

Dhruv ConsultancySer

23 June 2026

Operator: Good evening everyone. I'm Tejas Vaidya on behalf of Kirin Advisors. I welcome you all to the investor analyst meeting of Dhruv Consultancy Services Ltd. From the management side, we have with us Mr. Pandurang Dandawate, Chairman of the company. Good evening sir, welcome.

Management: Good evening.

Operator: So to begin with I would like to give a short introduction about the company. Established in 2003, Dhruv Consultancy Services Ltd. is a leading infrastructure consultancy firm offering engineering design and core services including the preparation of detailed project reports, feasibility studies, project supervision, construction supervision, and operation and maintenance supervision. With that, now I hand over the floor to Pandurang sir to give a detailed overview of the company. Over to you, sir.

Management: Okay, am I audible?

Operator: Yes sir, you're audible.

Management: Okay. Thank you investors, analysts, and the Kirin Advisor team for giving us the opportunity to interact with investors. As introduced, Dhruv Consultancy Services Ltd. was established in 2003 by myself as a family business. In 2016, we started getting projects from the central government agencies, specifically the Ministry of Road Transport and Highways (MoRTH) and NHAI. Dominantly we are in the highway sector, but broadly our profile is in infrastructure. Being a former government employee from the PWD Government of Maharashtra and then MSRDC, I chose to focus on the highway sector and we started our journey.

For the initial 10 years, we worked as a small consultant associate in the private sector, followed by small assignments in the state government. As I said, in 2015-16, when the infrastructure boom started across India, we shifted our focus to Delhi. In 2018, we got ourselves listed on the BSE SME platform and in 2021, we migrated to the main board of BSE and NSE. That is the journey of the company as far as the exchanges are concerned.

When we started the work, we had a turnover of only 25 lakh; last year our turnover was almost 100 crore plus. This year, we have seen a dip in profitability and also in turnover for certain reasons. The main reason is that we corrected our budget estimates. This means we have booked all the expected excess revenues that were unnecessarily showing in Q1, Q2, and Q3. In Q3 we have shown a loss, and in Q4 we also showed a loss. So last year the company was in loss, mainly because we corrected our budget estimates.

We have a strong order book of 600 crore plus, out of which 300 crore is unexecuted. This unexecuted order book is to be completed in a period of 2.5 to 3 years. Recently NHAI has allotted ratings to consultancy firms and based on those ratings, they have revised the eligibility and allotment criteria for projects in the present and future. I am happy to announce that we are number 6 in India among 57 consultants, scoring almost 70 marks out of 100. Because of this ranking, we are hopeful to get many assignments in the coming year with better profitability.

Report is AI-generated and may contain inaccuracies.

Apart from highways—where we are now saturated in terms of experience and eligibility, qualifying for expressways, four-lane highways, and six-lane highways while scoring 95 plus marks—we have entered into airports and have a presence in railways and metros. Apart from domestic business, we completed one assignment in Mozambique, which is a World Bank-funded DPR project for roads. We are a responsible bidder in Ghana and are hoping to get work in Saudi Arabia once the regional situation stabilizes. We have already submitted our quotations and are hoping to get business from the private sector in Saudi Arabia. This is all from my side and I open the platform for the question-and-answer session. You are free to ask any question. I think Mr. Ghanekar or Tanvi might be here regarding accounts, otherwise I am here to answer your questions.

Operator: Sure sir. Thank you. So investors, the floor is now open for Q&A. Kindly raise your hand or you can also drop your questions in the chat box. Yes Moksh, please go ahead.

Moksh: Hi, good afternoon Mr. Pandurang. I am glad to have been associated with you for the last year; I've been attending the meetings. I just wanted to ask if you can throw more light on the recent acquisition of Verul Drive-up, specifically the 55% acquisition? I want to understand your thought process.

Management: Yes, surely. This is a bit of a diversification of the business from our core sector of consultancy. For the first time, we have submitted our bids for the wayside amenity business, which is on a BOT or PPP mode with a concession period of 15 years. Basically, we have to invest and develop the wayside amenity and also maintain it.

