

SANGHVI MOVERS LIMITED

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CIN No.: L29150PN1989PLCO54143



REF: SML/SEC/SE/19-20/20

Date: 23rd May 2019

By Online filing

Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai- 400001

Kind Attn.: Ms. Pooja Sanghvi - Relationship Manager

Ref: Code No. 530073

National Stock Exchange of India Limited

Exchange Plaza

Bandra Kurla Complex

Bandra East

Mumbai - 400051

Kind Attn.: Mr. K. Hari - Asst. Vice President

Symbol: SANGHVIMOV

Sub.: Financial Results updates

Dear Sir/Madam,

Pursuant to the requirements of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the updates on financial results for the quarter ended on 31st March 2019.

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

The financial results updates are also available on the Company's website i.e. www.sanghvicranes.com.

Thanks & Regards,

For Sanghvi Movers Limited

Rajesh P. Likhite

Company Secretary &

Chief Compliance Officer



Encl.: As above

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FINANCIAL HI-LIGHTS

1.0 FINANCIAL HI-LIGHTS

1.1 - Summarised Financial Performance

(Rs. in Crores)				
Sr	Particulars	FY 2019	FY 2018	% Growth
a)	Income from Operations	282.40	228.40	24%
b)	Other Income	12.86	20.05	
c)	Total Income (a) + (b)	295.26	248.45	
d)	Total Expenditure (#)	193.11	144.84	
e)	PBIDT c) – d)	102.16	103.61	
f)	% of PBIDT to Total Income e)+PDD / C) x 100	41.85%	50.21%	
g)	Interest	47.59	54.75	
h)	Depreciation	140.82	136.73	
i)	Profit Before Tax	(86.26)	(87.87)	
j)	Tax expense (current tax + deferred tax)	(28.19)	(30.39)	
k)	Profit for the Year / (Loss)	(58.06)	(57.48)	
l)	Other Comprehensive Income/(Loss) net of tax	0.98	5.92	
m)	Total Comprehensive Income / (Loss)	(57.08)	(51.56)	
n)	% of PAT to Total Income	N.A.	N.A.	
o)	Total Cash Accruals (after adding back PDD amount)	104.18	100.41	
p)	Net Worth	733.18	788.96	
q)	Total Loans (Secured + Unsecured)	445.76	542.32	
r)	Debt : Equity Ratio	0.61	0.68	
s)	Average Capacity Utilization for the Year	59%	41%	
t)	Average Gross Yield for the full Year	1.85%	2.15%	

(##) For FY 2018-19 – It includes Provision for Doubtful Debts (PDD) to the tune of Rs. 21.42 Crores. While the PDD amount for FY 2017-18 was Rs. 21.16 Crores.

Note :- Other Income for FY 2018-19, includes a sum of Rs. 9.12 Crores towards profit on sale of 16 Nos. Cranes (ranging from 40 MT to 400 MT Capacity) sold during the year and Profit of Rs. 2.22 Crores towards sale of Office Premises in BKC, Bombay and land at Vadagaon Maval.

Balance Sheet as on		(Rs. In Crores)
Particulars	31/03/2019	31/03/2018
	Audited	Audited
ASSETS		
Non Current Assets		
Property, Plant and Equipments	1107.91	1,237.84
Capital work in progress	0.00	3.86
Investment Property	0.00	15.72
Financial Assets		
i) Investments	0.00	0.00
ii) Loans	9.86	0.04
iii) Other Financial Assets	1.88	1.61
Non Current Income Tax Assets (Net)	9.39	8.75
Other Non-Current Assets		
Capital Advances	0.00	0.00
Others	7.14	4.39
Total Non-Current Assets	1,126.44	1,272.20
Current Assets		
Inventories	11.77	12.39
Financial Assets		
i) Investments	0.00	0.00
ii) Trade Receivables	89.82	134.52
iii) Cash & Bank Balances	4.28	2.51
iv) Bank balance other than above	0.20	0.33
v) Loans	0.20	0.15
vi) Other financial assets	0.06	8.81
Current Tax Assets (Net)	4.99	
Other Current Assets		
i) GST/Cenvat Credit Receivable	0.00	10.96
ii) Others	5.97	3.54
Total Current Assets	117.29	173.21
TOTAL ASSETS	1,243.73	1,445.41

