Dhruv Consultancy Services Limited

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DHRUV /OUTWARD/2026-27/3457

August 25, 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**

Re: ISIN - INE506Z01015

Sub: Transcript of the Earnings Conference Call for the First Quarter ended June 30, 2026.

Dear Sir/Ma'am,

This is with reference to our intimation dated August 13, 2026, for scheduling Earnings Conference Call on August 18, 2026.

In this regard, please find enclosed herewith the transcript of the said conference call.

The above information is also being made available on the website of the Company.

This is for your information and records.

Thanking you,

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

TANVI TEJAS AUTI
Digitally signed by TANVI TEJAS AUTI
Date: 2026.08.25 17:53:32 +05'30'

MRS. TANVI T AUTI
MANAGING DIRECTOR
DIN 07618878

"Dhruv Consultancy Services Limited

Q1 & FY27 Earnings Conference Call"

August 18, 2026

MANAGEMENT:	**MR. PANDURANG DANDAWATE – CHAIRMAN – DHRUV CONSULTANCY SERVICES LIMITED** **MS. TANVI AUTI – MANAGING DIRECTOR – DHRUV CONSULTANCY SERVICES LIMITED**
MODERATOR:	**MR. KARAN THAKUR – KIRIN ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Dhruv Consultancy Services Limited Q1 and FY27 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 touch-tone phone.

I now hand the conference over to Mr. Karan Thakur from Kirin Advisors. Thank you, and over to you, Karan.

Karan Thakur: Thank you. Good evening, everyone. On behalf of Kirin Advisors, I welcome you all to the Q1 FY27 results conference call of Dhruv Consultancy Services Limited. From the management team, we have Mr. Pandurang Dandawate, Chairman; Ms. Tanvi Auti, Managing Director.

Now I hand over the call to Ms. Tanvi Auti for the opening remarks. Over to you, ma'am.

Tanvi Auti: Good evening, everyone. I welcome you all to the earnings call of Dhruv Consultancy Services Limited for the quarter 1 of FY27. I'm pleased to share with you all an update on our business performance, the key developments during the quarter and our priorities for the year ahead. Dhruv Consultancy Services has built a strong position as an infrastructure consultancy, providing end-to-end services across design and engineering, project management and technical advisory.

Over the years, we have developed deep expertise across highways, bridges, railways, metros, airports, ports and other infrastructure segments as well. This is supported by our experienced team and established relationships with government and institutional clients. Quarter 1 FY27 was an important quarter for us as we continue to strengthen our core business while also expanding into new infrastructure-related opportunities. During the quarter, we secured multiple orders across highways, railways, consultancy assignments while also receiving strategic empanelments that expand our ability to participate in a wider range of assignments.

On the order front, we received a total order of INR90 crores only in the first quarter of FY27, some of them being INR19.34 crores order for authority engineer and project management services for 140-kilometer Rowghat-Jagdalpur railway line, along with the consultancy order for rail-over bridge construction supervision in Uttar Pradesh. We also received an order for INR8.34 crores from MPRDC for independent engineering services for the Ujjain-Jaora Greenfield Highway. We recently also received INR40.92 crores assignment from OBCC, Odisha Bridge Corporation, which is the highest ticket size ever backed by the company.

Another key development during the quarter was our institutional presence through strategic empanelments. We were empaneled by BMC for project management consultancy for municipal infrastructure works for a period of 5 years and also by India Exim Bank for DPR technical advisory work and lenders independent engineering. These empanelments provide us with additional avenues to participate in larger and more diversified infrastructure assignments. We also entered into the Wayside Amenities segment through a 15-year lease-based development and O&M project.

We also acquired a 55 -- we have formed an SPV in which 55% of the stake remains with Dhruv Consultancy in Verul Drivehub Private Limited. This will strengthen our new infrastructure vertical of Wayside Amenities. We believe this initiative can create an additional long-term growth avenue while leveraging our existing project management and infrastructure capabilities.

