independent Director for a term of five years, i.e. upto 07<sup>th</sup> August 2024. Mrs. Madhu Dubhashi holds the office till the date of ensuing Annual General Meeting and is eligible for appointment. Notice under the provisions of Section 160 of the Act has been received from a member signifying its intention to propose the candidature of Mrs. Madhu Dubhashi as an Independent Director of the Company, for a first term of five years from 08<sup>th</sup> August 2019 to 07<sup>th</sup> August 2024.

Mrs. Madhu Dubhashi is a graduate in Economics (Honours) from Miranda House, Delhi University and a post graduate in Business Management from the Indian Institute of Management, Ahmadabad in 1973. Mrs. Dubhashi has experience of more than four decades in the capital market and financial service sectors, which includes Project Appraisal, Financial Structuring, Financial Syndication, Share Valuation, Corporate Restructuring, Merchant Banking and Merger & Acquisition. Mrs. Madhu Dubhashi has worked for various organisations including ICICI Limited, Standard Chartered Bank, Investment Banking Division, Mrs. Dubhashi served as the Chief Executive Officer of Global Data Service of India Limited. Mrs. Dubhashi has been an Independent Director of Axis Finance Limited. Mrs. Dubhashi has been a Non-Executive Independent Director at Pudumjee Paper Products Limited, Tube Investments of India Limited and Majesco Limited.

Mrs. Madhu Dubhashi is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director. The Company has also received declaration from Mrs. Madhu Dubhashi that meets the criteria of independence as prescribed both under Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Mrs. Madhu Dubhashi fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for her appointment as an Independent Director. The Nomination and Remuneration Committee and the Board have at their respective meeting(s) held on 13<sup>th</sup> August 2020, subject to the approval of the Members of the Company, accorded their approvals for the appointment of Mrs. Madhu Dubhashi as an Independent Director of the Company, for a term of five years, i.e. upto 07<sup>th</sup> August 2024. Brief profile of Mrs. Madhu Dubhashi whose appointment as an Independent Director is proposed at Item No. 4, is provided in the 'Annexure' to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings ('SS-2'), issued by the Institute of Company Secretaries of India. The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mrs. Madhu Dubhashi as an Independent Director. Mrs. Dubhashi is holding 10,000 equity shares of the Company.

A copy of draft letter of appointment of the Independent Director setting out the terms and conditions of her appointment is available for inspection by the Members 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).

Except Mrs. Madhu Dubhashi, being an appointee, none of the Directors and Key Managerial Personnels of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No 4. The Board recommends the resolution set forth in Item No. 4 for approval of the Members.

### **Item No. 5**

At the Twenty-seventh Annual General Meeting of the Company held on 22<sup>nd</sup> September 2016, Mr. Madhukar V. Kotwal was appointed as an Independent Director on the Board of the Company, for a term of up to five consecutive years, up to 31<sup>st</sup> March 2021, pursuant to the provision of Sections 149, 150, 152 and Schedule IV of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement. Mr. Madhukar V. Kotwal holds the office till 31<sup>st</sup> March 2021 and is eligible for re-appointment. Notice under the provisions of Section 160 of the Act has been received from a member signifying its intention to propose the candidature of Mr. Madhukar V. Kotwal as an Independent Director of the Company, for a second term of five consecutive years with effect from 01<sup>st</sup> April 2021 till 31<sup>st</sup> March 2026.

Mr. Madhukar V. Kotwal is a Graduate in Mechanical Engineering and a Fellow of the Indian National Academy of Engineering (INAE). Mr. Madhukar V. Kotwal joined Larsen & Toubro Limited (L&T) in 1968 and retired in August 2015, as a Whole-time Director on the Board of Directors of L&T and President (Heavy Engineering) after nearly 47 years of service. Mr. Madhukar V. Kotwal played a leadership role in manufacture of critical equipment and systems for core strategic sectors such as, Nuclear Power, Space Research and Defence and for Refineries, Petrochemicals and Fertilisers covering both Domestic and International Markets.

Mr. Madhukar V. Kotwal has been a member of a Technology Advisory Group for the International Thermonuclear Experimental Nuclear Fusion project ITER in France, a member of the Vijay Kelkar Committee on Defence, Co-Chair of CII Defence Committee, Chairman of FICCI Defence Committee and Member of the National Aeronautics Advisory Group of Government of India and past Chairman of the Process Plant and Machinery Association of India (PPMAI). He was a recipient of the "Business Leader of the Year" award in 2009. Mr. Madhukar V. Kotwal is on the Governing Council of INAE and the Chairman of its Pune Chapter, a member of Pune International Centre and a Member of the Board for Research in Nuclear Sciences. Mr. Madhukar V. Kotwal is a Non-Executive Independent Director at Kirloskar Ferrous Industries Limited.

On the basis of Directors' skills, experience, qualifications and the performance evaluation, the Nomination and Remuneration Committee and Board of Directors at their respective meeting(s) held on 13<sup>th</sup> August 2020 has recommended re-appointment of Mr. Madhukar V. Kotwal as an Independent Director of the Company, subject to the approval of the Members of the Company, for the second term of five years, i.e. upto 31<sup>st</sup> March 2026.

Mr. Madhukar V. Kotwal is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director. The Company has also received declaration from Mr. Madhukar V. Kotwal that he meet with the criteria of independence as prescribed both under Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Brief profile of the Mr. Madhukar V. Kotwal whose re-appointment as an Independent Director is proposed at Item No. 5, is provided in the 'Annexure' to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings ('SS-2'), issued by the Institute of Company Secretaries of India. A copy of draft letter of appointment of the Independent Director setting out the terms and conditions of his appointment is available for inspection by the Members 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).

Consent of the members by way of Special Resolution is required for re-appointment of Mr. Madhukar V. Kotwal, in terms of Section 149 of the Act. Further, pursuant to Regulation 17 of the Listing Regulations, 2015, consent of the members by way of Special Resolution is also required for continuation of a Non – Executive Director beyond the age of seventy five years. During the proposed term of Mr. Madhukar V. Kotwal will attain the age of seventy five years on 10<sup>th</sup> October 2023. The Special Resolution under Item No. 5 once passed, shall also be deemed as your approval under the Listing Regulations, 2015, for continuation of Mr. Madhukar V. Kotwal as an Independent Director.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Madhukar V. Kotwal as an Independent Director. Except Mr. Madhukar V. Kotwal, being an appointee, none of the Directors and Key Managerial Personnels of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No 5. The Board recommends the resolution set forth in Item No. 5 for approval of the Members.

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

The Members of the Company at the Twenty-sixth Annual General Meeting of the Company held on 23<sup>rd</sup> September 2015 had appointed Mr. Sham D. Kajale, as the Executive Director & CFO of the Company for a period of five years upto 01<sup>st</sup> September 2020. In the Twenty-ninth Annual General Meeting of the Company held on 13<sup>th</sup> August 2018, the Members of the Company approved the change in the designation of Mr. Sham D. Kajale to Joint Managing Director and CFO of the Company.

At the time of the re-appointment in F.Y. 2015-16, the Company had adequate profits and the remuneration paid / payable to Mr. Sham D. Kajale was well within the limits prescribed under the Companies Act, 2013. The prolonged slowdown in the economic activity, weak consumer sentiments, subdued infrastructure activity, tight financing environment with high interest rate, weak operating economics, rising fuel price continued to impact the performance of the Company.

The infrastructure industry in general and crane hiring industry in particular has been facing challenges due to unfavorable market conditions, fierce competition and recessionary conditions in Indian economy. As a result the Company could not maintain level of profit as compared to the previous years. The year 2019-20 witnessed a longer than expected slowdown resulting in reduced margins, increase in cost of borrowings.

This challenging environment resulted in a significant reduction in new business for the Company thereby impacting its profitability for the Financial Year 2019-20.

Owing to the above factors, the financial performance of the Company in the financial year ended 31<sup>st</sup> March 2020 did not meet expectations and resulted in inadequate profit for FY 2019-20.

Due to inadequate profits, the remuneration paid to Mr. Sham D. Kajale for the financial year 2019-20 exceeded the limits specified under Section 197 of the Companies Act, 2013 (the Act) read with Schedule V thereto. Pursuant to Section 197(10) of the Act, the Members of the Company can waive the recovery of excess remuneration by passing a special resolution.

The management of the Company believes that the remuneration as previously approved by the Members of the Company and paid to Mr. Sham D. Kajale is justified in terms of his key role within the Company.

The Nomination and Remuneration Committee and the Board have at their respective meeting(s) held on 13<sup>th</sup> August 2020, subject to the approval of the Members of the Company, accorded their approvals for waiver

of the recovery of excess managerial remuneration amounting to ₹ 7.76 Lakhs paid by the Company to Mr. Sham D. Kajale in the interest of the Company and have also recommended the aforesaid resolution as set out in this Notice for approval of the Members.

Accordingly, it is proposed that approval of the Members of the Company by way of a special resolution be obtained for the waiver of recovery of excess remuneration paid to Mr. Sham D. Kajale. The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

With his rich experience, he has raised some bank finances at competitive rates and thereby able to reduce interest costs. Considering the role & responsibilities and contributions of Mr. Sham D. Kajale, as Joint Managing Director & CFO of the Company, size of operations, market conditions, remuneration level of Directors and Senior Managerial Personnel in comparable companies, the remuneration being paid to Mr. Sham D. Kajale, Joint Managing Director & CFO is very modest. The Board recommends passing of the Special Resolution as set out at Item No. 6 of the Notice. Except Mr. Sham D. Kajale, none of the Directors and Key Managerial Personnels of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No 6.

### **Item No. 7**

The Members of the Company at the Twenty-sixth Annual General Meeting of the Company held on 23<sup>rd</sup> September 2015 had appointed Mr. Sham D. Kajale, as the Executive Director & CFO of the Company for a period of five years upto 01<sup>st</sup> September 2020. In the Twenty-ninth Annual General Meeting of the Company held on 13<sup>th</sup> August 2018, the Members of the Company approved the change in the designation of Mr. Sham D. Kajale to Joint Managing Director and CFO of the Company.

The Nomination and Remuneration Committee and the Board have at their respective meeting(s) held on 13<sup>th</sup> August 2020, appointed Mr. Sham D. Kajale, as Joint Managing Director & CFO of the Company for a term of five years with effect from 02<sup>nd</sup> September 2020, subject to the approval of the Members of the Company. In terms of provisions of Sections 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, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, re-appointment of the Joint Managing Director & CFO and for the payment of remuneration is required to approved by the Members of the Company.

### **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 25 years and has been looking after Corporate Finance, Accounts, Legal, Taxation, Marketing and Business Development and other administrative functions. In the last three financial years, the Company has not posted any profits and in such difficult times, effective financial management is critical. During this period, Mr. Sham D. Kajale has contributed significantly in managing the finances and to the overall development of the Company. Mr. Sham D. Kajale is a very good leader with strong relationship with stakeholders, bankers and employees. He is a valuable asset for the Company in his role as Joint Managing Director & CFO. Considering his increasing involvement in the business operations as well as corporate affairs of the Company, the appointment of Mr. Sham D. Kajale as Joint Managing Director & CFO for a period of five years with effect from 02<sup>nd</sup> September 2020, is in the interest of the Company and the Board of Directors recommend the Resolution in Item No. 7 of the Notice, subject to the approval of the Members.

Draft Agreement to be entered into between the Company and Mr. Sham D. Kajale shall be open for inspection by the Members 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.

Accordingly, the main terms and conditions of appointment of Mr. Sham D. Kajale (hereinafter referred to as a "Joint Managing Director & CFO") are given below:

**Tenure of Appointment:**

The appointment of the Joint Managing Director & CFO is for a period of five years with effect from 02<sup>nd</sup> September 2020.

**Nature of Duties:**

The Joint Managing Director & CFO shall devote his whole time and attention to the business of the Company and shall perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company including performing duties as assigned to the Executive Director from time to time.

**Remuneration:**

**a. Salary:**

A Salary (Basic Salary) of ₹ 5,62,000.00 (Rupees Five Lakhs Sixty Two Thousand only) per month, subject to maximum permissible limit upto ₹ 10,00,000.00 (Rupees Ten Lakhs Only).

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.

**b. Performance Based Incentive:**

As determined by the Nomination and Remuneration Committee of the Board & the Board from time to time.

**c. Ex-gratia:**

As per rules of the Company.

**d. 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, Education Allowance and Reimbursement of medical and newspaper expenses as follows:

**House Rent Allowance** ₹ 2,00,000.00 (Rupees Two Lakhs Only) per month, subject to maximum permissible limit upto ₹ 5,00,000.00 (Rupees Five Lakhs Only).

**Educational Allowance:** ₹ 100/- (Rupees One Hundred only) per month.

**Other Allowances** of ₹ 1,250/- (Rupees One Thousand Two Hundred Fifty only) per month.

**Reimbursement of Books and periodicals expenses** of ₹ 550.00 (Rupees Five Hundred and Fifty only) per month.

### Category B

Gratuity at the rate not exceeding half month's salary for each completed year of service, in accordance with the rules of the Company.

Leave at the rate of twenty-one days for every year of service. Leave not availed of may be encashed, in accordance with the rules of the Company.

Retirement and other benefits include contribution to National Pension Scheme (NPS) and contribution to Superannuation Fund as per the Rules of the Company.

### Category C

The Company will provide to the Joint Managing Director & CFO, a Company owned car with a Driver, which shall be fueled and maintained by the company.

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

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

### Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the Joint Managing Director & CFO, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Benefits, Perquisites and Allowances in accordance with the ceiling and subject to further approvals as required under Schedule V of the Companies Act, 2013 (or any statutory modification thereof) or the remuneration as approved by Special resolution as mentioned hereinabove, whichever is higher.

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 Personnels 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:

(₹ In Lakhs)

Particulars	2019-20	2018-19	2017-18
<b>Total Income</b>	32,620.07	29,526.05	24,845.22
<b>Profit/Loss before Tax</b>	(2,135.60)	(8,625.58)	(8,786.81)
<b>Net Profit after taxation</b>	(660.34)	(5,806.30)	(5,747.98)

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

**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 25 years and has been looking after Corporate Finance, Accounts, Legal, Taxation, Marketing 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.

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- b. Past remuneration: The table showing the net profit earned in the financial year, maximum permissible limits of the remuneration as per the Companies Act, 2013 and remuneration paid, is as follows:

(₹ In Lakhs)

Financial Year	Net Profit after tax for the year	Maximum Permissible limits as per Companies Act, 2013 (i.e. 5% of the Net profit for the year)	Remuneration paid	Remuneration paid as % of Net Profits of the Company for the year
2019-20	(660.34)	-	134.68	-
2018-19	(5,806.30)	-	122.69	-
2017-18	(5,747.98)	-	71.87	-

As per schedule V of the Companies Act, 2013, in part II, section II, sub Para B, if the managerial person is not having any interest in the capital of the company or its holding company, directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the Directors or Promoters of the company or its holding company at any time during last two years before or on the date of appointment and is having a graduate level qualification with expert and specialized knowledge in the field of his profession, then the Managerial remuneration be paid as per item (A) of the Schedule V of the Companies Act, 2013. The remuneration paid to Mr. Sham D. Kajale during the year 2019-20 exceeds the permissible limits and the special resolution towards waiver of excess remuneration paid to Mr. Sham D. Kajale in Financial year 2019-20 forms part of the notice.

- 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 during the tenure of Mr. Sham D. Kajale Joint Managing Director & CFO is detailed herein above and provided in the explanatory statement. Pursuant to Section 197 of the Act, Companies have been permitted to pay remuneration to managerial personnel in excess of the limits prescribed under Section 197 read with Schedule V to the Act with the consent of the Members of the company given by way of a special resolution.
- 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 five Board meetings during the year.

### **III Other information:**

Reasons of loss or inadequate profits: During the financial year 2019-20, the Company generated revenue of ₹ 326.20 Crores (previous year: ₹ 295.26 Crores) and the Net loss to the tune of ₹ 6.60 Crores, as compared to the previous year's Net loss of ₹ 58.06 Crores. Post March 2018, the Company has witnessed huge turbulence in terms of its order book which was primarily dominated by Wind Mill Sector. Due to sudden and unexpected change in the business scenario and more particularly in the wind mill sector (which has contributed more than 54% of our revenue during last financial year), the Company's financial performance has severely affected in the financial year 2019-20. In FY 2017-18 nearly 70% of our business has come from Wind Mill & Power Sector. During FY 2018-19, both these sectors were having its own set of problems. Wind Mill Sector has played a dominant role in the revenue contribution of the Company since last 8/9 years which has witnessed major setback in FY 2019-20 and that has badly affected our business volume. Lack of business opportunities coupled with cut-throat competition had put additional stress on the pricing power of the company. All these factors have taken a huge toll on the Company's financial performance and the Company has posted net loss of ₹ 6.60 Crores for the year ended on 31<sup>st</sup> March 2020.

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 optimization 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.

### **IV. DISCLOSURES**

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors has approved remuneration to be paid to the Joint Managing Director & CFO. The disclosures as required on all elements of remuneration package such as salary, ex gratia, performance based incentive have been made in the Boards' Report under the heading "Corporate Governance Report" forming part of the Annual Report. None of the Directors or Key Managerial Personnels are concerned or interested in the above resolution.

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### ANNEXURE TO THE NOTICE DATED 13<sup>TH</sup> AUGUST 2020

#### 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]

Name of the Director	Mr. Rishi C. Sanghvi	Mrs. Maithili R. Sanghvi
DIN	08220906	08334635
Designation	Managing Director	Non-Executive Non-Independent Woman Director
Age	31 Years	32 Years
Date of first Appointment	07 <sup>th</sup> December 2018	23 <sup>rd</sup> 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 Personnels of the Company	Husband of Mrs. Maithili R. Sanghvi	Wife of Mr. Rishi C. Sanghvi
Director in other Listed Companies	No	No
Chairman / Member of Committee of the Board of other Companies	Nil	Nil
Number of meetings of the Board attended during the FY 2019-20	5 Meetings	2 Meetings
Remuneration last drawn for the Financial year ended 31 <sup>st</sup> March 2020 (including sitting fees in ₹)	₹ 211.76 Lakhs	₹ 1 Lakh
Remuneration proposed	As per Special Resolution passed in the 30 <sup>th</sup> Annual General Meeting held on 08 <sup>th</sup> August 2019.	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	54,57,738 Equity Shares	Nil

<b>Name of the Director</b>	<b>Mrs. Madhu Dubhashi</b>	<b>Mr. Madhukar V. Kotwal</b>
DIN	00036846	00001744
Designation	Independent Director	Independent Director
Age	69 Years	71 years
Date of first Appointment	08 <sup>th</sup> August 2019	05 <sup>th</sup> February 2016
Qualification	Graduate in Economics (Honors) from Miranda House, Delhi University and a post graduate in Business Management from the Indian Institute of Management, Ahmadabad.	B.E. - Mechanical from University of Mumbai and he is on Governing Council of Indian National Academy of Engineering and the Chairman of its Pune Chapter, a member of Pune International Centre and a Member of the Board for Research in Nuclear Sciences.
Expertise in specific area	Capital Market and Financial Service Sectors, Corporate Restructuring, Merchant Banking and Merger & Acquisition.	Manufacturing, Operations, Enterprise Planning and Business Development
Terms and Conditions of appointment/ re-appointment	As per the resolution no 4, Mrs. Madhu Dubhashi is proposed to be appointed as an Independent Director for a period of 5 years term, not liable to retire by rotation.	As per the resolution no 5, Mr. Madhukar V. Kotwal is proposed to be re-appointed as an Independent Director for second term of 5 years, not liable to retire by rotation.
Relationship with other director and Key Managerial Personnel of the Company	Not related to any Directors/Key Managerial Personnels	Not related to any Directors/Key Managerial Personnels
Director in other Listed Companies*	1. Tube Investments of India Limited 2. Majesco Limited 3. Pudumjee Paper Products Limited	1. Kirloskar Ferrous Industries Limited

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Name of the Director	Mrs. Madhu Dubhashi	Mr. Madhukar V. Kotwal
Chairman / Member of Committee of the Board of other Listed Companies.	<p>1. Tube Investments of India Limited</p> <ul style="list-style-type: none"> <li>• Corporate Social Responsibility Committee - Chairperson,</li> <li>• Nomination and Remuneration Committee – Member</li> </ul> <p>2. Pudumjee Paper Products Limited</p> <ul style="list-style-type: none"> <li>• Audit Committee - Member</li> <li>• Nomination and Remuneration Committee – Member</li> </ul> <p>3. Majesco Limited</p> <ul style="list-style-type: none"> <li>• Audit Committee - Member</li> <li>• Nomination and Remuneration Committee – Chairperson</li> </ul>	Nil
Number of meetings of the Board attended during the FY 2019-20	2 Meetings	3 Meetings
Remuneration last drawn for the Financial year ended 31 <sup>st</sup> March 2020 (including sitting fees in ₹)	₹ 1.10 Lakhs	₹ 2.10 Lakhs
Remuneration proposed	Sitting Fees towards attending the Board and Committee Meetings and in accordance with the provisions of the Companies Act 2013	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	10,000 Equity Shares	Nil

<b>Name of the Director</b>	<b>Mr. Sham D. Kajale</b>
DIN	00786499
Designation	Joint Managing Director & CFO
Age	50 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 re-appointment	As per the resolution at Item No. 7 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Sham D. Kajale is proposed to be re-appointed as Joint Managing Director & CFO, for a period of five years, from 02 <sup>nd</sup> September 2020 to 01 <sup>st</sup> September 2025.
Relationship with other Directors and Key Managerial Personnels of the Company	Not related to any other Directors / Key Managerial Personnels
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 2019-20	5 Meetings
Remuneration last drawn for the Financial year ended 31 <sup>st</sup> March 2020 (including sitting fees in ₹)	₹ 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: 13<sup>th</sup> August 2020

**Registered Office:**

Survey No. 92, Tathawade,

Taluka Mulshi, Pune 411033

CIN: L29150PN1989PLC054143

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

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

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

## DIRECTORS' REPORT

Your Directors take pleasure in presenting the Thirty-first Annual Report on the business and operations of the Company together with Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2020.

The year under review would be remembered as a really challenging year with unfavorable macros, slowdown in infrastructure activities, weak market liquidity and then the final blow with the unprecedented COVID-19 pandemic 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.

