“Ganesh Infraworld Limited

Q4 FY '25 Earnings Conference Call”

April 29th, 2025

MANAGEMENT: **MR. VIBHOAR AGRAWAL – CHAIRMAN AND MANAGING DIRECTOR – GANESH INFRAWORLD LIMITED**
MR. ABHAY KUMAR SINGH - GROUP CHIEF FINANCIAL OFFICER – GANESH INFRAWORLD LIMITED

MODERATOR: **MR. GAUTAM KOTHARI – X-B4 ADVISORY**

Moderator: Ladies and gentlemen, good day and welcome to the Q4 FY25 Earnings Conference Call of Ganesh Infraworld Limited. As a reminder, all participant lines will be in the listen-only mode and 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 star then zero on your touch-tone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Gautam Kothari from X-B4 Advisory. Thank you and over to you sir.

Gautam Kothari: Thank you. Good evening everyone and welcome to the Q4 and FY25 earnings conference call. Today on this call we have Mr. Vibhoar Agrawal, Chairman and Managing Director and Mr. Abhay Singh who is the Group Chief Financial Officer. This conference call may contain forward-looking statements about the company which are based on beliefs, opinions and expectations as of now. Actual results may differ. The statements are not the guarantees…

Moderator: I am sorry to interrupt sir. Could you please come a little closer to the microphone? You are sounding distant and muffled. Thank you.

Gautam Kothari: Thank you. Good evening everyone and welcome to the Q4 and FY '25 earnings conference call. Today on this call we have Mr. Vibhoar Agrawal, Chairman and Managing Director and Mr. Abhay Kumar Singh, Group Chief Financial Officer. This conference call may contain forward-looking statements about the company which are based on beliefs, opinions and expectations as of today. Actual results may differ. The statements are not the guarantees of future performance and involves risk and uncertainties that are difficult to predict.

A detailed Safe Harbor statement is given on second page of the earnings presentation of the company which has been uploaded on the stock exchange and company's website as well. With this I now hand over the call to Mr. Vibhoar Agrawal for his opening remarks. Over to you sir.

Vibhoar Agrawal: Thank you Gautam Ji. Good evening everyone and thank you for joining us. I am Vibhoar Agrawal, Chairman and Managing Director of Ganesh Infraworld Limited. Before we dive into our company's performance, I would like to take a moment to reflect on broader infrastructure landscape in India, a landscape that continues to present immense opportunity. We are at the cusp of transformative phase in India's infrastructure development with a record-breaking INR11.1 lakh crores allocated for infrastructure budget in 24-25.

Which is a 16.9% year-on-year increase. The government has reaffirmed its commitment to building a strong foundation for a sustainable growth. Flagship programs such as PM Gati Shakti, the National Infrastructure Pipeline and the Jal Jeevan Mission are unlocking massive investments across sector and fast-tracking project execution nationwide.

One area witnessing extraordinary momentum is the water. As of March 25, over 12.3 crores rural households representing upwards of 75% of total households have been connected with tap water supply under the Jal Jeevan Mission. Capital expenditure in this sector is expected to touch upwards of INR1.75 lakh crores in FY25 which is up from INR1.46 lakh crores which was in FY24.

This rapidly expanding sub-segment is where we see significant opportunity and where Ganesh Infraworld is actively increasing its presence. Now, let me shift focus to our company Ganesh Infraworld. Originally established in May 2017 as a modest partnership firm, Ganesh Infraworld has steadily evolved over the past eight years into a professionally managed EPC company and now proudly listed on NSE EMERGE.

Our transition into a public limited company effective 1st of June 2024 marks as a key milestone in our journey for disciplined growth and operational excellence. Our evolution has been driven by steadfast commitment to quality, safety and timely execution. These principles have laid a solid foundation for a sustainable value creation and long-term growth.

At Ganesh Infraworld, we operate a well-diversified business model across three key verticals, civil and electrical infrastructure, road and rail infrastructure, water infrastructure development. So, these three are the key verticals at Ganesh. With a dedicated team of over 80 engineers, a portfolio of 28 ongoing and 67 completed projects across 14 Indian states.