Coming to the financial performance. Q1 FY27 recorded net sales of INR15.55 crores and a total income of INR15.95 crores. While the quarter's financial performance reflects the nature and timing of project execution, our focus remains firmly on strengthening our execution capabilities, converting our project pipelines into revenue and building a more diversified and resilient business.

Looking ahead, we remain focused on our core strengths in transportation and infrastructure technology while expanding into newer areas. Our international strategy also continues to focus on markets like Africa, Southeast Asia, Gulf and South and Central Asia.

Overall, we believe Dhruv Consultancy is well positioned to benefit from the continued development of India's infrastructure ecosystem. Our priorities are clear; strengthen our order pipeline, improve the execution, diversify our service offerings, expand our addressable market and create long-term value for our stakeholders.

With this, I would now like to hand over the call for moderator for the question-and-answer session. Thank you.

Moderator: Thank you so much, Tanvi ma'am. Ladies and gentlemen, we will now begin with the question-and-answer session. First question comes from the line of [Mehul Shah with VS Ventures 0:05:24].

Mehul Shah: So I just have a couple of questions. So Q1 FY27 total income is around INR16 crores with like several new mandates secured during the quarter. Like what revenue guidance would you say for FY27 that we can achieve?

Tanvi Auti: Yes. I will tell you about the overall financial performance first. So the revenue of INR15 crores -- INR15 crores, INR16 crores that we have reported, this particularly is for quarter 1. And if you have seen for the past 22, 23 years, the Q1 and Q2 have remained, say, 30% to 40% of our year revenue. And Q3 and Q4 have remained on the higher side in terms of revenue, mainly because of the monsoon season, and this is the season for the works award.

So usually, the Q1 -- entire Q1 goes in securing new orders, Q2 goes in mobilization. And Q3 and Q4, we start recognizing these revenues. So it's difficult for me to give any numbers as the SEBI LODR doesn't allow us to do that. But definitely -- then Q1 and Q2, Q3, Q4 over the past years or so also, if you see, have been much better.

Mehul Shah: Okay. And so -- are you like investing in like any structured training or certification program to like develop the expertise in the newer areas?

Tanvi Auti: Yes. So we have 2 kinds of training that is going on. First is a training known as skill bridge. So all the key personnel who are working on NHAI projects right now are being empaneled on the skill bridge portal where NHAI officers themselves are interviewing these candidates in detail so that it's kind of an empanelment. So once a key person who wants to work on NHI project or who we want to propose, we get them approved on the skill bridge portal where their detailed interview happens for that, a lot of preparation and is to be done because it's thoroughly scrutinized by an NHI officer. And once he is approved, then he can be posted anywhere on any NHI project. So that is one kind of training that is happening.

Secondly, at our head office, we have a staff of around 80, 85. So they are being trained on a monthly basis for project management. We are also in the process of developing AI dashboards so that currently, we are executing close to 70-plus assignments. So with this implementation of AI dashboards, the project management will be much simpler. And those technology front trainings are right now going on in the head office.

Mehul Shah: So as you mentioned, you have like multiple projects going on. So how are you like tracking the quality control and mechanism and like to ensure the projects are there within the time?

Tanvi Auti: Yes. So project -- completing the project on time is not our prime responsibility. Yes, we are responsible and we help with the approvals as fast as possible. So our responsibility comes there when it comes to giving faster approvals. The project milestone, achieving the project milestone remains with the contractor. Of course, we have to track those milestones and inform the authority whether the milestones are being completed or not.

Secondly, our way of working is that we deploy manpower at the site location, the project site around -- at an average of 14 to 15 key professionals, plus subprofessionals, plus support staff are deployed on the site with an average work experience of 15 years. These are all civil engineers, most of them having master's degree, some of them PhD also. These are deployed at site for monitoring the progress, the quality at the site.

A real-time communication happens with our head office on a day-to-day basis, where our head office team, which comprises of general manager, deputy managers and managers, all these having, again, average work experience of 10 to 15 years. Above them, we have a CEO and CTO who are monitoring these projects over the GM. So a real-time communication in between the site team and the head office team happens. All approvals are routed through the top management only. That is how we ensure that quality control is in place.

