



Press Release
DYNACONS SYSTEMS AND SOLUTIONS LIMITED
December 31, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	30.00	ACUITE A- Stable Assigned	-
Bank Loan Ratings	55.00	ACUITE A- Stable Reaffirmed	-
Bank Loan Ratings	102.00	-	ACUITE A2+ Assigned
Bank Loan Ratings	190.00	-	ACUITE A2+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	377.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE A-**' (read as **ACUITE A minus**) and short-term rating of '**ACUITE A2+**' (read as **ACUITE A two plus**) on the Rs.245.00 crore bank facilities of Dynacons Systems and Solutions Limited (DSSL). The outlook is '**Stable**'.

Acuite has assigned the long-term rating of '**ACUITE A-**' (read as **ACUITE A minus**) and short-term rating to '**ACUITE A2+**' (read as **ACUITE A two plus**) on the Rs.132.00 crore bank facilities of Dynacons Systems and Solutions Limited (DSSL). The outlook is '**Stable**'.

Rationale for reaffirmation:

Rating reaffirmation considers the consistent increase in the scale of operations since last three years ended FY2025 backed by healthy order book, coupled with a track record of repeat orders from key customers. The rating also considers an improved financial risk profile and adequate liquidity. DSSL caters to reputed clientele such as Facebook India, LIC, the Municipal Corporation of Greater Mumbai (MCGM), the Central Bank of India, the Reserve Bank of India (RBI), the National Payments Corporation of India (NPCI), BSNL, Punjab National Bank, the Bank of Baroda, the Brihanmumbai Municipal Corporation, and Google India, to name a few. Further, rating continues to derive strength from the promoters' extensive experience of over two decades in IT industry.

The rating is, however, constrained by intensive working capital operations along with presence in a highly competitive and fragmented industry along.

About the Company

Dynacons Systems and Solutions Limited (DSSL), incorporated in 1995, is an IT infrastructure company providing systems integration, networking solutions, facility management services, security solutions, and software services. It has also partnered with various IT companies, including Lenovo, Dell, HPE, HP, Cisco, IBM, Apple, Microsoft, Juniper, and Red Hat. DSSL is

headquartered in Mumbai and has 11 branch offices and warehouses with a presence in more than 250 locations across India. The company also has a wholly owned subsidiary

company in Singapore, handling Asia Pacific operations. The company is promoted by Mr. Shirish Anjaria, Mr. Dharmesh Anjaria, and Mr. Parag Dalal and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Unsupported Rating

Not applicable

Analytical Approach

Acuité has considered the standalone financial and business risk profile of DSSL to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of operations and experienced management

DSSL, incorporated in 1995, has an operational track record of over two decades in IT industry. Mr. Shirish Anjaria (Managing Director) is also the Founder of the Millennium PC, an initiative, which was recognized by Intel (USA). Mr. Parag Dalal (Director) has an experience in the field of Business, Information Technology, Software Development and Services. The directors of the company have experience of over two decades in the line of business. The long track record of operations and experience of the management have helped the company develop healthy relationships with its customers and suppliers. Acuité believes that DSSL will sustain its existing business profile on the back of an established track record of operations and experienced management.

Improvement in scale of operations backed by robust order book position

The company has reported growth in revenues which stood at Rs.1266.83 Cr. in FY2025 as against Rs.1024.44 Cr. in FY2024. This is mainly on account of consistent orders from existing as well as new customers. DSSL caters to reputed clientele such as Facebook India, LIC, Municipal Corporation of Greater Mumbai (MCGM), Central Bank of India, Reserve Bank of India (RBI), National Payments Corporation of India (NPCI) and Google India to name a few. Profitability margin i.e. EBITDA improved and stood at 8.31 percent in FY2025 as against 7.63 percent in FY2024. The reason for improvement in EBITDA margin is on account of passing on the incremental cost to their customers based upon the complexity of the order. The company has an unexecuted order book position of Rs. 2700.00 Cr. as on November 30, 2025, which, coupled with a track record of repeat orders from key customers, provides revenue visibility for the medium term. Acuité believes that the operating performance of the company would remain steady on account of robust order book position.

