



# Dhruv Consultancy Services Limited

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DHRUV /OUTWARD/2024-25/1298

June 07, 2024

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

**Re: ISIN - INE506Z01015**  
**Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for Transcript of Earnings Call.**

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the earnings call held with the investors/shareholders on June 03, 2024 at 12:15 PM (IST) to discuss the Audited Financial Results of the Company for the Fourth Quarter and Year ended March 31, 2024.

The transcript is also being disseminated on the Company's website at – [www.dhruvconsultancy.in](http://www.dhruvconsultancy.in). You are requested to take note of the same.

Thanking you.

Yours faithfully,  
for **DHRUV CONSULTANCY SERVICES LIMITED**

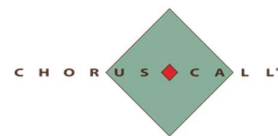
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**Managing Director**  
**DIN :07618878**



“Dhruv Consultancy Services Limited  
Q4 FY '24 Earnings Conference Call”

June 03, 2024



**MANAGEMENT:** **MR. PANDURANG DANDAWATE – CHAIRMAN AND  
NON-EXECUTIVE DIRECTOR – DHRUV CONSULTANCY  
SERVICES LIMITED**  
**MS. TANVI AUTI – MANAGING DIRECTOR – DHRUV  
CONSULTANCY SERVICES LIMITED**  
**MR. SNEHAL PATIL – CHIEF FINANCIAL OFFICER –  
DHRUV CONSULTANCY SERVICES LIMITED**

**MODERATOR:** **MS. SARITA DUBE – KIRIN ADVISOR**

**Moderator:** Ladies and gentlemen, good day and welcome to Dhruv Consultancy Services Limited Q4 FY '24 Earnings Conference Call, hosted by Kirin Advisors. 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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Sarita Dube from Kirin Advisors. Thank you and over to you, ma'am.

**Sarita Dube:** Good afternoon, everyone. Thank you. On behalf of Kirin Advisors, I welcome to all the conference call of Dhruv Consultancy Services Limited. From the management side, we have Mr. Pandurang Dandawate, Chairman and Non-Executive Director; Ms. Tanvi Auti, Managing Director; Mr. Snehal Patil, CFO.

Now I hand it over to the call to Ms. Tanvi Auti, Managing Director. Over to you, ma'am.

**Tanvi Auti:** Good afternoon, esteemed ladies and gentlemen. I extend a hearty warm welcome to each one of you who has joined Dhruv Consultancy's Investor Call, where we will delve into the financial results of the fourth quarter of financial year '24. Your participation and interest in our company's performance are highly valued.

During this session, we'll offer a concise overview of our Q4 FY '24 financials, providing insights into our achievements, the challenges we face and outlining our future strategies. But before we immerse ourselves in the numbers, let's take a moment to reflect on our journey so far.

Dhruv Consultancy Services Private Limited was formed in 2003 and headquartered in Navi Mumbai. Dhruv Consultancy stands as a beacon of excellence in infrastructure consultancy. We are working in six sectors at present, the roads, bridges, tunnels, architecture, environmental and railways. Our commitment to delivering comprehensive services, spanning design engineering, procurement, construction and project management has positioned us as a trusted partner in the realm of infrastructure development. Our diverse service portfolio includes preparation of detailed project reports, conducting feasibility studies, construction supervision and technological advisory services.

So from project planning and designing to technical and structural audits, we emerge as a strategic value for investors, navigating the intricacy of infrastructure projects. Let us now delve into prominent achievement milestone -- the milestones achieved during Q4 FY '24. In the recent quarter, our company has demonstrated significant achievements with several key milestones. We have obtained an LOAs for preparing the detailed projects report for highway projects under Maharashtra Road Improvement Phase III valued at INR1.32 crores over for 12 months. Additionally, we secured another LOA for Bihar highway projects for preparation of DPI valued at INR48.05 lakh over 36 months.