Mehul Shah: And so recently, you have received like 2, 3 orders. One was, I think, from NHAI and one was from the railways. So what is the execution timeline for that?

Tanvi Auti: So at an average, the execution time line is 3 years construction. And post that, 3 years DLP, which is a defect liability period or you can call it a maintenance period. So 70%, 80% revenue comes in the construction period and balance 20% comes in the defect liability period.

Moderator: Our next question comes from the line of [Neha Patil with Visible Ultra Source Limited 0:11:18].

Neha Patil: Am I audible?

Tanvi Auti: Yes.

Neha Patil: I think my question…

Moderator: I'm sorry to interrupt you, but your voice is breaking.

Neha Patil: So my question was with the India Exim Bank impairment covering DPR, TEV, PFR and lenders, independent engineering services, what new type of clients or projectors is allowed to assist?

Tanvi Auti: Sir, can you answer this?

Pandurang Dandawate: Yes. See, you might be aware, Exim Bank mainly has a role given by the Government of India Reserve Bank to fund the projects outside India being executed by Indian contractors. So our strength of the execution in civil construction is in Middle East, then Iran, Iraq and Afghanistan. So even part of Southeast Asia, partly. So therein Indian contractors like L&T, Ashoka Buildcon and many others, they are executing the projects outside India for which they need a funding. Sometimes it is on PPP mode, sometimes it is on BOT mode. So like in India, entire process has to be followed by the bank.

That is first is due diligence, then loan syndication, financial close and vetting the DPR and waiting the bid submitted, vetting the bid by the contractor. So that is part of the services is vetting of the DPR, which is given by the Exim Bank normally to the consultants, which are empaneled. This is part one. Part two, they also appoint us as an independent engineer on similar such projects where the work is going on PPP mode.

Neha Patil: Okay. And my next question is for multiple projects. How does the project management and billing process differ from projects awarded by NHAI or other central government agencies?

Pandurang Dandawate: Normally, lenders engineers fee are loaded by the bank on the concessionaire's financial close or contractors' financial debt -- loan. So the payment comes through bank, but it is released by the contractors or concessionaire. Through bank, we are getting the payments. Normally, in Indian condition, it is INR2 lakh per month roughly for visit on the site once in a month for a 2, 3 days inspection.

And also sometimes it is a specific site visit based on the specific approval given by the bank to the concessionaire like revision in concession period or extension of time, etcetera, etcetera. So in international market is much better than Indian market. It is roughly INR4 lakh to INR5 lakh per month.

Neha Patil: And given the previous execution time, what percentage of this Q1 orders do you expect to be executed and recognized as a revenue in FY27?

Pandurang Dandawate: See, our -- any of the order is having the -- order is having the range of 3 years construction and 3 years defect liability period. So we have a strong order book already without Q1 add-on is about INR250 crores. The projects which are there are at mid-level or at finishing level or some of them are completed or might get completed. A few of them are at defect liability period level. So based on the existing order book itself, we can say order book in 2 years. So that is, say, INR300 crores of the order book is there. So two-third of that is INR200 crores.

That has to come as a minimum in a period of 2 years. So that is a rough calculation, what I can say. But this year, what happened, we have already got about INR90 crores to INR100 crores orders in Q1 only, wherein if you compare the last year, it was for entire year, it was INR90 crores to INR100 crores. And in Q1 itself, we got that order. And again, in Q2, which is in running condition, we have got additional INR60 crores, INR65 crores of the orders in our kitty. So what I can say specific answer to your query, roughly 15% to 20% of the order book gets converted into the revenue.

Neha Patil: Are we currently seeing any specific DPR, TEV, PFR or lenders independent engineer opportunities emerging from Middle East, Iran or Iraq? And could this become a meaningful part of international business?

Pandurang Dandawate: Yes. Mozambique, we are already empaneled right now in this second quarter for one assignment. Ghana, we are the most preferred bidder or we are the winner, but turnaround time in international market is very, very slow. So because of that, orders are getting converted after 4 months or 6 months of declaration.