I will explain in one line what a wayside amenity is. If you travel from Mumbai to Pune on the expressway, after crossing the Khalapur toll plaza, you will see a food mall on the left side. The Khalapur food mall comprises a fuel pump, EV stations, toilets, a food court, and retail shops. This entire complex together is called a wayside amenity. We have obtained our first wayside amenity assignment on the Aurangabad-Dhulia road (currently named Sambhaji Nagar-Dhulia road), 35 km away from Aurangabad. Dhruv Consultancy Services Ltd. submitted the bid and we have formulated an SPV, a special purpose vehicle, 100% owned by Dhruv Consultancy Services Ltd. and the Dhruv promoters.

Management: 55% holding is held by Dhruv Consultancy Services Ltd. and 45% holding is by the promoters, including myself, my brother who is a director of the company, and my daughter who is the MD of the company. Basically, this business demands an investment of 5-6 crore where we develop facilities for travelers. Mandatory facilities include a fuel pump, food court, internal roads, landscaping, toilets, and high masts.

We have four types of revenue streams. The first is from the sale of fuel and commissions. Estimated fuel sales are 50 crore per annum on that highway, as it is a busy highway with high commercial traffic connecting South India to North India through Maharashtra. Second is the rental income from anchor stores. We have appointed consultants to talk to leading international food chains like McDonald's or Starbucks, and we hope to have them on the premises in another 2-3 months. We have received the letter of acceptance and are in the process of submitting the performance security. We have already formulated the SPV.

Report is AI-generated and may contain inaccuracies.

The third type of income is royalty from the sales of anchor stores like McDonald's or Starbucks. And fourth is the rental revenue from retail shops. These are the four major revenues we expect to generate after 1 year, which is the development period. Importantly, after 2 or 3 years, we are allowed to develop the remaining land on a commercial basis for shops useful for commuters. We are in talks with developers to build a small mall there. Roughly, this area is 2 hectares; 1 hectare will be required for the fuel pump, retail shops, and anchor stores, and 1 hectare is reserved for commercial development, which will come after 3–4 years once revenue is stabilized.

The Supreme Court issued a verdict 2 months ago stating that illegal constructions along highways shall be demolished. Many illegal structures on Indian highways fall under the Ribbon Development Act. We hope to improve our business further as these unauthorized roadside eateries and stalls are removed, though that may take 3–4 years. In short, the equity IRR for this project is about 35–40% and the project IRR is about 20–25%. This will change the dynamics of the financials for Dhruv Consultancy Services Ltd.

Moksh: And sir, as a follow-up, by when is the entire project expected to be completed and what is the current stage?

Management: We have formulated the SPV, declared our stakes to the exchanges, and are getting the financial closure at the SPV level. Being a BOT project, funding will be done separately in the SPV, having nothing to do with the main company except the credentials. Regarding construction, roughly 50–55% is already done by NHAI's previous contractors. We have to finish the remaining parts; basically, 6,000 square feet is ready for immediate rental. Toilet blocks, high masts, and internal roads are ready. We just need to do finishing, refurbishing, and get electricity and water connections to start the business. I expect the fuel pump to be operational in 6–8 months, which is the longest lead item. Before that, in about 2–3 months, we will start generating revenue from food courts and anchor stores. So the IRR will be much better. We assumed revenue would start after 1 year, but I am planning to start as early as possible.

Moksh: Okay, thank you so much sir. Just one more question. We recently saw the "Missing Link" open, so congratulations sir, I know you were involved in that.

Management: Yes, we did the DPR for that.

Moksh: Yes, and we are from Pune, so whenever we travel the Pune–Mumbai route, I remember the company. Sir, are there any receivables left on that?

Management: No, that is finished now. I will explain in one line—I am not a finance guy, but I'll clarify. We get work in a phased manner. First the letter of acceptance, then bank guarantee submission, agreement signing, work order, and then mobilization. In the initial 3–4 months, we don't get 100% of the estimated revenue because the client may not require full manpower immediately due to land acquisition or other issues. But under the IndAS system, we were booking expenditure based on estimates, and there was a gap for that initial period. This gap happened cumulatively across several projects. We decided to have complete transparency with investors and lenders, so we took a hit on the balance sheet and profits, removing those probable receivables that aren't likely to be received for 1 or 2 years. It isn't a loss to the company, but revenue that would be generated in the third year was accidentally booked in the first year, which we have now corrected.

Report is AI-generated and may contain inaccuracies.