Healthy financial risk profile metrics

The company's financial risk profile is healthy, marked by a healthy capital structure, low gearing and healthy debt protection metrics. The net worth of the company stood at Rs.230.92 Cr. as on March 31, 2025 as against Rs.157.57 Cr. as on March 31, 2024. The improvement in net worth is due to accretion of reserves. Gearing (debt to equity ratio) of the company stood at 0.60 times as on March 31, 2025, against 0.23 times as on March 31, 2024. Debt protection metrics – Interest coverage ratio (ICR) and debt service coverage ratio (DSCR) stood healthy at 8.43 times and 4.58 times as on March 31, 2024, respectively as against 9.32 times and 5.10 times as on March 31, 2024, respectively. The slight deterioration in debt protection metrics is on account of increased debt levels. TOL/TNW (Total outside liabilities/Total net worth) stood at 2.35 times and 2.72 times as on March 31, 2025, and 2024 respectively. The debt to EBITDA of the company stood at 1.24 times as on March 31, 2025, as against 0.43 times as on March 31, 2024. Acuité believes that the financial risk profile is expected to be at similar levels over the medium term considering no debt funded expansion planned in near future.

Weaknesses

Working capital intensive operations

DSSL's working capital operations remained intensive marked by high gross current Asset (GCA) at 155 days in FY2025 as against 175 days in FY2024. The GCA days are impacted

mainly on account of debtor days where extended credit period is offered to customers on milestone basis. Inventory days stood at 18 days in FY2025 as against 28 days in FY2024. Debtor days stood at 126 days in FY2025 as against 143 days in FY2024. Debtors' days improved on account of improved collection period from customers. Debtors are realised on milestone as per the completion of project. Acuite believes, the working capital operations are expected to remain intensive over the medium term.

Competitive and fragmented industry

DSSL operates in a fragmented and competitive industry, where it faces high competition from small as well as well-established players with high resources. However, DSSL has been providing multiple service offerings, along with maintaining diversified industry clientele to be able to retain its market position. Acuite believes that the addition of new customers will be critical in order to scale up its operations over the medium term.

Rating Sensitivities

- Sustained revenue growth, while improving the operating margins.
- Deterioration in working cycle.
- Any large debt funded capex, impacting the financial risk profile and liquidity.

Liquidity Position: Adequate

DSSL liquidity is adequate marked by adequate net cash accruals to its maturing debt obligation. The company has generated cash accruals in the range of Rs.74.06 Cr. in FY2025, while its maturing debt obligations were Rs. 5.82 Cr. during the same period. Going forward the company is expected to generate net cash accruals of Rs. 90- 109 Cr. in FY 2025-26 against Rs.26.22-32.60 Cr. debt obligations. The current ratio stood at 1.13 times as on March 31, 2025. Further, the average bank limit utilization for the fund-based limits stood at 65 percent and for non-fund-based limits stood at 91 percent for the last 12 months ending in October 2025. The company maintains unencumbered cash and bank balances of Rs.0.74 Cr. as on March 31, 2025. Acuite believes that the liquidity of the company is likely to improve over the medium term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	1,266.83	1,024.44
PAT	Rs. Cr.	72.41	53.96
PAT Margin	(%)	5.72	5.27
Total Debt/Tangible Net Worth	Times	0.60	0.23
PBDIT/Interest	Times	8.43	9.32

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
31 Dec 2024	Cash Credit	Long Term	5.00	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	20.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	15.00	ACUITE A- Stable (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	30.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	30.00	ACUITE A2+ (Assigned)
	Bank Guarantee (BLR)	Short Term	50.00	ACUITE A2+ (Assigned)
	Bills Discounting	Short Term	15.00	ACUITE A2+ (Assigned)
	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A2+ (Assigned)
	Channel/Dealer/Vendor Financing	Short Term	40.00	ACUITE A2+ (Assigned)
12 Dec 2024	Cash Credit	Long Term	20.00	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Cash Credit	Long Term	15.00	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Bank Guarantee/Letter of Guarantee	Short Term	30.00	ACUITE A2+ (Upgraded from ACUITE A2)
28 Nov 2023	Bank Guarantee/Letter of Guarantee	Short Term	30.00	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BBB+ Stable (Reaffirmed)
30 Aug 2022	Bank Guarantee/Letter of Guarantee	Short Term	30.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Cash Credit	Long Term	20.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Positive)
	Cash Credit	Long Term	15.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Positive)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
ICICI BANK LIMITED	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A2+ Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A2+ Reaffirmed
IDFC First Bank Limited	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	70.00	Simple	ACUITE A2+ Assigned
YES BANK LIMITED	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	60.00	Simple	ACUITE A2+ Reaffirmed
YES BANK LIMITED	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	32.00	Simple	ACUITE A2+ Assigned
ICICI BANK LIMITED	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A2+ Reaffirmed
YES BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A- Stable Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A- Stable Reaffirmed
IDFC First Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A- Stable Assigned
H D F C Bank Limited	Not avl. / Not appl.	Channel/Dealer/Vendor Financing	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A2+ Reaffirmed

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About Acuité Ratings & Research

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