(Rs. In Crores)		
<u>EQUITY AND LIABILITIES</u>	31/03/2019	31/03/2018
EQUITY	Audited	Audited
SHAREHOLDERS FUNDS		
Share Capital	8.66	8.66
Reserves & Surplus	724.53	780.30
Total Equity :-	733.18	788.96
NON-CURRENT LIABILITIES		
Financial Liabilities		
i) Borrowings	327.54	458.90
ii) Derivative Contract Liabilities	0.00	0.00
Provisions	0.00	2.01
Deferred Tax Liabilities	31.57	58.35
Total Non-Current Liabilities :-	359.10	519.25
CURRENT LIABILITIES		
Financial Liabilities		
i) Borrowings	26.11	11.61
ii) Trade Payables	16.85	17.46
iii) Derivative Contract Liabilities	0.00	3.68
iv) Other financial liabilities	94.21	91.25
Other Current Liabilities	10.33	12.61
Provisions	3.92	0.58
Current Tax Liabilities	0.00	0.00
Total Current Liabilities	151.44	137.20
TOTAL EQUITY AND LIABILITIES	1243.73	1,445.41

1.2 - Review of Quarter on Quarter Financial Performance

Sr	Particulars	FY 19 (A)	Q4 FY19	Q3 FY19	Q2 FY19	Q1 FY19	FY 18 (A)
a)	Income from Operations	282.39	86.82	66.48	57.53	71.56	228.40
b)	Other Income	12.86	2.22	6.89	3.27	0.48	20.05
c)	Total Income (a) + (b)	295.26	89.05	73.37	60.80	72.04	248.45
d)	Operating Expenses	98.98	31.32	22.76	20.99	23.91	68.12
e)	Repairs & Maintenance Expenses	13.62	3.68	3.18	2.84	3.92	14.88
f)	Personnel Cost	19.36	4.75	5.15	4.66	4.80	15.44
g)	Provision Bad & Doubtful Debts	21.42	28.18	(1.43)	(4.65)	(0.68)	21.16
h)	Bad Debts Written Off	10.00	4.47	1.45	3.97	0.11	2.40
i)	Admin & Other Expenses	29.73	7.56	9.54	6.32	6.31	22.84
j)	Total Expenditure	193.11	79.96	40.65	34.13	38.37	144.84
k)	PBIDIT c) – j)	102.16	9.09	32.72	26.02	34.32	103.62
m)	<i>% of PBIDT to Total Income (k+g) / c) x 100</i>	<i>41.85%</i>	<i>41.85%</i>	<i>42.64%</i>	<i>35.15%</i>	<i>46.69%</i>	<i>50.22%</i>
n)	Interest	47.59	11.92	11.45	11.56	12.65	54.75
o)	Depreciation	140.82	30.79	36.92	36.31	36.80	136.73
p)	Profit Before Tax	(86.26)	(33.63)	(15.65)	(21.20)	(15.78)	(87.87)
q)	Tax expense (current tax + deferred tax)	(28.19)	(9.57)	(5.47)	(7.98)	(5.18)	(30.39)
r)	Profit After Tax	(58.06)	(24.06)	(10.18)	(13.22)	(10.60)	(57.48)
s)	Total Cash Accruals (PAT + Depre.+ PDD)	104.18	34.91	25.31	18.44	25.52	100.41
t)	Net Worth	733.18	733.18	757.48	767.38	780.90	788.96
u)	Total Loans (Secured + Unsecured)	445.76	445.76	476.47	465.28	494.56	544.53
v)	Debt : Equity Ratio	0.62	0.62	0.63	0.61	0.63	0.69
w)	Loan Repayment	(98.77)	(30.71)	11.19	(29.28)	(49.97)	
x)	Average Capacity Utilization (%)	59.00%	71.00%	58.00%	50.00%	58.00%	41.00%
y)	Per month average blended yield (%)	1.85%	1.90%	1.75%	1.75%	1.95%	2.15%