We have emerged as a trusted subcontractor to some of India's leading EPC player. Our state-of-the-art fleet include excavators, drilling rigs, concrete batching plant and many other machineries, which further strengthens our ability to deliver with precision and speed. Our current order book stands at INR891 crores, offering a strong visibility and future revenue streams.

For FY25, we maintain a debt-to-equity ratio of 0.21, reflecting a prudent approach to capital structure and risk management. This balanced and diversified portfolio positions us to navigate sector-specific cycles while tapping into India's broad infrastructure growth story. Allow me to briefly walk you through the composition of our order book of FY25. The civil infrastructure comprises of INR444 crores, approximately.

Road and rail has around INR128 crores. And water infrastructure, which is our key focus, has an existing order book of upwards of INR318 crores. Notably, our water infrastructure book has grown 29 times year-over-year, underscoring the strong momentum in this segment.

Looking ahead, we are placing increased strategic focus on the high-growth water infrastructure vertical. This aligns closely with the Government of India's sustainability agenda and flagship initiatives like the Jal Jeevan mission and AMRUT 2.0. During the recently concluded quarter, we were proud to win two major water projects, an INR185 crores project in the Gwalior region of Madhya Pradesh and an INR129 crores water management and civil work contract in Kolkata.

These prestigious wins not only validate our enhanced execution capability over the water value chain from treatment plants, pumping stations to distribution pipelines, but also pave the way for accelerated growth in this vital sector. With this, I would like to hand over it to Mr. Abhay, who will take you through the financial highlights for Q4 and FY25. Over to you, Abhay Ji.

Abhay Singh: Thank you, Vibhoar sir. On behalf of Ganesh Infraworld Limited, I extend a warm welcome to all our investors, analysts and stakeholders joining us today. I am pleased to present you the financials and operational highlights of Ganesh Infraworld Limited for the quarter and full year ended March 31st, 2025.

Financial year '25 has been a truly transformational year for us. This is our first financial year post-listing and I am very proud to report that we have demonstrated robust financial performance, operational resilience and a clear focus on strategic executions.

Let me take you through the financial performance of Ganesh Infraworld Limited for Q4 and full year ended March this year.

Starting with quarter 4 financial year purchase, we have reported revenue of INR158.6 crores reflecting a 6.3 percentage growth on a quarter-on-quarter basis. EBITDA stood at INR14.4 crores with an EBITDA margin of 9.1%. Net profit after tax came in at INR11.6 crores, translating to a PAT margin of 7.3%.

Now coming to the full financial year, financial year '25, revenue stood at INR538.2 crores, EBITDA at INR52 crores with an EBITDA margin of 9.7%. Net profit after tax stood at INR48.1 crores, yielding a PAT margin of 7.4%. Net worth expanded significantly to INR180 crores, reflecting the successful capital raised and internal approvals.

We maintained a prudent balance sheet with conservative leverage. Our debt-to-equity ratio remains healthy and well within compatible limits. Our order book remains strong and well diversified, offering good visibility for future revenue streams. As Vibhoar sir highlighted, we are actively increasing our water infrastructure vertical.

This segment not only represents significant growth potential but also aligns with the national priorities. We are committed to expanding our presence here by consistently winning and delivering high-impact projects.

Before I conclude, I would like to thank our employees, our partners, and all stakeholders for their continued trust and support. And a special thanks to all our investors. Your faith in us is our biggest motivator. With that, we now open the floor for questions. Thank you.

Moderator: Thank you, sir. Ladies and gentlemen, we will now begin with the question and answer session. The first question comes from the line of Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave: Thank you very much for giving me the opportunity and congratulations on a fairly decent set of numbers. Sir, I have one macro question and then a number of small questions about your company. So, the macro question is that while you have clearly shifted your focus on water and you have won a lot of orders, overall, a lot of companies which were previously in water have pointed out over the last four quarters that the government focus is shifting away from water.