Moksh: Okay, thank you so much sir.

Management: Thank you.

Operator: Next question please. Mr. Abhishek, do you have any question? Abhishek, you're not audible. Okay, until then we'll take questions from the chat box. Namrata is asking what percentage of DPR assignments have converted into supervision or PMC contracts?

Management: The contracts are different in nature altogether. Once a DPR is allotted, it is normally completed in 2 to 2.5 years, and our assignment ends there. If the project is then conceptualized and funded, the client opens a tender for the construction phase under models like HAM, BOT, or EPC. We are allowed to bid for those projects as an authority engineer or Project Management Consultant (PMC). There is no direct connection; the DPR assignments and supervision assignments are different businesses.

Operator: Thank you sir. We have our next question from Ridhima. What percentage of FY26 revenue came from NHAI linked projects?

Management: Broadly, our main client is NHAI, so 70% of our revenue is from NHAI plus MoRTH. MoRTH handles two-lane and four-lane highways, whereas NHAI handles six-lane highways, expressways, and iconic projects.

Operator: Okay sir. She has one more question. What percentage of new orders are coming from railways, metro, and airports?

Management: Recently we got a very large railway assignment in Odisha; it is an 18 crore supervision fee. For airports, we have two assignments: one is a runway extension at Nagpur and the second is the design of a new runway at Amravati airport. We have submitted bids at two or three other locations; one is Karad and we are planning to submit for Shirdi. I should mention that in this third phase of the NDA government, they have decided to develop 250 plus airports in tier 3 and tier 4 cities across India. We are eyeing significant business starting with DPRs for these small airports and airstrips.

Operator: Okay sir. We have the next question from Namrata. What revenue growth is management targeting for FY27 and FY28?

Management: Now that our books are clean, we have a 300 crore unexecuted order book and we are getting one to three orders every week. Our estimate was to get 200 crore in new orders for the current financial year; in just the first 3 months, we have already secured 100 crore in work. This demonstrates the technical strength and execution capability of Dhruv Consultancy Services Ltd. Since the 300 crore unexecuted order book should be completed in 2 years, I am looking at a top line of 120-150 crore for the current year and slightly higher for the following year.

Operator: Okay sir. We have our next question from Vihaan. What key competitive advantages allow Dhruv Consultancy Services Ltd. to compete against larger firms?

Management: As I explained, NHAI has ranked consultancy firms based on their performance over the last 3 years. We are ranked number 6 in India. Only one reputed firm, Egis, scored higher than

Report is AI-generated and may contain inaccuracies.

us. Most established competitors are ranked much below us. Henceforth, we should get more work at better prices because a 40% weightage is given to these technical rankings, and we are scoring 30 out of 40 marks, which is among the highest.

Operator: Okay sir. We have a question from Ridhima. How much revenue is expected from non-NHAI clients in FY27?

Management: The wayside amenity business is going to change the game, but that starts next year with a large volume of revenue from fuel pump operations. For the current year, I expect 30% revenue from non-NHAI clients and 70% from NHAI and MoRTH.

Operator: Okay sir. Next is from Namrata. How large is the current bidding pipeline and what success rate are you assuming?

Management: Our historical strike rate is 20–25%. We previously achieved a maximum of 23%, but because of our new rating and the wayside amenity business improving cash flows, we are hoping to improve this.

Operator: Sir, we have a few questions from Vihaan. Is the company investing in digital engineering, AI, GIS, BIM, or other technologies to improve productivity?

Management: Yes, definitely. When working with the government in India, we are bound by specific agreement clauses where digitization is done traditionally. However, we completed a small assignment in Saudi Arabia where they work in 5D models while we often work in 3D. We have increased our software bank and provided training to our professional design staff. We have submitted quotations for two or three private assignments in Saudi Arabia and hope to secure at least 50 crore in business there in the next 6 months to 1 year.

Operator: Sir, what percentage of revenue comes from repeat clients, and are there plans to expand overseas?

Management: For the last 2 years, we have tried hard to enter the international market, but that turnaround time is about 3 years. We are specific in bidding for projects funded by the ADB, World Bank, or African Development Bank. Two months ago, we got empaneled with the Exim Bank for vetting DPRs and serving as lenders' engineers. We have submitted 150 plus expressions of interest and 40 plus bids where we are technically qualified. We were recently informed we are the most responsive bidder in Ghana. We are eyeing the African market and Asian developing countries. In the Middle East, the promoters have formulated a separate company in Abu Dhabi to tap into business in that region over the next year.