Moreover, Mr. Sharadchandra Chaphalkar joined as a Non-Executive Independent Director, contributing over 30 years of expertise from leading defence entities in India. The company also



completed project management services for rail over bridge projects in Ayodhya, Uttar Pradesh and established a wholly owned subsidiary Dhruv International Private Limited in the U.K.

We further secured an LOA for consultancy services as authorities engineers for projects under Bharatmala Pariyojna in Manipur, valued at INR13.78 crores for 84 months. We successfully converted 6.93 lakh equity shares against share warrants.

Looking ahead, Dhruv is strategically shifting its focus from the domestic market to international markets for FY '25 and '26. Recently, we got shortlisted in -- for ADB projects in Manipur, then in Mozambique and Ghana. The company aims to target large-scale projects over INR50 crores, such as coastal road, expressways, iconic bridges and sealink to significantly enhance its revenue growth.

We also plan to venture into African countries, including Tanzania, Zambia, Uganda, Mozambique and Kenya, as well as Gulf countries like Saudi Arabia and Dubai. Dhruv has now positioned itself for substantial global expansion. As of 31st March 2024, the company's total order book stands at INR627.89 crores with INR345 crores of unexecuted orders, reflecting a strong pipeline and a promising future.

I will now request our CFO, Mr. Snehal, to delve into the company's financial performance. Over to you, Snehal.

**Snehal Patil:**

Good afternoon, everyone. So I will proceed with our quarter 4 financial highlights. In quarter 4 FY 2024, Dhruv Consultancy Services Limited reported notable financial growth, with a total income of INR25 crores, reflecting a year-on-year increase of 15%. The EBITDA stood at INR2.8 crores, making a year-on-year growth of 49% with an EBITDA margin of 11.15%, up by 257 basis points.

The profit after tax was INR43 lakhs, showing a significant year-on-year rise of 410% and a PAT margin of 1.73%, an increase of 134 basis points. The diluted earnings per share grew by 366% to INR0.28. For the full fiscal year 2024, the company achieved a total income of INR82.41 crores, a slight year-on-year growth of 0.13%.

The EBITDA was INR14.75 crores, up by 43% year-on-year with an EBITDA margin of 18%, an improvement of 540 basis points. The PAT reached INR5.89 crores, a year-on-year growth of 22.77% with a PAT margin of 7.14%, an increase of 132 basis points.

The diluted EPS, in this case, increased by 25% to INR3.87. Further, the total expenses for the year 31st March '24 have decreased by 1%, that is INR1 crores, mainly due to the decrease in administrative expenses, INR7.95 crores, which was on account of decrease in professional fees, due to completion of our major sites, which is offset by increasing other admin costs of INR4 crores.

Employee benefit expenses have also increased by INR3.6 crores. Finance costs have increased by INR1.2 crores and amortization cost is also increased to INR2 crores. So in this case, our -- as stated earlier, our EBITDA margin has grown by 18% year-on-year.

Further moving to our quarter-to-quarter analysis, the total expenditure has increased by 21% and our revenue has exhibited a 9% year-on-year growth. So this translates to an increase of net profit of INR0.85 crores. So that is it from my side for -- about financial highlights.

**Tanvi Auti:** So in both Q4 FY '24 and financial year 2024, the company has achieved remarkable financial milestone, attesting to a unwavering commitment to excellence. These achievements underscore their dedication to financial progress and sustained success in the dynamic landscape of infrastructure consultancy. Before we proceed to the interactive session, I would like to extend heartfelt appreciation to our esteemed stakeholders for being indefensible contributors to our journey of growth. Their unwavering support has been a cornerstone of our success, and we sincerely value their significant role in our achievements.

I now invite you all to engage in Q&A session. Your insights and inquiries are highly valuable to us. Thank you once more for your presence and ongoing support. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. First question is from the line of Romil Gala.

