



“Sanghvi Movers Limited Q1 FY 2017  
Earnings Conference Call”

August 12, 2016



**ANANDRATHI**



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**Moderator:** Ladies and gentlemen, good day and welcome to Sanghvi Movers Limited Q1 FY2017 Earnings Conference Call hosted by Anand Rathi Share & Stock Brokers. As a reminder, all participants' lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "\*" then "0" on your touchtone phone. I now hand the conference over to Mr. Girish Solanki. Thank you and over to you Sir!

**Girish Solanki:** Thank you Tanvi. Good afternoon all for the 1Q FY 2017 Results Earnings Call of Sanghvi Movers. Today, we have with us Mr. Sham Kajale, who is the Executive Director & the CFO of Sanghvi Movers. He will brief you about the earnings and the outlook. Over to you Sir!

**Sham Kajale:** Thank you, Girish. Good afternoon ladies and gentlemen. Welcome to the earnings conference call of Sanghvi Movers Limited for the quarter ended June 30, 2016. I summarize financial performance of the company for the quarter ended June 30, 2016 as follows. Total income from operation is Rs.138.52 Crores, other income Rs.1.81 Crores, total income Rs.140.33 Crores, total expenditure Rs.50.74 Crores, PBIDT Rs.89.59 Crores, our PBIDT to the income from operation is 63.36%, interest cost was Rs.15.79 Crores, depreciation cost was Rs.35.78 Crores, profit before tax Rs.38.02 Crores, tax expenses Rs.12.78 Crores, profit after tax Rs.25.24 Crores. The percentage of profit after tax to total income is 18%; total cash accrual for the quarter is Rs.61.02 cr. The net worth of the company as on June 30, 2016 was Rs.781.43 cr. Total loans outstanding as on June 30 Rs.587.66 Crores, debt equity ratio 0.75:1. The average capacity utilization of the fleet for the period ended June 30 was 79%. The average gross blended yield for the quarter was 2.8% per month. Average receivable days were 98 days. The other income of Rs.1.81 Crores is basically realized and unrealized gain of Rs.1.56 Crores on trade investment that is the investment that we are holding in the equity shares of Suzlon Energy Limited.

Regarding the capex that we have completed in the first quarter we have not done a fresh capex in this quarter however there was some amount which were shown under the head Capital Advances as on March 31 2016. These were the advances paid for purchase of some eight cranes and we have not got the delivery of these cranes on March 31 2016. We got the delivery subsequently in the first quarter and accordingly these cranes were capitalized during this quarter. . and the total capitalized cost is Rs. 23 Crores 68 lakhs. In addition to these we have purchased two office premises in Bombay for our captive purpose and we had incurred some Rs. 17 Crores on that.

Regarding capex plan for the current financial year 2016-2017, we proposed to do a capital expenditure of Rs.212 Crores in the current financial year and we will be importing 5 numbers which are having capacity of 650 tonnes. We are also purchasing some attachments for our earlier cranes, which are CC2800 cranes. So including this attachments. The total capex will be around Rs.212 Crores but the five cranes that we are buying from the company under Trade in Agreement whereby we are selling our five nos. used Demag CC 2400 cranes which are 400



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tonne capacity and from the sale proceeds we are expected to get around Rs. 53 Crores. So the net capex for this year will be Rs. 159 Crores. This will be in addition to the office premises which we already purchased. The funding arrangement for this capex is already been tied-up. The delivery for these cranes will be starting from the September and we will get the delivery of last crane in the month of December. So these cranes will be capitalized during the current financial year.

The sector wise revenue breakup for the quarter ended is as under: Windmill has contributed 64% of the revenue, power sector contributed 15% of the revenue, refinery and gas contributed 11% of the revenue, steel and metals contributed 2% of the revenue, cement has contributed only 1% of the revenue and other industry has contributed 7% of the revenue. As on June 30 2016 we were having a fleet of 419 cranes and gross block of the cranes was Rs. 2038 Crores out of which 265 cranes were 100 tonnes and above, which constitutes nearly 92% of our gross block amount. Sanghvi Movers has a total bank repayment obligation of Rs. 116 Crores in the current financial year out of which we already paid loans to the tune of Rs. 60 Crores till July 31 and only a sum of Rs.56 Crores is due for repayment in next eight months. So we are comfortable as far as debt repayment obligation is concerned. Recently ICRA has reaffirmed our long-term rating that is A+ and they have upgraded our credit rating for short-term loans from A1 to A1+. With this I would like to conclude my updates on the financial performance of the company. You may go ahead with questions, if any you have.