In Saudi Arabia, we are trying to get some private assignments. We have started submitting the bids. 1 or 2 bids we missed because of this war situation right now even there. But we are hopeful of getting 10% to 15% of our order book from the international market.

Neha Patil: And in Q1, it was an operating loss of INR3 crores. How quickly can margins recover as the new project moves into the execution?

Pandurang Dandawate: Basically, this is only a paper loss, which is correction in the estimates you might be aware. Our revenue is based -- it is an Ind AS type of accounting system and our revenue is based on the accounts -- sorry, our revenue is based on the expenditures done on particular project. So this estimate is corrected because of many factors, mainly the change in the policies by the client. The main client is NHAI, of course, like network survey vehicle scope was removed from our assignment and it is given separately to someone else as a policy and all over India, not alone to Dhruv.

So this has resulted into reduction in the work order, which was given initially. And we corrected ourselves in a timely manner, so that it should not be a wrong presentation to the investors and to the lenders. So this is a paper loss, what is the INR3 crores or INR4 crores what is there in Q1. But now the bids we are submitting are with a better profit margin for 3 reasons. And we have already won -- we are H1 already in 2 or 3 such assignments. We have rated number 9 in India among the 100 consultants. And out of that above 9, there are 6 to 7 consultants which are bidding -- not bidding regularly or they are bidding rarely.

So this rating has given us a bigger advantage in the sense that rating has been given first time a weightage to the technical score. So now we are scoring technically much better marks, and we are loading better and better profits. So just I will quote one example in the Assam, we have won the 6-kilometer long bridge assignment across Brahmaputra, and we are H1, of course, letter of acceptance yet to be issued, but we are H1. In that competition, there were 4 bidders. One bidder was INR12 crores, another bidder was INR13 crores, third bidder was INR20 crores. Our bid was INR33 crores. Still we win the assignment. So you can understand we are best positioned today for better profitability and whatever loss occurred to clean up the balance sheet and the P&L.

Neha Patil: The stronger order inflow in Q1, should investor expect a meaningful improvement in revenue and profitability from…?

Pandurang Dandawate: Yes, yes. Definitely. Definitely, definitely.

Moderator: Our next question comes from the line of Priya Jain with Green Capital.

Priya Jain: I have a few questions with me. Yes. So the thing is after securing this new Rowghat-Jagdalpur assignment, what new capabilities or domain expertise is group building internally for railway consultancy?

Tanvi Auti: Yes. So presently, we have a dedicated team working for the railway sector. Only for this particular assignment, we have to deploy 108 manpower at this project. So deploying such -- deploying and recruiting such huge manpower is a big task and our recruitment team is doing their best for it. So such high level -- high expert -- all of them working from -- for the railway sector only. So all these manpower coming in will further strengthen our railway sector.

And as we all know that the Union Budget since last 2 to 3 years, the focus has been railways along with the highway sector as well. So we see ourselves establishing ourselves prominently in the railway sector as well as we have done in the highway sector.

Priya Jain: So one question on financial side, like Q1 operating margin was minus 23%, if I'm not wrong. What quarterly revenue run rate is required for the company to return to the positive and sustainable operating margin?

Tanvi Auti: So there are 2 factors that this loss has occurred. One being there are certain tax reversals that has been done, which is not in our control, which is controlled by the income tax department. Second being the lower -- the current revenue base is insufficient to absorb the large size assignments that we have currently got. So the operating cost structure with right now that the company is operating is pretty high. So profitability is sensitive to the execution scale. So once -- with these new orders as and when they start converting into revenues, the losses will be absorbed.

Moderator: Next question comes from the line of Sakshi Shinde with Shah Consultancy.

Sakshi Shinde: The first question is INR8.34 crores MPRDC assignment for the independent engineers service. What is the role of during the different stages of greenfield highway project?

Tanvi Auti: So this is an independent engineer assignment wherein we are responsible to track the milestones, then the quality of the assignment, then the drawing approvals, the design and drawing, although in case of independent -- since this is a project of independent engineers. So it is BOT project. Hence, the investment has been entirely done by the contractor and not by the government. So our role remains lesser than that of authority engineer. But again, the final approvals and the milestone certification, billing certification is being done by us only.