**Romil Gala:** My question is, have you done any employee addition to take the care of rising order book?

**Tanvi Auti:** Yes. Employees -- just to answer your question, employees are being added by our HR and BD team, we have a very strong in-house recruitment team, who does this work on a daily basis. So when it comes to recruitment, first, we have to take their consent while bidding. So during submission of bids itself, we have to take the consent and as and when the project is awarded, the employees are taken on the roles.

So this is a continuous process that goes on as far as government projects is concerned. For private assignments, we don't need any additional employees that needs to be recruited. We have a very strong in-house team to carry out any design or any detailed design projects in-house.

**Romil Gala:** Okay, ma'am. So are we looking for any -- for office to invest in overseas market to handle the project there?

**Tanvi Auti:** So whenever -- right now, we have opened a subsidiary in U.K. by the name of Dhruv International Private Limited. Definitely, there will be an office establishment in U.K. this year. So we are just expecting a few orders from Tanzania, then Ghana and Mozambique, where we are already shortlisted. And since the turnaround time is 8 to 9 months, it takes time to give us the work order.

So whenever the work order is received, we will keep our investors informed. So all the -- in whichever country we get the order, we will have to establish an office there. And -- but the employees who would be working at that site are already submitted along with the bids. So we don't need to find any additional staff as such -- support staff would be needed but the key professional or the main professionals who would be working -- the engineers who would be working at the site are already -- their consent has been taken by submitting the bids itself.

**Moderator:** Next question is from the line of Mahesh Sheth, an Individual Investor.

- Mahesh Sheth:** I just wanted to ask about the company's order book, as it crossed around INR600 crores mark for the first time. I just want to -- what drove us for such high order inflow? And what is the execution period for such -- for the same.
- Tanvi Auti:** Yes. Just to clarify, the total order book is INR627 crores. Out of that, INR350 crores is unexecuted. So the INR350 crores unexecuted order book is to be executed in the next 3 years.
- Mahesh Sheth:** Okay.
- Tanvi Auti:** Yes, 2.5 to 3 years.
- Mahesh Sheth:** Okay. Okay. Okay. And I also wanted to know about the export component of our order book. Can you brief us about the clients details first?
- Tanvi Auti:** Yes, sure. So right now the export is zero that is being done. We have already formed a subsidiary in U.K. and through that, we are going to execute all our international orders. We're just waiting for order to be issued to us. The clients there -- so we are working at -- we are looking at the private sector, as well as the government sector.
- I'll talk about the government sector first. So in government sector, we are looking at multilateral funded projects where in Asian development -- by Asian Development Bank, World Bank, African Development Bank. So the projects who are funded by the multilateral development banks, we have bidded. We have submitted our financial proposals. In over 20 bids, we have been shortlisted, another 120 bids are yet to be evaluated. So there is a long list of projects that is there ahead of us in the coming years.
- Along with that, we are targeting a few private assignments in Saudi Arabia, in other Gulf countries like Dubai, wherein we will be working as a project management consultant or a retail design -- or a design consultant from the contractor side who are working as a contractor, executing these projects. So there will be a mixture of private assignments, as well as government funded assignments.
- Mahesh Sheth:** Okay. So you said we have a presence in U.K. and also in Saudi Arabia, right?
- Tanvi Auti:** No. We have a subsidiary formed in U.K. In Saudi Arabia, we are in talks with a few companies for executing that.
- Mahesh Sheth:** Okay. And are there any other regions -- are we present in, or we have subsidiaries in?
- Tanvi Auti:** Right now internationally, we only have in U.K., no other country only the U.K. establishment is there. But we had -- the projects that we would be executing through this U.K. company would be in Gulf, in African region that I mentioned and in Southeast Asia, Nepal, Bangladesh, Vietnam, Cambodia.
- Moderator:** Next question is from the line of Kajal Pathak, an Individual Investor.
- Kajal Pathak:** First of all, ma'am, congratulations for your good numbers.