**Moderator:** Thank you. We will now begin with the question and answer session. We have the first question from the line of Prabhat Anant Raman from HDFC Securities. Please go ahead.

**Prabhat Anant Raman:** Good evening Sir. My first question obviously would be that we are seeing a fall in utilization rates and yields this quarter. So, if you could throw some light on how this happened and also what would be the outlook for quarter going forward.

**Sham Kajale:** Basically if you see the historical trend of the company in last 5/6 years, Q1 of the financial year is normally weak and the revenue in the Q2, Q3 and Q4 are generally on the higher side as compared to Q1. So your question is right actually and this has happened in the current financial year also and it was not an exception. However we could able to maintain the utilization up to 79% and to be frank with you the Q2 will not be better than Q1 let me tell you in advance because what has happened because of the delayed rain most of the projects are getting delayed in execution. There is some delay in execution happening. So Q2 will be slightly weak than Q1 However Q3 and Q4 is very good and recently in last one month or so we have got various order confirmation from various clients primarily from the windmill sector plus we also got good amount of enquiries recently. However because of the rainy season they intend to deploy these cranes only after August and most of them from September onwards. So the order book for the Q3 and Q4 is very good in fact the five cranes that we are planning to purchase in the current financial year we have already got a confirmation for four number of cranes. Only one crane is



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pending for which negotiation is on. So outlook is good I would further would like to say that there was an article in fact in one of the interview given by Mr. Tanti Chairman of Suzlon, who said that India will be doing 4500 megawatt wind installation in the current financial year, though we were very little skeptical in the beginning of this year and I mentioned in the month of May that India would do something around 3800 to 4000 megawatt in current financial year. However, considering the flow of enquiry that we got last one month or so and in fact we got confirmation from various clients that I think we should be able to do 4000 plus may be around 4200 also. So the visibility is good primarily from the wind sector. and again sorry to say that in the power sector the traction what we were expecting is not happening on the ground. Touch wood, we have got good orders in the refinery sector. We did good jobs in BHEL refinery at Kochi. We also being working with Reliance Refinery Jamnagar that order is still on and hopefully these orders will continue till March 31 2017.

**Prabhat Anant Raman:** I just wanted to know that last quarter you had mentioned about venturing in to entering into new business verticals of diaphragm wall cranes and TBMs. So, any update on that that you would like to share with the investors.

**Sham Kajale:** What happened in that call Mr. Sanghvi has categorically mentioned that we are exploring the possibility of entering into the business and I also mentioned that it was not even in drawing board also. However we had done good amount of study on that project and we found that it is not renting of TBM is not that profitable proposition. So we have decided to drop that idea even diaphragm wall also. So we are not venturing into hiring of TBM and diaphragm wall going forward.

**Prabhat Anant Raman:** So are there any other plans to derisk yourself away from this cyclicity that is in the train rental business.

**Sham Kajale:** Right now we are focusing into crane business only and lately we are not thinking of any diversification at this stage.

**Prabhat Anant Raman:** One last question Sir is these five new cranes that you get in the 650 metric tonne above how many cranes will you then have in this high tonnage cranes?

**Sham Kajale:** We will be having 32 Cranes above 600 tonne plus capacity .

**Prabhat Anant Raman:** Sir what is the fungibility of these cranes if at all we see a peak out in wind. So what is fungibility in terms of and where can it reach in other sectors?

**Sham Kajale:** Yes these cranes can be used in power sectors we just need to change the crane configuration. So these cranes are equally used in power sectors, UMPP like 600 tonne megawatt even it can be used for the erection of flair stakes at refineries also. So these cranes can be used in other sectors also.