1.3 – Capex Done during FY 2018-19

Company has done Capex of Rs. 19.20 Crores for the purchase of used cranes, trailers, counterweights & other fixed assets as under –

Sr	Particulars of Assets Purchased	Rs. Crs.
1	3 Nos. Used Tyre Mounted Cranes (Above 100 MT))	11.52
2	Purchase of 22 Nos. Trailers (*)	5.20
3	Other Fixed Assets	2.48
	Total :-	19.20

(*) Capex of Rs. 5.20 Crores towards purchase of Trailers - A sum of Rs. 3.90 Crores was spent in FY 2017-18 & shown under Capital WIP and balance amount of Rs. 1.30 Crores spent in current financial year.

SML has availed Term Loan of Rs. 5.84 Crores from Saraswat Bank for purchase of aforesaid cranes.



DEBT PROFILE AS ON 31-03-2019



2.0 DEBT PROFILE AS ON 31-03-2019

2.1 - Break up Borrowing as on 31-03-2019

Sr.	Particulars	Rs. in Crores
1	Term Loans from various Banks	401.48
2	Working Capital Loan - Cash Credit Limit	24.11
3	Unsecured Loans Deposit from Directors (Sanghvi Family)	20.17
	Total Borrowings	445.76

2.2 – Average Cost of Borrowings during the year

The average rate of interest for Term Loan was 9.72% while for Cash Credit Limit was 8.80%.

2.3 – Term Loan Repayment during the Year 2018-19

The company has re-paid Term Loans to the tune of Rs. 99 Crores during the financial year 2018-19 which includes pre-payment of Term Loan instalments due in FY 2019-20 to the tune of Rs. 22 Crores.

2.4 – Current maturities of Long Term Loan during the Year 2019-20

The Installments of Term Loan due within in one year i.e. in FY 2019-20 is Rs. 91 Crores, out of which a sum of Rs. 10 Crores is already repaid by the company till date.

In addition to the above, company proposes to pre-pay Term Loans to the tune of Rs. 30 Crores during the current financial year partly out of internal accruals and partly out of asset monetization.



FLEET OF CRANES AS ON 31st March 2019

3.0 FLEET OF CRANES AS ON 31st March 2019 -

SML has a fleet of 400 Cranes as on 31st March, 2019. The total amount of Gross Block of Cranes as on 31st March, 2018 was Rs. 2140 Crores. Company has fleet of 252 cranes above 100 MT capacities which constitutes 92% of our Gross Block.



DETAILS OF REVENUE, CLIENTS ,
POSITION OF S. DEBTORS, RECEIVABLE
DAYS ETC.

4.0 DETAILS OF REVENUE, CLIENTS , POSITION OF S. DEBTORS, RECEIVABLE DAYS ETC.

4.1 Sector Wise Revenue Break Up

The Sector Wise Revenue Break up for FY 2018-19 and FY 2017-18 is as under -

Sr	Sector	FY 2018-19	FY 2017-18
1	Wind Mill Sector	46.00%	54.00%
2	Power Sector	13.00%	14.00%
3	Refinery & Gas	16.00%	6.00%
4	Steel & Metal	3.00%	4.00%
5	Cement	3.00%	6.00%
6	Other Industries	19.00%	16.00%
	Total :-	100.00%	100.00%

4.2 Age Wise Analysis of S. Debtors Outstanding as on 31-03-2019

Sr	Particulars	Rs. Crores
1	S. Debtors Less than 90 days	73.66
2	S. Debtors between 91 days to 180 days	4.63
3	S. Debtors between 181 days to 360 days	6.09
4	S. Debtors between 361 days and above	56.31
5	Total S. Debtors as on 31-03-2019 (1+2+3+4)	140.68
6	Less : Provision for Doubtful Debts	50.86
7	Reported S. Debtors as per financials (5 – 6)	89.83
	No. of Days Receivables excluding GST Component	90 Days

4.3 Note on Provision for Doubtful Debts & Bad Debts

The company has made a Provision for Doubtful Debts to the tune of Rs. 21.42 Crores during the financial year 2018-19 on account of weak financials of some of the wind mill clients who has been facing structural problems on account of regulatory issues.