With the above brief synopsis, your Directors are pleased to present the financial performance of the Company, for the year ended 31<sup>st</sup> March 2020:

### FINANCIAL RESULTS

(₹ in Lakhs)

Financial Results	2019-2020	2018-2019
<b>Total Income</b>	<b>32,620.07</b>	<b>29,526.04</b>
<b>Total Expenditure</b>	<b>16,614.48</b>	<b>19,310.53</b>
<b>Profit before Interest and Depreciation</b>	<b>16,005.59</b>	<b>10,215.51</b>
<b>Interest</b>	<b>4,103.44</b>	<b>4,759.06</b>
<b>Depreciation</b>	<b>14,037.76</b>	<b>14,082.05</b>
<b>Profit Before Tax</b>	<b>(2,135.60)</b>	<b>(8,625.60)</b>
<b>Provision for Taxation</b>	<b>(1,475.26)</b>	<b>(2,819.29)</b>
<b>Profit after Tax</b>	<b>(660.34)</b>	<b>(5,806.31)</b>
<b>Surplus brought forward from last year</b>	<b>28,815.67</b>	<b>34,621.98</b>
<b>Profit available for Appropriation</b>	<b>28,155.33</b>	<b>28,815.67</b>
<b>Appropriations:</b>		
<b>Transfer to General Reserves</b>	<b>0.00</b>	<b>0.00</b>
<b>Dividend</b>	<b>0.00</b>	<b>0.00</b>
<b>Tax on Dividend</b>	<b>0.00</b>	<b>0.00</b>
<b>Surplus carried forward to Balance Sheet</b>	<b>28,155.33</b>	<b>28,815.67</b>



## **BUSINESS REVIEW**

During the year under report, your Company generated revenue of ₹ 32,286.96 Lakhs (previous year: ₹ 28,239.72 Lakhs) and thereby registered top line growth of nearly 14% on annualized basis. The Company has achieved an average capacity utilization of 72% in FY 2019-20 as against 59% in FY 2018-19. However, in spite of increase in business volume, the Company was not able to increase the average blended yield on account of competition and less than expected speed in project development in the core sector of the economy. Furthermore, Company has decided to give more thrust on capacity utilization of its cranes, bit compromise on yield.

The revenue contribution from wind mill sector remained muted and did not meet the Company's expectation as overall capacity installation was less than the estimates. Furthermore, this sector is facing some problems on account of changes in government policies specifically dealing with the methodology for bidding for wind mill projects (Feed- In-Tariff to Auction Based Tariff).

SML has seen an improvement in the order book in the current year supported by improved capacity addition from non-wind mill clients. However, given over 10,000 MW capacity addition has been awarded by SECI and state power utilities, wind installation will witness strong recovery over the next 12-18 months which will provide strong revenue visibility for vendors like SML. In spite of turbulent business environment, SML has serviced its debt in time. With available cash accruals from business operations and partly through asset monetization, it had pre-paid term loan installments of more than ₹ 2,800 Lakhs which was originally due in FY 2020-21.

## **POWER GENERATION**

Your Company has been earning regular income from the business of power generation from 5.05 MW windmills installed in Jaisalmer, Rajasthan and Chitradurga, Karnataka. Total Income earned out of Wind Power Generation was ₹ 203.46 Lakhs.

## **DIVIDEND**

In order to conserve the cash for debt repayment obligations and in view of the losses, the Board of Directors expresses its inability to recommend any dividend on equity shares for the year under review.

## **SHARE CAPITAL**

The paid up equity capital as on 31<sup>st</sup> March 2020 was ₹ 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 The Saraswat Co-operative Bank, HDFC Bank and State Bank of India. 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<sup>st</sup> March 2020 was ₹ 28,222 Lakhs (as on 31<sup>st</sup> March, 2019 ₹ 40,148 lakhs). During the year under review, your Company has reduced its borrowings by ₹ 11,926 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 A2+**’ as credit rating for short term loans/borrowings.

### **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<sup>st</sup> March 2020 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 ₹ 355.95 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.

### **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 as approved by the Board is uploaded on the Company's website, i.e. [http://www.sanghvicranes.com/media/SML\\_RPT.pdf](http://www.sanghvicranes.com/media/SML_RPT.pdf)

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**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN 31<sup>ST</sup> MARCH 2020 AND 13<sup>TH</sup> AUGUST 2020 (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<sup>st</sup> March 2020) and the date of the Report (13<sup>th</sup> August 2020). 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 2019-20 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**

**a. Statutory Auditors**

At the Thirtieth Annual General Meeting of the Company held on 8<sup>th</sup> August 2019 the Statutory Auditors M/s. B S R & Co. L.L.P. Chartered Accountants, Pune (Firm registration No. 101248W), were appointed for a period of two years with effect from the conclusion of the Thirtieth Annual General Meeting of the Company held on 8<sup>th</sup> August 2019 till the conclusion of Thirty-second Annual General Meeting of the Company to be held in the year 2021.

**b. 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, 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 COMPANIES**

The Company does not have any subsidiary.

### **DIRECTORS**

The Members of the Company at the Twenty-sixth Annual General Meeting of the Company held on 23<sup>rd</sup> September 2015 had appointed Mr. Sham D. Kajale, as the Executive Director & CFO of the Company for a period of five years upto 01<sup>st</sup> September 2020. In the Twenty-ninth Annual General Meeting of the Company held on 13<sup>th</sup> August 2018, the designation of Mr. Sham D. Kajale was changed to Joint Managing Director and CFO of the Company.

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 25 years and has been looking after Corporate Finance, Accounts, Legal, Taxation, Marketing and Business Development and other administrative functions. In the last three financial years, the Company has not posted any profits and in such difficult times, effective financial management is critical. During this period, Mr. Sham D. Kajale has contributed significantly in managing the finances and to the overall development of the Company. Mr. Sham D. Kajale is a very good leader with strong relationship with stakeholders, bankers and employees. He is a valuable asset for the Company in his role as Joint Managing Director & CFO.

In terms of Sections 196, 197, 202, 203 and other applicable provisions, if any, of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the re-appointment of Mr. Sham D. Kajale and for the payment of remuneration is required to be approved by the Members of the Company.

Mrs. Madhu Dubhashi was appointed as an Additional Director of the Company in the Board Meeting held on 08<sup>th</sup> August 2019. Pursuant to the provisions of Section 161 of the Companies Act, 2013, the Additional Director holds office until the date of the ensuing Annual General Meeting. Accordingly as per provisions of Section 160 of the Companies Act, 2013 necessary resolution in relation to the appointment of Mrs. Madhu Dubhashi as an Independent Director is placed before the Members at the ensuing Annual General Meeting. Further the Board at its meeting held on 13<sup>th</sup> August 2020 recommended her appointment as an Independent Non Executive Director on the Board, to the Members of the Company, for a term of five year, i.e. upto 07<sup>th</sup> August 2024.

At the Twenty-seventh Annual General Meeting of the Company held on 22<sup>nd</sup> September 2016, Mr. Madhukar Kotwal who was appointed as an Independent Director on the Board of the Company, for a term of five consecutive years up to 31<sup>st</sup> March 2021, pursuant to the provisions of Sections 149, 152 and Schedule IV of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014. Further the Board at its meeting held on 13<sup>th</sup> August 2020 recommended his appointment as Independent Non Executive Director on the Board, to the Members of the Company, for a second term of five year beginning from 01<sup>st</sup> April 2021 to 31<sup>st</sup> March 2026.

### **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)(iii) 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 five 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 Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

## **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 [http://www.sanghvicranes.com/media/REMUNERATION\\_POLICY.pdf](http://www.sanghvicranes.com/media/REMUNERATION_POLICY.pdf).

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 familiarize the Independent Directors with the 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: http://www.sanghvicranes.com/media/SML\\_FPFID.pdf](http://www.sanghvicranes.com/media/SML_FPFID.pdf)

### **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 policy is disclosed on the Company's website in the following link: [http://www.sanghvicranes.com/media/SML\\_vigil\\_mechanism.pdf](http://www.sanghvicranes.com/media/SML_vigil_mechanism.pdf)

### **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:

<b>Sr. No.</b>	<b>Name of the Policy</b>
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
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

The policies are available on the website of the Company ([www.sanghvicranes.com](http://www.sanghvicranes.com)).

## **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, ISO 45001:2018 and LEEA (Lifting Equipment Engineers Association) certification in 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 frame work of the CSR Policy and recommending the amount to be spent on CSR activities. Additionally, the CSR Policy has been uploaded on the website of the Company at <http://www.sanghvicranes.com/media/>

[CORPORATESOCIALRESPONSIBILITYCOMMITTEE.pdf](#). In the financial year 2019-20, the Company has a negative average net profit and hence negative CSR contribution at 2% of average net profit in the financial year 2019-20 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. Despite the ongoing COVID-19 pandemic and the resultant liquidity crunch, your Company has made voluntary contributions to the Prime Ministers Cares Fund in FY 2020, which qualifies as CSR expenditure. The voluntary PM CARES contribution demonstrates both the commitment and intent of the Company to contribute to sustainable long term CSR activities. 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' RESPONSIBILITY STATEMENT**

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) 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.
- iii) 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.
- iv) The Directors have prepared the annual accounts on a going concern basis.
- v) 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.
- vi) 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. 23 of the Notes to the financial statements.

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

Statutory Auditors: There are no qualifications, reservations or adverse remarks or disclaimers made by B S R & Co. LLP, Statutory Auditors.

Secretarial Auditor: The company has requested the IEPF Authority to provide the original letter and response from the Authority is awaited. The disclosure regarding CSR is given in the Directors Report. The company is in the process of filing of Form MGT-14. The company has filed some eforms with a delay.

### **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 the provisions of Section 124 (5) of the Companies Act, 2013, Unpaid Dividend which remains unpaid or unclaimed for a period of seven years shall be transferred by the company to Investor Education and Protection Fund. Accordingly, the Company has transferred the unpaid dividend of ₹ 3,41,346/- to Investor Education and Protection Fund Authority. The details of the unpaid dividend transferred are available on the website of the company ([www.sanghvicranes.com](http://www.sanghvicranes.com)).

### **ANNUAL RETURN**

The Extract of annual return in Form MGT-9 as per the provisions of Section 134(3) (a) and 92(3) of the Companies Act, 2013 is annexed to this report as Annexure C and also available on the website of the Company at [www.sanghvicranes.com](http://www.sanghvicranes.com).

### **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**

During the last quarter of the year under review the incidence of COVID-19 developed into a global pandemic. The Directors have assessed the impact of COVID-19 on the business at the balance sheet date and there are no significant changes as of the balance sheet date. The Company continues to provide the services to its customers, although some parts of the business have been disrupted due to the current lockdown conditions in most part of the world including India. Due to the worldwide uncertainty caused by COVID-19 and its potential to impact the Company, the Company has put in place mitigation plans to minimize the adverse impact on both revenue and profitability. However at this juncture it is difficult to assess the overall impact on the economy and your Company.

### **APPRECIATION**

As the global COVID-19 pandemic continues to put pressure on world economy, we acknowledge and thank all at the forefront fighting this pandemic and risking their lives for us. Our priority has been the safety of our employees, customers, vendors and strict adherence to government norms.

Your Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

Your Directors take this opportunity to thank the Government of India, concerned State Governments, Government Authorities, Banks, Customers, Vendors and Service Providers for the valuable support and co-operation extended by them during the year.

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)

Place: Pune

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

**Registered Office:**

Survey No. 92, Tathawade,

Taluka Mulshi, Pune 411033

CIN: L29150PN1989PLC054143

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

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

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

**For Sanghvi Movers Limited**

**Sham D. Kajale**  
**Joint Managing Director & CFO**

(DIN: 00786499)

## **ANNEXURE A TO THE DIRECTORS' REPORT**

Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2020

[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 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<sup>st</sup> March, 2020, 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<sup>st</sup> March, 2020 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) 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 (Not applicable to the Company during the audit period);
- (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.

- (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. And
  - (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:
- a. Water (Prevention and Control of Pollution) Act, 1974;
  - b. 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.

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:

1. The Company has not spent any amount on Corporate Social Responsibility (CSR) in the FY 2018-19 as required under Section 135 of the Act and the Company has made necessary disclosure about non spending amount in the Board's Report.
2. The Company received a letter from the Investor Education and Protection Fund (IEPF) seeking explanation for not furnishing the required information / explanation as regards compliance with the provisions of Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 viz. transfer of shares to IEPF account, of the shareholders whose dividend was unpaid/ unclaimed for last seven years and prior to the notification of the Companies Act, 2013. To the said letter the Company replied to IEPF Authorities informing about non-receipt of the original letter seeking the information / explanation as mentioned above. As on the report date the matter is pending.
3. Form MGT 14 pursuant to section 117 (3) (g) read with Section 179 (3) (g) of the Companies Act, 2013 for the board resolution passed is yet to be filed with the Registrar of Companies. Some e-form(s) were filed with the Registrar of Companies, Pune with a delay by payment of additional fees.
4. 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

During the year under report Mrs. Mina C. Sanghvi has resigned from the post of Director of the Company w.e.f. 23<sup>rd</sup> May 2019, Mrs. Maithili Rishi Sanghvi was appointed as an additional director with effect from 23<sup>rd</sup> May, 2019 and Mrs. Madhu Dubhashi was appointed as an additional director with effect from 8<sup>th</sup> August, 2019.

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 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 appointed Mr. Rishi Sanghvi as a Managing Director of the Company w.e.f 11<sup>th</sup> May, 2019.

There has been an excess payment of managerial remuneration during the year which ended on 31<sup>st</sup> March 2020, which exceeds the limits prescribed under Section 197 of the Companies Act, 2013 by Rs. 7.76 lakhs and hence, is subject to approval of the shareholders in the General Meeting.

\*Note: Due to COVID-19 outbreak and Lockdown situation, this Certificate/Report has been issued relying on the certificate, information, details, data, documents and explanation provided by the Company and its officers, agents and authorized representatives in electronic form, without physically verifying at their office.

For **KANJ & Co. LLP**,  
Company Secretaries,

**V. S. KHANVALKAR**

Partner

FCS No.: 2489

C P No.:1586

UDIN: F002489B000575811

Firm Unique Code: P2000MH005900

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

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,

**V. S. KHANVALKAR**

PARTNER

FCS No.: 2489

C P No.: 1586

UDIN:F002489B000575811

Firm Unique Code: P2000MH005900

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

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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as follows: (₹ in Lakhs)

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for financial year 2019-20	% increase in Remuneration in the financial year 2019-20	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. C. P. Sanghvi Chairman & Managing Director#	Nil	-100%	-	The growth in revenue was 14% and net loss of ₹ 660.34 Lakhs, as compared to the previous year net loss of ₹ 5,806.30 Lakhs.
2	Mr. Rishi C. Sanghvi Managing Director	211.76*	349%	46.39	
3	Mr. Sham D. Kajale Joint Managing Director & CFO	134.61*	10%	29.49	
4	Mr. Rajesh P. Likhite Company Secretary	20.70	16%	4.53	

# Mr. C. P. Sanghvi passed away on 08<sup>th</sup> April 2019.

\* 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 2019-20 was ₹ 4.56 Lakhs.
- As on 31<sup>st</sup> March 2020, there were 244 permanent employees who were on the payroll of the Company.
- In the financial year 2019-20, there was an average increase of 21 % in the median remuneration of employees.
- The average percentage decrease in the salaries of employees excluding Key Managerial Personnel was 10.58% over the previous year. The average increase in the salaries of Key Managerial Personnel was 69%. The increase in KMP remuneration was based on the recommendations of the Nomination & Remuneration Committee, to revise the remuneration as per Industry Benchmark.

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

## 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			
	Name (s) of the related party	Ms. Mina C. Sanghvi	Mr. Rishi C. Sanghvi	Mr. Rishi C. Sanghvi	Mr. Sham D. Kajale
1	Nature of relationship	Promoter	Managing Director, Promoter of the Company and Son of Late Mr. C. P. Sanghvi and Ms. Mina C. Sanghvi	Managing Director, Promoter of the Company and Son of Late Mr. C. P. Sanghvi and Ms. Mina C. Sanghvi	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	01.04.2019 to 31.03.2020			



Sr. No.	Particulars	Details			
		Ms. Mina C. Sanghvi	Mr. Rishi C. Sanghvi	Mr. Rishi C. Sanghvi	Mr. Sham D. Kajale
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
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 (₹ in Lakhs)	1,190.25	223.47	211.74*	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: 13<sup>th</sup> August 2020

## ANNEXURE D TO THE DIRECTORS' REPORT

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

### Objectives:

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

1. 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;
2. To recommend the amount of expenditure to be incurred on the activities referred to above;
3. To monitor the implementation of the Corporate Social Responsibility Policy of the Company from time to time;
4. To recommend to the Board necessary amendments, if any, in the CSR policy from time to time;
5. To monitor the budget under the CSR activities of the Company;
6. To accomplish the various CSR projects of the Company independently or through any other eligible NGO / Social Institute, as the case may be;
7. To seek information from any employee as considered necessary;
8. To obtain outside legal professional advice as considered necessary, and
9. To secure attendance of outsiders with relevant expertise.

### CSR Methodology:

All projects are identified in a participatory manner and gauging their basic needs. The focus areas identified are as follows:

1. Education;
2. Health care;
3. Sustainable livelihood;
4. Infrastructure development.

### 2. Composition of Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee of Board of Directors consists of three Members namely, Mr. Dara Damania – Chairman, Mr. S Padmanabhan and Mrs. Maithili Sanghvi, as Members of the Committee.

### 3. Average net profit of the Company for the last three financial years: Nil

(Average net loss of ₹ 420.86 Lakhs)

**Summary of CSR Contribution for last three years:**

(₹ in Lakhs)

Particulars	2016-17	2017-18	2018-19	2019-20
Profit Before Tax	16,149.82	(8,786.81)	(8,625.59)	-
Average Profit for Last Three Financial Years	-	-	-	(420.86)
2% of Average Profit to be spend on CSR	-	-	-	(8.42)
Expenditure to be incurred in F.Y. 2019-20	-	-	-	NIL

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

Not applicable in view of the losses.

**5. Details of CSR Expenditure during the financial year 2019-20:**

- Total amount to be spent for the financial year 2019-20: Not Applicable
- Amount unspent, if any: Not Applicable
- Manner in which the amount spent during the financial year is detailed below: Not Applicable

**6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

In the financial year 2019-20, the Company has a negative average net profit and hence negative CSR contribution at 2% of average net profit in the financial year 2019-20 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.

Despite the ongoing COVID-19 pandemic and the resultant liquidity crunch, your Company has made voluntary contributions to the Prime Ministers Cares Fund in FY 2020, which qualifies as CSR expenditure. The voluntary PM CARES contribution demonstrates both the commitment and intent of the Company to contribute to sustainable long term CSR activities. 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.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

**For Sanghvi Movers Limited**

**Rishi C. Sanghvi**  
**Managing Director**

**For Sanghvi Movers Limited**

**Dara Damania**  
**Chairman CSR Committee**

Place : Pune

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

## ANNEXURE E TO THE DIRECTORS' REPORT

Form No. MGT-9 EXTRACT OF ANNUAL RETURN  
(as on the financial year ended on 31<sup>st</sup> March 2020)

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. Registration and Other Details:

I	CIN	L29150PN1989PLC054143
II	Registration Date	03 <sup>rd</sup> November 1989
III	Name of the Company	Sanghvi Movers Limited
IV	Category / Sub-Category of the Company	Company having share capital
V	Address of the Registered office and contact details	S. No. 92, Tathawade, Taluka Mulshi, Pune – 411033
VI	Whether listed Company	Yes
VII	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited Block No 202, Akshay Complex, 2nd Floor, Near Ganesh Temple, Off Dhole Patil Road, Pune – 411001 Tel No.: +91 20 26160084/26161629 Fax No.: +91 20 26163503 E-mail: <a href="mailto:pune@linkintime.co.in">pune@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

### II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Crane hiring services	773	99.37
2	Power generation	4320	0.63

### III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	NA	NA	NA	NA	NA

**IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	57,70,129	1,45,00,000	2,02,70,129	46.82	59,28,127	1,45,00,000	2,04,28,127	47.19	0.36
(b)	Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
(c)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(d)	Any Other (Specify)									
	<b>Bodies Corporate</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>	<b>0.06</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>	<b>0.06</b>	<b>0</b>
	<b>Sub Total (A) (1)</b>	<b>57,95,129</b>	<b>1,45,00,000</b>	<b>2,02,95,129</b>	<b>46.88</b>	<b>59,53,127</b>	<b>1,45,00,000</b>	<b>2,04,53,127</b>	<b>47.25</b>	<b>0.36</b>
[2]	Foreign									

THIRTY FIRST ANNUAL REPORT 2019-2020

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b)	Government	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group(A) = (A)(1)+(A)(2)	57,95,129	1,45,00,000	2,02,95,129	46.88	59,53,127	1,45,00,000	2,04,53,127	47.25	0.36
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds /UTI	23,07,347	3,000	23,10,347	5.34	11,10,869	3,000	11,13,869	2.57	-2.77
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds	1,71,064	0	1,71,064	0.4	3,52,562	0	3,52,562	0.81	0.41
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investor	82,300	0	82,300	0.19	82,300	0	82,300	0.19	0
(f)	Financial Institutions/Banks	19,871	0	19,871	0.04	89,986	0	89,986	0.21	0.17
(g)	Insurance Companies	0	0	0	0	1,11,849	0	1,11,849	0.26	0.26
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
	Foreign Financial Institution	0	0	0	0	0	0	0	0	0
	UTI	0	0	0	0	0	0	0	0	0
	Sub Total (B)(1)	25,80,582	3,000	25,83,582	5.97	17,47,566	3,000	17,50,566	4.04	-1.93

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% Change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
[2]	Central Government/ State Government(s)/ President of India Sub Total (B)(2)	0	0	0	0	0	0	0	0
[3]	Non-Institutions								
(a)	Individuals								
(i)	Individual shareholders holding nominal share capital upto ₹ 2 Lakh.	1,03,12,075	1,70,540	1,04,82,615	24.21	1,12,09,468	1,65,540	1,13,75,008	26.28
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh	49,98,123	0	49,98,123	11.55	47,24,378	0	47,24,378	10.91
(b)	NBFCs registered with RBI	3,500	0	3,500	0.01	0	0	0	0
(c)	Employee Trusts	0	0	0	0	0	0	0	0
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)								
	IEPF	39,508	0	39,508	0.09	39,508	0	39,508	0.09
	Trust	500	0	500	0	0	0	0	0
	Hindu Undivided Family	7,19,099	0	7,19,099	1.66	7,88,047	0	7,88,047	1.82
	Foreign Companies	0	0	0	0	0	0	0	0
	Non Resident Indians (Non Repat)	2,15,432	0	2,15,432	0.5	3,73,349	0	3,73,349	0.86
	Non Resident Indians (Repatriation)	6,99,305	0	6,99,305	1.62	9,15,721	0	9,15,721	2.12
	Clearing Member	2,08,323	0	2,08,323	0.48	1,70,590	0	1,70,590	0.39
	Bodies Corporate	30,41,384	1,500	30,42,884	7.03	26,96,206	1,500	26,97,706	6.23
	Sub Total (B)(3)	2,02,37,249	1,72,040	2,04,09,289	47.15	2,09,17,267	1,67,040	2,10,84,307	48.71
	Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)	2,28,17,831	1,75,040	2,29,92,871	53.12	2,26,64,833	1,70,040	2,28,34,873	52.75
	Total (A) + (B)	2,86,12,960	1,46,75,040	4,32,88,000	100	2,86,17,960	1,46,70,040	4,32,88,000	100