- Tanvi Auti:** Thank you.
- Kajal Pathak:** My question was our revenue growth for '24 was flattish but there was an impressive improvement in EBITDA and profit margins. Can you provide us detail for the improvement in the profit? And what was the reasons of flattish revenue?
- Tanvi Auti:** Yes. So as we all know that the code of conduct is in place right now. And the last -- fourth quarter, especially starting from March, so March, April, May, June, the new orders that come in, they take a slightly delay. And since elections were already due, the orders that we received usually in the quarter 4 -- we received a less number of orders due to this.
- This happens every 5 years, if you see every election. Secondly, why bottom line has improved is, because the projects that were awarded to us, the NHAI projects, especially and the MoRTH projects that were awarded to us somewhere in 2018 and '19 also 2020, have come to an end.
- So all the profits have been realized for those projects and that is why there is an increase in the bottom line. So there were a few sites that were closed, and we received that final payments also.
- Kajal Pathak:** Okay. Perfect. And normally, we should consider Q4 better as compared to quarter 3 but quarter 3 was much better, right?
- Tanvi Auti:** Yes. This -- as I said that this mainly happened due to the elections that were due at the central government level. And this is a trend that is there every 5 years. Hence, now with international orders coming up, we will be able to mitigate this sector. There is no dependency on the central government elections.
- Kajal Pathak:** Okay. And my next question was what is the revenue and profit growth estimate for FY '25 and '26?
- Tanvi Auti:** So as a company, I'm not allowed to disclose that but definitely...
- Kajal Pathak:** A range would be...
- Tanvi Auti:** Yes, there would be -- it would be in the range of 10% to 20% growth.
- Kajal Pathak:** Profit growth, right?
- Tanvi Auti:** Profit -- overall growth. So the order book that we are submitting right now is INR1,000 crores. So the bidding happening for this year is INR1,000 to INR1,200 crores. So even if we consider -- so while talking about terms of order book, in terms of order book, if I say INR1,200 crores is being bidded and even if we assume a success rate of 20% to 30%, we would definitely be able to double this order book.
- Moderator:** Next question is from the line of Garvit, an Individual Investor -- Next question is from the line of Chaitu Upadhyay from Gajanan Capital.
- Chaitu Upadhyay:** Question of mine is, what is our working capital cycle, may I know more about it?

- Tanvi Auti:** Yes. So NHAI/MoRTH it is in the range of -- at NHAI it is 45 to 60 days. And for MoRTH, the Ministry of Road Transport and Highways, it is 90 to 120 days.
- Chaitu Upadhyay:** Okay. And EBITDA margin for 2024, I mean, is 18%, right? Do you think it is sustainable in the future?
- Tanvi Auti:** Yes. That is why, in fact, we are hoping for this to grow more because we are adding in a lot of clients this time. We are not just in international but in domestic market also we are now targeting a large ticket size projects wherein right now, we were getting orders of INR5 crores, INR10 crores, INR15 crores, we will now be getting orders of INR20 crores and above -- INR20 crores to INR50 crores is what we are bidding right now.
- This -- the kind of work that we would be doing is same, but the profit margins will be better here. These are mainly the state government assignments. Maharashtra itself, INR8 lakh crores projects have come up in the past few months. So we are actively pursuing those projects other than MSRDC, MSIDC.
- Then there is ADB-funded projects, HUDCO funded projects and other state governments also -- in UP, there is UPEIDA, where we are already working on Ganga Expressway. So the profit margins are better there. So along with the international sector, where definitely the profit margins are good, we are targeting at the domestic market but with a wider client base, where the -- we are envisioning an improvement in the working capital cycle as well as the bottom and the top line.
- Moderator:** Next question is from the line of Saloni Yadav from SK Analyst.
- Saloni Yadav:** So my question is, can you address me about any delay in payment receipts?
- Tanvi Auti:** There are delays that happen sometimes, especially if it's a final bill. But now in the past few years, there has been very good changes, because everything is happening digitally. And even NHAI and Ministry of Road Transport, they have a portal in which we come to know that where our payment is, why it is being held. So we are able to address issues in a better way with things being digitalized, not just in our office but in the clients' offices as well. So -- but 45 to 60 days is still there for NHAI and 90 to 120 for MoRTH.
- Saloni Yadav:** Okay. So how are our teams are in international market?
- Tanvi Auti:** How are our?
- Saloni Yadav:** How are our teams are working in the international market, like what is the status?
- Tanvi Auti:** Yes, right now, we have just identified the manpower and we have taken their consent for the particular project. As and when the client asks us to mobilize or be at the site, our team will reach there.
- Moderator:** Next question is from the line of Abhinav Bhandari from Sohum Asset Management Private Limited.