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- Moderator:** Thank you. The next question is from the line of Rohit Potti from Harmony Capital. Please go ahead.
- Rohit Potti:** Congratulations on a very good set of results. My question was around I mean given the decision to enter into another business has been cancelled is there any plan for the company to do share buyback in the near future.
- Sham Kajale:** No we are not thinking on that ground as of today.
- Rohit Potti:** Fair enough and my next question was around I mean so right now with good orders coming from windmills and you are reasonably okay with what is happening in the refinery sector I was wondering what do you think is the biggest challenge the company is facing right now.
- Sham Kajale:** We are not facing such any big challenges in terms of order book. The competition is not that high actually. It is a wait and watch game and we are tracking the various developments which are happening in the power sector and at least from next year based on the enquiries that we are getting from various customers like **Doosan Heavy Industries, NTPC** are setting up 3x660 megawatt bar power plant and it is expected to start the work from the beginning of the next financial year. In BHEL they are talking about 1x800 megawatt project in Vankhori, Gujarat for which we have received one order for 150 tonne cranes also and again BHEL, NTPC they are talking about 3x660 megawatt north, Kannakpura, project which is in Jharkhand. L&T Power also talking about 2x660 megawatt in Madhya Pradesh and they are also in need of some cranes but these things will happen in the next financial year. So we are hopeful that civil work of this project should start from the next financial year. Similarly in refinery sector also there has been talk about the expansion of IOCL Haldia Refinery and there has been a talk about the mega refinery in the Maharashtra, which is the combination of IOCL, BPCL and HPCL. Essar Oil they are also talking about some expansion in **wadinar** project for which they are talking about the requirement of cranes but when it will happen it is a million dollar question as of today.
- Rohit Potti:** Thank you for the detailed answer Sir. Just a followup question on your answer. So I understand that our 650 cranes are fungible across sectors but I was wondering if let us say if you take a 3x600 megawatt plant that you are talking about can the 400 tonne crane do the same job as the 600 tonne crane does or is it necessary that the bigger thermal power plant 3x600 or 880 megawatt plants do they actually require the 600 megawatt cranes and they cannot work with 400 tonne.
- Sham Kajale:** 600 or 660 and even for 800 Megawatt Power plants, they require 600 tonne capacity cranes because the height of the ceiling guilder is higher in such UMPP project.
- Rohit Potti:** Just one last question from my end. I was wondering so one thing which I understand from the industry is that the wind farms might be going some onshore to offshore. So in case of such a



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trend of shift from onshore to offshore the usage of crane would reduce. Am I right in this assumption?

**Sham Kajale:**

For offshore windmill project also they require a crane. In this case a crane above 600 tonnes, 650 tonne, 800 tonne cranes capacity can be used which are loaded on a barge and then it is carried to offshore for windmill erection. Worldwide it is very successful especially in the countries where there is a shortage of land and countries like Denmark where such kind of technology is being used and proved to be very successful India I think our estimate that being developing country and technology is not that developed as compared to the foreign country, it will take its own time. So there are environmental issues which we have to tackle. So it will take its own time. It is a good idea to have offshore windmills because PLF in the offshore windmill is very high as compared to the onshore windmills. Because of high velocity of wind you get better power generation and secondly the windmill sites are also getting exhausted. So over next three to four years good wind mill sites, I hope that they might get exhausted and then they will think about going for offshore windmill. currently they are increasing the tower height of windmills for onshore wind mill projects in order to get more power generation which now everybody is following up, even Suzlon, Gamesa, Vestas they are talking about the tower height more than 100 meters. So eventually offshore wind mills is a wait and watch game. **Moderator:**

Thank you. The next question is from the line of Pawan Ahluwalia from Laburnum. Please go ahead.

**Pawan Ahluwalia:**

Thank you very much. Couple of questions. First is, we have good shares with Suzlon? Could you give us a sense of if we take the MNC complex Gamesa, Siemens, Vestas and GEE what share their business would we be doing in India and the reason I ask it is possible that as a technology war plays out at higher heights etc., it is hard to obviously say who wins but it is possible that these guys will actually become the preferred vendors for people looking to put up wind farms, so I am just curious about our share with them versus with Suzlon because I know we have very good relationship with Suzlon and I also wanted just an update on you are talking about refining and I am guessing Reliance Jamnagar project is now almost nearing completion. So curious to get an update of whether the release of crane from that project into the crane market is causing any sort of pressure on yields and finally could you walk us through the calculation you did in terms of spending the 150 Crores on swapping the six existing cranes for the six new Terex cranes in terms of the cost of the swap as I see it is 150 Crores. What is the incremental yield we can get on these newer cranes versus the older cranes?