And there have been substantial cuts in the payouts, even in the Jal Jeevan mission by the states and the centre. And there was a very recent article in one of the magazines that government is saying that a lot of states have given out orders at very high tender rates. And the Central government is saying that we won't be supporting the funding of those projects.

So, can you take us through the challenges that others are facing? Why are you not facing them? And are there any sub-segments of the water sector as such, where there is still a lot of scope and where you see the risk reward in your favour?

Vibhoar Agrawal: Thank you, Agastya ji. I would appreciate you asking such an important question. Like, yes, you are right that there have been some corrections in the budgeting of JJM. But parallel to JJM, there is a mission going on in the name of AMRUT. AMRUT 1.0 is already completed. And recently, government has allocated a good amount of fund in AMRUT 2.0.

So, a few of the projects backed by us come under AMRUT 2.0. Whereas, JJM was focused primarily on providing tap water to each household. But AMRUT 2.0 focuses more on urban development, which includes bulk water distribution and sewerage distribution as well. So, right now, we are successfully doing a project in Bhubaneswar, which is for sewerage distribution. And we are in talks with a few companies for further increasing the order book over there. And there is no issue of any payments or we don't see any shift of focus from government towards lessening of urban development projects, especially under AMRUT 2.0.

And as for the JJM mission also, there have been a few irregularities because we can appreciate that when the infrastructure development is happening at a massive scale throughout the country, then definitely India being a huge country with a population of upwards of 140 billion people. So, some checks and balances might go wrong. But yes, government's focus has never shifted from water because water and sewerage are still the basic amenities which the government as India is progressing from a developing nation to a developed nation. So, government's priority is still water and clean sewerage system.

So, there might be a small amount of shift from JJM 2.0. But yes, that shift along with some additional additions in the spending has come under AMRUT 2.0. And also, like I talked about this government project, PM GatiShakti, even PM GatiShakti, in GatiShakti what is happening, it's a cluster of projects. So, if we dig deep into PM GatiShakti, then again, over there also, we'll find some water projects because nowadays, the focus of Indian government is into giving EPC projects.

Like, earlier, if there was a township, then might be, they were issuing orders on separate, like separate for civil, separate for electrical and separate for water. But nowadays, the focus of the government is to give a wholesome order, a turnkey project, which includes everything, so that the outcome is world class.

So, that way, if even in some government data, if we see that there is a reduction of maybe 2%-5% directly from the water projects, then if we see that there's a significant increase in the water projects in some other schemes, which are not named as water schemes, but yes, it has a huge water component also. And whenever we are saying water, then it definitely includes sewerage as well.

Agastya Dave: Understood, sir. Sir, is the nodal agency is directly under the government of India, or any state be involved in AMRUT, is it completely center funded?

Vibhoar Agrawal: Yes, it is center funded, but the execution agency is the state government also.

Agastya Dave: Okay.

Vibhoar Agrawal: Yes.

Agastya Dave: Okay, understood, sir. Sir, my next question is on, as far as I could understand your model, water projects will start now, this year onwards, right? You have just won the orders, you have not started executing them in a meaningful manner.

Vibhoar Agrawal: Yes, but few water projects are already running. The new projects will start now.

Agastya Dave: Yes. But this time, in this year's earnings, you will have more contribution than water, right?

Vibhoar Agrawal: Yes, absolutely. Absolutely.

Agastya Dave: So, sir, my understanding is that civil works and roads, better margins are in water. So, what kind of margins can we expect going forward? And how long will it take for your company level margins to start reflecting that uptick? So, this year itself, we have seen some uptick, almost 200 basis points, but where are the margins headed, given the change in the mix in the execution?

Vibhoar Agrawal: So, sir, execution mix has already started reflecting from the month of March, particularly from March we have started executing newer orders, which are primarily the water sector. And overall, I think the reflection will be there maybe from the first quarter itself. And as far as the margins are concerned, Double digit margin will not be, I am not, I mean, we cannot say exactly double digit margin, but yes, it will be somewhere very close to a double digit margin only.