- Abhinav Bhandari:** Congratulations on phenomenal year FY '24. I just had one question. Just to understand from a quarter-on-quarter perspective, when I'm seeing December quarter and March quarter, there is a decline in profitability, which is mainly, I think, is because of increase in other expenses. So just to understand the reason for this increase and the reason for this decline in profitability.
- Tanvi Auti:** So ideally, this should have been more. But as I said previously that the revenues are flat for Q4 FY '24. If this would have been -- if there would have been no elections this year, then this would have gone further up. But -- and as well as, it would have impacted the profitability also. The profitability, why in Q3, it was better.
- Now Q3, some new works were awarded, which were executed in Q4. So initially, as I say that mobilization expenses for new projects are high. And hence, these mobilization expenses are there, then there are some provisions also being done in Q4, mainly due to the ECL and leave encashment, gratuity, so these also are being considered in Q4 and that is why the Q4 bottom line is not very high as compared to Q3. But with international orders and new larger ticket size projects coming up now, this will be improved further in the coming quarters.
- Abhinav Bhandari:** Got it. So just a couple of follow-ups. One is, how much would be this ECL provision that you talked about, which would have been taken in quarter 4?
- Tanvi Auti:** Yes. Snehal, can you answer this?
- Snehal Patil** It will be approx. INR1.8 crores.
- Abhinav Bhandari:** Okay. Okay. And the second question was just to understand if things would have been normal, broadly, our top line would have -- broadly would have increased by how much, just to understand the actual...
- Tanvi Auti:** INR90 crores to INR95 crores.
- Moderator:** Next question is from the line of Rajneesh Behl, an Individual Investor.
- Rajneesh Behl:** Yes. As we discussed during the Q3 call that you are bidding for some international projects. So what is the status of those projects?
- Tanvi Auti:** Yes. So there are three projects that we are due to receive our work order. One is the Tanzania, it is around INR50 crores assignment. There is one project in Mozambique and one project in Ghana. So we are just expecting a work order any moment any time. And as and when it is there, we will be updating our investors and that is why the reason that the U.K. subsidiary was formed, because through the U.K. subsidiary, we would be executing this order.
- Rajneesh Behl:** Okay. And recently, you have announced a prequalification for Dhaka project. So that project and how much value is for that project?
- Tanvi Auti:** So the financial is yet to be submitted for that project. This is just the shortlisting letter. And the -- it is definitely above INR20 crores, but we are yet to submit our financial proposal for this.



- Rajneesh Behl:** Okay. And as I think you told that your other expenses in this quarter are mainly because of leave encashment and others, because I think other expenses are on very high side in this quarter.
- Tanvi Auti:** Yes, yes.
- Moderator:** As there are no further questions from the participants, I would now like to hand the conference over to Mr. Sarita Dube from Kirin Advisors for the closing comments.
- Sarita Dube:** Thank you, everyone, for joining the conference call of Dhruv Consultancy Service Limited. If you have any queries, you can write us at [research@kirinadvisors.com](mailto:research@kirinadvisors.com). Once again, thank you, everyone, for joining the conference call.
- Moderator:** Thank you. On behalf of Kirin Advisors, that concludes this conference. Thank you all for joining us and you may now disconnect your lines.