So throughout the construction as well as the defect liability period, we will be deploying manpower at the project site who will observe and provide inputs to our head office and our head office team then reports to the government. So we act as the eyes and ears of the authority. And that is why as a project management consultant, our responsibility remains to ensure quality, then material certification from where the material is being brought conducting, whether tests are being conducted properly on the material, checking at the lab testing equipment, everything, then issuing approvals from the government side. All that is being handled by our team.

Sakshi Shinde: Okay. So the number of projects across states are increasing, what system has Dhruv put in place to maintain the consistent quality and project monitoring across various geographies?

Tanvi Auti: Yes. So right now, as I said that we are in the process of building AI dashboards. Right now, we are executing 65 to 70 assignments in the entire financial year, which is the highest compared to any consultancy firm in India, even though there are -- we are rating on number 9, but none of the consultants in India today have such large assignments that group consultancy has. So we are in the process of building dashboards wherein the entire -- in each and every project, what is the current status of the project, how much manpower has come, how much material utilization has happened.

So there is a detailed schedule given in the contract document of the contractor. So the entire schedule is being tracked by the AI dashboard, which we are in the process of development. So in another -- so this will further enhance our capability to take -- to do not just 60, but maybe 120 assignments in a year. So this will strengthen our operational efficiency.

Sakshi Shinde: Okay, ma'am. And my last question is as the large proportion of workforce is being engineers and so what currently has been biggest challenge in recruiting and retaining specialized engineering talent?

Tanvi Auti: As far as retaining, there is not much of a challenge because we have a huge database of engineers and we being a listed company, hardly 1 or 2 of our competitors are listed. So that gives us a very big advantage when it comes to the employees selecting our company as their -- that is why we are able to bag a big number of assignments because as you know, the consultancy is mainly manpower driven.

So the more talent we can attract, the more number of projects that we can take. So challenges as such, not much. But yes, now with every manpower, we are trying to build their expertise with the growing world now that technology has also advanced to quite a higher level. So we are trying to -- we are in the process of currently upgrading all that. And hence, a combination of the younger generation as well as the older generation is required. So those are the things that are going on, on the manpower front.

Moderator: Our next question comes from the line of Vidhi Purohit with Phoenix Capital.

Vidhi Purohit: What kind of technical capabilities are required for lender engineering assignments that are different from Dhruv regular project supervision work?

Tanvi Auti: So for lender engineering, basically, there is nothing extra expertise that is required, but a certain contractual understanding is more necessary. So we have certain manpower senior -- our senior management is a combination of government officers as well as people who have worked in the private sector. So this helps us have -- these people have gained very good contractual knowledge for a period of 25, 30 years that they have worked in this field. We presently have it in the airport sector also, the railways and the highway sector also.

So for lender engineering particularly, there is no extra special expertise that is asked by the government. With the existing manpower, we can definitely deliver the services, but certain different contractual as well as financial understanding of how projects are to be executed, say, whether in a PPP model, whether in a HAM model or a BOT model, checking the financial viability of the project for which, again, we have a DPR team, which does the same. They prepare a feasibility report, which checks the technical as well as the financial feasibility. So all this can be done with our in-house team also.

Vidhi Purohit: Okay. Now that you have secured the Rowghat-Jagdalpur railway project, are you planning to build any new technical capabilities or bringing specific railways expertise ma'am?

Tanvi Auti: So railway expertise, like I said, we are in the process of hiring around 100 manpower for executing the railway assignments and every week, hiring is going on, which is why our operational costs are quite high. Our employee costs have risen quite higher. With respect to extra expertise, I would say we are conducting certain trainings with respect to building information modeling, which is BIM. Again, it's an environment. It's not a software as such, but where we are trying to have an interface between the project team and the design team because design approvals remains our core expertise and the core deliverable when it comes to PMC projects.