Agastya Dave: Understood. And so, final question is on your capex for the coming year. And also the tenure of the projects that you have now in the order book. So, how do you see the execution panning out this year? So, would you be this 800 odd crores that you have in the order book, and I'm pretty sure you'll be winning lots of orders through the year. So, broadly speaking, what kind of growth do you expect on the revenue side?

And to fund that, no, funding is the wrong word, but to execute that level of growth, what kind of capex do you need and what will we see on the working capital side? Working capital as of now is very well managed. Do you expect some receivable days to go up? And what kind of capex would you require to execute that level of growth?

Vibhoar Agrawal: So, we don't see any significant requirement of any capex to execute these projects. And as for the order books, I think we have right now the average execution timeline for the entire order book would be somewhere around 18 months. And further, we have participated in quite a few bids, and we expect some positive results also. So, this order book will definitely grow. So, we don't see any issues in a double-digit growth for this year in the revenues.

Agastya Dave: So, can we expect like 20% growth or less in that sense?

Vibhoar Agrawal: I mean, it will be difficult to exactly say 20% or something. But I would request Abhayji to focus on the same. Abhayji?

Abhay Singh: So, I would like to highlight with the numbers what is happening to answer your query. So, we are seeing a growth. And with respect to capex since we are moving or having an annual budget which is low capex heavy, so basically we are not planning for major capex. We are majorly going with rental fixed assets at the location-specific, project-specific places, and definitely purchasing some fixed assets. Like, for example, this year we have gone for a capex of INR11 crores. So, this type of capex may be expected in the future years also, maybe some numbers up or down.

And with respect to working capital, right now we are basically invested with a working capital range of approximately 75 days. And we are expecting the same nature of business is continuing because the focus from civil or road to water shift will not change the nature of industry habits. So, basically, if you see the customer behavior with respect to payments are same across EPC sectors.

So, with respect to changing sector with water maybe can be looking up as a micro-level, but overall on customer behavior side, we expect similar type of working capital to continue. And hence, capital requirements with respect to fixed assets and working capital will be in same line. And as far as the funding is concerned, so we have a reserve of approximately INR36 crores unutilized from IPO proceeds, which we have projected to get it deployed in the current year as a working capital investment for the growth. So, I think this answers your query.

Agastya Dave: Yes, you have answered everything and all the best for the future, sir. And I also appreciate the fact that you hold conference calls and do quarterly results. That is a very nice and commendable thing.

Moderator: The next question comes from the line of Rahil from Sapphire Crown Capital. Please go ahead.

Rahil: Firstly, you mentioned you have bid for quite a few projects apart from order book that you currently have. So, what would be the value of that order pipeline which you have bid for?

Vibhoar Agrawal: So, our bid book would be somewhere around maybe INR1,200 crores.

Rahil: INR1,200 crores. And how much of this is from the water vertical?

Vibhoar Agrawal: More than 80%.

Rahil: More than 80%. Okay. And what would generally be the win rate for you? Because, let's say, for FY '26, you are covered, given your INR890 crores order book. Now, for you to grow beyond that at an aggressive rate, you will need to see a lot of order book conversion. So, if you can paint a certain picture how it works for you, by when you are expecting a large amount of orders?

Vibhoar Agrawal: So, in general, I think the win rate we can say is approximately 25% to be on a safer side. But yes, few bid discussions and bid planning is also under process. So, we don't see any issues in reaching our targeted order book in the fields where we want to, because we have been in relation to the past projects which we have executed with the existing government clients.

So, we are also there with them for preparation of few DPRs. So, those DPRs will convert into tenders and again, we will be participating in the same, maybe in the upcoming 6 to 8 months. So, we don't see any dearth of any orders throughout for this financial year.

Rahil: So, apart from this INR1,200 crores, which you have already bid for, you will be participating in more in the next 6 to 8 months?

Vibhoar Agrawal: INR1,200 crores is already bidded up till March 31st.

Rahil: So, the new tenders you are expecting, what would be the value for those which will be released soon?