In addition to this company has also written off Bad Debts to the tune of Rs.10 Crores in FY 2018-19, partly on account of one time settlement with some of the sticky receivables and partly due to reversal of Provision for doubtful debts made in previous year.

The management is exploring all possibilities of recovering these dues through amicable solutions including legal recourse and hopeful to recover moderate amount from these clients in the coming financial years. The accumulated amount of provision for doubtful debts as on 31st March, 2019 is Rs. 50.86 Crores.

Considering the current business environment, management feels that the average receivable days would remain in the range of 90 days to 110 days in the current financial year 2019-20.



BUSINESS OUTLOOK

5.0 BUSINESS OUTLOOK :-

The company has registered top line growth of 24% in FY 2018-19 as compared to FY 2017-18. The company has achieved an average capacity utilization of 58% in FY 2018-19 as against 41% in FY 2017-18. 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.

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).

The annual Wind Mill Installation in India during the last four years was as follows:

Sr.	Financial Year	Wind Mill Installation
1	F Y 2015-16	3300 MW
2	F Y 2016-17	5400 MW
3	F Y 2017-18	1700 MW
4	F Y 2018-19 (E)	2000 MW – 2200 MW (#)

(#) as per industry estimates

SML has seen an improvement in the order book in the current year supported by improved capacity addition in the wind power sector. Owing to sharp decline in wind power installation during FY2018 and FY2019e, there has been some impact on company's revenue as well as profitability. 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. As per Industry estimates, wind mill installation in India would be between 4000 MW to 4500 MW in current financial year i.e. FY 2019-20 as against ~ 2000 MW in FY 2018-19.

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 some of the term loan installments due in FY 2019-20.

SML has also added new non wind clients in FY 2018-19 more particularly from the sectors like Steel Plant, Cement Plant, Industrial Erections, Hydrocarbon, Petro-chemicals and refineries. Currently, SML is working with all business verticals of Larsen & Toubro Limited. Several PSU owned refineries located in Bhatinda, Kochi, Vizag, Baruni, Mahul, Haldia, Panipat, Vadodara, Bongaigaon are under upgradation to meet Bharat Stage VI emission norm. Other refineries located in Vizag, Panipat, Baruni are undergoing capacity expansion. Additionally, core infrastructure projects such a Mumbai-Trans Harbour Link, Mumbai Coastal Road Project, Mumbai Nagpur Samruddhi Mahamarg highway project, river interlinking projects, and building of Andra Pradesh's new capital in Amaravathi have led to an increase in the demand of cranes. Elevated and underground metro projects under construction or planning in Pune, Mumbai, Nagpur, Jaipur, Indore, Hyderabad, Bhopal, Bangalore and Ahmedabad have also created a strong demand for cranes. Construction activity will start by Q3 of FY2020 for the high speed bullet train from Mumbai to Ahmedabad which will result in a huge demand for construction equipment.

Company has received orders worth Rs. 153 Crores till 05/05/2019 and is optimistic about its financial performance in FY 2019-20 primarily on account of increase in business volumes from wind mill sector and non wind sector. The management is hopeful to achieve top line growth of ~ 25% in current financial year i.e. FY 2019-20 although major spike in business volume may happen in H2FY 20.



Disclaimer:

This presentation contains certain forward looking statements concerning Sanghvi Movers Limited's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition and economic growth in India. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company. No part of this presentation shall be reproduced, copied, forwarded to any third party either in print or in electronic form without prior express consent of the company.