So that is why we are rather than enhancing specifically for railway projects, we are in the process of enhancing overall for highway, railway airport and other multi projects overall, with building interfaces and AI dashboard, having BIM training, which is again right now we are having only 3 dimensional BIM. But if you see on an international level, people are having 4D, 5D, 6D BIM also. So I want to reach to a level where we can compete to 6D BIM also. And then there is another thing called as digital twin. So once we reach to that level of technical capability, we would be able to bid any assignment worldwide.

Vidhi Purohit: For this 140-kilometer project, how are you planning to structure the team and you mainly use your existing employees or will you also hire people specifically for this project?

Tanvi Auti: No. So for the project to deploy on the site, all the manpower needs to be hired externally, either some of them will be on contract basis, but total manpower recruitment being done is 108. So all these manpower have been proposed during the bid itself. We don't have -- I mean, we cannot decide how much manpower or what kind of manpower needs to be deployed. That is laid out in the contract in the RFP document itself at the time of tendering.

So we don't have much control over it. As the contract document asks us to deploy that level of expertise and that kind of experienced people need to be sourced out from the market and deployed. And our team has already done that 60%, 70%. So in another month's time, we should be able to commence the project.

Vidhi Purohit: Has there been any change in the type or size of project Dhruv is now looking to target?

Tanvi Auti: Yes. So like this INR19.34 crores assignment, then we already received INR40 crores assignment from OBCC. Another few orders that are in pipeline where still the evaluation is going on, are all INR20 crores, INR30 crores, INR40 crores only. So you can see the ticket size being increased from INR5 crores to INR10 crores to INR20 crores, INR30 crores, INR40 crores.

Vidhi Purohit: So are you seeing any larger ticket projects coming up in FY27 compared with the projects secured during FY27?

Tanvi Auti: Yes. Previous financial years, yes. So already, you can see the results, the projects which already LOA has been received are INR19 crores, INR30 crores, INR40 crores, those kind of assignments. Minimum, I think, would be INR8 crores. So we are moving towards that bigger ticket size assignments now. Like sir mentioned that our rating has improved. The NHI has rated all the consultants that they are working. So we have been rated 9 out of the 10 consultants that is there, which gives us a huge technical advantage to bag large-size assignments.

Vidhi Purohit: So how has the receivable cycle in Q1? And are you on collection pleased with the progress of the project?

Tanvi Auti: So collections are typically the same right now. You can say minimum 60 to 90 days. Very -- I think a few states, say, in the Northeast or where accessibility becomes an issue, it might go up to 120 days, but not more than that.

Moderator: The next question comes from the line of Mehul Shah with VS Venture.

Mehul Shah: I just have a couple of questions on the project. So the Wayside Amenities project has a tenure of around 15 years. So when do you expect the commercial operations to begin and when can it contribute to the revenue?

Tanvi Auti: Sir, can you answer this?

Pandurang Dandawate: Yes. I'm answering. Wayside Amenities projects, we have got one assignment right now on paper, which is converted into agreement, we have won 4 assignments. The first assignment agreement is signed on 4th of August. And today, they are giving physical possession of the site. So from today, our concession period of 15 years starts.

Now we have selected such sites wherein 50%, 60% construction is already in place, which is done by the NHI through their contractors and concession. So main challenge or main, you can say, activity on critical path is installation of a fuel pump, which needs a minimum 4 to 5 months.

So we are expecting to start the revenue of first wayside amenity project somewhere I can say in the month of February next year.

Mehul Shah: Okay. So February of next year, you can expect.

Pandurang Dandawate: Yes.

Mehul Shah: Okay. And sir, following this 55% acquisition, are you evaluating any additional wayside amenities project? Or are you focusing on the existing project first?

Pandurang Dandawate: Existing project we concluded. Now we are in for another 3 projects. One is near Nanded City, is near Latur city and one is near Solapur city, all 3 are big cities. So the letter of acceptance are expected anywhere in month of September. And again, it will have the same cycle 7 to 8 months to complete the balance work of construction or activation of the fuel pump and revenue shall start after 7, 8 months from the date of possession.

Mehul Shah: And sir, are there any like major project mobilization or approval completion delays expected in the next 9 months that could affect the revenue recognition for this FY27?