Vibhoar Agrawal: I mean, depending on our participation, financial capability, I think we shall be participating in at least INR2,000 crores to INR3,000 crores worth of projects.

Rahil: That is in this year, within this year?

Vibhoar Agrawal: Yes, definitely, within this financial year '25 to '26.

Rahil: Okay. And if I am not mistaken, I believe in one of the investor meets and previous calls, you had given a guidance, let's say, for FY '26 and FY '27. So, by FY '27, you have this target of reaching INR1,000 crores or more with a PAT of INR90 crores. So, is that a reasonable number which can be definitely achieved given the stage which we are at today?

Vibhoar Agrawal: I think I will pass this question to Abhayji.

Rahil: Yes, sure.

Abhay Singh: So, with respect to projections, we are expecting a double-digit growth year-on-year maybe at a CAGR level. And we expect a good return of approximately 20%-25% growth rate in the long run of 5 to 7 years. But definitely, with respect to exact numbers, we have worked upon, but I think the same has not been communicated in the investor PPT.

Rahil: Okay, so 20%-25% in the long run, I understand. But like for my bracket, if you could be more specific?

Abhay Singh: So, I think actually we have to see the detailed business plan which has been approved by the BOD. But for that, we will need to relook at it and come back maybe in the next call or something like that.

Moderator: The next question comes from the line of Rahul Ranka from Kushal Investments. Please go ahead.

Rahul Ranka: I wanted to ask, I have seen your margin profile. Quarter-on-quarter, the margin profile is a little deteriorating. Maybe get more details into why is that so?

Abhay Singh: So, if you see the margin profile with respect to the year-on-year level, we have done a PAT percentage of approximately 7.7% in March 2024 and 7.4% in March 2025, which is a slight decrease by 0.3%. However, you can see a decline of say 0.4% on quarter-to-quarter basis. This is because of the growth which the company is enjoying right now post IPO. So, since we have started utilizing the IPO proceeds and we have made strong growth projections for the next years coming soon, the company is being majorly into service sector with low capex-oriented model.

We are currently hiring people, making bigger teams, our change in focus from civil to water and the change in focus from bidding smaller projects to higher projects. We are basically in building our better and highly qualified team so that we can get success in future with the growth path the management has predicted. Because of this, we can see a slight decline of 0.3% or 0.4% in the PAT level. However, we understand that this will get revived in the next year when we look at the full year figures.

Rahul Ranka: I got it. Sir, can you give us the number of employees which you have at the beginning of the year and by the end of this year closing?

Abhay Singh: So, basically you see we have approximately 80 engineers being an engineering company on our payroll. And if you say the workforce, the workforce is more high. We have to just calculate the workforce which is other than engineering corporate projects and then on contractual basis, the numbers would increase. But definitely if we say the engineers, engineers are approximately or exactly 80 as on 31st of March.

Rahul Ranka: I would like to understand how has this changed over a year ago?

Abhay Singh: Over a year ago, the number of engineers if you say just before pre-IPO say 6th of December, it was approximately around 65. So, from 65, it has gone 80 in our payroll and another 40 to 45 engineers are under the process of joining which may join in the next say 3 to 4 months of notice.

Rahul Ranka: Okay and how do we take care of the field workers?

Abhay Singh: The field workers I understand that field workers have increased with approximately 30% of employees.

Rahul Ranka: That is do we give to the labor contractor or we have in-house?

Abhay Singh: So, we have both kind of system. We do have some employees who are basically managing the contractors, who are managing the projects in the project offices and corporate employees. However, with respect to the labor work the company is hiring laborers under the contractual payrolls so that the project can be managed efficiently and effectively.

Rahul Ranka: Okay. So, thank you so much, sir. And water projects sir, the current order book is what is the expected time duration within which we are expecting to complete it, this current water project?

Abhay Singh: So, generally 18 months is the time period for any project to – 18 months is the time period for completing the full project. So, it is like that. However, if you say the order book, the order book may be executed in 12 to 15 months being some project very new, some project on the running stage.