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0	0	0	0	0	0
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0
	<b>Total (A) + (B) + (C)</b>	<b>2,86,12,960</b>	<b>1,46,75,040</b>	<b>4,32,88,000</b>	<b>100</b>	<b>2,86,17,960</b>	<b>1,46,70,040</b>	<b>4,32,88,000</b>	<b>100.00</b>	<b>0</b>

ii. Shareholding by Promoters and Promoter Group

No.	Shareholders Name	Shareholding at the beginning of the year				Shareholding at the end of the year				% change in the shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ Encumbered to total shares		No. of shares	% of total shares of the Company	% of shares pledged/ Encumbered to total shares		
1	Chandrakant Phoolchand Sanghvi	1,00,31,098	23.17	-	1,00,31,098	23.17	-	0.00		
2	Rishi Chandrakant Sanghvi	53,19,740	12.28	-	54,57,738	12.61	-	0.33		
3	Mina Chandrakant Sanghvi	44,18,791	10.21	-	44,38,791	10.25	-	0.04		
4	Niyoshi Chandrakant Sanghvi	5,00,500	1.16	-	5,00,500	1.16	-	0.00		
5	Jethi Builders & Traders Private Limited	25,000	0.06	-	25,000	0.06	-	0.00		



**iii. Change in Promoters Shareholding**

No.	Particulars	Shareholding at the beginning of the year		No. of shares		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At beginning of the year: Date wise increase / decrease in promoters' shareholding during the year specifying the reasons for increase / decrease (e.g. transfer / sale/purchase, etc)	20,295,129	46.88	0	0				
1	Chandrakant Phoolchand Sanghvi	1,00,31,098	23.17	0	0	1,00,31,098	23.17	1,00,31,098	23.17
2	Rishi Chandrakant Sanghvi	53,19,740	12.28	1,37,998	0	54,57,738	12.61	54,57,738	12.61
3	Mina Chandrakant Sanghvi	44,18,791	10.21	20,000	0	44,38,791	10.25	44,38,791	10.25
4	Niyoshi Chandrakant Sanghvi	5,00,500	1.16	0	0	5,00,500	1.16	5,00,500	1.16
5	Jethi Builders And Traders Pvt. Ltd.	25,000	0.06	0	0	25,000	0.06	25,000	0.06
	At the end of the year:							2,04,53,127	47.25

iv. Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDR's and ADR's)

Sr. No.	Shareholders Name	Shareholding at the beginning of the year		No. of shares		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1	Kedar Dattatraya Borgeonkar	23,77,014	5.49	-	5,95,840	17,81,174	4.11
2	Reliance Capital Trustee Co Ltd- A/C Reliance India Opportunities Fund - Series A	7,89,706	1.82	3,21,163	-	11,10,869	2.57
3	Arun Nahar	7,44,605	1.72	-	-	7,44,605	1.72
4	Sanghvi Erectors Pvt .Ltd.	6,08,133	1.4	-	21,333	5,86,800	1.35
5	Anil Kumar Goel	4,54,000	1.05	-	-	4,54,000	1.05
6	Gautham Ramesh	-	-	4,19,839	-	4,19,839	0.97
7	Jagruti Rajiv Dutia	3,50,000	0.81	-	-	3,50,000	0.81
8	Aequitas Investment Consultancy Private Limited	3,36,215	0.78	-	11,806	3,24,409	0.75
9	Sarojini Dattatraya Borgeonkar	1,99,000	0.46	1,18,114	-	3,17,114	0.73
10	JM Financial Services Limited	4,013	0.01	2,15,975	-	2,19,988	0.51

**v. Shareholding of Directors and Key Managerial Personnel)**

Sr. No.	Name	Shareholding at the beginning of the year		No. of shares		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1	Mr. Dara Damania	Nil	Nil	0	0	Nil	Nil
2	Mr. S. Padmanabhan	Nil	Nil	0	0	Nil	Nil
3	Mr. Pradeep R. Rathi	Nil	Nil	0	0	Nil	Nil
4	Mr. Dinesh Munot	Nil	Nil	0	0	Nil	Nil
5	Mr. Madhukar V. Kotwal	Nil	Nil	0	0	Nil	Nil
6	Mr. Sham. D. Kajale	Nil	Nil	0	0	Nil	Nil
7	Mr. Rishi C. Sanghvi	53,19,740	12.28	1,37,998	0	54,57,738	12.61
8	Mrs. Maithili R. Sanghvi	Nil	Nil	0	0	Nil	Nil
9	Mrs. Madhu Dubhashi	Nil	Nil	10,000	0	10,000	0.02
10	Mr. Rajesh P. Likhite	Nil	Nil	0	0	Nil	Nil

**VI. Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(amount in ₹)

Particulars	Secured Loans excluding deposits		Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the end of the financial year (31 March 2019)</b>					
i) Principal Amount	4,244,065,666	201,653,000	-	-	4,445,718,666
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	1,905,758	24,655,348	-	-	26,561,106
Total (i+ii+iii)	4,245,971,424	226,308,348	-	-	4,472,279,772
<b>Change in Indebtedness during the financial year</b>					
· Addition	-	-	-	-	-
· Reduction	(1,336,963,139)	10,470,275	-	-	(1,326,492,864)
<b>Net Change</b>	(1,336,963,139)	10,470,275	-	-	(1,326,492,864)
<b>Indebtedness at the end of the financial year (31 March 2020)</b>					
i) Principal Amount	2,906,586,248	213,275,000	-	-	3,119,861,248
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	2,422,037	23,503,623	-	-	25,925,660
<b>Total (i+ii+iii)</b>	2,909,008,285	236,778,623	-	-	3,145,786,908

**VII. Remuneration of Directors and Key Managerial Personnel**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in Lakhs)

Sl.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Sham D. Kajale	Mr. Rishi C. Sanghvi	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	91.60	196.11	287.71
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32.89	5.35	38.24
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, Contribution to Superannuation fund and National Pension Scheme	10.12	10.30	20.42
	Total (A)	134.61	211.76	346.37
	Ceiling as per the Act.	<p>Mr. Rishi C. Sanghvi: Pursuant to the resolution passed by the members in the 30<sup>th</sup> Annual General Meeting held on 08<sup>th</sup> August 2019, the Board of Directors are authorised to finalise the managerial remuneration payable to Mr. Rishi C. Sanghvi.</p> <p>Mr. Sham D. Kajale: The managerial remuneration limit is of ₹ 126.86 Lakhs. The remuneration paid to Mr. Sham D. Kajale during the year 2019-20 exceeds the permissible limits and in this regard special resolution no. 6, towards waiver of excess remuneration paid to Mr. Sham D. Kajale in Financial year 2019-20, forms part of the notice of the Annual General Meeting.</p>		

(₹ in Lakhs)

**B. Remuneration to other Directors:**

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. S. Padmanabhan	Mr. Dara Damania	Mr. P. R. Rathi	Mr. Dinesh Munot	Mr. M. V. Kotwal	Mrs. Madhu Dubhashi	
1	Independent Directors							
	· Fee for attending board committee meetings	4.00	3.90	3.30	1.50	2.10	1.10	15.90
	· Commission	-	-	-	-	-	-	-
	· Others, please specify	-	-	-	-	-	-	-
	Total (1)	4.00	3.90	3.30	1.50	2.10	1.10	15.90

Sl. no.	Particulars of Remuneration	Mr. S. Padmanabhan	Mr. Dara Damania	Mr. P. R. Rathi	Mr. Dinesh Munot	Mr. M. V. Kotwal	Mrs. Madhu Dubhashi	Total Amount
		Mrs. C. Sanghvi	Mrs. Mina Sanghvi	Mrs. Maithili R. Sanghvi				
2	Other Non-Executive Directors							
	· Fee for attending board committee meetings		0.50	1.00				1.50
	· Commission		-	-				
	· Others, please specify		-	-				
	Total (2)		0.50	1.00				1.50
	Total (B) = (1 + 2)							17.40
	Total Managerial Remuneration							363.77
	Overall Ceiling as per the Act*							

\* N.A. due to inadequate profits..

## THIRTY FIRST ANNUAL REPORT 2019-2020

### A. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel
		Mr. Rajesh Likhite Company Secretary
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19.06
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.64
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	-
	- others, specify	-
	<b>Total</b>	<b>20.70</b>

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fee imposed	Authority (RD/ NCLT/ Court)	Appeal made, if any (give details)
A	Company	-	-	-	-	-
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
B	Directors	-	-	-	-	-
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
C	Other Officers in default	-	-	-	-	-
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-

**For Sanghvi Movers Limited**

**Rishi C. Sanghvi**  
**Managing Director**  
(DIN: 08220906)

**For Sanghvi Movers Limited**

**Sham Kajale**  
**Joint Managing Director & CFO**  
(DIN - 00786499)

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

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## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

### **Indian Economy**

The GDP of the Indian Economy is estimated to grow at 4.2% in FY 2019-20, as compared to 6.8% in FY 2018-19. India is ranked the 5<sup>th</sup> largest economy in the world, in terms of GDP, valued at US\$ 3 trillion in 2019. The softening growth during the year under review was on account of multiple headwinds including a slowdown in gross fixed capital formation and private consumption expenditure. The economy was anticipated to revive in FY 2020-21 but, the outbreak of COVID-19 has altered the growth outlook for the country. The outlook for Indian economy remains subdued at less than 2% for FY 2020-21, with revival expected in FY 2021-22 when growth is expected to touch more than 7%. The muted growth can be attributed to weak global demand and a lockdown imposed in the country which has resulted in complete disruption of the demand-supply chain. The revival in FY 2021-22 will be on the back of various government reforms to revive growth of the economy.

Following the COVID-19 outbreak, India implemented one of the strictest nationwide lockdowns in the world early on, in order to keep the infection numbers under control. This has resulted in mass unemployment in the lower income segment and staff downsizing across sectors. The restriction on free movement of goods and people disrupted supply chains and nearly wiped out the demand for non-essential goods and services. The Government of India announced ₹1.7 Lakh Crores relief package to help India's marginalized population tackle the challenges caused by the COVID-19 pandemic. This included direct cash transfer benefits to more than 8.7 crore Indian farmer families, free food and gas distribution, social and security measures for the organized sector and medical covers for health workers. The Reserve Bank of India ('RBI') provided a monetary stimulus by slashing the repo rate to 5.15%, a cut of 135 basis points in FY 2019-20, to boost demand and private consumption.

In February 2020, Central Statistical Organization (CSO) estimated Indian Gross Domestic Product (GDP) to grow at 5.0% for fiscal 2019-20, which was itself at multi-year low, mainly due to weak performance of the manufacturing and the construction sectors vis-à-vis previous fiscal. At that time, concerns regarding the COVID-19 impact were primarily limited to lower imports from China which would have affected production and supply chain in few sectors for few months in India. However, with rapid outbreak of COVID-19 in March 2020 leading to lockdown in multiple countries, there was a sharp decline in demand across sectors globally and India was no exception. This led to a low GDP growth rate estimate of 3.1% for the fourth quarter of 2019-20 as per CSO, thereby lowering the GDP growth estimate to 4.2% for 2019-20.

We enter the Financial Year 2020-21 with high degree of uncertainty with respect to economic situation, both globally and in India. Various domestic and global agencies are expecting India's GDP to contract in fiscal 2020-21, as the extended lockdown has severely impacted the economic activity in the country. Agencies in their expectations have highlighted that sectors such as agriculture, public administration and public utilities are more resilient and are expected to be less adversely impacted compared to other sectors. Further, pick-up in the economic activity may start from second half of 2020-21 and the Indian economy is expected to bounce back stronger in the next Financial Year.

However, given high uncertainty, future predictions need repeated recalibration because of the rapidly changing environment. Modelling parameters for growth and profitability across sectors is tough given inadequate information on multiple parameters. Extent of adverse impact of COVID-19 will depend on degree to which the spread of virus can be controlled and the level of pick-up in the economic activity in 2020-21. The Indian Government has

announced a fiscal stimulus of around ₹ 20 Lakh Crores (nearly 10% of Indian GDP), especially targeting the key sectors such as MSME (micro, small and medium enterprises), agriculture, financial services and other essential services.

Also, Reserve Bank of India has taken supportive measures using various instruments to help maintain adequate liquidity and to ease cash flow pressures. This provides much needed near-term relief and we expect Government to announce more measures to support economic growth in the medium-term.

**Industry structure and developments :** Your Company is the Largest Crane Hiring Company in India and 5<sup>th</sup> Largest in the World, as per rankings from Cranes International Magazine (IC - June – 2020). 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 389 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 wind mill 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 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. A moderate Risk Management framework enables effective and proactive management of various risks, while supporting business growth.

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.



**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.

**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 ended with the COVID-19 pandemic disrupting the global economy. The rampant spread of COVID-19 outbreak, across borders and geographies, has severely impacted almost the whole world and triggered significant downside risks to the overall global economic outlook.

Fiscal FY 2020-21 began with a lockdown, with almost zero economic activity in India, which took strict measures to contain the spread and intensity of the pandemic. With an extended lockdown in Q1 of FY 2020-21, the impact on GDP is expected to be significant with the risk of negative growth for FY 2020-21, an all-time low in many years.

The dynamics of this situation make it difficult to fully assess the risk impact. However, we are doing all we can to ensure business continuity and working diligently to mitigate the risks. We are monitoring the evolving situation carefully to understand the potential impact on our people and our business.

**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.

**Discussion on financial performance with respect to operational performance:** Sanghvi Movers Limited is 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 sector of the economy both by private as well as public sector undertakings.

Total revenue from operations was ₹ 32,620.07 Lakhs for the year ended 31<sup>st</sup> March 2020 as against ₹ 29,526.04 Lakhs for the corresponding previous year and thereby registered top line growth of nearly 14% on annualized basis.

**Material developments in Human Resources / Industrial Relations front, including number of people employed:** The Company 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 1,520 employees including indirect labour as on 31<sup>st</sup> March 2020.

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**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	2019-20	2018-19	% Change	Explanations if any
1)	Debtors Turnover Ratio	3.69	2.51	-32%	Refer Note 1
2)	Inventory Turnover Ratio	0.91	1.1	21%	Not Applicable
3)	Interest Coverage Ratio	3.9	2.15	-45%	Refer Note 2
4)	Current Ratio	0.78	0.77	-1%	Refer Note 3
5)	Debt Equity Ratio	0.43	0.61	42%	Refer Note 4
6)	Operating Profit Margin (%)	48.54%	31.62%	65%	Refer Note 5
7)	Net Profit Margin (%)	N.A.	N.A.	N.A.	Not Applicable
8)	Return on Net Worth (%)	-0.90%	-7.92%	N.A.	Refer Note 6

### Note - 1:

Debtors Turnover Ratio is improved to 3.69 times of the total Turnover in FY 2019-20 as compared to 2.51 times in FY 2018-19. It means that in FY 2019-20, company has collected its average accounts receivable approximately 3.69 times over the fiscal ended 31<sup>st</sup> March, 2019. The same is evident if we further calculate Accounts Receivable Turnover in Days. The same is calculated as under:

Receivable Turnover in days = 365 Divided by Debtors Turnover Ratio

Particulars	2019-20	2018-19
No. of Days in a Year	365	365
Debtors Turnover Ratio	3.69	2.51
Receivable Turnover in Days	99	145

From the aforesaid calculation, it is evident that Debtors Turnover Ratio as well as Receivable Turnover in days has improved in FY 2019-20 as compared to FY 2018-19. The primary reasons for improving these ratios are - a) Improved and pro-active receivable collection mechanism adopted by company; b) Provisioning for Bad & Doubtful debts made during FY 2019-20.

### Note - 2:

Interest Coverage Ratio is improved to 3.90 times as against 2.15 times in the previous year primarily on account of significant increase in EBIDTA and reduction in interest cost because of large amounts of loan repayment done by the company during the years.

**Note - 3:**

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 60%) 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 in 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 banks to fund its capex plan. The average tenor of these term loans is 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 as per the prescribed formula. 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:

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
A) Current Assets (Rs. Lakhs)	10,959.46	11,729.56
Current Liabilities (Rs. Lakhs)	14,102.60	15,144.34
Less: Instalments of TL due within one year (Rs. Lakhs)	9,316.91	9,091.95
B) Net Current Liabilities (Rs. Lakhs)	4,758.69	6,052.39
Current Ratio :- A) divided by B)	2.29	1.94

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.

**Note - 4:**

Debt: Equity Ratio is improved to 0.43 times in the current financial year as against 0.61 times in the previous financial year. This is primarily on account of debt repayment in excess of ₹ 11,900 Lakhs in the current financial year.

**Note - 5:**

Operating Margin has significantly increased because EBIDTA of the Company has increased primarily on account of various cost optimization measures adopted by the Company during the year.

### **Note - 6:**

The Company has negative Return on Net Worth for last two years on account of net losses incurred by the company primarily on account of decrease in business volume coupled with decrease in yield due to demand supply mismatch and fierce competition. The decline in turnover is because of slowdown in the economy more particularly in the core sector of the economy (power, steel, cement, refinery etc.). Lack of public and private sector investments in these sectors has taken a toll on utilisation of cranes. Furthermore, regulatory hurdles owing to wind mill sector has caused severe disruption crane utilisation in wind mill sector wherein company had more than 50% revenue contribution in the past.

**Disclosure of Accounting Treatment:** Effective from 01<sup>st</sup> April 2019, the Company has adopted Ind AS 116 – Leases, using the modified retrospective method. The Company has applied the practical expedient to grandfather the definition of a lease on the transition date (i.e. it will apply Ind AS 116 to all contracts entered into before 01 April 2019 and identified as leases in accordance with Ind AS 17). The adoption of the standard did not have any material impact to the financial results of the Company.

The Government of India, on 20<sup>th</sup> September 2019, vide the Taxation Laws (Amendment) Act 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company to pay income taxes at reduced tax rates as per the provisions/conditions defined in the said section. The Company has evaluated and expects to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act 2019 from current financial year. Accordingly, the Company had estimated the reversal of the deferred tax asset/ liabilities until the date of exercise of the option and subsequent to exercise of the option. The effect of this change has been recognised in tax expense for the quarter and year ended 31<sup>st</sup> March, 2020 on an effective tax basis. This has resulted in an increase in deferred tax credit of ₹ 164.28 Lakhs for the quarter ended 31<sup>st</sup> March 2020 and ₹ 315.94 lakhs for year ended 31<sup>st</sup> March 2020 on account of remeasurement of deferred tax liability.

## **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<sup>st</sup> March 2020, the Company's Board consists of Nine Directors. It comprises of One Managing Director, One Joint Managing Director, One Non-Executive Non-Independent Director and Six Non-Executive Independent Directors including One Woman Independent Director.

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

<b>Category</b>	<b>Name</b>
Promoter Chairman and Managing Director	Late Mr. C. P. Sanghvi <sup>\$</sup>
Managing Director	Mr. Rishi C. Sanghvi <sup>#</sup>
Joint Managing Director & CFO	Mr. Sham D. Kajale
Independent Director	Mr. Dara N. Damania
Independent Director & Chairman	Mr. S. Padmanabhan <sup>*</sup>
Independent Director	Mr. Pradeep R. Rathi

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Category	Name
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@

§ Mr. Chandrakant P. Sanghvi passed away on 08<sup>th</sup> April 2019.

# The Board of Directors of the Company in their meeting held on 11<sup>th</sup> April 2019 appointed Mr. Rishi Sanghvi as a Managing Director for a period of 5 years, subject to the approval of the members. The members of the Company in the 30<sup>th</sup> Annual General Meeting held on 08<sup>th</sup> August 2019 passed the Special Resolution towards appointment of Mr. Rishi C. Sanghvi.

\* The Board of Directors of the Company in their meeting held on 12<sup>th</sup> November 2019 appointed Mr. S. Padmanabhan as Chairman of the Board.

\*\* Mrs. Madhu Dubhashi was appointed as an Additional (Independent) woman Director of the Company in the Board Meeting held on 08<sup>th</sup> August 2019.

@ Mrs. Maithili R. Sanghvi was appointed as an Additional Director in the Board Meeting held on 23<sup>rd</sup> May 2019 and was appointed as a Non-Executive Non-Independent Director in the 30<sup>th</sup> Annual General Meeting held on 08<sup>th</sup> August 2019.

### 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<sup>st</sup> March 2020:

Name	Attendance Particulars		Number of Other Directorships and Committee Memberships/ Chairmanships		
	Board Meetings	Last AGM	Other Directorships*	Committee Memberships**	Committee Chairmanships**
Mr. Rishi Sanghvi	05	Y	0	0	0
Mr. Dara Damania	05	Y	02	04	02
Mr. S. Padmanabhan	05	Y	03	04	01

Name	Attendance Particulars		Number of Other Directorships and Committee Memberships/ Chairmanships		
	Board Meetings	Last AGM	Other Directorships*	Committee Memberships**	Committee Chairmanships**
Mr. Pradeep Rathi	05	Y	03	04	0
Mr. Dinesh Munot	02	Y	01	0	0
Mr. Madhukar V. Kotwal	03	N	01	0	0
Mrs. Madhu Dubhashi@	02	N	03	03	01
Mrs. Maithili R. Sanghvi#	02	Y	0	0	0
Mr. Sham D. Kajale	05	Y	0	0	0
Mrs. Mina C. Sanghvi ^	01	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.

@ Mrs. Madhu Dubhashi was appointed as an Additional Director of the Company in the Board Meeting held on 08<sup>th</sup> August 2019.

# Mrs. Maithili R. Sanghvi was appointed as an Additional Director in the Board Meeting held on 23<sup>rd</sup> May, 2019 and regularised him as a Non-Executive Women Director in 30<sup>th</sup> Annual General Meeting held on 08<sup>th</sup> August 2019.