Pandurang Dandawate: No, no, no. It is actually what happened in last year or this year first quarter is basically correction of the estimate. So nothing big challenges there. Our total order book is INR600 crores and the correction happened is about INR30 crores, INR35 crores, which is completed now, and it is less than 5%. So now we don't expect any big challenge or any threat or any surprise for current year.

Mehul Shah: Okay. So what revenue you are expecting by end of FY27?

Pandurang Dandawate: If you see again, our unexecuted order book today stands at INR300 crores. The assignments are to be completed in 3 years. So you can mathematically calculate since I cannot make a forward statement.

Moderator: Our next question comes from the line of Saket Kapoor with Kapoor & Company.

Saket Kapoor: Sir, you mentioned the closing order book at INR360 crores as on 30th June?

Tanvi Auti: Unexecuted order book INR300 crores. Yes.

Saket Kapoor: INR300 crores, and that will be executed over a period of 3 years.

Tanvi Auti: 3 years, yes.

Saket Kapoor: Okay. And ma'am, you mentioned that 20% to 30% is what gets executed in H1 and then the balance 70 for H2. These are the numbers for us to work out?

Tanvi Auti: Not for these new assignments. New assignments, the billing will start after 2 quarters.

Saket Kapoor: Okay. From the date of delivery of the order, the execution will start from 2 quarters.

Tanvi Auti: Yes, yes. The mobilization takes time. So initially, the capex is a little higher. That is why Q1 and Q2 don't perform well profitability-wise. But Q3 and Q4, once the billing starts as we have these projects are good in margins, that is why Q3 and Q4 should be better.

Saket Kapoor: Even just on a conservative basis and just to understand as a minority shareholder, which I am, how is the profitability trend likely to shape up? So you are very well versed and aware of the -- what is the current market cap and how but the stock prices have corrected. So that is mainly on account of our -- whatever the reasons, the losses that we have posted on the PBT level. So if you could give us some color how is that line item going to shape up only, no forward-looking, but the context so that the investors can get some where is the company progressing in terms of profitability?

Tanvi Auti: Correct, correct. No problem. So while if you see Q1 also if you compare it to Q4, so Q4 had INR8 crores revenue, Q1 has INR15 crores revenue. And compared to the losses also, they have definitely improved compared to Q4. Now why Q1 remained the operating loss, if you see reduced more than 50%. So alongside there has been an improvement, like I said in the revenues also. So what happens is that, the project management plus the employee expenses alone are roughly INR15 crores, which is slightly above the operating revenue, adding to it the finance cost, the depreciation cost, the administrative and the total expenditure what we have reported comes to 20.41.

So the principal issue in Q1 is if you can see the operating leverage, our technical and project delivery it is a combination of fixed cost and variable cost. So presently, the revenue recognition policy also that we follow like Ind AS, which is a combination of unbilled revenue plus the revenue -- so the cost base that is there is not adequately absorbed -- since we are a large firm, we have a high employee cost, and we need to keep securing orders in large numbers in order to sustain this cost.

Now what happened last year in the whole year, we got orders worth INR100 crores. This year only in Q1, we got INR100 crores. So the cost base -- the kind of hiring that we had to do, the kind of investments that we had to do in the project capex were relatively higher. So as the execution scales up from the orders secured, improving the utilization and the cost absorption, this will be our top priority for the coming quarters. So we are not just focusing on securing more orders, but we are trying to now start recognizing these orders in billing. And once the billing starts converting, there will be margin improvement. So these billing is expected to start somewhere in Q3.

Moderator: As there are no further questions from the participants, I would like to hand the conference over to Mr. Karan Thakur from Kirin Advisors for the closing remarks. Thank you, and over to you, Karan.

Karan Thakur Yes. Thank you. Thank you, everyone, for joining the conference call of Dhruv Consultancy Services Limited. If you have any queries, you can write us at research@kirinadvisors.com. Once again, thank you, everyone, for joining the conference call.

Moderator: Thank you, Karan. Ladies and gentlemen, on behalf of Dhruv Consultancy Services Limited, that concludes today's call. Thank you for joining us, and you may now disconnect your lines.