Rahul Ranka: I did not get it. 12 to 15 months is for what, sir?

Abhay Singh: So, for existing order book. And for the new orders, whenever we get a new order, the cycle is approximately 18 months.

Rahul Ranka: Okay. So, this 12 to 15 months, are you talking about all the projects generally?

Abhay Singh: All the projects average is of execution for the existing order book.

Rahul Ranka: Okay. And third question is sir working capital, what is the working capital days right now?

Abhay Singh: So, working capital days right now is approximately 75 days in March 2025.

Rahul Ranka: And what do we see? We are trying to maintain this or better it up?

Abhay Singh: So, we are definitely trying to maintain this because as of now we are not seeing any behavioral change in the customers with respect to payment or something like that. But we are doing continuous efforts to in order to improve this working capital cycle. So, there may be some improvement or there may be some increase in working capital cycle by say 2% to 4% on quarter-to-quarter basis, but overall the numbers would remain on same line.

Rahul Ranka: Okay. And what is the momentum on back to back orders, sir, like the back to back orders which we get from the repeat customers, how is the uptick on that?

Abhay Singh: So, if we see the existing order in the civili and road/rail, we are definitely getting back to back orders from the existing customers. Since we are focusing more on water, water the new customers are coming because the existing order book has very less water customers. So, there we are seeing new customers coming on back to back basis.

Rahul Ranka: Okay. And just one last question, sir. Throughout the year, what is the seasonality of revenue booking which we do? I mean like are all the quarters having equal weightage or do we have maybe third or fourth quarter to be more stronger than the other quarters?

Abhay Singh: So, we see the most dull quarter at September quarter. September quarter basically faces two issues. One is the seasonal rainy season and second the projects in particularly in East India has lots of holidays on respect of religious holidays. And so September is the quarter where we see the lowest revenue and we see higher revenue in the quarter of December and March. So, December and March are the best and June is a bit low and September is the worst.

Rahul Ranka: Okay.. Thank you so much, sir.

Abhay Singh: Thank you.

Moderator: The next question comes from the line of Sahil from Samdareeya Capital. Please go ahead.

Sahil: Sir, I have a question regarding the receivables which have grown around three times from last year. So, could you kindly explain what is the recovery cycle and are they reducing on month-on-month basis?

Abhay Singh: So, the debtors is approximately around 79 days when if we see the numbers, the numbers have grown definitely because of the growth in the business of the company. So, if you see the revenue has also grown. In the March quarter last year, the revenue was INR51 crores and this quarter we have done 158 and that is why the debtors in numbers has definitely grown. However, if we see the number of days, so as on March 25, the number of days stands at 79 days.

Sahil: All right, sir. And one question on that subsidiary we recently announced that we have incorporated. What is the business around that and how are we proceeding about that?

Abhay Singh: So, that is a subsidiary we have opened in Dubai. So, right now we have not started any business or anything in that company, but we are projecting to grow our existing business of Ganesh Infraworld abroad and for that we are actually finding some opportunities in the state of Dubai, UAE, Saudi Arabia and other Middle East countries. So, that is where we have just incorporated a company and we want to explore businesses which can basically contribute and expand the businesses of Ganesh Infraworld worldwide.

Sahil: Recently, sir, Ganesh Infraworld participated in the Arihant conference, if I am not mistaken. And there I think Vibhoar sir has mentioned that we will soon be moving to direct tenders rather than subcontracting. So, when can we see that happening because that will probably mean we will get better margins in our products?

Abhay Singh: Yes, so that is our plan. So, we were a subcontractor before IPO. We are a subcontractor as of now, but we envisaged to become a contractor. So, we want to bid direct projects in the government very soon. So, for that we are going on a phase-wise manner. As of now, we are trying to build a tender department, planning department, costing department and people who are having experience in bidding tenders directly in the government.