^ Mrs. Mina C. Sanghvi Non-Executive Non-Independent Director of the Company resigned from the Company w.e.f. 23<sup>rd</sup> May 2019.

**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	03	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	-	-

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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 Ltd.	Independent Director
	2. KSB Ltd.	Independent Director
Mr. S. Padmanabhan	1. Sudarshan Chemical Industries Ltd.	Independent Director
	2. Premier Ltd.	Independent Director
	3. Force Motors Ltd.	Independent Director
Mr. Pradeep Rathi	1. Sudarshan Chemical Industries Ltd.	Non-Executive Non Independent Director Chairman
	2. Kirloskar Oil Engines Ltd.	Independent Director
	3. Finolex Industries Ltd.	Independent Director
Mr. Dinesh Munot	1. ZF Steering Gear India Limited	Executive Director Chairman
Mr. Madhukar V. Kotwal	1. Kirloskar Ferrous Industries Limited	Independent Director
Mrs. Madhu Dubhashi	1. Pudumjee Paper Products Limited	Independent Director
	2. Tube Investments of India Limited	Independent Director
	3. Majesco 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 2019-20, the Board met five times on the following dates, namely, 11<sup>th</sup> April 2019, 23<sup>rd</sup> May 2019, 08<sup>th</sup> August 2019, 12<sup>th</sup> November 2019 and 13<sup>th</sup> February 2020 and the maximum time gap between two meetings did not exceed one hundred and twenty days. The Board meets atleast once in each quarter to review the quarterly financial results and to consider other items on the agenda.



## **Directors and KMP**

### **Appointment**

- The Board of Directors of the Company in their meeting held on 11<sup>th</sup> April 2019 appointed Mr. Rishi Sanghvi as a Managing Director for a period of 5 years, subject to the approval of the members. The members of the Company in the 30<sup>th</sup> Annual General Meeting held on 08<sup>th</sup> August 2019 passed the Special Resolution towards appointment of Mr. Rishi C. Sanghvi.
- Mrs. Maithili R. Sanghvi was appointed as an Additional Director of the Company in the Board Meeting held on 23<sup>rd</sup> May 2019 and regularized as a Non-Executive Non-Independent Women Director in the Annual General Meeting held on 08<sup>th</sup> August 2019.
- Mrs. Madhu Dubhashi was appointed as an Additional Director (Non-Executive Independent Women Director) of the Company in the Board Meeting held on 08<sup>th</sup> August 2019.

### **Re-appointment**

- The members of the company through postal ballot conducted in Feb-March 2019 passed the special resolutions regarding appointment of Mr. Dinesh Munot, Mr. Dara Damania, Mr. S. Padmanabhan & Mr. Pradeep R. Rathi, as Independent Directors of the Company for the second term from 01<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024.

### **Resignation**

- Ms. Mina C. Sanghvi Non-Executive Non Independent Woman Director of the Company resigned from the Company on 23<sup>rd</sup> May 2019.
- Mr. Chandrakant P. Sanghvi Ex Chairman & Managing Director of the Company passed away on 08<sup>th</sup> April 2019.

### **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, 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<sup>st</sup> March 2020:

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	10,000

### 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 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 [http://www.sanghvicranes.com/media/SML\\_FPFID.pdf](http://www.sanghvicranes.com/media/SML_FPFID.pdf).

**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	• Identification and assess strategic opportunities and threats to the Company;
	• Leading management to make decisions in uncertain environments;
	• Developing strategies for the achievement of long term goals.
Corporate Governance	• Implementation of best Corporate Governance practices in the interests of all shareholders;
	• Maintaining Board and management accountability;
	• Ensuring adherence of the Corporate Governance requirements.
Financial Skills	• Effective financial management;
	• Monitoring of finances;
	• Ensuring timely financial reporting;
	• Budgetary control;
	• Financial risk management and its mitigation;
	• Financial planning.
Legal & Regulatory knowledge	• Knowledge of statutory requirements;
	• Effective Compliance Management system;
	• Regular follow up in Board and Committee Meetings.

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

### 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.

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.

### 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

\* The Board of Directors of the Company in the Board Meeting held on 12<sup>th</sup> November 2019 appointed Mrs. Madhu Dubhashi as Member of Audit Committee.

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 2019-20, the Audit Committee met five times on the following dates, namely, 11<sup>th</sup> April 2019, 23<sup>rd</sup> May 2019, 08<sup>th</sup> August 2019, 12<sup>th</sup> November 2019 and 13<sup>th</sup> February 2020.

Name of Director	No. of Meeting Attended
Mr. S. Padmanabhan	05
Mr. Dara Damania	05
Mr. Pradeep Rathi	05
Mr. Dinesh Munot	02
Mr. Madhukar Kotwal	03
Mrs. Madhu Dubhashi	01

### 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**

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

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

### **Meetings and attendance during the year**

During the year 2019-20, the Nomination & Remuneration Committee met three times on the following dates, namely, 11<sup>th</sup> April 2019, 23<sup>rd</sup> May 2019 and 08<sup>th</sup> August 2019.

<b>Name of Director</b>	<b>No. of Meeting Attended</b>
Mr. Pradeep Rathi	03
Mr. S. Padmanabhan	03
Mr. Dara Damania	03

### **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 organization at large.

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

The Members of the Company at the Twenty-sixth Annual General Meeting of the Company held on 23<sup>rd</sup> September 2015 had appointed Mr. Sham D. Kajale, as the Executive Director & CFO of the Company for a period of five years upto 01<sup>st</sup> September 2020. In the Twenty-ninth Annual General Meeting of the Company held on 13<sup>th</sup> August 2018, the Members of the Company approved the change in the designation of Mr. Sham D. Kajale to Joint Managing Director and CFO of the Company.

The resolution towards re-appointment of Mr. Sham D. Kajale as Joint Managing Director & CFO shall be placed before the members for its approval including remuneration, performance Incentive, contribution to provident fund, superannuation, National Pension Scheme gratuity, perquisites and allowances, reimbursement of expenses etc., at the ensuing Annual General Meeting of the Company.

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In respect of the year ended 31<sup>st</sup> March 2020, the following Remuneration was paid/payable to these Directors:

(₹ 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	196.11	5.35	Nil		10.30	211.76

\* 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. Sham Kajale would have amounted to ₹ 3.24 Lakhs (2019: ₹ 29.90 Lakhs). However, contribution toward superannuation fund is included as part of managerial remuneration.

\$ 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.

### Terms of Appointment of Managing Director and Joint Managing Director & CFO:

#### (i) Mr. Rishi C. Sanghvi, Managing Director:

Period of Appointment	5 (Five) Years w.e.f. 11 <sup>th</sup> April 2019 up to 10 <sup>th</sup> April 2024
Basic Salary	A Salary (Basic Salary) of ₹ 5,83,333.00 (Rupees Five Lakhs Eighty Three Thousand Three Hundred and Thirty Three only) per month.
Other benefits, perquisites and allowances	as per the Rules of the Company
Bonus / performance linked incentives	₹ 1,50,000/- (Rupees One Lakhs Fifty Thousand only) per month.
Contribution to Gratuity / Superannuation /NPS Fund	As per the Rules of the Company.
Notice period, if any	6 (Six) months' notice in writing of such termination or the Company paying 6 (Six) months' remuneration in lieu thereof.
Minimum Remuneration	Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Benefits, Perquisites and Allowances in accordance with the ceiling and subject to further approvals as required under Schedule V of the Companies Act, 2013 (or any statutory modification thereof).



**(ii) Mr. Sham D. Kajale, Joint Managing Director:**

Period of Appointment	5 (Five) Years w.e.f. 2 <sup>nd</sup> September 2020 up to 1 <sup>st</sup> September 2025.
Basic Salary	A Salary (Basic Salary) of ₹ 5,83,333.00 (Rupees Five Lakhs Eighty Three Thousand Three Hundred and Thirty Three only) per month.
Other benefits, perquisites and allowances	as per the Rules of the Company.
Bonus / performance linked incentives	As determined by the Nomination and Remuneration Committee of the Board & the Board from time to time.
Contribution to Gratuity / Superannuation /NPS Fund	As per the Rules of the Company.
Notice period, if any	6 (Six) months' notice in writing of such termination or the Company paying 6 (Six) months' remuneration in lieu thereof.
Minimum Remuneration	Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Benefits, Perquisites and Allowances in accordance with the ceiling and subject to further approvals as required under Schedule V of the Companies Act, 2013 (or any statutory modification thereof).

**Directors' Sitting Fees:**

The Company was paying sitting fees to the Independent and Non-Executive Directors at the rate of ₹ 50,000/- per Board Meeting and ₹ 10,000/- per Committee Meeting and also reimburses expenses for attending the meeting by these Directors. The sitting fees paid to Directors for the year ended 31<sup>st</sup> March 2020 were as follows:

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	5	5	4	3	1	1	4,00,000
Mr. Dara Damania	5	5	4	3	1	1	3,90,000
Mr. Pradeep Rathi	5	5	0	3	0	0	3,30,000
Mr. Dinesh Munot	2	2	2	0	0	0	1,50,000
Mr. Madhukar V. Kotwal	3	3	2	0	1	0	2,10,000

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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	
Mrs. Madhu Dubhashi	2	1	0	0	0	0	1,10,000
Mrs. Maithili R. Sanghvi	2	0	0	0	0	0	1,00,000
Ms. Mina C. Sanghvi	1	0	0	0	0	0	50,000

### 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 <sup>@</sup>	Independent Director
5	Mr. Sham D. Kajale	Member	Joint Managing Director
6	Mr. Rishi C. Sanghvi	Member <sup>#</sup>	Managing Director

<sup>@</sup> The Board of Directors of the Company in the Board Meeting held on 23<sup>rd</sup> May 2019 appointed Mr. Dinesh H. Munot as member of Stakeholders' Relationship Committee.

<sup>#</sup> The Board of Directors of the Company in the Board Meeting held on 23<sup>rd</sup> May 2019 appointed Mr. Rishi C. Sanghvi as member of Stakeholders' Relationship Committee.

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 2019-20, the Stakeholders' Relationship Committee met four times on the following dates, namely, 23<sup>rd</sup> May 2019, 8<sup>th</sup> August 2019, 12<sup>th</sup> November 2019 and 13<sup>th</sup> February 2020.

Name of Director	No. of Meeting Attended
Mr. Madhukar Kotwal	02
Mr. Dara Damania	04
Mr. S. Padmanabhan	04
Mr. Dinesh H. Munot	02
Mr. Sham D. Kajale	04
Mr. Rishi C. Sanghvi	03

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

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

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.

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### Meetings and Attendance during the year

During the year 2019-2020, the Corporate Social Responsibility Committee met on 23<sup>rd</sup> May 2019.

Name of the Director	No. of Meetings Attended
Mr. Dara Damania	1
Mr. S. Padmanabhan	1
Mrs. Maithili R. Sanghvi	Nil

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: <http://www.sanghvicranes.com/media/CORPORATESOCIALRESPONSIBILITYCOMMITTEE.pdf>

### 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
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 2019-20, the Risk Management Committee met on 13<sup>th</sup> February 2020.

Name of Director	No. of Meeting Attended
Mr. S Padmanabhan	1
Mr. Dara Damania	1
Mr. Sham D. Kajale	1
Mr. Madhukar Kotwal	1
Mr. Rishi C. Sanghvi	1

**General Body Meetings & Postal Ballot**

Year	General Meeting	Day	Date	Time	Location	Special Resolution Passed
2018-19	AGM	Thursday	08.08.2019	4 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 <sup>th</sup> April 2019.
2017-18	AGM	Monday	13.08.2018	3.3 p.m.	Survey No.92, Tathawade, Taluka Mulshi, Pune – 411033	Nil
2016-17	AGM	Wednesday	09.08.2017	3.3 p.m.	Survey No.92, Tathawade, Taluka Mulshi, Pune – 411033	Revision in remuneration of Mr. Rishi C. Sanghvi, General Manager – Business Development of the Company.

Postal Ballot:

Date of Postal Ballot Notice : 13<sup>th</sup> November 2017

Date of declaration of Postal Ballot result : 04<sup>th</sup> January 2018

Sr. No.	Resolution	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	Remuneration of Mr. C. P. Sanghvi, Managing Director of the Company	83,32,991	93.58	2,09,249	2.36	3,61,800	4.06

Mr. Vinayak S. Khanwalkar, 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 resolution was passed by the requisite majority. The result of the postal ballot was declared on 04<sup>th</sup> January 2018 on the website of the Company and 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.

Date of Postal Ballot Notice : 25<sup>th</sup> February 2019

Date of declaration of Postal Ballot results : 30<sup>th</sup> March 2019

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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 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> 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 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> 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 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> 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 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2024	2,65,53,788	99.74%	70,045	0.26%	0	0%

Mr. Vinayak S. Khanwalkar, 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<sup>th</sup> March 2019, uploaded on the website of the Company on 30<sup>th</sup> 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 Fees

B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W – 100022) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, is given below:

(₹ in Lakhs)

Particulars	Amount
Services as statutory auditors (including limited review of quarterly results)	26.00
Out of pocket expenses	1.59
Total Fees	27.59

### 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 also 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	25 <sup>th</sup> September 2020, at 11:30 A.M.
Venue	AGM will be held through video conferencing (VC) or other audio-visual means (OAVM).

Financial year : 1<sup>st</sup> April to 31<sup>st</sup> March

Date of Book Closure: 19<sup>th</sup> September 2020 to 25<sup>th</sup> September 2020

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### 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 dividend declared for financial year 2011-12, amounting to ₹ 3,41,346.00 lying unclaimed in the Dividend Account, which had been declared at the Twenty-third Annual General Meeting of the Company held on 17<sup>th</sup> September 2012, after completion of seven years was transferred in October 2019 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 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 2012-2013 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 ₹)

Financial Year	Date of declaration of dividend	Type of dividend	Total dividend	Unclaimed dividend as on 31 <sup>st</sup> March 2020	Due date for transfer to Investor Education and Protection Fund (IEPF)
2012-2013	23 September 2013	Final	4,32,88,000	1,70,446.00	22 October 2020
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	3,86,433.00	10 April 2023
2016-2017	09 August 2017	Final	17,31,52,000	5,26,864.00	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 2020-2021 (Tentative)**

<b>Annual General Meeting</b>	<b>September 2020</b>
<b>Board Meetings</b>	
Results for the quarter ending June 2020	2 <sup>nd</sup> Week of August 2020
Results for the quarter ending September 2020	3 <sup>rd</sup> Week of November 2020
Results for the quarter ending December 2020	2 <sup>nd</sup> Week of February 2021
Results for the year ending March 2021	4 <sup>th</sup> Week of May 2021

**Market price data**

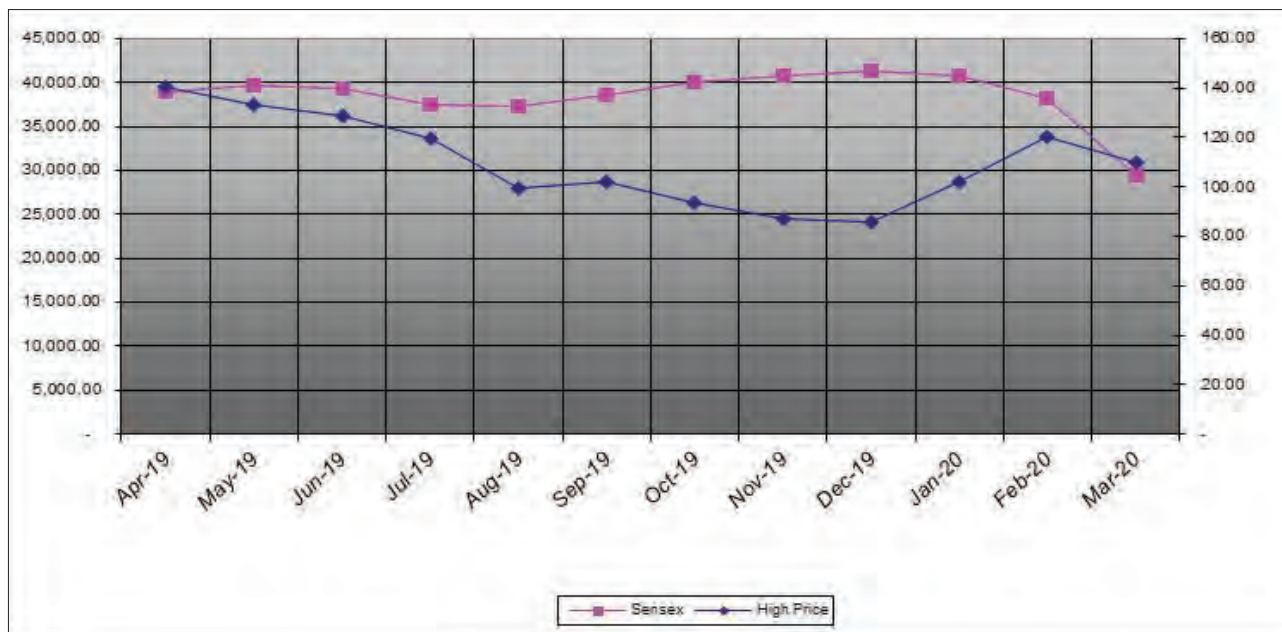
Share Price - High & Low in rupees during each month in the year 2019- 2020 at BSE and NSE:

Month	BSE Price (In ₹)		Month	NSE Price (In ₹)	
	High	Low		High	Low
Apr-19	140.70	109.00	Apr-19	142.40	109.10
May-19	133.50	112.10	May-19	133.80	112.00
Jun-19	129.00	104.00	Jun-19	130.05	103.25
Jul-19	119.60	97.05	Jul-19	119.50	96.80
Aug-19	99.50	86.40	Aug-19	100.60	86.50
Sep-19	101.95	85.80	Sep-19	104.40	86.60
Oct-19	93.70	69.30	Oct-19	90.50	67.65
Nov-19	87.25	67.00	Nov-19	89.00	72.10
Dec-19	86.00	73.35	Dec-19	86.00	73.00
Jan-20	102.00	80.20	Jan-20	100.00	80.25
Feb-20	120.00	83.60	Feb-20	119.50	88.95
Mar-20	110.00	47.20	Mar-20	109.70	44.80

## THIRTY FIRST ANNUAL REPORT 2019-2020

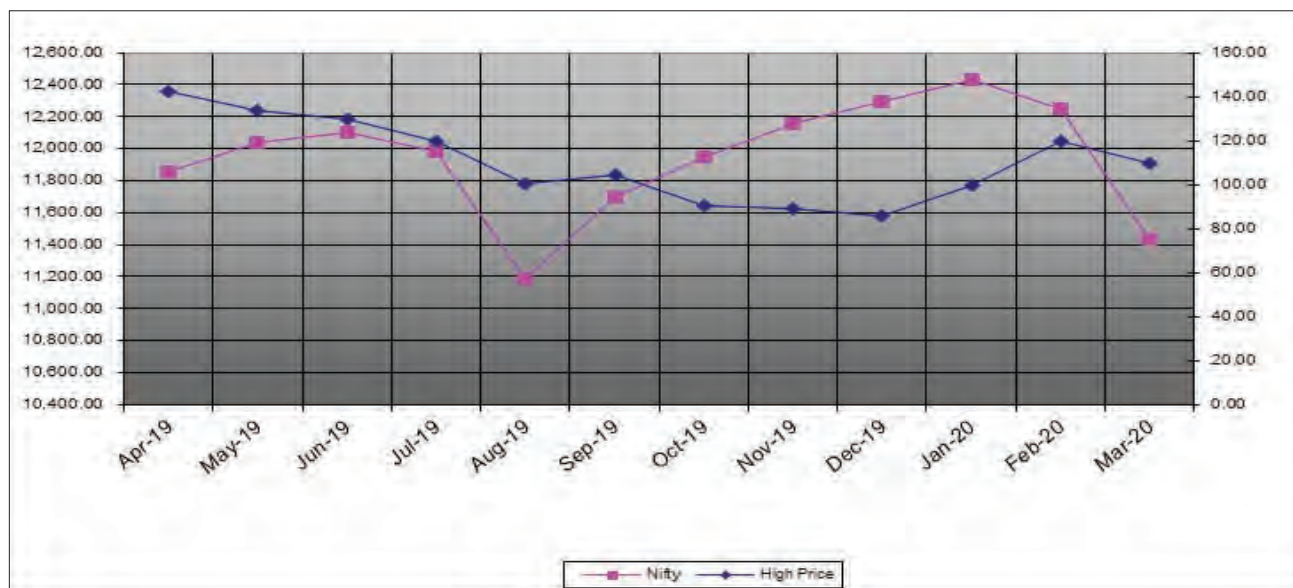
Performance in comparison to broad-based indices such as BSE Sensex and NSE Nifty is as below:

### 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))

### 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 1<sup>st</sup> August 2006, to carryout 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.

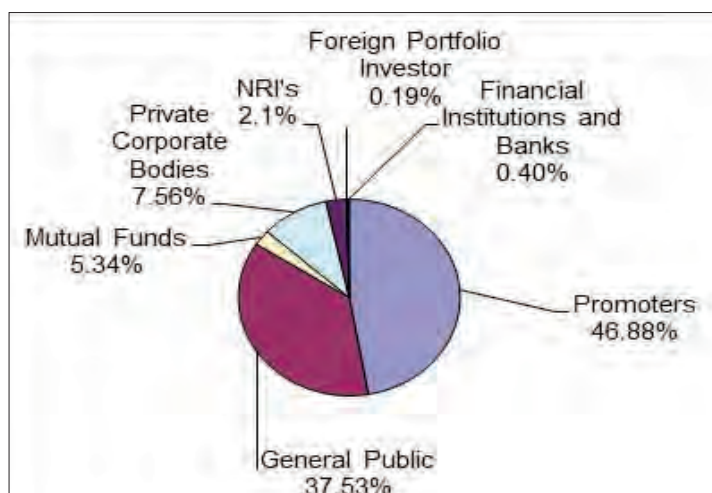
A summary of approved transfers, transmissions, deletion requests, etc., are placed before the Board of Directors from time to time as per Listing Regulations. Your Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under Listing Regulations (including 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<sup>st</sup> March 2020 is as below:

Category	No. of shares held	% of shareholding
Promoters	2,04,53,127	47.25
Mutual Funds	11,13,869	2.57
Financial Institutions and Banks	89,986	0.21
Private Corporate Bodies	42,82,651	9.89
Foreign Portfolio Investor	82,300	0.19
General Public	1,59,76,997	36.91
NRI's	12,89,070	2.98
<b>Total</b>	<b>4,32,88,000</b>	<b>100.00</b>



**Distribution schedule as on 31<sup>st</sup> March 2020:**

No. of Shares	No. of Folios	% to Total	No. of Shares held	% of Shareholding
Up to 5000	14,827	93.95	45,73,020	10.56
501-1000	414	2.62	14,64,985	3.38
1001-2000	260	1.65	18,61,720	4.30
2001-3000	83	0.53	10,25,754	2.37
3001-4000	43	0.27	7,76,249	1.79
4001-5000	29	0.18	6,74,107	1.56
5001-10000	64	0.41	23,45,094	5.42
10001 and above	61	0.39	3,05,67,071	70.61
<b>Total</b>	<b>15,781</b>	<b>100.00</b>	<b>4,32,88,000</b>	<b>100.00</b>

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 31<sup>st</sup> March 2020, 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<sup>th</sup> 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.

Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized 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 dematerialization of shares. As on 31<sup>st</sup> March 2020, 2,86,17,960 equity shares were held in dematerialized 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 <http://www.sanghvicranes.com>.

### **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 dematerialized shares held with NSDL & CDSL.

The status on complaints is reported to the Board of Directors as an agenda item. Nil complaint were received by the Company from the shareholders. During the year the company received 22 requests from the shareholders and all have been resolved during the year to the satisfaction of the investors and as on 31<sup>st</sup> March 2020, 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

Email: [grievance.redressel@sanghvicranes.com](mailto:grievance.redressel@sanghvicranes.com)

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

M/s. 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: +91 20 26160084/ 26161629  
Fax: +91 20 26163503

Email: [pune@linkintime.co.in](mailto:pune@linkintime.co.in)

### Disclosures

#### List of Credit Ratings obtained

The Company has obtained the credit rating in the month of March 2020 from ICRA for the long term rating for Line of Credit of the Company at “[ICRA]A-” (pronounced as ICRA A minus) and short term rating for letter of credit at [ICRA]A2+ (pronounced as ICRA A2 plus).

#### 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. 23 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 ([http://www.sanghvicranes.com/media/SML\\_RPT.pdf](http://www.sanghvicranes.com/media/SML_RPT.pdf)).

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 ([http://www.sanghvicranes.com/media/SML\\_vigil\\_mechanism.pdf](http://www.sanghvicranes.com/media/SML_vigil_mechanism.pdf)).

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. The Board: The Board of Directors of the Company in their meeting held on 12<sup>th</sup> November 2019 appointed Mr. S. Padmanabhan as Chairman of the Board.
- b. 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.

- c. Modified opinion(s) in audit report: Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2020 does not contain any modified audit opinion.
- d. 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. ([https://www.sanghvicranes.com/staging/media/SML%20Anti%20Sexual%20Harassment%20Policy\\_WEB.pdf](https://www.sanghvicranes.com/staging/media/SML%20Anti%20Sexual%20Harassment%20Policy_WEB.pdf))

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.

**Confirmation of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Particulars	Regulation	Compliance Status (Yes/No/NA)
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/Compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment and Minimization	17(9)	Yes
Performance evaluation of independent directors	17(10)	Yes

## THIRTY FIRST ANNUAL REPORT 2019-2020

Particulars	Regulation	Compliance Status (Yes/No/NA)
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination and Remuneration committee	19(1) & (2)	Yes
Composition of Stakeholders' Relationship Committee	20(1) & (2)	Yes
Composition and role of Risk Management Committee	21 (1),(2),(3) & (4)	Yes
Vigil Mechanism	22	Yes
Related party Transaction	23	Yes
Requirements with respect to subsidiary of listed entity	24	N.A
Maximum Directorships & tenure of Independent Directors	25 (1) & (2)	Yes
Meeting of Independent Directors	25 (3) & (4)	Yes
Familiarization of Independent Directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirm with compliance to Code of Conduct of Board of Directors and Senior Management Personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Disclosure of material, financial and commercial transactions by Senior Management Personnel	26(5)	Yes
Corporate Governance Report	27(2)	Yes
Functional website of the Company	46(1)	Yes
Dissemination of information on website of the Company	46(2)	Yes

### 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<sup>st</sup> March 2020.

#### For Sanghvi Movers Limited

#### **Rishi C. Sanghvi**

Managing Director

(DIN: 08220906)



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**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<sup>st</sup> March 2020 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)

**For Sanghvi Movers Limited**

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

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

**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  
Taluka 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, 2020 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 2020.

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.

\*Note: Due to COVID-19 outbreak and Lockdown situation, this Certificate/Report has been issued relying on the certificate, information, details, data, documents and explanation provided by the Company and its officers, agents and authorized representatives in electronic form, without physically verifying at their office.

**For KANJ & Co. LLP,**  
Company Secretaries,

**V. S. KHANVALKAR**

Partner

FCS: 2489

C. P No: 1586

UDIN: F002489B000575919

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

Place: Pune

**PRACTICING COMPANY SECRETARIES' CERTIFICATE ON  
CORPORATE GOVERNANCE**

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

We have examined the compliance conditions of Corporate Governance by Sanghvi Movers Limited (SML) for the year ended on 31<sup>st</sup> March 2020, as per Regulation 15 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements Regulations, 2015 (LODR).

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

In our opinion and to the best of our information and 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 15 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements Regulations, 2015 (LODR), as applicable.

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.

\*Note: Due to COVID-19 outbreak and Lockdown situation, this Certificate / Report has been issued relying on the certificate, information, details, data, documents and explanation provided by the Company and its officers, agents and authorized representatives in electronic form, without physically verifying at their office.

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

**VINAYAK S KHANVALKAR**

Partner  
FCS 2489  
CP 1586  
UDIN: F002489B000575908  
Firm Unique Code: P2000MH005900

Date: 13<sup>th</sup> August, 2020  
Place: Pune

## **BUSINESS RESPONSIBILITY REPORT**

Sanghvi Movers Limited (SML), is India's largest crane rental Company and the fifth largest in the world. SML is a market leader in the Crane Rental business in India with a fleet of 389 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 capitalization 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 2019-20 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	<b>Corporate Identity Number (CIN) of the Company</b>	L29150PN1989PLC054143
2	<b>Name of the Company</b>	Sanghvi Movers Limited
3	<b>Registered Address</b>	Survey No 92, Tathawade, Taluka Mulshi, Pune - 411033
4	<b>Website</b>	<a href="http://www.sanghvicranes.com">www.sanghvicranes.com</a>
5	<b>E-mail</b>	<a href="mailto:sanghvi@sanghvicranes.com">sanghvi@sanghvicranes.com</a>
6	<b>Financial Year of Report</b>	1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020
7	<b>Sectors that the Company is engaged (Industry Activity Code wise)</b>	Crane hiring services - NIC Code 773
8	<b>Key Products / Services</b>	Crane hiring services
9	<b>Locations where business activities are undertaken by the Company</b>	The Company has depots at various locations pan India.
10	<b>Markets served by the Company</b>	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 (₹)	₹ 8.65 Crores
2	Total turnover (₹) as per Ind-AS	₹ 326.20 Crores
3	Total profit after taxes (including Discontinued Operations) (₹)	Net Loss ₹ 6.60 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

**Section C: Other Details**

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

No.

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

Not Applicable.

**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	020-8669674701	<a href="mailto:sanghvi@sanghvicranes.com">sanghvi@sanghvicranes.com</a>

**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 marginalized.

- 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.

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 [www.sanghvicranes.com](http://www.sanghvicranes.com) under the heading 'Investor Centre'.

**Notes:**

- (1) The BR Policies have been formally adopted by the Board.
- (2) Some of the policies are linked to the following National / International Standards: International Organization for Standardization (ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018), Occupation Health and Safety Assessment Series (OHSAS 18001:2007).
- (3) The policies have been formally communicated to internal stakeholders. The said policies are available on the website of the Company for external stakeholders.
- (4) Assessment and implementation of BR Policies are done at appropriate intervals as decided by the CSR Committee.

**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	NOT APPLICABLE								
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)									

**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 Managing Director and 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?**

This report comprises the Company's 1st Business Responsibility Report as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (NVG). 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.

Producing power through windmill.

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

**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?**

Company has set up 5.05 MW windmill project in the state of Rajasthan and Karnataka and thereby contributing to the green initiative. Furthermore, the Company by 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<sup>st</sup> March 2020, 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 1520 employees as of 31<sup>st</sup> March 2020.

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

The Company has a total 1276 employees hired on contractual basis as of 31<sup>st</sup> March 2020.

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

The Company has two women employees as of 31<sup>st</sup> March 2020.

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

The Company has no permanent employee with disabilities as of 31<sup>st</sup> March 2020. 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 recognized by the Management?**

The Company does not have an employee association.

**6. What Percentage of permanent employees who are members of this recognized 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 no complaints of this nature 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 organizational success and this is an integral part of whole organization wide Human Resources Strategy.

(a) Permanent Employees: 100%

(b) Permanent Women Employees: 100%

The organization 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 Centres 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.

**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 marginalized stakeholders?**

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

**3. Special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized 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 organizational boundary.

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

No Stakeholder complaints were received during the last financial year.

**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 utilization 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.

**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?**

Company has set up 5.05 MW windmill project in the state of Rajasthan and Karnataka somewhere in FY 2003-04. However, Company is not availing CDM benefits from the said wind mills.

**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) Utilization 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 optimization.

**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?**

There are no show cause / legal notices received from CPCB/SPCB which are pending as of end of financial year.

**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.**

No.

**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.

**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 2019-20 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 2019-20?**

As on 31<sup>st</sup> March 2020, 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 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 2019-20?**

There are no such pending cases against the Company in a Court of Law.

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

No.

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of Sanghvi Movers Limited Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the financial statements of Sanghvi Movers Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the 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 financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and loss and other comprehensive income, 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 SAs are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the 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 on the financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Key Audit Matter (continued)**

The key audit matter	How the matter was addressed in our audit
<p><b>Going Concern Assessment</b></p> <p>Refer Note 2.4 related to “Going Concern” and Note 2.5(b) related to “Estimation of uncertainties relating to the global health pandemic from COVID 19” of the financial statements.</p> <p>On 11 March 2020, the World Health Organisation declared the Novel Corona virus (COVID-19) outbreak to be a pandemic. The Indian Government has imposed lock-downs across the country from 22 March 2020 up to 30 June 2020. These lockdowns and restrictions due to COVID – 19 pandemic have posed significant challenges to the businesses of the Company.</p> <p>The Company has assessed the impact of COVID-19 on the future cash flow projections used to assess going concern. This assessment of the Company’s future cash flow projections is subject to significant estimates and judgements. These includes sales forecasts, working capital requirements and other operating costs on the basis of future performance.</p> <p>Assessment of going concern is based on estimates of future performance and is fundamental to assessing the suitability of the basis adopted for the preparation of the standalone financial statements. We have therefore spent significant audit effort in assessing the appropriateness of this assumption. In view of this, we identified it as a key audit matter.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>- Evaluated the design of relevant internal control over its forecasting process;</li> <li>- Evaluated the forecasted income statement and cash flows with the Company’s business plan approved by the board of directors</li> <li>- Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted income statement and cash flow and assessed the consistency thereof with our expectations based on our understanding of the Company’s business</li> <li>- Challenged the forecasted income statement and cash flows by considering plausible changes to the key assumptions adopted by the Company</li> <li>- Assessed the sensitivities and performed stress testing on the forecasted cash flows.</li> <li>- Evaluated the Company’s funding arrangements and financing terms and compliance of covenants.</li> <li>- Assessed the adequacy of the disclosures related to application of the going concern assumption in Note 2.4 to the financial statements.</li> </ul>



**Key Audit Matter (continued)**

The key audit matter	How the matter was addressed in our audit
<p><b>The key audit matter</b></p> <p><b><i>Realisation of trade receivables and measurement of expected credit loss (ECL) on Trade Receivables</i></b></p> <p>Refer Notes 3(e)(i) and 11(b) to the financial statements.</p> <p>Assessment of trade receivables for impairment by the Company requires exercise of judgement and involves consideration of various factors. Based on this assessment, credit loss rate is determined in provision matrix for trade receivables.</p> <p>The recoverability of trade receivables and measurement of ECL of trade receivables is considered to be a Key Audit Matter due to judgement involved in assessing:</p> <ul style="list-style-type: none"> <li>• Realisation of receivables;</li> <li>• the importance of cash collection with reference to the working capital requirement of the business;</li> <li>• Measurement of ECL;</li> <li>• Customer’s ability and willingness to pay the outstanding amounts, financial and economic difficulties of customers.</li> </ul>	<p><b>How the matter was addressed in our audit</b></p> <p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>- Evaluated the accounting policy for measurement of ECL on trade receivables in terms of the relevant accounting standard;</li> <li>- Evaluated the design, implementation and testing of operating effectiveness of relevant internal controls over monitoring of recoverability;</li> <li>- Performed independent balance confirmations of trade receivables balances;</li> <li>- Tested subsequent receipts from customers post year end;</li> <li>- Assessed the overdue trade receivables and allowance for ECL. For this assessment, factors such as past payment patterns, the ongoing business relationship with the debtors involved or where relevant, repayment schedule as agreed with the debtors were assessed.</li> <li>- Challenged the assumptions used in measuring the amount of allowance for lifetime ECL.</li> <li>- Verified the ECL provision working prepared in accordance with the simplified approach as specified in the relevant accounting standard;</li> <li>- Performed a retrospective assessment of the assumptions used in the ECL allowance against the actual movement in receivables.</li> </ul>

### **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

### **Management's and Board of Directors' Responsibility for the Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 adequate 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 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 financial statements, including the disclosures, and whether the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

## THIRTY FIRST ANNUAL REPORT 2019-2020

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2. (A) 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 (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2020 on its financial position in its financial statements - Refer Note 25 to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):
- a) We draw attention to Note 30 to the financial statements for the year ended 31 March 2020, relating to the Managerial Remuneration accrued by the Company for the year then ended which exceeds the limits prescribed under section 197 of the Companies Act, 2013 by Rs.7.76 lakhs and hence, is subject to approval of the shareholders in the General Meeting.
  - b) The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For B S R & Co. LLP**

*Chartered Accountants*

(Firm's Registration No.101248W/W-100022)

**Swapnil Dakshindas**

*Partner*

(Membership No. 113896)

UDIN: 20113896AAAABR5091

Place: Pune

Date: 26 June 2020

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF SANGHVI MOVERS LIMITED FOR THE PERIOD ENDED 31 MARCH 2020**

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the Members of the Company on the Ind AS financial statements for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which its fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of the immovable properties are held in the name of the Company,
- (ii) The inventory, except goods in transit, has been physically verified by management during the year. In our opinion, the frequency of physical verifications reasonable and there were no material discrepancies noted during the verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations provided to us, the Company has neither granted any loan nor made any investments, or guarantees or security during the year, to which section 185 or 186 of the Companies Act, 2013 is applicable. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits in accordance with section 73 to 76 of the Act and the rules made there under. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Duty of Customs and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, except for Provident fund dues referred to in note 25 to the financial statements. As explained to us, the Company do not have dues on account of Sales Tax, Service Tax, Value Added Tax and Duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Duty of Customs, cess and any other statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable. We draw attention to note 25 to the financial statements which more fully explains the matter regarding non-payment of provident fund contribution pursuant to Supreme Court judgement dated 28 February 2019.

**Annexure A to the Independent Auditors' Report – 31 March 2020 (continued)**

- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales-Tax, Service tax, Goods and Services Tax, Duty of Customs which have not been deposited by the Company on account of disputes, except for the following:

Name of the statute	Nature of dues	Amount (INR lakhs)	Amount paid under protest (INR lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax – TDS Demands	4.04	-	2018-19	Assessing Officer of Income Tax, Pune
Income Tax Act, 1961	Income Tax – Disallowances	28.59	28.59	2015-16	Commissioner of Income Tax Appeals, Pune
Gujarat Value Added Tax Act, 2003	Sales tax demand on crane hiring services	124.75	-	June 2008 to March 2009	Gujarat Value Added Tax Tribunal
Maharashtra Value Added Tax Act, 2002	Sales tax demand on crane hiring services	582.31	15.00	April 2009 to March 2010	Joint Commissioner Sales Tax Appeals, Pune
Maharashtra Value Added Tax Act, 2002	Sales tax demand on crane hiring services	915.97	30.79	April 2008 to March 2009	Sales Tax Tribunal, Mumbai
Central Sales Tax Act, 1956	Sales tax demand on crane hiring services	11,110.47	373.34	April 2008 to March 2009	Sales Tax Tribunal, Mumbai
Maharashtra Value Added Tax Act, 2002	Sales tax demand on crane hiring services	1,120.38	-	April 2007 to March 2008	Sales Tax Tribunal, Mumbai
Central Sales Tax Act, 1956	Sales tax demand on crane hiring services	6,417.80	-	April 2007 to March 2008	Sales Tax Tribunal, Mumbai

**Annexure A to the Independent Auditors' Report – 31 March 2020 (continued)**

Name of the statute	Nature of dues	Amount (INR lakhs)	Amount paid under protest (INR lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales tax demand on crane hiring services	7,738.16	-	April 2010 to March 2011	Sales Tax Tribunal, Mumbai
Maharashtra Value Added Tax Act, 2002	Sales tax demand on crane hiring services	1,136.84	-	April 2010 to March 2011	Sales Tax Tribunal, Mumbai
Central Sales Tax Act, 1956	Sales tax demand on crane hiring services	7,752.86	-	April 2012 to March 2013	The Bombay High Court
Maharashtra Value Added Tax Act, 2002	Sales tax demand on crane hiring services	1,338.62	-	April 2012 to March 2013	
Central Sales Tax Act, 1956	Sales tax demand on crane hiring services	1,247.67	223.95	April 2013 to March 2014	Joint Commissioner of Sales Tax, Pune
Maharashtra Value Added Tax Act, 2002	Sales tax demand on crane hiring services	3,919.17	71.37	April 2013 to March 2014	Joint Commissioner of Sales Tax, Pune

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks. The Company did not have any dues to financial institutions or any outstanding debentures during the year.
- (ix) According to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were taken. The Company has not raised money by way of further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.

**Annexure A to the Independent Auditors' Report – 31 March 2020 (continued)**

- (xi) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Joint Managing Director, during the current year exceeds the limit prescribed under the provisions of Section 197 of the Act by Rs. 7.76 lakhs. The Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for the aforesaid perquisite in accordance with the requirements of the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all the transactions with related parties are in compliance with sections 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the financial statements.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year. Accordingly, reporting under this clause is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

**For B S R &Co. LLP**

*Chartered Accountants*

(Firm's Registration No.101248W/W-100022)

**Swapnil Dakshindas**

*Partner*

(Membership No. 113896)

UDIN: 20113896AAAABR5091

Place: Pune

Date: 26 June 2020



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**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF SANGHVI MOVERS LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to financial statements of Sanghvi Movers Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to 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 (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to 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 Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were established and maintained and whether 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 financial statements, whether due to fraud or error.

**Annexure B to the Independent Auditors' Report – 31 March 2020 (continued)**

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 financial statements.