**Sham Kajale:**

I will answer your third question first regarding Reliance refinery, see for last six months or so we are working with them and we are hopeful to continue the work up to March 2017 this is the feedback we are getting from them., In fact they are asking for some more cranes also, not heavy duty cranes but small cranes up to 100 tonnes, 150 tonne cranes. yes your question is right after March there might be some cranes which are currently deployed in Reliance may come in the market and may put some pressure, I am not saying a huge pressure but yes definitely some



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pressure. our cranes some 20, 22 cranes are working there while our competitors' cranes are also working some de-hiring of cranes has already started happening and it is happening since last three months or so it is not building up any pressure as such because these cranes are deployed more in windmill also because windmill players they also require the cranes and some of the people have already got the orders from our customers, going forward it is everybody's guess how much these cranes will put a pressure on the yield it also depends upon the how many new power plants if they come where these cranes will find enough work. Suzlon, Gamesa and Vestas you are talking about technology in our market share, see we are fairly paced with all the windmill players in the country. We did a good amount of business with Gamesa and Suzlon last year. InoX we did well and Region Power also to be frank with you we did a good amount of business in the last year, I would not quote the exact number of market share with each of these players but overall I would say we have more than 70% to 75% market share with all players put together.

**Pawan Ahluwalia:** So even if you exclude Suzlon you would have 70%, 75%.

**Sham Kajale:** No including Suzlon I am talking about.

**Pawan Ahluwalia:** So don't give me the individual for the others if you take Suzlon out of the equation what would be your share of the others collectively?

**Sham Kajale:** See this is more or less with all players, I would not say take Suzlon we have 90% and Gamesa we have 40%, if you ask about the individual our share will be ranging from 60% to 80%.

**Pawan Ahluwalia:** So there is no windmill supplier with whom you have less than 50% share.

**Sham Kajale:** Yes and what was your the last.

**Pawan Ahluwalia:** The calculation on the swapping the Terex cranes so the cost of the swap was 150 Crores how did you make the decision to spend the 150 Crores on swapping and what is the incremental yield you will earn on the newer cranes as opposed to the older crane.

**Sham Kajale:** See basically we were having sufficient number of 400 tonne capacity cranes and considering the scenario that it is a new technology that Demag CC 3800 crane which is 650-tonne crane it is a new technology crane and it can do windmill erection at a height of 140 meters also now Suzlon and Gamesa they are talking about the increase in the height more particularly Gamesa they are very keen to increase the tower height and considering that scenario the yield for these cranes will be in line with what we are getting currently for our existing fleet, the old cranes that we are swapping against 650 tonne crane I am not saying they are the lame duck but it was a decision taken in the view that we want to upgrade our fleet from 400 tonne 650 tonne because we are already having 29 numbers of 400 tonne capacity cranes.



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- Pawan Ahluwalia:** Oh, so the ones you were swapping were 400 tonners, you were not swapping 600 for 600; you were just swapping 400 for 600?
- Sham Kajale:** Swapping 400 tonnes against 650 tonnes.
- Pawan Ahluwalia:** Sorry I understood that and just one last question the decision to spend 17 Crores on an office given what rental yields are in Bombay why would you not just sign a long lease at an attractive price and either keep the cash in a company or dividend it out?
- Sham Kajale:** We are also thinking on that ground also, it was a very good deal that we got initially we were thinking whether we can occupy that office and grab new businesses because as most of the people they have offices in Bombay but the decision of renting out has not yet been taken. We are thinking on that ground but very soon we will take a decision .
- Pawan Ahluwalia:** So the money has not yet been spent you are open to renting versus buying?
- Sham Kajale:** It is being spent, it was done with an intention that we will occupy the office and if not then we will let out .
- Pawan Ahluwalia:** Where is this office? How many square feet et cetera?
- Sham Kajale:** Am I required to mention that I think it is too much.
- Pawan Ahluwalia:** Well if you have already bought it then you can mention it right we will find out any way if you are sitting in the office.
- Sham Kajale:** It is in Bandra Kurla.
- Pawan Ahluwalia:** BKC.
- Sham Kajale:** Yes BKC.
- Moderator:** Thank you. The next question is from the line of Ashish Pande who is an Individual Investor. Please go ahead.
- Ashish Pande:** Sir I just wanted to know about your visibility regarding the windmill installation in India post 2016-2017 because you have been buying cranes for the purpose of windmills only, the windmill heights are increasing, so do you have any visibility from the people you are working with Suzlon, Gamesa et cetera regarding their estimates of installation of windmill post 2017?
- Sham Kajale:** See what happened government has reduced the accelerated depreciation from 80% to 40% beginning from April 1, 2017, this question we are also bothered and there was a lot of talk and





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discussions happened on this with all windmill players while taking a decision for going for a additional cranes, now what they are telling , us that earlier the composition of their customers who were setting up the windmill was 45% IRR based while 55% was IPP based customers. the equation has changed recently in the last two to three years and most of people they are setting up the windmill for IPP purpose and IRR customers have come down significantly which has come in one of the research report also of late, so it has come down to 20% so they themselves are not too much bothered about the reduction in the accelerated depreciation rate. Secondly last year India has done a windmill installation of 3300 megawatts this year they might be doing between 4000 to 4200 megawatts. Based on the discussion we had with these people they are saying that the windmill industry will not be totally stopped so they are positive and they are saying that there may not be 5000 megawatt installation per annum but at least India as a whole may do 4000 megawatts per annum on an average in next two to three years so they are confident, we have asked these questions at length with each of them and they are confident. they are talking very big numbers I don't want to disclose the numbers and the name of the company so going forward also, they are very bullish for wind sector in India.