Operator: Does management foresee any requirement for raising equity or additional debt?

Management: Currently, it is not required for two reasons. First, for the wayside amenity assignment, we formulated the SPV and are securing funds through debt within that entity. We have submitted 10 plus bids for wayside amenities; we are most responsive at 5 locations and have a letter of acceptance for one. After 2 or 3 years, once these reach a break-even point, we plan to list each SPV. There is no dilution planned in the main company, Dhruv Consultancy Services Ltd., at this time.

Report is AI-generated and may contain inaccuracies.

Operator: What are the company's target ROE and ROCE levels over the medium term?

Management: EBITDA should improve from next year. This year, expenditures for the 55% owned wayside amenity will be booked. The investment we are making in the SPV might impact current profits, but from next year onwards, I expect much better EBITDA, ROCE, and profits supported by international assignments and our high technical rating.

Operator: What is the targeted order book size over the next 3 years?

Management: Our target is 200 crore for the current year, and we have already reached 85 crore. With 8 or 9 months remaining, we will likely cross 150–200 crore in new orders. The Indian and Maharashtra governments are aggressive about infrastructure investment to hit economy targets. Invested infrastructure yields high GDP returns. We are essentially number 1 in the highway sector and are growing fast in other sectors. I have a very strong vision for the period leading up to 2030.

Operator: What is the company's win rate in competitive tenders?

Management: Historically it was 20%; because of our rating, it should now be closer to 50%.

Operator: Where do you see the company 5 years from now?

Management: It is difficult to give specific numbers for future projections. However, three to four wayside amenity businesses should significantly boost our financials after 3 years. Traditionally, consultancy has 20% EBITDA margins. In the wayside amenity business, the concession is for 15 years with a break-even at year 5 or 6, meaning we will have many years of quality profits. We also plan to list each SPV in the future based on traffic growth and merit.

Operator: Murtuza, please go ahead.

Murtuza: Hi sir, I just wanted to clarify. You mentioned that in FY27 we might see a top line of 120–150 crore. Does that include the SPV projects or are those separate?

Management: No, because we have just received the letter of acceptance for the SPV. We are currently submitting bank guarantees and signing agreements before development begins. I do not expect a positive impact on the balance sheet of Dhruv Consultancy Services Ltd. from the wayside amenity this year. In fact, there will be a loss due to capital expenditure, as revenue only starts next year.

Murtuza: Understood. So we will see that from FY28 onwards?

Management: Yes, and it will have a much bigger impact year-on-year for the next 15 years.

Murtuza: And to reconfirm, the revenue from the SPV you mentioned earlier was around 50 crore?

Management: Let me explain the model. Capex is roughly 6 crore because some facilities were already constructed by NHAI. Without that, it would have been a 10 crore investment. Our 6 crore outflow should be completed in the first year, and from the second year, revenue starts based on traffic. For comparison, on the Mumbai–Pune Expressway, a fuel pump started in 2001 and now you can barely find parking because it is so busy. This is a steady business with a high growth factor. By

Report is AI-generated and may contain inaccuracies.

the fourth year, I expect to touch a gross revenue of 100 crore.

Murtuza: Understood sir. Thank you.

Operator: Vihaan is asking which single KPI should investors track every quarter?

Management: The main points are: first, the rating where we are number 6 in India. Second is our strong unexecuted order book of 300 crore plus. Third is the opportunities in Saudi Arabia, and fourth is the wayside amenity business.

Tanvi: I would add that the unexecuted order book is a key performance indicator. Even if the current financials reflect specific adjustments, the company is getting robust orders every week and diversifying into new segments. The foundation is strong and a much stronger order book is expected going forward.

Operator: I think we have covered all the questions. If there are no further questions, can we conclude this session here?

Management: Yes, surely.

Operator: Thank you everyone for your time and participation. If there are any further questions, you can reach out to us at research@kirinadvisors.com. Thank you Pandurang sir, thank you Tanvi. Have a great day.

Management: Thank you.

Management: Thank you. Bye.