**Meaning of Internal Financial controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For B S R &Co. LLP**

*Chartered Accountants*

(Firm's Registration No.101248W/W-100022)

**Swapnil Dakshindas**

*Partner*

(Membership No. 113896)

UDIN: 20113896AAAABR5091

Place: Pune

Date: 26 June 2020

**BALANCE SHEET  
AS AT 31 MARCH 2020**

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

	Notes	31-Mar-2020	31-Mar-2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	96,116.03	110,791.35
Right-of-use asset	10	25.15	-
Financial assets			
i) Investments	11(a)	0.25	0.25
ii) Loans	11(c)	2.77	9.86
iii) Other financial assets	11(e)	178.26	188.47
Non Current tax assets (Net)		1,239.56	939.37
Other non-current assets	12	714.37	714.37
<b>Total non-current assets</b>	<b>(A)</b>	<b>98,276.39</b>	<b>112,643.67</b>
<b>Current assets</b>			
Inventories	13	1,062.52	1,176.84
Financial assets			
i) Trade receivables	11(b)	6,220.92	7,327.53
ii) Unbilled receivable		2,289.05	1,654.79
iii) Cash and cash equivalents	11(d)	314.06	428.43
iv) Bank balance other than (iii) above		21.80	20.24
v) Loans	11(c)	10.62	19.98
vi) Other financial assets	11(e)	10.83	5.87
Current tax assets (Net)		-	498.74
Other current assets	14	674.72	597.14
		10,604.52	11,729.56
Assets classified as held for sale	25	354.94	-
<b>Total current assets</b>	<b>(B)</b>	<b>10,959.46</b>	<b>11,729.56</b>
<b>Total assets</b>	<b>(A) + (B)</b>	<b>109,235.85</b>	<b>124,373.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	15(a)	865.76	865.76
Other equity	15(b)	71,776.58	72,452.67
<b>Total equity</b>	<b>(C)</b>	<b>72,642.34</b>	<b>73,318.43</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i) Borrowings	17(a)	20,830.28	32,753.78
Deferred tax liabilities (net)	9	1,660.63	3,156.68
<b>Total non-current liabilities</b>	<b>(D)</b>	<b>22,490.91</b>	<b>35,910.46</b>
<b>Current liabilities</b>			
Financial liabilities			
i) Borrowings	17(a)	1,051.42	2,611.45
ii) Trade payables	17(c)		
(a) total outstanding dues of micro enterprises and small enterprises		32.14	19.93
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		2,023.64	1,665.17
iii) Other financial liabilities	17(b)	9,728.51	9,421.42
Other current liabilities	19	731.85	1,033.38
Provisions	18	135.04	392.99
		13,702.60	15,144.34
Liabilities directly associated with assets classified as held for sale	25	400.00	-
<b>Total current liabilities</b>	<b>(E)</b>	<b>14,102.60</b>	<b>15,144.34</b>
<b>Total equity &amp; liabilities</b>	<b>(C)+(D)+(E)</b>	<b>109,235.85</b>	<b>124,373.23</b>
Summary of significant accounting policies	2-3		
See accompanying notes to the financial statements	4-31		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm registration no. 101248W/W-100022

For and on behalf of the Board of Directors of **Sanghvi Movers Limited**  
CIN: L29150PN1989PLC054143

**Swapnil Dakshindas**  
Partner  
Membership No. 113896  
UDIN: 20113896AAAABR5091

**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 : 26 June 2020

Place : Pune  
Date : 26 June 2020

## THIRTY FIRST ANNUAL REPORT 2019-2020

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

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

	Notes	31-Mar-2020	31-Mar-2019
Revenue from operations	4	32,286.96	28,239.72
Other income	5	333.11	1,286.33
<b>Total income</b>		<b>32,620.07</b>	29,526.05
<b>Expenses</b>			
Operating and other expenses	6	14,605.38	17,373.68
Employee benefits expense	7	2,009.09	1,936.85
Finance costs	8	4,103.44	4,759.06
Depreciation expense	10	14,037.76	14,082.05
<b>Total expenses</b>		<b>34,755.67</b>	38,151.64
<b>Loss before tax</b>		<b>(2,135.60)</b>	(8,625.59)
Current tax		14.30	(18.38)
Deferred tax		(1,489.56)	(2,800.91)
<b>Income tax expense</b>	9	<b>(1,475.26)</b>	(2,819.29)
<b>Loss for the year</b>		<b>(660.34)</b>	(5,806.30)
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of employee benefit obligations		(22.23)	(117.15)
Income tax relating to items that will not be reclassified to profit or loss		6.47	40.94
<b>Net other comprehensive income/(loss) not to be reclassified subsequently to profit or loss</b>	(i)	<b>(15.76)</b>	(76.21)
Items that will be reclassified subsequently to profit or loss			
Effective portion of losses on hedging instruments in respect of cash flow hedges		-	268.29
Income tax relating to items that will be reclassified to profit or loss		-	(93.77)
<b>Net other comprehensive income to be reclassified subsequently to profit or loss</b>	(ii)	<b>-</b>	174.52
<b>Other comprehensive income for the year, net of income tax</b>	(i+ii)	<b>(15.76)</b>	98.31
<b>Total comprehensive loss for the year</b>		<b>(676.10)</b>	(5,707.99)
<b>Earnings per equity share</b>			
Basic loss per share (in Rs.)	16	(1.53)	(13.41)
Diluted loss per share (in Rs.)	16	(1.53)	(13.41)
Summary of significant accounting policies			
See accompanying notes to the financial statements			

The notes referred to above form an integral part of the financial statements

As per our report of even date attached  
For **B S R & Co. LLP**  
Chartered Accountants  
Firm registration no. 101248W/W-100022

For and on behalf of the Board of Directors of **Sanghvi Movers Limited**  
CIN: L29150PN1989PLC054143

**Swapnil Dakshindas**  
Partner  
Membership No. 113896  
UDIN: 20113896AAAABR5091

**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 : 26 June 2020

Place : Pune  
Date : 26 June 2020

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

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

**A) Equity share capital**

	Notes	
<b>Balance as at 1 April 2018</b>		<b>865.76</b>
Changes in equity share capital during 2018-19	16(a)	-
<b>Balance as at 31 March 2019</b>		<b>865.76</b>
Changes in equity share capital during 2019-20	16(a)	-
<b>Balance as at 31 March 2020</b>		<b>865.76</b>

**B) Other equity**

	Attributable to the owners of the Company						Total
	Note	Reserves and surplus			Items of OCI		
		Capital reserve	Securities premium	Reserves	Retained earnings	Effective portion of cash flow hedges	
<b>Balance as at 1 April 2018</b>		<b>11.96</b>	<b>13,136.96</b>	<b>30,443.09</b>	<b>34,621.97</b>	<b>(9.18)</b>	<b>78,030.28</b>
Profit/(Loss) for the year		-	-	-	(5,806.30)	-	(5,806.30)
Other comprehensive income / (loss) (net of tax)		-	-	-	-	(76.21)	98.31
Contract Fulfillment Cost Reserve Adjustment (Refer Note No. 22)		-	-	-	130.39	-	130.39
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,675.91)</b>	<b>(76.21)</b>	<b>(5,577.60)</b>
<b>Balance as at 31 March 2019</b>		<b>11.96</b>	<b>13,136.96</b>	<b>30,443.09</b>	<b>28,946.06</b>	<b>(85.39)</b>	<b>72,452.68</b>
Profit / (Loss) for the year		-	-	-	(660.34)	-	(660.34)
Other comprehensive income / (loss) (net of tax)		-	-	-	-	(15.76)	(15.76)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(660.34)</b>	<b>(15.76)</b>	<b>(676.10)</b>
<b>Balance as at 31 March 2020</b>		<b>11.96</b>	<b>13,136.96</b>	<b>30,443.09</b>	<b>28,285.72</b>	<b>(101.15)</b>	<b>71,776.58</b>

Summary of significant accounting policies 2-3  
See accompanying notes to the financial statements 4-31

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm registration no. 101248/W/-100022

**Swapnil Dakshindas**

Partner

Membership No. 113896

UDIN: 20113896AAAAABR5091

Place : Pune

Date : 26 June 2020

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 : 26 June 2020

**Sham Kajale**

Joint Managing Director and Chief Financial Officer

(DIN - 00786499)

**S. Padmanabhan**

Director

(DIN- 00001207)

## THIRTY FIRST ANNUAL REPORT 2019-2020

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

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

		31-Mar-2020	31-Mar-2019
<b>A</b>	<b>Cash flows from operating activities</b>		
	<b>Loss before tax</b>	<b>(2,135.60)</b>	(8,625.59)
	Adjustments for:		
	Depreciation expense	<b>14,037.76</b>	14,082.05
	Profit on sale of property, plant and equipment (net)	<b>(317.46)</b>	(1,165.69)
	Finance costs	<b>4,103.44</b>	4,759.06
	Interest income	<b>(0.47)</b>	(1.03)
	(Gain) on sale of investments (net)	<b>(2.97)</b>	(0.26)
	Liabilities / accruals / provisions written back to the extent no longer required	<b>(3.30)</b>	-
	<b>Operating profit before working capital changes</b>	<b>15,681.40</b>	9,048.54
	Movements in working capital :		
	(Increase)/ decrease in inventories	<b>114.31</b>	62.38
	(Increase)/ decrease in trade receivables	<b>1,106.61</b>	4,469.45
	(Increase)/ decrease in loans given and other financial assets	<b>28.26</b>	834.59
	(Increase) in non-current assets	<b>-</b>	(275.65)
	(Increase) in unbilled receivable	<b>(634.26)</b>	-
	(Increase)/ decrease in current asset	<b>(108.60)</b>	1,084.47
	(Decrease)/ increase in trade payables	<b>373.97</b>	(61.32)
	(Decrease)/ increase in other financial liabilities	<b>88.91</b>	(1,621.97)
	(Decrease) in other current liabilities	<b>(236.39)</b>	(227.87)
	(Decrease)/ increase in employee benefit obligations	<b>(280.18)</b>	16.77
	<b>Working capital changes</b>	<b>452.63</b>	4,280.85
	<b>Cash generated from operations</b>	<b>16,134.03</b>	13,329.39
	Direct taxes (paid)/ refunded (including tax deducted at source), (net)	<b>184.25</b>	(544.74)
	<b>Net cash from operating activities (A)</b>	<b>16,318.28</b>	12,784.65
<b>B</b>	<b>Cash flows from investing activities</b>		
	Acquisition of property, plant and equipment	<b>(134.26)</b>	(1,677.16)
	Proceeds from sale of property, plant and equipment	<b>1,074.63</b>	3,568.71
	Investment in Bank Deposits (having original maturity of more than three months)	<b>(1.56)</b>	(87.15)
	Maturity of bank deposits (having original maturity of more than three months)	<b>-</b>	100.94
	Interest received	<b>(6.09)</b>	1.79
	Acquisition of investments	<b>(185.00)</b>	(1,250.00)
	Proceeds from sale of investments	<b>187.97</b>	1,250.26
	<b>Net cash flow from investing activities (B)</b>	<b>935.69</b>	1,907.39

**STATEMENT OF CASH FLOWS (continued)  
FOR THE YEAR ENDED 31 MARCH 2020**

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

	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
<b>C</b>		
<b>Cash flows from financing activities</b>		
Proceeds from Term Loans in Indian rupees	<b>3,450.00</b>	10,522.36
Repayment of Term Loans in Indian rupees	<b>(15,376.34)</b>	(16,379.77)
Repayment of Term Loans in Foreign currencies	<b>-</b>	(4,906.57)
Net (decrease) / increase in working capital demand loans from bank	<b>(1,460.03)</b>	1,250.11
Proceeds from loans from related parties (unsecured)	<b>419.35</b>	845.75
Repayment of loans from related parties (unsecured)	<b>(303.13)</b>	(918.55)
Interest paid	<b>(4,098.20)</b>	(4,928.24)
<b>Net cash used in financing activities (C)</b>	<b>(17,368.35)</b>	(14,514.91)
Net increase in cash and cash equivalents (A+B+C)	<b>(114.38)</b>	177.13
Cash and cash equivalents at beginning of the year	<b>428.43</b>	251.30
<b>Cash and cash equivalents at end of the year</b>	<b>314.05</b>	428.43

<b>Components of cash and cash equivalents</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Cash on hand	<b>1.80</b>	2.49
Balances with banks:		
On current accounts	<b>312.25</b>	425.94
<b>Total cash and cash equivalents (also refer note 12 (d))</b>	<b>314.05</b>	428.43

Summary of significant accounting policies 2-3

See accompanying notes to the financial statements 4-31

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm registration no. 101248W/W-100022

For and on behalf of the Board of Directors of **Sanghvi Movers Limited**  
CIN: L29150PN1989PLC054143

**Swapnil Dakshindas**  
Partner  
Membership No. 113896  
UDIN: 20113896AAAABR5091

**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 : 26 June 2020

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Date : 26 June 2020

## Notes to the financial statements for the year ended 31 March 2020

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

### 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. Basis of preparation

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on 26 June 2020.

Details of the Company's significant accounting policies are included in Note 3.

#### 2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), 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.

#### 2.3 Basis of measurement

The financial statements have been prepared on the historical cost 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

#### 2.4 Going Concern Assumption

These financial statements have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the outbreak of COVID 19, as explained in note 2.5(b), 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:

- i) Expected future operating cash flows based on business projections, and



## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

- 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.

### 2.5 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 18 – 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 3(g).
- Note 25– the Company has received some orders and notices from 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 or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate; and
- Note 10 - 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 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 3(c).

## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

- Note 11 - 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 3(e).

### b) Estimation of uncertainties relating to the global health pandemic from COVID-19:

The World Health Organisation in February 2020 declared COVID 19 as a pandemic. The pandemic has been rapidly spreading throughout the world, including India. Governments around the world including India have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, the Company's operations also had to be closed down for a considerable period of time, including period after the yearend. As a result of the lockdown, the likely revenue from the month of March 2020 has been impacted. The Company is monitoring the situation closely considering directives from the Government.

Management believes that it has considered all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdown in the preparation of the financial statements including but not limited to its assessment of liquidity and going concern, recoverable values of its property, plant and equipment and the net realizable values of other assets. However, given the effect of these lockdowns on the overall economic activity in India and in particular on the Windmill and Infrastructure industry and the Company's customers, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

### 2.6 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)

## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

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.

### 2.7 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 realized in, or is intended for sale or consumption in, the Company's normal operating cycle
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized 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.

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

**3. Significant accounting policies****a. 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 recognized in profit or loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- qualifying cash flow hedges to the extent that the hedges are effective.

**b. Financial Instruments*****i. Recognition and initial measurement***

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized 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

- amortized 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 amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- 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.

## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

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 amortized 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 amortized 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 par 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.

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

*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 recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized 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 recognized 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 amortized 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 recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

**b. Financial Instruments (continued)**

**iii. Derecognition**

**Financial assets**

The Company derecognizes 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 recognized 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 derecognized.

## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

### Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognizes 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 recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized 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 realize the asset and settle the liability simultaneously.

### c. Property, plant and equipment

#### i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized 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.

#### c. Property, plant and equipment (continued)

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 recognized in profit or loss.

#### ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

**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 recognized 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, 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.

**c. Property, plant and equipment (continued)**

The useful lives assessed by the management is in line with the useful lives prescribed in Schedule II to the Companies Act 2013.

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).

**d. 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.



## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

### e. Impairment

#### i. Impairment of financial instruments

The Company recognizes loss allowances for expected credit losses on:

- financial assets measured at amortized cost

At each reporting date, the Company assesses whether financial assets carried at amortized 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 reorganization, 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.

### e. Impairment (Continued)

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 financial statements for the year ended 31 March 2020 (continued)**

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

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 amortized 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 recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

In respect of assets for which impairment loss has been recognized 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 amortization, if no impairment loss had been recognized.

## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

### f. 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 recognized 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.

### f. Employee benefits (Continued)

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 recognized 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 recognized 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 recognized 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 recognized immediately in profit or loss. The Company recognizes 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.

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**g. 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.

Revenue from sale of power is recognised on the accrual basis in accordance with the provisions of Power Purchase Agreement entered with the regulatory commission of the respective state. Claims for delayed payment charges and any other claims, which the Company is entitled to under the Power Purchase Agreement, are accounted for in the year of acceptance.

**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.

**g. 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.

**i. 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

## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

### 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 recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

### ii. Deferred tax

Deferred tax is recognized in respect of 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 recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized 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 recent losses, the

Company recognizes 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 realized. Deferred tax assets - unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized 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.

### j. 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 capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

### Notes to the financial statements for the year ended 31 March 2020 (continued)

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

#### k. Provisions

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.

#### l. 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.

#### l. Leases (continued)

##### Company as a lessee

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 recognizes 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

## **Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

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 recognized 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 recognizes 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 recognizes any remaining amount of the re-measurement in statement of profit and loss

### **I. Leases (continued)**

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 recognized as an expense on a straight-line basis over the lease term

#### **Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

**Impact as a lessee-**

**Operating Lease**

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by lease basis. On transition 1st April 2019, the Company recognised the right-of-use asset at its carrying amount as if the standard had been applied since the commencement of the lease. The impact of adoption of this accounting standard is disclosed in note 27.

**m. 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.

**n. Recent Indian Accounting Standards (Ind AS):**

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no such notifications that are applicable for the Company from April 1, 2020.



**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

<b>4. Revenue from operations (Refer Note 22)</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Revenue from Contracts with Customers		
Revenue from hiring of equipments	<b>32,028.08</b>	27,970.02
<b>Total sale of services (A)</b>	<b>32,028.08</b>	27,970.02
Other operating revenue		
Revenue from power generation	<b>203.45</b>	181.69
Bad debts recovered	<b>55.43</b>	88.01
<b>Total other operating revenue (B)</b>	<b>258.88</b>	269.70
<b>Total revenue from operations (A+B)</b>	<b>32,286.96</b>	28,239.72

<b>5. Other income</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Interest income on:		
- deposits with banks	<b>0.47</b>	1.03
Profit on sale of property, plant and equipment (net)	<b>317.46</b>	1,165.69
Liabilities / accruals / provisions written back to the extent no longer required	<b>3.30</b>	5.99
Gain on sale/ fair valuation of investments (net)	<b>2.97</b>	0.26
Other non-operating income	<b>8.91</b>	113.36
<b>Total other income</b>	<b>333.11</b>	1,286.33

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

<b>6. Operating and other expenses</b>		<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
	<b>Operating expenses</b>		
	Crane and trailer hire charges	<b>468.08</b>	319.04
	Crane and trailer operating expenses	<b>706.53</b>	843.64
	Freight & carriage	<b>2,847.86</b>	3,453.36
	Repairs and maintenance expenses		
	Plant and equipment's	<b>244.20</b>	143.95
	Wind mills	<b>42.82</b>	35.74
	Consumption of stores and spares	<b>1,019.45</b>	1,182.14
	Power and fuel	<b>1,784.63</b>	2,116.95
	Contract labour charges	<b>3,951.38</b>	3,136.32
	Wind mill operating expenses	<b>35.10</b>	28.34
	<b>Total operating expenses (A)</b>	<b>11,100.05</b>	11,259.48
	<b>Other expenses</b>		
	Rates and taxes	<b>352.60</b>	409.19
	Bad debts	<b>64.51</b>	1,000.50
	Director's sitting fees	<b>17.40</b>	19.93
	Provision for doubtful debts & advances	<b>658.97</b>	2,141.57
	Insurance	<b>668.81</b>	742.94
	Repairs and maintenance expenses		
	Building	<b>25.94</b>	65.54
	Others	<b>16.93</b>	28.94
	Payments to auditors (see note (i) below)	<b>27.59</b>	21.31
	Rent	<b>307.36</b>	247.55
	Travelling & conveyance	<b>398.86</b>	382.27
	Miscellaneous expenses	<b>966.36</b>	1,054.46
	<b>Total other expenses (B)</b>	<b>3,505.33</b>	6,114.20
	Total operating and other expenses (A+B)	<b>14,605.38</b>	17,373.68
<b>(i)</b>	<b>Payments to auditors</b>		
	<b>As auditor</b>		
	Statutory audit	<b>20.00</b>	14.93
	Limited review of quarterly results	<b>6.00</b>	5.92
	<b>In other capacity</b>		
	Other services including certifications	<b>0.77</b>	0.25
	Reimbursement of expenses	<b>0.82</b>	0.21
		<b>27.59</b>	21.31

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

<b>7. Employee benefits expense</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Salaries and allowances	<b>1,844.60</b>	1,772.05
Contribution to provident and other funds	<b>96.97</b>	68.80
Provision for gratuity (also refer note 18)	<b>46.90</b>	46.63
Staff welfare expenses	<b>20.62</b>	49.36
<b>Total employee benefit expenses</b>	<b>2,009.09</b>	1,936.85

<b>8. Finance costs</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Interest expense on financial liabilities measured at amortised cost		
On borrowings from banks	<b>3674.86</b>	4564.65
On borrowings from related parties	<b>197.75</b>	188.85
Other borrowing costs	<b>221.07</b>	4.11
Interest on delayed payment of tax	<b>9.76</b>	1.45
<b>Total finance costs</b>	<b>4103.44</b>	4759.06

<b>9. Income tax expense</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
<b>A. Amounts recognised in profit or loss</b>		
<b>(a) Current tax</b>		
Tax on profit for the year	-	-
Adjustments for current tax of prior period	<b>14.30</b>	(18.38)
<b>Total current tax expense</b>	<b>14.30</b>	(18.38)
<b>(b) Deferred tax</b>		
Attributable to -		
Origination and reversal of temporary differences	<b>(1,489.56)</b>	(2,800.91)
Total deferred tax expense	<b>(1,489.56)</b>	(2,800.91)
<b>Income tax expense (a) + (b)</b>	<b>(1,475.26)</b>	(2,819.29)

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

B. Income tax recognised in other comprehensive income	31-March-20			31-March-19		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Effective portion of losses on hedging instruments in respect of cash flow hedges	-	-	-	268.29	(93.77)	174.52
Remeasurement of employee benefit obligations	(22.23)	6.47	(15.76)	(117.15)	40.94	(76.21)
	(22.23)	6.47	(15.76)	151.14	(52.83)	98.31

C. Reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:	31-Mar-20		31-Mar-19	
	Loss before tax		(2,135.60)	
Tax using the Indian statutory income tax rate	25.17%	(537.49)	34.94%	(3,014.13)
Tax Effect of adjustments to reconcile expected income tax expense to reported income tax expense:				
Add: Effect of permanent adjustments	0.72%	15.28	1.39%	120.27
Add: Others (net)	1.68%	35.84	1.08%	93.03
Effect of change in tax rate (Refer Note Below)	-46.30%	(988.89)	-0.21%	(18.38)
<b>Income tax expense</b>	<b>69.07%</b>	<b>-1,475.26</b>	<b>32.68%</b>	<b>-2,819.21</b>

The Government of India, on 20th September 2019, vide the Taxation Laws (Amendment) Act 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company to pay income taxes at reduced tax rates as per the provisions/conditions defined in the said section. The Company has evaluated and expects to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act 2019 from current financial year. Accordingly, the Company had estimated the reversal of the deferred tax asset/ liabilities until the date of exercise of the option and subsequent to exercise of the option. The effect of this change has been recognised in tax expense for the year ended 31 March, 2020 on an effective tax basis. This has resulted in an increase in deferred tax credit of Rs. 315.94 lakhs for year ended 31 March 2020 on account of remeasurement of deferred tax liability.