**Ashish Pande:** So even post 2017 as well you are saying.

**Sham Kajale:** Yes.

**Ashish Pande:** Because I think my question was more towards the payment problem. I have read that windmill players are creating payment problems as well, payment problems are there and government is reducing the subsidy or incentive as well, that is why there is a confusion about the windmill installation going forward.

**Sham Kajale:** Payment problem with whom?

**Ashish Pande:** Some state governments are holding payments up to 1000 Crores.

**Sham Kajale:** That is true, that is happening in Rajasthan to be more particular and yes they are working on it , in fact we have faced some problems because we also have a windmill in Rajasthan..

**Moderator:** Thank you. The next question is from the line of Dixit Mittal from Shubkam Ventures. Please go ahead.

**Dixit Mittal:** Sir sorry actually we joined in late so can you tell what was the utilization and yield during the quarter.

**Sham Kajale:** Utilization was 79% and yield was 2.8% per month.

**Dixit Mittal:** So sir any reason for the dip in the utilization and yield or is it seasonal in nature?



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- Sham Kajale:** first quarter is generally on the lower side, if you do the analysis of last three to four years numbers, you will find that Q1 is generally on the lower side.
- Dixit Mittal:** In last year Q1 so can you give that figure?
- Sham Kajale:** Last year Q1 was 108 Crores.
- Dixit Mittal:** No sir in terms of yield and utilization.
- Sham Kajale:** No yield last year was 77% and yield was 2.86%.
- Dixit Mittal:** So that in terms of your full year expectations so what will be the utilization and yield that you expect for the full year?
- Sham Kajale:** I think full year the second quarter is not looking good currently, Q3 and Q4 we are having a good amount of visibility and based on the confirmation that we have received overall we think that we may end up utilization of 80% and yield will be 2.8% to 3% in between.
- Dixit Mittal:** Because sir last year we achieved more than 3% yield. So why is the dip sir?
- Sham Kajale:** Because of the Q2 is not good actually, there has been some delay in execution of project because of the delayed rains and there has been some delay in placing the orders because customers are deferring their crane requirement post September.
- Dixit Mittal:** So is it because of rains?
- Sham Kajale:** I would say it was partly because of delayed rain and in some parts of the country it is very heavy rains actually they are deferring their programs to install the windmills.
- Dixit Mittal:** So then in terms of EBITDA margin what are the expectations for the full year?
- Sham Kajale:** Currently it is 63.36% I would say we should end up between 63% to 65% on annualized basis.
- Moderator:** Thank you. The next question is from the line of Deepak Agarwal from Elara Capital. Please go ahead.
- Deepak Agarwal:** Good afternoon sir and congrats on good set of numbers. My first question is the earlier part of the discussion you mentioned that discussions with the windmill suppliers have made you revise the target for this year to upwards of 4000 so versus earlier around 3800 so this incremental 400 to 500 megawatt which state do you think is driving this kind of additional demand?
- Sham Kajale:** See basically they are talking MP, Gujarat and Tamil Nadu some parts of Karnataka and Maharashtra also. Initially they are just booking the cranes and they will be giving the indication



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because they want to hold that information with them so they issue a confirm order and they freeze the requirement of their cranes **Deepak Agarwal:** MP is interesting because the tariff has been reduced substantially so I thought the market will shrink in MP in FY17.

**Sham Kajale:** I know your observation is correct.

**Deepak Agarwal:** Second question is now we have seen globally there has been a consolidation with Gamesa and Siemens and in India we already have five six very active players amongst the 18, 20 of them so do you see some kind of consolidation happening in India from your perspective?

**Sham Kajale:** I am too small to make any comment on such consolidation, so no comments.

**Deepak Agarwal:** And lastly like as you rightly mentioned almost all of this players Suzlon, Gamesa and all going from much higher height and they have already got the tax certifications and all so to what extent the challenges on the execution increases on the ground as you see versus in earlier 80 meter or a 90 meter height turbines.

