Dhruv Consultancy Services Limited

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DHRUV/OUTWARD/2025-26/5560

January 08, 2026

Corporate Relationship Department **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Fax No. 022-22723121/3027/2039/2061 **Security Code: 541302, Security ID : DHRUV**	**Listing Department** **National Stock Exchange of India Limited** Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (E), Mumbai -400 051 Fax No. 022-26598120/38 **Scrip Symbol: DHRUV**

Dear Sir/Ma'am,

Sub: Intimation regarding Credit Rating - Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 30 of the SEBI (LODR) Regulation 2015, this is to inform you that CARE Ratings Limited ("Credit Rating Agency") has reaffirmed and has revised the outlook from Positive to Stable towards the respective bank facilities availed by the Company as under: -

Facilities	**Amount (Rs in Crore)**	**Rating**	**Rating Action**
Long Term Bank Facilities	8.50	CARE BBB-; Stable	Reaffirmed; Outlook revised from Positive
Long Term / Short Term Bank Facilities	26.00	CARE BBB-; Stable / CARE A3	Reaffirmed; Outlook revised from Positive
Short Term Bank Facilities	5.00	CARE A3	Reaffirmed

Press release issued by the Credit Rating Agency is attached herewith. Kindly take this on record.

Thanking you,
Yours faithfully

For **DHRUV CONSULTANCY SERVICES LIMITED**

TANVI TEJAS AUTI
Digitally signed by TANVI TEJAS AUTI
Date: 2026.01.08 16:58:15 +05'30'

TANVI T AUTI
MANAGING DIRECTOR
DIN :07618878

Dhruv Consultancy Services Limited

January 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	8.50	CARE BBB-; Stable	Reaffirmed; Outlook revised from Positive
Long-term / Short-term bank facilities	26.00	CARE BBB-; Stable / CARE A3	Reaffirmed; Outlook revised from Positive
Short-term bank facilities	5.00	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Dhruv Consultancy Services Limited (DCSL) continues to derive strength from its long and established track record, highly experienced promoters, well-established clientele base, and healthy order book position. Ratings further derive strength from healthy, though fluctuating profit margins, comfortable capital structure, and debt coverage indicators.

However, ratings are tempered due to its small scale of operations, highly working capital intensive operations characterised by stretched gross current asset period considering significant increase in unbilled revenue in FY25, highly competitive and fragmented industry with tender-driven nature of operations and geographical concentration risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- The significant increase in the unexecuted order book position above 4x the envisaged total operating income (TOI) for FY26 providing revenue visibility in the medium term.
- Increase in the scale of operations and profitability translating into gross cash accruals (GCA) exceeding ₹15 crore on a sustained basis.
- Improvement in the collection period below 100 days or gross current asset days at below 200 days with utilisation of the working capital limits reaching below 75% on a sustained basis.

Negative factors

- Deterioration in the profit margins with profit before interest, lease rentals, depreciation, and taxation (PBILDT) and profit after tax (PAT) margins reaching below 10% and 4% on a sustained basis.
- Deterioration in capital structure and debt coverage indicators with overall gearing exceeding a unity level with interest coverage reaching below 3x on a sustained basis.
- Elongation in operating cycle resulting into higher reliance on external debt and putting pressure on the liquidity parameters and financial risk profile.

Analytical approach: Standalone

Outlook: Stable

Revision in the outlook from 'Positive' to 'Stable' is considering lower than the expected growth in its scale of operations and profitability with lower increase in the order book position compared to the envisaged levels. The 'Stable' outlook reflects CareEdge Ratings' belief that DCSL will sustain its scale of operations with comfortable financial risk profile.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Experienced promoters

Pandurang Dandawate, Chief Promoter and Non-Executive Director, has over three decades of industry experience. Tanvi Auti, Managing Director, has over a decade of industry experience and has been associated with the company for the last ten years. The promoters have been instrumental in bringing the company to its current stature from a modest beginning. The promoters are ably supported by experienced and qualified personnel who handle day-to-day operations. Recently, the company has also appointed senior personnel to implement effective cost control measures in the company, which facilitate future growth avenues.

Long track record of past executed projects

The company has over two decades of existence in the infrastructure industry and provided consultancy services for over 175 projects, with over 53 ongoing projects, detailed project reports (DPR) completed for 4,793 km, and project supervision completed for 1,958 km, with a presence in 21 states across India. The consultancy services are largely for projects awarded by government bodies and public sector undertakings (PSUs). The company is empanelled with banks and government bodies, deriving significant revenues from repeat orders.