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

<b>D. Recognised deferred tax assets and liabilities</b>						
<b>Deferred tax assets and liabilities are attributable to the following:</b>						
	<b>Deferred tax liabilities</b>		<b>Deferred tax (assets)</b>		<b>Net deferred tax (assets) liabilities</b>	
	<b>31-Mar-20</b>	<b>31-Mar-19</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Property, plant and equipment	<b>6,975.22</b>	10,752.02	-	-	<b>6,975.22</b>	10,752.02
Contract Fulfillment Cost Reserve Adjustment (Refer Note No. 22)	<b>70.04</b>	70.04	-	-	<b>70.04</b>	70.04
Leave obligation	-	-	<b>(8.67)</b>	(7.97)	<b>(8.67)</b>	(7.97)
Gratuity	-	-	<b>(25.32)</b>	(129.35)	<b>(25.32)</b>	(129.35)
Allowance for doubtful debts - trade receivable	-	-	<b>(1,446.08)</b>	(1,777.51)	<b>1,446.08)</b>	(1,777.51)
Carried Forward Losses	-	-	<b>(3,845.45)</b>	(5,628.56)	<b>(3,845.45)</b>	(5,628.56)
Others	-	-	<b>(59.11)</b>	(121.99)	<b>(59.11)</b>	(121.99)
<b>Net deferred tax (assets) liabilities</b>	<b>7,045.26</b>	10,822.06	<b>-5,384.63</b>	-7,665.38	<b>1,660.63</b>	3,156.68

<b>Movement in temporary differences:</b>									
	<b>Balance as at 1 April 2018</b>	<b>Recognised in profit or loss during 2018-19</b>	<b>Recognised in OCI during 2018-19</b>	<b>Recognised in Retained earnings during 2018-19</b>	<b>Balance as at 31 March 2019</b>	<b>Recognised in profit or loss during 2019-20</b>	<b>Recognised in OCI during 2019-20</b>	<b>Recognised in Retained earnings during 2019-20</b>	<b>Balance as at 31 March 2020</b>
Property, plant and equipment	10,599.67	152.35	-	-	<b>10,752.02</b>	<b>(3776.80)</b>	-	-	<b>6,975.22</b>
Compensated absences	(5.21)	(2.76)	-	-	<b>(7.97)</b>	<b>(0.70)</b>	-	-	<b>-8.67</b>
Gratuity	(85.32)	(3.09)	(40.94)	-	<b>(129.35)</b>	<b>110.50</b>	<b>(6.47)</b>	-	<b>-25.32</b>
Allowance for doubtful debts - trade receivable	(1,029.16)	(748.35)	-	-	<b>(1,777.51)</b>	<b>331.43</b>	-	-	<b>-1,446.08</b>
Derivatives	(88.76)	(5.01)	93.77	-	-	-	-	-	-
Brought Forward Losses	(3,335.86)	(2,292.70)	-	-	<b>(5,628.56)</b>	<b>1,783.11</b>	-	-	<b>-3,845.45</b>
Contract Fulfillment Cost Reserve Adjustment (Refer Note No. 22)	-	-	-	70.04	<b>70.04</b>	-	-	-	<b>70.04</b>
Others	(220.64)	98.65	-	-	<b>(121.99)</b>	<b>62.88</b>	-	-	<b>-59.11</b>
<b>Net deferred tax (assets) liabilities</b>	<b>5,834.72</b>	<b>(2,800.91)</b>	<b>52.83</b>	<b>70.04</b>	<b>3,156.68</b>	<b>(1,489.58)</b>	<b>(6.47)</b>	-	<b>1,660.63</b>

Notes to the financial statements for the year ended 31 March 2020 (continued)

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

10. Property, plant and equipment and capital work-in-progress  
A. Reconciliation of carrying amount

	Freehold Land	Leasehold Land	Buildings	Office Equipments	Plant and Equipments	Windmills	Motor Vehicles	Furniture & Fittings	Total
<b>Year ended 31 March 2019</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount	3,016.76	26.62	2,755.92	58.42	1,49,961.16	470.04	541.34	137.45	1,56,967.71
Additions	-	-	66.45	10.56	1,827.12	-	13.79	2.82	1,920.74
Disposals	167.61	-	-	1.94	2,852.58	-	114.74	-	3,136.87
<b>Closing gross carrying amount</b>	<b>2,849.15</b>	<b>26.62</b>	<b>2,822.37</b>	<b>67.04</b>	<b>1,48,935.70</b>	<b>470.04</b>	<b>440.39</b>	<b>140.27</b>	<b>1,55,751.58</b>
Accumulated depreciation									
Opening accumulated depreciation	-	0.90	258.41	17.63	32,555.83	132.00	126.11	93.00	33,183.88
Depreciation charge during the year	-	0.29	102.13	12.56	13,820.71	41.80	66.93	22.14	14,066.56
Disposals	-	-	-	1.74	2,179.82	-	108.65	-	2,290.21
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>1.19</b>	<b>360.54</b>	<b>28.45</b>	<b>44,196.72</b>	<b>173.80</b>	<b>84.39</b>	<b>115.14</b>	<b>44,960.23</b>
<b>Net carrying amount</b>	<b>2,849.15</b>	<b>25.43</b>	<b>2,461.83</b>	<b>38.59</b>	<b>1,04,738.98</b>	<b>296.24</b>	<b>356.00</b>	<b>25.13</b>	<b>1,10,791.35</b>
<b>Period ended 31 March 2020</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount	2,849.15	26.62	2,822.37	67.04	1,48,935.70	470.04	440.39	140.27	1,55,751.58
Additions	-	-	4.63	42.47	104.24	-	12.95	0.55	164.84
Reclassified on account of adoption of Ind AS 116 (Refer Note 27)	-	26.62	-	-	-	-	-	-	26.62
Assets classified as held for sale (Refer Note 24)	354.94	-	-	-	-	-	-	-	354.94
Disposals	-	-	16.73	-	2,353.30	-	57.21	-	2,427.24
<b>Closing gross carrying amount</b>	<b>2,494.21</b>	<b>-</b>	<b>2,810.27</b>	<b>109.51</b>	<b>1,46,686.64</b>	<b>470.04</b>	<b>396.13</b>	<b>140.82</b>	<b>1,53,107.62</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	-	1.19	360.54	28.45	44,196.72	173.80	84.39	115.14	44,960.23
Depreciation charge during the year	-	-	103.13	22.20	13,810.28	41.80	58.47	1.60	14,037.48
Reclassified on account of adoption of Ind AS 116 (Refer Note 27)	-	1.19	-	-	-	-	-	-	1.19
Disposals	-	-	5.83	-	1,944.17	-	54.93	-	2,004.93
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>-</b>	<b>457.84</b>	<b>50.65</b>	<b>56,062.83</b>	<b>215.60</b>	<b>87.93</b>	<b>116.74</b>	<b>56,991.59</b>
Net carrying amount	2,494.21	-	2,352.43	58.86	90,623.81	254.44	308.20	24.08	96,116.03
<b>Capital work-in-progress</b>									
Balance as at 1 April 2018	-	-	5.51	-	380.22	-	-	-	385.73
Additions	-	-	60.94	10.56	1,446.90	-	13.79	2.82	1,535.01
Assets capitalised during the Year	-	-	66.45	10.56	1,827.12	-	13.79	2.82	1,920.74
<b>Balance as at 31 March 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balance as at 1 April 2019	-	-	-	-	-	-	-	-	-
Additions	-	-	4.63	42.47	104.24	-	12.95	0.55	164.83
Assets capitalised during the Year	-	-	4.63	42.47	104.24	-	12.95	0.55	164.83
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

<b>B. Right of use asset</b>		
<b>Description</b>	<b>Leasehold land</b>	<b>Total</b>
Cost		
Opening balance on transition to Ind AS 116	<b>26.62</b>	26.62
Additions	-	-
Balance as at March 31, 2020	<b>26.62</b>	26.62
Accumulated depreciation		
Opening balance on transition to Ind AS 116	<b>1.19</b>	1.19
Amortisation for the year	<b>0.28</b>	0.28
Balance as at March 31, 2020	<b>1.47</b>	1.47
<b>Net carrying amount as of March 31, 2020</b>	<b>25.15</b>	<b>25.15</b>

**C. Security**

The term loans from banks are secured by charge on properties with carrying amount of Rs. 80,369.52 lakhs (31 March 2019: Rs. 93,374.95 lakhs). (see note 26).

<b>11. Financial assets</b>		
<b>11 (a). Non-current investments</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
<b>Investments in equity instruments (Fully paid up)</b>		
<b>Unquoted:</b>		
Investments in equity instruments		
The Saraswat Co-operative Bank Limited	<b>0.25</b>	0.25
2,500 (31 March 2019: 2,500) equity shares of Rs. 10 each		
<b>Total (equity instruments)</b>	<b>0.25</b>	0.25
<b>Total non-current investment</b>	<b>0.25</b>	0.25
Aggregate Amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments and market value thereof	<b>0.25</b>	0.25
<b>11 (b). Trade receivables</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Trade receivables	<b>11,966.64</b>	12,414.28
Less : Loss Allowance	<b>-5,745.72</b>	-5,086.75
Net trade receivables	<b>6,220.92</b>	7,327.53
Current Portion	<b>6,220.92</b>	7,327.53
Non Current Portion	-	-

The Company's exposure to credit risks and loss allowances related to trade receivables are disclosed in Note 21.

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### Notes to the financial statements for the year ended 31 March 2020 (continued)

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

11 (c). Loans	31-Mar-20		31-Mar-19	
	Current	Non-Current	Current	Non-Current
Unsecured, considered good				
Loans to employees	10.62	2.77	19.98	9.86
<b>Total loans</b>	<b>10.62</b>	<b>2.77</b>	19.98	9.86

11 (d). Cash and cash equivalents	31-Mar-2020	31-Mar-2019
Balances with banks		
- in current accounts	312.26	425.94
Cash on hand	1.80	2.49
<b>Total cash and cash equivalents</b>	<b>314.06</b>	428.43

11 (e). Other financial assets	31-Mar-20		31-Mar-19	
	Current	Non-Current	Current	Non-Current
Security deposits				
Considered good	-	178.26	-	188.47
Considered doubtful	-	4.60	-	4.60
	-	182.86	-	193.07
Less : Allowances for doubtful deposits	-	(4.60)	-	(4.60)
	-	178.26	-	188.47
Interest accrued on fixed deposits	6.61	-	0.05	-
Receivable against sale of fixed asset	4.22	-	5.82	-
<b>Total other financial assets</b>	<b>10.83</b>	<b>178.26</b>	5.87	188.47

12. Other non-current assets	31-Mar-2020	31-Mar-2019
VAT/CST paid under protest	714.37	714.37
	714.37	714.37

13. Inventories	31-Mar-2020	31-Mar-2019
Stores and spares parts	1,062.52	1,176.84
<b>Total inventories</b>	<b>1,062.52</b>	1,176.84



**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

<b>14. Other current assets</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Prepaid expenses	<b>255.38</b>	299.05
Contract fulfillment cost	<b>175.14</b>	202.72
Advances to employees	<b>101.93</b>	15.42
Advances for supply of goods and services	<b>111.35</b>	48.02
Capital Advances	-	31.01
Other advances	<b>30.92</b>	0.92
<b>Total other current assets</b>	<b>674.72</b>	<b>597.14</b>

<b>15 (a). Equity share capital</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
<b>Authorised</b>		
50,000,000 (31 March 2019 : 50,000,000) equity shares of face value of Rs. 2 each	<b>1,000.00</b>	1,000.00
	<b>1,000.00</b>	1,000.00
<b>Issued subscribed and paid-up</b>		
43,288,000 (31 March 2019 : 43,288,000) equity shares of face value of Rs. 2 each fully paid up	<b>865.76</b>	865.76
	<b>865.76</b>	865.76

**15 (a) (i) Rights preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

**15 (a) (ii) Particulars of shareholders holding more than 5% shares in the Company**

<b>Name of the shareholder</b>	<b>31-Mar-20</b>		<b>31-Mar-19</b>	
	<b>No. of shares</b>	<b>% holding</b>	<b>No. of shares</b>	<b>% holding</b>
Chandrakant Phoolchand Sanghvi	<b>1,00,31,098</b>	<b>23.17%</b>	1,00,31,098	23.17%
Rishi Chandrakant Sanghvi	<b>54,57,738</b>	<b>12.61%</b>	53,19,740	12.29%
Mina Chandrakant Sanghvi	<b>44,38,791</b>	<b>10.25%</b>	44,18,791	10.21%
Kedar Dattatraya Borgaonkar	<b>17,81,174</b>	<b>4.11%</b>	23,94,200	5.53%

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

**15 (a) (iii) Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Name of the shareholder	31-Mar-2020		31-Mar-2019	
	Number	Amount	Number	Amount
Equity Shares				
At the commencement and at the end of the year	<b>4,32,88,000</b>	<b>865.76</b>	4,32,88,000	865.76

<b>15 (b). Other equity</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
<b>Capital reserve</b>		
At the commencement and at the end of the year	<b>11.96</b>	11.96
<b>Securities premium</b>		
At the commencement and at the end of the year	<b>13,136.96</b>	13,136.96
<b>General Reserve</b>		
At the commencement and at the end of the year	<b>30,443.09</b>	30,443.09
<b>Retained earnings (See Note (i) below)</b>	<b>28,285.72</b>	28,946.05
<b>Other items of OCI (See Note (ii) below)</b>	<b>(101.15)</b>	(85.39)
	<b>71,776.58</b>	<b>72,452.67</b>

<b>(i) Retained earnings</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Opening balance	<b>28,946.06</b>	34,621.97
Net Loss for the year	<b>(660.34)</b>	(5,806.30)
Contract Fulfillment Cost Reserve Adjustment (Refer Note No. 22)	-	200.43
Deferred Tax on above	-	(70.04)
<b>Closing balance</b>	<b>28,285.72</b>	28,946.06

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

<b>15 (b). Other equity (continued)</b>			
<b>(ii) Other items of OCI</b>	<b>Cash flow hedging reserve</b>	<b>Remeasurement of post-employment benefit obligation</b>	<b>Total</b>
<b>As at 31 March 2018</b>	(174.52)	(9.18)	(183.70)
Change in fair value of hedging instrument / remeasurement of employment benefit obligations	268.29	(117.15)	151.14
Deferred tax on above	(93.77)	40.94	(52.83)
<b>As at 31 March 2019</b>	-	<b>(85.39)</b>	<b>(85.39)</b>
Change in remeasurement of employment benefit obligations	-	(22.23)	(22.23)
Deferred tax on above	-	6.47	6.47
<b>As at 31 March 2020</b>	-	<b>(101.15)</b>	<b>(101.15)</b>

**Nature and purpose of other reserves**

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of the Act.

*Remeasurement of defined benefit liability (asset)*

*Remeasurement of defined benefit liability (asset) comprises actuarial gains and losses.*

<b>16. Earnings per share</b>		<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Net Profit for the year attributable to equity shareholders	A	<b>(660.34)</b>	(5,806.30)
Weighted average number of equity shares of face value of Rs 2 each outstanding during the year	B	<b>4,32,88,000</b>	4,32,88,000
Basic and diluted earnings per equity share of face value Rs 2 each (in Rs.)	(A/B)	<b>(1.53)</b>	(13.41)

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

<b>17. Financial liabilities</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
<b>17 (a). Non-current borrowings</b>		
<b>Secured</b> (refer details below for assets pledged as security)		
<b>Term Loans from banks</b>		
in Indian rupees	<b>18,797.53</b>	30,937.25
<b>Unsecured</b>		
Loans from related parties	<b>2,032.75</b>	1,816.53
<b>Total non-current borrowings</b>	<b>20,830.28</b>	32,753.78
<b>17 (a). Current borrowings</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
<b>Secured</b> (refer details below for assets pledged as security)		
<b>Loans repayable on demand</b>		
From banks		
Working capital demand loans	<b>951.42</b>	2,411.45
<b>Term loans from banks</b>		
in Indian rupees	<b>9,316.91</b>	9,091.95
<b>Unsecured</b>		
Loans from related parties	<b>100.00</b>	200.00
	<b>10,368.33</b>	11,703.40
Less: Amount included under 'Other financial liabilities'	<b>9,316.91</b>	9,091.95
<b>Total Current borrowings</b>	<b>1,051.42</b>	2,611.45

- i) Term loans from banks in Indian rupees carry interest rate ranging from 9.03% to 10.65% p.a. repayable in 1 to 48 monthly and 1 to 12 quarterly installments.
- ii) Loans from related parties are repayable on demand with a notice of 13 months and carry interest rate ranging from 9.23 % - 9.79% p.a.

**Secured borrowings and assets pledged as security**

- a) Term loans amounting to Rs. 24,140.57 Lakhs (31 March 2019 : Rs. 18,072.85 Lakhs) are secured against cranes/trailers.
- b) Term loans amounting to Rs. 1,182.93 lakhs (31 March 2019: Rs. 13,701.58 lakhs) are secured against cranes/trailers and registered mortgage on land and buildings at Tathawade.
- c) Term loans amounting to Rs. 3,849.79 lakhs (31 March 2019 : Rs. 8,308.06 lakhs) are secured against cranes , land and Office Building at Vadagaon Maval, Sate Pune and equitable mortgage of land at
- e) Term loans amounting to Rs. NIL (31 March 2019: Rs.66.06 Lakhs) are secured against Car.

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

- f) Working capital loans from banks representing cash credit facilities as at 31 March 2020 and 31 March 2019 are secured against receivables, stock of spares and continuation of charge on cranes hypothecated with bank for term loan. The cash credit facilities are repayable on demand and carry interest rate of 9.10% p.a. The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 26. Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 22.

<b>17 (b). Other financial liabilities</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
<b>Current</b>		
Current maturities of long term borrowings	<b>9,316.91</b>	9,091.95
Interest accrued but not due on borrowings	<b>24.22</b>	19.06
Interest Payable on unsecured Loans (Refer Note Below)	<b>235.04</b>	246.55
Accrued employee liabilities	<b>142.84</b>	53.93
Capital creditors	<b>9.50</b>	9.93
<b>Other current financial liabilities</b>	<b>9,728.51</b>	9,421.42

(i) Includes Rs. 235.04 lakhs (2019: Rs. 246.55 lakhs ) due to related parties.

<b>17 (c). Trade payables</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
<b>Current</b>		
Trade payables to related parties	<b>9.13</b>	9.13
Other trade payables		
- total outstanding dues of micro enterprises and small enterprises	<b>32.14</b>	19.93
- total outstanding dues of creditors other than micro enterprises and small enterprises	<b>2,014.51</b>	1,656.04
	<b>2,055.78</b>	<b>1,685.10</b>

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 21.

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

**18. Provisions**

	31-Mar-20		31-Mar-19	
	Current	Non-Current	Current	Non-Current
Liability for compensated absences	34.44	-	22.82	-
Liability for gratuity	100.60	-	370.17	-
	<b>135.04</b>	-	392.99	-

**(i) Compensated absences**

The compensated absences cover the Company's liability for earned leave.

The amount of the provision of Rs. 34.44 Lakhs (31 March 2019 – Rs. 22.82 Lakhs) of its employees is presented as current since the same is expected to be funded within 12 months from the reporting date.

**(ii) Defined contribution plans**

The Company has certain defined contribution plans. Contributions are made to provident fund, superannuation fund and national pension scheme in India for employees at the prescribed rate of basic salary. These contributions are made to registered provident fund administered by the government. The Company also contributes to superannuation fund to Life Insurance Corporation of India for its employees. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan are as follows:

	31-Mar-2020	31-Mar-2019
i) Provident fund	59.44	48.86
ii) Superannuation fund	14.65	8.10
iii) National pension scheme	18.91	11.84

**(iii) Defined benefit obligation**

The Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. It entitles an employee who has rendered at least five years of continuous service to gratuity at the rate of fifteen days salary for every completed year of service or part thereof in excess of six months based on the rate of salary last drawn by the concerned employee.

**A. Funding**

The gratuity liability is funded through a Group Gratuity Scheme with Life Insurance Corporation of India. The funding requirements is determined at each Balance sheet date based on an actuarial valuation carried out by an independent actuary using the projected unit credit method.

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

**B. Reconciliation of net defined liability**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	31-Mar-2020	31-Mar-2019
<b>a) Statement showing changes in present value of obligation</b>		
Present value of obligations at the beginning of the year	633.93	473.91
Interest cost	36.74	36.32
Current service cost	29.44	25.54
Benefits paid	(325.85)	(16.43)
Actuarial (gain) / loss on obligations recognised in other comprehensive income	22.23	114.59
Present value of obligations as at the end of the year	396.49	633.93
<b>b) Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of year	263.76	229.76
Expected return on plan assets	21.03	18.63
Contributions	29.61	34.36
Benefits paid	(18.52)	(16.43)
Actuarial gains on plan assets	(0.00)	(2.56)
Fair value of plan assets at the end of the year	295.88	263.76
<b>c) Unfunded liability recognised in Balance sheet</b>	100.61	370.17
<b>d) Actuarial gains/(losses) recognised in other comprehensive income</b>		
Actuarial gain/(loss) for the year - obligation	14.44	(114.59)
Actuarial gain/(loss) for the year - plan assets	(0.00)	(2.56)
Actuarial gain/(loss) for the year - plan Liabilities	(36.67)	-
Actuarial gain/(loss) recognised in the year	(22.23)	(117.15)
<b>e) Actual return on plan assets</b>		
Expected return on plan assets	21.03	18.63
Actuarial gain on plan assets	(0.00)	(2.56)
Actual return on plan assets	21.03	16.07

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

<b>f) Experience adjustment</b>	<b>31-Mar-2020</b>	31-Mar-2019	31-Mar-2018	31-Mar-2017
Experience adjustments on obligations	<b>12.81</b>	(114.62)	153.44	(79.72)
Experience adjustments on plan assets	(0.00)	(3.99)	6.09	2.68

**B. Reconciliation of net defined liability (continued)**

<b>g) Actuarial assumptions</b>	<b>31-Mar-2020</b>	31-Mar-2019
Discount rate	<b>7.80%</b>	7.80%
Salary escalation	<b>9.00%</b>	9.00%
Expected return on plan assets	<b>7.20%</b>	7.20%
Mortality rate	Indian Assured Lives Mortality (2006-08)	

**iv) Plan assets are as follows:**

The Company has invested Rs. 295.88 Lakhs (2019: Rs. 263.77 Lakhs) in assets which are insurer managed funds.

Further, refer note 31(iii) for evaluation of impact of COVID 19.

<b>19. Other current liabilities</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Unpaid dividend	<b>11.58</b>	15.00
TDS payable	<b>52.18</b>	52.42
Other taxes payable	<b>0.48</b>	0.24
GST payable	<b>244.81</b>	451.81
Advance from customers	<b>189.25</b>	113.32
Deferred revenue	<b>216.74</b>	318.64
Advances / deposits received for sale of fixed asset	<b>16.81</b>	81.95
	<b>731.85</b>	1,033.38



**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

**20. Financial instruments - Fair values and risk management**
**A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

31-Mar-2020	Note	Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>									
Investments									
- Equity instruments and Mutual funds- Liquid plan	11(a)	0.25	-	-	0.25	-	-	0.25	0.25
Financial assets not measured at fair value*									
Trade receivables	11(b)	-	-	6,220.92	6,220.92	-	-	-	-
Unbilled receivable		-	-	2,289.05	2,289.05				
Loans	11(c)	-	-	13.39	13.39	-	-	-	-
Cash and cash equivalents	11(d)	-	-	314.06	314.06	-	-	-	-
Bank Balance other than cash and cash equivalents		-	-	21.80	21.80	-	-	-	-
Security deposits	11(e)	-	-	178.26	178.26	-	-	-	-
Receivable against sale of fixed asset	11(e)	-	-	4.22	4.22	-	-	-	-
Interest accrued on fixed deposits	11(e)	-	-	6.61	6.61	-	-	-	-
<b>Total financial assets</b>		<b>0.25</b>	<b>-</b>	<b>9,048.31</b>	<b>9,048.56</b>	<b>-</b>	<b>-</b>	<b>0.25</b>	<b>0.25</b>
<b>Financial liabilities not measured at fair value*</b>									
Borrowings	17(a)	-	-	31,198.61	31,198.61	-	-	-	-
Interest accrued but not due on borrowings	17(b)	-	-	24.22	24.22	-	-	-	-
Trade payables	17(c)	-	-	2,055.78	2,055.78	-	-	-	-
Interest Payable on unsecured Loans	17(b)			235.04	235.04				
Accrued employee liabilities	17(b)	-	-	142.84	142.84	-	-	-	-
Capital creditors	17(b)	-	-	9.50	9.50	-	-	-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>33,665.99</b>	<b>33,665.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

31-Mar-2019	Note	Carrying amount				Fair value			
		FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investments									
- Equity instruments and Mutual funds- Liquid plan	11(a)	0.25	-	-	0.25	-	-	0.25	0.25
Financial assets not measured at fair value*									
Trade receivables	11(b)	-	-	8,982.32	8,982.32	-	-	-	-
Loans	11(c)	-	-	29.84	29.84	-	-	-	-
Cash and cash equivalents	11(d)	-	-	428.43	428.43	-	-	-	-
Bank Balance other than cash and cash equivalents		-	-	20.24	20.24	-	-	-	-
Security deposits	11(e)	-	-	188.47	188.47	-	-	-	-
Capital advances recoverable	11(e)	-	-	5.82	5.82	-	-	-	-
Interest accrued on fixed deposits	11(e)	-	-	0.05	0.05	-	-	-	-
Total financial assets		0.25	-	9,655.17	9,655.42	-	-	0.25	0.25
Financial liabilities not measured at fair value*									
Borrowings	17(a)	-	-	44,457.18	44,457.18	-	-	-	-
Interest accrued but not due on borrowings	17(b)	-	-	19.06	19.06	-	-	-	-
Trade payable	17(c)	-	-	1,685.10	1,685.10	-	-	-	-
Liability for capital advances received to be refunded	17(b)	-	-	246.55	246.55	-	-	-	-
Accrued employee liabilities		-	-	53.93	53.93	-	-	-	-
Capital creditors		-	-	9.93	9.93	-	-	-	-
Total financial liabilities		-	-	46,471.75	46,471.75	-	-	-	-

\* Financial assets and liabilities such as trade receivables, loans, cash and cash equivalents, bank balance other than cash and cash equivalents, security deposits, interest accrued on fixed deposits, trade payables, interest accrued but not due on borrowings, accrued employee liabilities, capital creditors are largely short-term in nature. The fair value of these financial assets and liabilities approximate their carrying amount due to the short-term nature of such assets and liabilities.

## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

### 21. Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate credit limits and controls and to monitor risks and adherence to credit limits. The Company, through its training and established procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, principal swaps are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk to which the Company is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements:

#### (A) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 6,220.92 lakhs and Rs. 7,327.53 lakhs as of 31 March 2020 and 31 March 2019, 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, 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.

The following table gives details in respect of percentage of revenue generated from top three customers of the Company wherein revenue for each of them exceeds 10 percent of Company's revenue from operations:

	31-Mar-20		31-Mar-19	
	Rs.	%	Rs.	%
Revenue from top three customers	10,943.76	33.90%	9,367.60	33.17%

## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

### Credit risk exposure

The allowance for lifetime expected credit loss on customer balances as at 31 March 2020 was Rs. 5,745.72 Lakhs (2019 - Rs. 5086.75 Lakhs). The impairment loss recognised for lifetime expected credit loss on customer balances during the year ended 31 March 2020 was Rs. 658.97 lakhs. (2019 - 2,141.57 lakhs).

Particulars	Amount in Rs. for the year ended	
	31-Mar-20	31-Mar-19
Balance at the beginning	5,086.75	2,945.18
Impairment loss recognised (net of reversals and recoveries)	658.97	2,141.57
Balance at the end	5,745.72	5,086.75

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and fixed deposits which are funds deposited at a bank for a specified time period.

Further, refer note 31(ii) for evaluation of impact of COVID 19.

## 21. Financial risk management (continued)

### (B) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of 31 March 2020, the Company had a negative working capital of Rs. 3,143.13 lakhs and as at 31 March 2019 had a negative working capital of Rs. 3,414.78 lakhs. The working capital of the Company for this purpose has been derived as follows:

Particulars	31-Mar-20	31-Mar-19
Total current assets (A)	10,959.46	11,729.56
Total current liabilities (B)	14,102.60	15,144.34
<b>Working capital (A-B)</b>	<b>(3,143.14)</b>	<b>(3,414.78)</b>

The working capital as at 31 March 2020 calculated above includes cash and cash equivalents of Rs. 314.06 lakhs. Also, the working capital as at 31 March 2019 calculated above includes cash and cash equivalents of Rs. 428.43 lakhs.

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2020:

<b>Contractual maturities of financial liabilities 31-Mar-2020</b>	<b>Upto 1 year</b>	<b>1-2 year</b>	<b>2-3 year</b>	<b>3-4 years</b>	<b>More than 4 years</b>	<b>Total</b>
Borrowings	10,368.34	11,081.83	5,483.93	1,863.14	2,508.80	31,306.04
Trade payables	2,055.78	-	-	-	-	2,055.78
Other financial liabilities	411.60	-	-	-	-	411.60
<b>Total liabilities</b>	<b>12,835.72</b>	<b>11,081.83</b>	<b>5,483.93</b>	<b>1,863.14</b>	<b>2,508.80</b>	<b>33,773.42</b>
<b>Contractual maturities of financial liabilities 31-Mar-2019</b>	<b>Upto 1 year</b>	<b>1-2 year</b>	<b>2-3 year</b>	<b>3-4 years</b>	<b>More than 4 years</b>	<b>Total</b>
Borrowings	11,703.40	16,825.67	8,473.65	4,703.35	2,870.14	44,576.21
Trade payables	1,685.10	-	-	-	-	1,685.10
Other financial liabilities	329.47	-	-	-	-	329.47
<b>Total liabilities</b>	<b>13,717.97</b>	<b>16,825.67</b>	<b>8,473.65</b>	<b>4,703.35</b>	<b>2,870.14</b>	<b>46,590.78</b>

**(C) Market risk**

Though the Company operates only in India, the Company is exposed to foreign exchange risk through purchases of plants & equipments from overseas suppliers in various foreign currencies. The Company used to hold derivative financial instruments such as foreign exchange forward and cross currency interest rate swap (CCIRS) to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the Indian rupee appreciates/ depreciates against these currencies.

There are no foreign currency balances outstanding as at year end 31 March 2020.

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

**22. Disclosure requirements as per Ind AS 115- Revenue from contracts with customers**

**a) Contracts with customers**

The Company has two major source of revenue i.e. Revenue from hiring of equipments and revenue from power generation. It is disclosed in note 4 “Revenue from operations” in the financial statements.

The impairment losses on trade receivables and contract assets has been disclosed separately under the notes for trade receivables and contract assets.

**b) Disaggregation of revenue**

**i) Revenue disaggregation is as follows:**

Particulars	31-Mar-2020	31-Mar-2019
Revenue from hiring of equipments	32,028.08	27,970.02
Revenue from power generation	203.45	181.69
<b>Total</b>	<b>32,231.53</b>	28,151.71

**c) Details of contract balances**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers :

Particulars	31-Mar-2020	31-Mar-2019
Trade Receivables	6,220.92	7,327.53
Contract assets	2,289.05	1,654.79
Contract liabilities	189.25	113.32

The contract assets primarily relate to Company’s rights to consideration for work completed but not billed at the reporting date due to contractual terms. The contract assets are transferred to receivables when the rights become unconditional. These are payable after 30 to 90 days which vary in each case.

Significant changes in the contract assets balances during year ended 31 March 2020 are as follows:

Particulars	31-Mar-2020	31-Mar-2019
<b>Contract assets:</b>		
<b>Contract assets at the beginning of the reporting period</b>	<b>1,654.79</b>	<b>3,234.60</b>
Transfers from contract assets recognized at the beginning of the period to receivable	1,654.79	3,234.60
Increase due to work completed but not billed at the reporting date due to contractual terms	2,289.05	1,654.79
<b>Contract assets at the end of the reporting period</b>	<b>2,289.05</b>	<b>1,654.79</b>

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

The contract liabilities primarily relate to the advance consideration received from customers. Revenue is recognized from the contract liability amounts as and when goods are supplied or services are delivered and related performance obligations satisfied. The unused credit or balance is deferred until used by the customer or expired.

Significant changes in the contract liabilities balances during the year ended 31 March 2020 as follows:

<b>Particulars</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
<b>Contract liabilities:</b>		
<b>Contract liabilities at the beginning of the reporting period</b>	<b>113.32</b>	<b>54.76</b>
Revenue recognised that was included in the contract liability balance at the beginning of the reporting period	113.32	54.76
Increase due to cash received, excluding amounts recognised as revenue during the period	189.25	113.32
Significant change due to currency translation	-	-
<b>Contract liabilities at the end of the reporting period</b>	<b>189.25</b>	<b>113.32</b>

**c) Performance obligations**

The contracts with customers include a clause of maintenance of Logsheets for working hours. The logsheets needs to be signed by authorized personnel of customer. The Company submits invoice along-with the detailed logsheets and customer makes payment after necessary verification. As per contract entered with customers (Work orders), performance obligation for Company is to provide the crane services and once log sheets are signed by both the parties it denotes that performance obligations is completed and Company is eligible to receive the payment as agreed. At this stage an enforceable claim becomes due and no services are incomplete.

The contract is a fixed price contract and do not contain any financing component. The payment is generally due within 30-90 days. There are no other significant obligations attached in the contract with customer.

**d) Transaction price allocated to the remaining performance obligation**

Transaction price for remaining performance obligation as on the reporting date is ascertained based on stage of completion with contracts with customer. There is no remaining performance obligation for any contract for which revenue has been recognized till period end.

**e) Significant judgements in the application of this Standard**

There are no significant judgements involved in ascertaining the timing of satisfaction of performance obligations, transaction price and allocation of it to the performance obligations.

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

**f) Determining the transaction price and the amounts allocated to performance obligations**

Revenue recognised in the statement of profit and loss with the contracted price does not have any adjustments made to the contract price.

**g) Cost to obtain contract or fulfil a contract**

Following are the cost incurred which qualifies to be contract fulfillment cost which are incurred for specific performance obligation i.e. Mobilization of crane which is a part of Crane Hiring Contract.

\* Freight Cost

\* Diesel Cost

\* Other incidental costs such as Over Dimensional Cost, Rates & Taxes

These cost have been capitalised as contract fulfillment cost and amortised over a period of contract.

Following table provides the information about the movement of contract fulfillment cost.

Particulars	INR in Lakhs
Balance fulfillment cost adjusted in retained earnings by applying modified retrospective method	200.34
Total contract fulfillment cost incurred in FY 2018-19	1,738.44
Total contract fulfillment cost amortised in FY 2018-19 over a period of contract	1,736.06
Contract fulfillment cost as on 31 March 2019	202.72
Total contract fulfillment cost incurred in FY 2019-20	1,357.68
Total contract fulfillment cost amortised in FY 2019-20 over a period of contract	1,385.27
Contract fulfillment cost as on 31 March 2020	175.13

Further, refer Note 31(i) for evaluation of impact of COVID 19.

**23 Related party disclosures**

**a) Individuals exercising significant influence over the Company**

1 Chandrakant Sanghvi (till 8 April 2019)

2 Rishi Sanghvi (from 11 April 2019)

**b) Key management personnel**

1 Chandrakant Sanghvi - Chairman and Managing Director (till 8 April 2019)

2 Rishi Sanghvi - Managing Director (from 11 April 2019)

3 Sham Kajale - Joint Managing Director and Chief Financial Officer

4 Rajesh Likhite - Company Secretary and Chief Compliance Officer

5 Mina Sanghvi - Non Executive Woman Director (till 23 May 2019)

6 Maithili Sanghvi - Non Executive Woman Director (from 23 May 2019)

7 Dara Damania - Non Executive Independent Director \*



**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

- 8 S. Padmanabhan - Non Executive Independent Director \*
- 9 Pradeep Rathi - Non Executive Independent Director \*
- 10 Dinesh Munot - Non Executive Independent Director \*
- 11 Madhukar Kotwal - Non Executive Independent Director \*
- 12 Madhu Dubhashi - Non Executive Independent Director \* (from 08 August 2019)

**c) Relatives of Individuals exercising significant influence over the Company**

- 1 Mina Sanghvi - Mother of Rishi Sanghvi
- 2 Niyoshi Sanghvi - Sister of Rishi Sanghvi
- 3 Ruchi Sanghvi - Sister of Rishi Sanghvi

**d) Enterprises over which key management personnel exercise significant influence**

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

**e) Disclosure of related party transactions:**

Sr. No.	Nature of transaction / relationship / major parties	31-Mar-2020	31-Mar-2019
		Amount	Amount
<b>1</b>	<b>Expenses</b>		
	Salaries and allowances		
	Rajesh Likhite	<b>20.70</b>	17.79
	Rishi Sanghvi	<b>211.76</b>	47.20
	<b>Director's sitting fees*</b>		
	Mina Sanghvi	<b>0.50</b>	3.34
	Maithili Sanghvi	<b>1.00</b>	-
	<b>Interest expense</b>		
	Maharashtra Erectors Private Limited	<b>19.86</b>	18.74
	Chandrakant Sanghvi	<b>2.30</b>	124.05
	Mina Sanghvi	<b>165.00</b>	46.06
	Rishi Sanghvi	<b>10.19</b>	-
	Maithili Sanghvi	<b>0.40</b>	-
	<b>Managerial remuneration**</b>		
	Chandrakant Sanghvi	-	259.45
	Rishi Sanghvi	<b>211.76</b>	-
	Sham Kajale	<b>134.61</b>	122.69

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

**23 Related party disclosures (continued)**

**e) Disclosure of related party transactions (continued)**

Sr. No.	Nature of transaction / relationship / major parties	31-Mar-2020	31-Mar-2019
		Amount	Amount
<b>2</b>	<b>Loans repaid</b>		
	Maharashtra Erectors Private Limited		
	Chandrakant Sanghvi	1,297.50	918.55
	Mina Sanghvi	107.25	-
	Rishi Sanghvi	181.93	-
	Maithili Sanghvi	13.95	-
<b>3</b>	<b>Loans received</b>		
	Chandrakant Sanghvi	-	845.75
	Mina Sanghvi	1,297.50	-
	Rishi Sanghvi	405.40	-
	Maithili Sanghvi	13.95	-

\* The Company has paid sitting fees amounting to Rs. 17.40 Lakhs (2019: Rs. 19.93 Lakhs) to non executive independent directors.

\*\* 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.

**f) Amount due to/from related parties**

Sr. No.	Nature of balance / relationship / major parties	31-Mar-2020	31-Mar-2019
		Amount	Amount
<b>1</b>	<b>Loans from related party</b>		
	Maharashtra Erectors Private Limited	214.00	214.00
	Chandrakant Sanghvi	-	1,297.50
	Mina Sanghvi	1,695.28	505.03
	Rishi Sanghvi	223.47	-
<b>2</b>	<b>Payable towards services received</b>		
	Maharashtra Erectors Private Limited	9.13	9.13
<b>3</b>	<b>Payable towards interest</b>		
	Maharashtra Erectors Private Limited	191.72	173.84
	Chandrakant Sanghvi	-	27.35
	Mina Sanghvi	36.41	45.36
	Rishi Sanghvi	6.67	-
	Maithili Sanghvi	0.25	-

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

**24 Asset held for Sale**

<b>Particulars</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Land	<b>354.94</b>	-
Total assets classified as held for sale	<b>354.94</b>	-

In January 2020, the Company decided to sell the land and Sate and Bangalore. Memorandum of Understanding has been signed for both the assets, and the sale is expected to be completed before 31 March 2021.

**Non recurring Fair value measurements**

Land classified as held for sale during the reporting period has been measured at the lower of its carrying value and fair value less costs to sell at the time of reclassification. The fair values of the assets were determined using the sales comparison approach. This is a level 2 measurement as per the fair value hierarchy set out in fair value measurement disclosure (note 20). The key inputs in this approach are price per square metre of comparable lots of land in the area of similar location and size.

**Value of Liabilities directly associated with assets classified as held for sale**

The Company has received INR 400 Lakhs against the sale the of land situated at Sate as per the Memorandum of Understanding.

**25 Contingent liabilities and commitments**

<b>Contingent Liabilities</b>		<b>31-Mar-20</b>	<b>31-Mar-19</b>
(a)	Claims against the Company not acknowledged as debts	<b>253.22</b>	382.87
(b)	Sales tax matters	<b>43,405.00</b>	43,404.99
(c)	Income tax matters	<b>4.04</b>	3.51

- a) Claims against the Company not acknowledged as debts comprises of claims raised on Company by it's customers amounting to Rs. 42.17 Lakhs (2019 : Rs. 127.92 Lakhs) for breach of contracts and by certain government authorities amounting to Rs. 211.05 Lakhs (2019 : Rs. 254.95 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.

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

- 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 (2019-20)	Total (2018-19)
<b>FY 2007-08</b>					
Central Sales tax Act, 1956	2,689.59	3,728.21	-	<b>6,417.80</b>	6,417.80
Maharashtra Value Added Tax, 2002	469.50	650.88	-	<b>1,120.38</b>	1,120.38
<b>FY 2008-09</b>					
Central Sales tax Act, 1956	3,737.00	3,640.07	3,733.40	<b>11,110.47</b>	11,110.47
Maharashtra Value Added Tax, 2002	307.89	300.19	307.89	<b>915.97</b>	915.97
<b>FY 2009-10</b>					
Maharashtra Value Added Tax, 2002	363.94	218.37	-	<b>582.31</b>	582.31
<b>FY 2010-11</b>					
Central Sales tax Act, 1956	4,009.58	3,728.58	-	<b>7,738.16</b>	7,738.16
Maharashtra Value Added Tax, 2002	588.29	548.55	-	<b>1,136.84</b>	1,136.84
<b>FY 2012-13</b>					
Central Sales tax Act, 1956	3,535.81	4,217.05	-	<b>7,752.86</b>	7,752.86
Maharashtra Value Added Tax, 2002	610.50	728.12	-	<b>1,338.62</b>	1,338.62
<b>FY 2013-14</b>					
Central Sales tax Act, 1956	713.67	534.00	-	1,247.67	1,247.67
Maharashtra Value Added Tax, 2002	2,239.53	1,679.64	-	3,919.17	3,919.17
<b>FY 2008-09</b>					
Gujarat Value Added Tax Act, 2003	124.75	-	-	<b>124.75</b>	124.75
<b>Total</b>				<b>43,405.00</b>	<b>43,405.00</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 and FY 2015-16 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.

- c) Income tax matters comprise demand from the tax authorities for the payment of additional tax of Rs. 4.03 Lakhs (2018: Rs. 3.51 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.

## Notes to the financial statements for the year ended 31 March 2020 (continued)

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

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.

- d) In February 2019, the Supreme Court had delivered ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The Company has implemented the above ruling w.e.f. 1 April 2019. The Company, in the interest of its employees, further awaits clarity on the complexities revolving around the retrospective application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.

### 26 Assets pledged as security

	31-Mar-20	31-Mar-19
<b>Non-current</b>		
Freehold land	533.47	533.47
Buildings	970.60	970.60
Plant and equipments	78,865.45	91,870.88
<b>Total assets pledged as security</b>	<b>80,369.52</b>	93,374.95

### 27 Leases

Transition to Ind AS 116

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, using the modified retrospective approach whereby an ROU asset of INR 25.43 lakhs was classified on transition date from Property, plant and equipment. There is no impact on the Opening Reserves as of 1 April 2019 and the Company has not restated comparative information.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

#### A. Right of use assets

	<b>Leasehold Land</b>
Balance as at 1 April 2019	<b>26.62</b>
Add: Initial direct cost	-
Add: Addition during the year	-
Less: Depreciation charged for the year	<b>1.47</b>
Balance as at 31 March 2020	<b>25.15</b>

**Notes to the financial statements for the year ended 31 March 2020 (continued)**

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

**B. Expenses on short term leases / low value assets**

The Company incurred INR 307.36 lakhs for the year ended 31 March 2020 towards expenses relating to short-term leases and leases of low-value assets

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

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

Principal amount due to suppliers under MSMED Act , 2006	<b>32.14</b>	19.93
Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	<b>0.62</b>	0.34
Payment made to suppliers (other than interest) beyond the appointed day during the year	<b>32.76</b>	20.27
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	<b>0.62</b>	0.34
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	<b>4.72</b>	4.09

**29 Details of Specified Bank Notes held**

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

**30** The remuneration paid by the Company to its managing director during the current year is in accordance with the provisions of Section 197 of the Companies Act, 2013 ("the Act"), but in case of Joint Managing Director, Company have paid total remuneration of 134.61 lakhs which is in excess by Rs. 7.76 lakhs. The Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for the same in accordance with the requirements of the Act. Management of the Company is reasonably certain that the approval will be received from shareholders.

**31** The Company has evaluated the impact of COVID 19 on the standalone financial statements as on 31 March 2020 as below:

**(i) Revenue from contracts with customers**

The Company has evaluated the impact of the COVID-19 pandemic, amongst other matters, resulting from

- (a) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;
- (b) adversities faced by customers to continue their businesses and its impact on demand;
- (c) termination/deferment of contracts by customers.

The Company has concluded that the impact of the COVID-19 pandemic is not material based on the estimates. The Company expects that it shall keep complying with all the agreed terms of contracts and shall duly meet its performance obligations. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

### **(ii) Trade Receivables**

Trade receivables amounting to INR 6,220.92 as at 31 March 2020 are valued after considering provision for allowance under the expected credit loss method. In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk considering emerging situations due to the COVID-19 pandemic. This assessment is based on the likelihood of the recoveries from the customers in the present situation. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case. The same assessment is done in respect of unbilled Receivables while arriving at the level of provision that is required.

### **(iii) Employee benefits expense**

The Company has re-evaluated the actuarial assumptions used for the purpose of valuing employee benefit obligations in light of the COVID-19 outbreak. The Company believes that the assumptions on salary growth rates, attrition rates and discount rate are reasonable.

### **(iv) Going Concern**

The Company carries cash and cash equivalents of INR 312.06 lakhs and has unutilized working capital limits of INR 5,548.58 lakhs as at March 31, 2020. Further, the Company has prepared cash flow projections for the foreseeable future after considering the impacts of COVID-19. Accordingly, the management has assessed that the going concern assumption is appropriate for the Company.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm registration no. 101248W/W-100022

**Swapnil Dakshindas**  
Partner  
Membership No. 113896  
UDIN: 20113896AAAABR5091

Place : Pune  
Date : 26 June 2020

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 : 26 June 2020

**Sham Kajale**  
Joint Managing Director and Chief Financial Officer  
(DIN - 00786499)

**S. Padmanabhan**  
Director  
(DIN- 00001207)



SML was instrumental in planning, rigging & erection of urea reactor weighing 300+ MT.



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



600 MT crawler crane utilized for the erection of a WTG of 130 m hub height in Gujarat.





SANGHVI

## SANGHVI MOVERS LIMITED

Registered 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)  
CIN: L29150PN1989PLC054143