**Sham Kajale:** The challenges I don't personally feel any challenges we are not facing any challenges. what happened because of the tower height earlier we used to give 60 tonne or 80 tonne or maybe 100 tonne as a support crane now we need to give them a 150 tonne or 200 tonne cranes as the support cranes. So that is the only thing which has changed actually I don't foresee, in case of Suzlon who are going with the hybrid tower which reduces the cost also it is most sturdy structure for which they require extra cranes, apart from that other things have not changed significantly for us in terms of execution.

**Deepak Agarwal:** And your payment terms are more or less the same across the different players?

**Sham Kajale:** Normally we give 30 days credit to every customer irrespective of who is our client but considering the peculiarity in our industry the payment terms are stretched to 90 days to 110 days so I mentioning in my last two, three calls that our receivable cycles will remain between 90 days to 110 day. and going forward our receivable days will remain between 90 days to 110 days.

**Deepak Agarwal:** And actually this is right because even for windmill guys they are also working on so high receivables from their customers actually.

**Sham Kajale:** Correct, it is a vicious cycle.

**Moderator:** Thank you. The next question is from the line of Nikunj Mehta from Corporate Database. Please go ahead.

**Nikunj Mehta:** We generated 60 Crores of cash profit in the first quarter and we have almost repaid 60 Crores of debt year-to-date and you said the total repayment for this year was due to the 116 Crores, we



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have generated 244 Crores of cash profit last year assume it will be much better this year so any plans to prepay debt that is due for next year or what do we plan to do with the surplus?

**Sham Kajale:** We are planning to repay the debt, most of the banks we are somehow successful to pay their term loan installments of current financial year in advance so whenever we get the opportunity as we don't want to pay the prepayment charges also so we are trying to convince them to accept the prepayment which we did also in some cases as and when we get a surplus cash we are planning to deploy for the repayment of loan, this office that we bought is entirely from the internal accruals, so we will definitely plan to reduce our debt.

**Nikunj Mehta:** And any fresh depots that we invested in this current quarter or last six months?

**Sham Kajale:** We purchased last year land at three to four locations, so we are developing these depots now, constructing a compound wall, small office and workshop . So we are not adding new depot at least in the current financial year.

**Nikunj Mehta:** And just one take on GST net-net positive for Sanghvi Movers?

**Sham Kajale:** Net-net positive for us in terms of speedy execution of the projects. The transportation time and cost involved will get reduced, in fact there was a report issued by CRISIL which says that if GST happens the transportation cost will come down at least by 30% to 35% all industry put together, so similarly we will also get benefit because most of the time we get stuck at the border asking various forms and various issues, that will reduce eventually and that will help us to speedy deployment of cranes, so that is one good thing which is happening.

**Moderator:** Thank you. The next question is from the line of Maithali Balakrishnan from Avizo Advisors. Please go ahead.

**Maithali B:** First of all congratulations on a good set of numbers. I wanted to check on two things first is given this reduction in the utilization and the yields which you expect are you cutting back on the guidance because earlier we had guided to 10% kind of growth this year.

**Sham Kajale:** We are still hopeful to go ahead with 10% guidance actually, I can answer this question at the time of Q2 conference call for the second quarter result .So it is too early to comment on this factor.

**Maithali B:** The second question, which I had, was in customer concentration could you help us understand how much would say the top customer, the top five customers contribute in terms of your revenues.

**Sham Kajale:** Top five I would say they may be contributing around 50% to 55% of our revenue.



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- Moderator:** Thank you. Next is a follow up question from the line of Dixit Mittal from Shubkam Ventures. Please go ahead.
- Dixit Mittal:** Sir what is the Capex plan for this year?
- Sham Kajale:** This year we will be doing a Capex of Rs. 212 Crores and we are buying five numbers heavy duty cranes which is 650 tonne cranes against the swapping of five numbers used 400 tonne cranes so the net capital expenditure that will be doing will be Rs. 159 Crores .
- Dixit Mittal:** Sir what is the gross block at the end of this quarter?
- Sham Kajale:** It is Rs. 2038 Crores.
- Moderator:** Thank you. Sir there are no more further questions in the queue would you want to close?
- Sham Kajale:** Thank you everyone for joining the conference of Sanghvi Movers have a good day. Thank you very much.
- Moderator:** Thank you. On behalf of Anand Rathi Shares and Stock Brokers that concludes this conference. Thank you for joining us and you may now disconnect your lines.