

Dhruv Consultancy Services Limited

February 24, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	8.50	CARE BB+; Stable	Downgraded from CARE BBB-; Stable
Long Term / Short Term Bank Facilities	26.00	CARE BB+; Stable / CARE A4+	Downgraded from CARE BBB-; Stable / CARE A3
Short Term Bank Facilities	5.00	CARE A4+	Downgraded from CARE A3

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The downgrade in the ratings assigned to the bank facilities of Dhruv Consultancy Services Limited (DCSL) factors in significant reduction in the total operating income (TOI) with operating and net loss incurred in 9MFY26 (9MFY refers to April 01 to December 31) due to reversal of revenue reported during Q3FY26 (Q3 refers to October 01 to December 31). On account of the same, the tangible networth also reduced substantially leading to moderation in the capital structure and distress of debt coverage indicators in 9MFY26. The ratings are continued to temper due to its highly working capital-intensive operations characterised by stretched gross current asset period on account of higher unbilled revenue albeit reduction reported during 9MFY26, stretched liquidity position, highly competitive and fragmented industry with tender-driven nature of operations and geographical concentration risk. However, the rating continues to derive strength from its long and established track record, highly experienced promoters, well-established clientele base, healthy order book position and comfortable capital structure.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- The significant increase in the unexecuted order book position above 4 times of the envisaged total operating income (TOI) for FY26 thereby 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

The continuation of "Stable" outlook reflects CARE Ratings Limited's (CareEdge Ratings) expectation of continued support from its experienced promoter, with stable order book generation thereby maintaining sustainable scale of operations with comfortable financial risk profile.

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

Detailed description of key rating drivers:**Key weaknesses****Significant decrease in scale operations with operating loss incurred during 9MFY26**

DCSL's TOI recorded a year-on-year decline of 51.62% during 9MFY26, reducing to ₹36.52 crore from ₹75.49 crore in 9MFY25. As per management submissions, this decline was primarily attributable to the reversal of revenue arising from contractual and scope-related adjustments (including replacement of personnel, remuneration linked to attendance thresholds, and descoping of activities), cost escalations and execution-related factors (such as increases in estimated project costs and extensions in project timelines), and refinements in revenue recognition processes (including updates to technical evaluations, site progress assessments, delays and revisions in client certifications, and modifications in client acceptance procedures and documentation standards). The decrease was further impacted by the cancellation of certain contracts following the NHAI debarment, particularly in cases where work orders had been issued but agreements had not yet been formally executed. As informed by management, the said adjustments were pertaining to the cumulative booking of revenue over the period which were higher based on estimates and the same has been reversed i.e. decrease in revenue recognition by ₹24.97 crore and corresponding decrease in unbilled revenue during the said period of ₹6.13 crore. As a result of the same, company reported negative revenue of ₹5.69 crore during Q3FY26, with operating and net loss of ₹29.20 crore and ₹30.97 crore respectively. Consequently, DCSL reported operating and net loss of ₹23.49 crore and ₹28.37 crore respectively in 9MFY26. On account of the same, debt coverage indicators turned distressed in 9MFY26. CareEdge Ratings expects significant decline in revenue, accompanied by a net loss for FY26 on account of abovesaid reporting adjustments. Further, the sustenance in the debt coverage indicators in the near to medium term also remains key 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. Management reviewed all contracts and found that earlier margins and cost assumptions were over estimated. After correcting these estimates, the unbilled revenue reduced to ₹42.82 crore as on December 31, 2025 (vis-a-vis ₹56.24 crore as on March 31, 2025). Nevertheless, the overall debtors (including unbilled revenue) stood at ₹72.49 crore as against ₹85.70 crore as on March 31, 2025. The company has been funded its working capital requirements through internal accruals, external borrowings and creditors. The creditors have increased to ₹20.03 crore as on December 31, 2025 from ₹13.24 crore as on March 31, 2025 along with increase in the working capital borrowings from ₹12.87 crore as on March 31, 2025 to ₹18.03 crore as on December 31, 2025. Nevertheless, the company's overall working capital cycle expects to remain elongated in FY26.

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 around 200 engineers. The company outsources certain contracts to third-party service providers based on business needs. Hence, ability of the company 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 long industry experience and established relationship with reputed clientele partly mitigate this risk

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. Furthermore, 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 more than 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. The company is empanelled with banks and government bodies, deriving significant revenues from repeat orders.

Healthy albeit 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. Nevertheless, 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 about ₹500 crore up till now, for which LOAs awaited, ability of the company to secure higher amount of orders and strengthen its order book to sales ratio and thereby further increase in the scale of operations remains key credit monitorable.

Comfortable capital structure albeit moderation reported in 9MFY26

On account of the net losses reported in 9MFY26, tangible net worth (TNW) declined to ₹71.86 crore as on December 31, 2025, compared with ₹103.38 crore as on March 31, 2025. The same has also resulted in moderation in capital structure with overall gearing reaching at 0.33x as on December 31, 2025 (from 0.17x as on March 31, 2025). Total outside liabilities (TOL) / TNW also moderated to 0.74x as on December 31, 2025 (vis-à-vis 0.38x as on March 31, 2025). Further, total debt has increased to ₹24.34 crore as on December 31, 2025 from ₹17.79 crore as on March 31, 2025 on account of increase in the working capital borrowings. Nevertheless, 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.

Liquidity: Stretched

DCSL's liquidity position remained stretched, characterised by modest unencumbered cash and bank balances and lower cash accruals relative to its scheduled debt repayments to the tune of ₹ 3–4 crore each in FY26 and FY27. As of December 31, 2025, unencumbered cash and bank balances stood low at ₹0.62 crore (against ₹6.92 crore as of March 31, 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 reported net cash flow from operating activities stood negative of ₹5.97 crore in 9MFY26 (negative of ₹14.58 crore in FY25).

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 the year 2003, Dhruv Consultancy Services Limited (hereinafter referred as 'DCSL' or 'The Company') is engaged in the business of 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 & Maintenance (O&M) works, Project Management Consultancy (PMC) Services, independent consultancy, project planning, designing, estimation, traffic & 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 about 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)	December 31, 2025 (UA)
Total operating income	81.73	101.96	35.36
PBILDT*	14.07	14.75	-23.49
Profit after tax (PAT)	5.90	6.95	-28.37
Overall gearing (x)	0.31	0.17	0.33
Interest coverage (x)	4.73	5.73	NEG

A: Audited; UA: Unaudited; NEG: Negative; 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 BB+; Stable
Fund-based - ST-Bill Discounting/ Bills Purchasing		-	-	-	5.00	CARE A4+
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	26.00	CARE BB+; Stable / CARE A4+

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 BB+; Stable	1)CARE BBB-; Stable (06-Jan-26)	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 A4+	1)CARE A3 (06-Jan-26)	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 BB+; Stable / CARE A4+	1)CARE BBB-; Stable / CARE A3 (06-Jan-26)	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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