Healthy despite reduction in the order book position

The order book position of the company declined to ₹239.55 crore as on September 30, 2025 (against ₹303.52 crore as on December 30, 2024), which accounts 2.35x of net sales for FY25 (PY: 3.72x). The said orders are to be executed in span of two-three years depending on the nature work to be executed, providing medium-term revenue visibility to the company. The order book has declined in FY25 due to debarment from NHAI's which halted new bids of DCSL, impacting fresh inflows since NHAI contributed ~45% of revenue in FY25. An interim court stay on July 8, 2025, lifted the restriction, and DCSL has resumed engagement with NHAI. As informed by management, the company has already bid for projects worth ~₹500 crore up till now, for which LOAs awaited, the company's ability to secure higher amount of orders and strengthen its order book to sales ratio and further increase in the scale of operations remains key credit monitorable.

Moderate despite fluctuating profitability margins

The profit margins remained fluctuating marked by PBILDT margin stood in the range of 11% to 17% in the last five years ended FY25. The PBILDT margin declined from 17.22% in FY24 to 14.46% in FY25, primarily due to increase in professional and consultancy charges from 35% of the total revenue in FY24 to 53% in FY25. PAT margin also moderated from 7.21% in FY24 to 6.82% in FY25, in line with PBILDT trends. The profit margins have historically been volatile, influenced by the nature and stage of order execution. Return on capital employed (ROCE) stood moderate at 11.33% in FY25 (12.22% in FY24). PBILDT margin further reduced to 13.99% in H1FY26. Mobilisation expenses in the initial phase are generally on a higher side, thus impact the margin as vary with stages of orders. Thus, sustaining profitability remains a key monitorable.

Comfortable leverage profile

The company's leverage profile continues to remain stable marked by comfortable capital structure and debt coverage indicators. The capital structure marked by overall gearing stood at 0.17x as on March 31, 2025 (against 0.31x as on March 31, 2024) considering lower reliance on the external debt and increase in the tangible net worth (TNW) base led by equity infusion of ₹33.24 crore undertaken . Debt coverage indicators stood comfortable, as marked by PBILDT interest coverage of 5.73x in FY25 (4.73x in FY24) and total debt to GCA of 1.61x in FY25 (2.02x in FY24). Overall gearing of the company stood at 0.22x as on September 30, 2025 and PBILDT interest coverage stood at 7.05x. The leverage profile of the company is expected to remain comfortable on the back of no debt-funded capex planned in the near-to-medium term.

Key weaknesses

Moderate despite growing scale operations

The company's TOI recorded a compound annual growth rate (CAGR) of 12.62% in the last five years, reaching ₹101.96 crore in FY25, with an annual growth of 25% over FY24 (₹81.73 crore), driven by higher order execution. However, in H1FY26, revenue decreased to ₹40.81 crore against ₹52.93 crore in H1FY25, primarily due to project halts in Q1FY26 considering the general assembly elections and debarment from NHAI, restricting billing and participation in future bids. However, on debarment, which was due to project undertaken in JV, DCSL granted an interim stay on July 8, 2025, allowing the company to resume bidding for NHAI projects. This development caused temporary delays in execution and billing impacting revenue in H1FY26 as NHAI contributed significant revenue. However, as informed by management, NHAI has resumed contractual engagement with the company. Adverse outcome of final outcome on debarment could impact its financial risk profile and hence, would remain a credit monitorable.

Highly working capital intensive operations

The company's operations are highly working capital intensive due to tender-based and long-term nature of contracts. The collection period (including retention money and unbilled revenue) has reduced at 257 days (against 272 days in FY24). However, due to relatively slower debtor realisation, it remained highly elongated as the company is into consultancy services for infrastructure industry where the clients are largely government or PSUs. In case of detail project review (DPR), DCSL gets revenue after completion of constructions projects which takes longer time. The unbilled revenue, which is a part of debtors stood 43% of total revenue in FY24 has increased to 55% in FY25. Generally, the company booked the cost incurred on the project under unbilled revenue which also led to an increase in the collection period. As a result of the same, gross current assets period remained stretched and the same has elongated to 407 days in FY25 (against 387 days in FY24) as higher funds blocked in the debtors and in deposits. The average creditors' period also has decreased from 67 days in FY24 to 41 days in FY25. Thus, the company's overall working capital cycle elongated to 217 days in FY25 (against 205 days in FY24).