And to fast track it, we are also planning and discussing with various EPC players and exploring the possibility of joint ventures so that we can bid direct tenders through JVs and have a flavor of the same. And then post getting the flavor, we would like to bid directly under the company's name, Ganesh Infraworld, direct tenders. So, basically, if you see the long-term plan, we are targeting book uproot revenue this year through a JV route, taking a flavor of direct projects. And in the next financial year, we are projecting to bid direct tenders to the government under the company's banner.

Sahil: So, is there any margin differential between the projects that we do in subcontracting and the projects that we do in JV or direct contracting?

Abhay Singh: So, as of now, we have not done or executed any direct tenders by ourselves. So, we are trying to test the same through JV route. However, the market study which we have done, so we understand that there should be a difference of approximately 4% in the PAT level if you go directly with the government.

But this number will be cleared by executing one project at least in the JV route. That will give more clarity. But yes, as of now, the marketing department and the survey which we have done internally is giving an indication of getting higher PAT margin by 4% if we go with direct tenders.

Sahil: All right. Thank you. That was my question. Thank you very much.

Moderator: The next question comes from the line of Manali Gala from Centra Insights Limited. Please go ahead.

Manali Gala: Hi, sir. Good set of numbers. Sir, just wanted to understand for the guidance that you have given for financial year 27 of INR1,000 crores of revenues, what kind of working capital would be required to generate such a revenue?

Abhay Singh: Thank you, Manali ji with giving a confidence to INR1,000 crores number in FY27. But yes, we are targeting a good number in FY27 with a good growth number from existing level. However, with respect to working capital we are actually right now seeing the same working capital days or 75 days in the near future also with no change in business activity. But definitely, if we are achieving that kind of number with direct order, the numbers might slightly change or you may say it may increase.

So, as of now, we are confident and we have a 30% reserve from IPO proceeds part for working capital taking care of this year of working capital. So, yes, we are insured with that amount.

Manali Gala: Okay. Yes. Thank you so much.

Abhay Singh: Thank you.

Moderator: The next question comes from the line of Rahil from Sapphire Crown Capital. Please go ahead.

Rahil: Hi, sir. Thank you again. Just one more question. This year, we finished with a PAT margins of around 7.4%. With most of your order book in water segment, where you say the margins also higher, can a PAT margins be upwards of 8% or 8.5%, 9% by FY27 in two years time?

Abhay Singh: Yes. So, that should happen. So, what our business sense we are looking at is the shift to water. And we say we are shifting towards water, we are shifting towards water for better profitability. And as and when the composition of water will increase in the revenue, which we have seen in the order book. So, the same should be reflected in the revenue current year and then FY27. And therefore, the number of PAT percentage should increase from 7.4% of the existing level to a better margin level.

Rahil: Okay. So, in two years, it definitely should inch up. That's what you said.

Abhay Singh: Yes, definitely.

Rahil: Okay. And currently, you said you have a team of 80 engineers?

Abhay Singh: Yes.

Rahil: Are you planning to add more? So, at what number will you close FY26 with in terms of…

Abhay Singh: So, we are doing hiring and trying to expand that team multifold. So, right now on the payroll, if you see it is 80, but there are a lot of engineers who are in the process of joining because of their existing assignments. And we are also hiring still because of expanding the business, expanding the projects and then movement from subcontracting to direct tenders. So, these are the three, four purposes we are hiring very high. And this number will increase, definitely increase in the next year again.

Rahil: You don't have a certain target, how much you want by end of this year by FY25 end?

Abhay Singh: So, I think this should increase by 50% by end of this year.

Rahil: Okay. So, around 120. Okay. Got it. Thank you and all the best.

Abhay Singh: Okay. Thank you.

Moderator: As there are no further questions, I would now like to hand the conference over to Mr. Vibhoar Agrawal for the closing comments.

Vibhoar Agrawal: Thank you, sir. So, thank you all for participating in this earnings call. I hope we have been able to answer your questions satisfactorily. If at all you have any further questions or would like to know more about the company, please feel free to reach out to our Investor Relations Manager, XB4 Advisory. Thank you. Stay safe and healthy. Thank you very much.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Ganesh Infraworld Limited, that concludes this conference and you may now disconnect your lines.