Reliance on large workforce

The infrastructure consultancy services require a large workforce to execute assignments for clients on time. As on March 31, 2025, the company employed over 320 employees including ~200 engineers. The company outsources certain contracts to third-party service providers based on business needs. Hence, the company's ability to retain their skilled resources amidst competitive environment remain key monitorable.

Dependence on infrastructure project awarded by government bodies and geographical concentration with tender driven nature of operations

The company provides consultancy services in the infrastructure sector for government bodies. It majorly deals with government organisations and participates in tenders, exposing it to the risk of successful bidding. Around 95% of the revenue comes from government bodies. Moreover, government tenders depend on budgetary fund allocations, making them cyclical in nature. Any change in the government's framework governing consultancy service providers could affect the company's operations. The geographical coverage of the company has expanded to include northern areas such as Jharkhand, Odisha, Manipur, and Bihar. However, major revenue is generated from Maharashtra, as most of its clientele is based there. The company is further expanding its footprint by entering international markets.

Competition from existing players

The consultancy industry in India is fragmented and faces intense competition with the presence of multiple local, national, and some foreign players. Moreover, being a tender-based business, revenues depend on the company's eligibility and ability to execute projects within stipulated timelines. However, the company's extensive industry experience and established relationship with reputed clientele partly mitigate this risk.

Liquidity: Adequate

DCSL's liquidity remained adequate, marked by sizable, unencumbered cash and bank balance and moderate cash accruals against scheduled debt repayment obligations. The expected cash accruals sufficiently cushioned against scheduled debt repayment obligations stood at ₹3 crore to ₹4 crore in FY26 and FY27. DCSL's current ratio remained comfortable at 3.27x as on March 31, 2025. Unencumbered cash and bank balance (excluding margin money) stood at ₹6.92 crore as on March 31, 2025 and ₹1.84 crore as on September 30, 2025. The average maximum utilisation of fund-based limit stood at 80.43% in the last 12 months ended October 2025 and BG limits are almost fully utilised in the last 12 months ended October 2025. The net cash flow from operating activities stood negative of ₹14.58 crore in FY25 due to an increase in receivables. Timely billing and recovery of debtors remains a key credit monitorable.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Construction Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

Incorporated in 2003, DCSL (or 'The Company') is engaged in providing consultancy services for infrastructure industry. The company is involved in providing design, engineering, procurement, construction and integrated project management services for highways, bridges, tunnels, architectural, environmental engineering and ports. Their services include preparation of Detailed Project Report (DPR) and feasibility studies for infrastructure projects, Operations and Maintenance (O&M) works, project management consultancy (PMC) Services, independent consultancy, project planning, designing, estimation, traffic and Transportation Engineering, Financial Analysis, Technical audits, Structural Audit, Inspection of bridges and Techno Legal Services. It has presence in 26 states across India and employs ~350 people in the company. The company has its branch offices in Pune, Solapur, Karad, Aurangabad, Nagpur, Ahmedabad, and New Delhi.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (UA)
Total operating income	81.73	101.96	40.81
PBILDT*	14.07	14.75	5.71
Profit after tax (PAT)	5.90	6.95	2.60
Overall gearing (x)	0.31	0.17	0.22
Interest coverage (x)	4.73	5.73	7.05

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	8.50	CARE BBB-; Stable
Fund-based - ST-Bill Discounting/ Bills Purchasing		-	-	-	5.00	CARE A3
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	26.00	CARE BBB-; Stable / CARE A3

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	8.50	CARE BBB-; Stable	-	1)CARE BBB-; Positive (10-Jan-25)	1)CARE BBB-; Stable (08-Jan-24)	1)CARE BBB-; Stable (24-Mar-23) 2)CARE BBB-; Stable (06-Apr-22)
2	Fund-based - ST-Bill Discounting/ Bills Purchasing	ST	5.00	CARE A3	-	1)CARE A3 (10-Jan-25)	1)CARE A3 (08-Jan-24)	1)CARE A3 (24-Mar-23) 2)CARE A3 (06-Apr-22)
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	26.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB-; Positive / CARE A3 (10-Jan-25)	1)CARE BBB-; Stable / CARE A3 (08-Jan-24)	1)CARE BBB-; Stable / CARE A3 (24-Mar-23) 2)CARE BBB-; Stable / CARE A3 (06-Apr-22)
4	Fund-based - ST-Bank Overdraft	ST	-	-	-	-	-	1)Withdrawn (06-Apr-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities:

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - ST-Bill Discounting/ Bills Purchasing	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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