



Press Release
DEPL O&M LIMITED
December 08, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	25.00	ACUITE BBB+ Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	25.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long-term rating of '**ACUITE BBB+**' (read as **ACUITE triple B plus**) on the Rs. 25.00 crore bank facilities of DEPL O&M Limited (DEPL O&M). The outlook is '**Stable**'.

Rationale for Rating

The rating assigned factors in the established presence of the group in the passive telecom industry. Further, while the FY25 revenues of the group moderated as compared to the previous year due to execution of a significant Bharat Sanchar Nigam Limited (BSNL) order in FY24, the current outstanding order book of ~Rs. 2094.79 Cr. as on September 30, 2025, provides a healthy revenue visibility at stable operating margins over the medium term. Further, rating factors the healthy financial risk profile of the group with low gearing and comfortable debt protection metrics. However, the rating continues to remain constrained on account of intensive working capital operations of the group driven by high debtors and contract assets owing to the nature of businesses in this industry. Further, on account of limited telecom players in the country, the company also remains prone to customer concentration risk with around ~80 percent of the revenue is marked by the top five customers. Furthermore, the rating is constrained by the tender-based nature of operations and competitive nature of industry.

About the Company

Incorporated in 2022, DEPL O&M is engaged in operations and maintenance services for telecom networks and provides critical support to private and government entities in the telecom industry. The company is a wholly owned subsidiary of DEPL – flagship company of the Dinesh group and majorly works for the parent entity. The company is headquartered in Nerul, Navi Mumbai, Maharashtra.

About the Group

Dinesh Engineers Limited (DEPL)

Dinesh Engineers Limited (DEPL) is a telecom infrastructure provider in India, specializing in passive telecom infrastructure, optical fiber cable (OFC) networks and engineering, procurement, and construction of towers and other telecom related services. The company was founded in the late 1990s as Dinesh Associates and was later converted to Dinesh Engineers Private Limited in 2006. It was subsequently converted into a public limited

company in 2018. The company is headquartered in Nerul, Navi Mumbai, Maharashtra, and operates across 9 states and 18 telecom circles in India.

DEPL Infra Limited

Maharashtra based, DEPL Infra Limited was incorporated in 2022 and is engaged in the business of telecommunications network infrastructure.

DEPL Projects Limited

Maharashtra based, DEPL Projects Limited was incorporated in 2022 and is engaged in EPC work, particularly focusing on telecommunication passive infrastructure like towers, poles, and optical fiber duct laying.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has consolidated the financials of Dinesh Engineer Limited and its three wholly owned telecom subsidiary – DEPL O&M Limited, DEPL Infra Limited and DEPL Projects Limited. The consolidation is on account of common management, similar operations and significant operational linkages with parent i.e DEPL. Further DEPL has given corporate guarantee to bank facilities (amounting Rs. 6.12 Cr.) availed by DEPL O&M.

However, Acuité has not consolidated the other subsidiaries of the group involved in city gas distribution business – Gasonet Services (HP) Limited, Gasonet Services (RJ) Limited and Gasonet Services (UK) Limited as these entities are into a different segment and currently at nascent stage of operations. However, Acuité Ratings has factored in the investment made by DEPL into these subsidiaries.

Further, Acuite has constrained the rating of DEPL O&M on account of limited scale of operations.

Key Rating Drivers

Strengths

Established track record of operations

The group holds an IP-1 registration from the Department of Telecommunications (DoT) which allows it to establish, maintain, and lease passive telecom infrastructure to telecom service providers. Further, group's operations span into the deployment, leasing on indefeasible right of use (IRU) and annual recurring charge (ARC) basis and maintenance of OFC networks, tower erection, Fiber to the home (FTTH) rollout, and O&M services. It has built and owns over 25,000 kilometers of OFC network and completed more than 60,000 FTTH home passes and connected more than 100 data centres in western and southern region. The major operations are currently in the western and southern parts of India where the majority of IT hubs are located. It has executed several marquee projects, including the installation of 1600+ towers, OFC connectivity between Mumbai and Chennai spanning 5,000 kilometers in different paths, OFC Network at Pune, Mumbai, Hyderabad Metro & Monorail in Mumbai, also got exclusive rights of monetization of OFC network in the area of Pune Municipal Corporation and Pimpri Chinchwad Municipal Corporation. Its clientele includes major telecom operators such as Airtel, Jio, Vodafone, Tata Communications, Sify, Tata Tele and Lightstorm telecom, data center connectivity, NLD Players, MSO/ISP and LCO etc. as well as public sector entities like BSNL, MTNL, Indian Railway, RailTel, Powergrid and Mahaprit. Furthermore the group is promoted by Mr. Dinesh Kargal, who serves as Chairman and Managing Director and brings over 36 years of experience in telecom infrastructure and is supported by Mrs. Shashikala D.

Healthy orderbook position expected to improve the operating performance over the medium term

While the revenues of the company stood lower at Rs. 745.1 Cr. in FY25 as against Rs. 1,112.29 Cr. in FY24, due to execution completion of a significant Bharat Sanchar Nigam Limited (BSNL) order in FY24, however, the current outstanding orderbook of Rs. 2,094.79 Cr. as on September 30, 2025, providing a sound and improving revenue visibility over the medium term. In the current year, the group has marked a revenue of ~Rs. 450 Cr. in H1FY26. Further, the company reported a sharp increase in the operating margins to 30.63 percent in FY25 as against 26.23 percent in FY24 due to reduction in cost of material consumed. Therefore, the continued growth in order book and timely execution of contracts at steady margins shall be a key rating sensitivity.

Healthy financial risk profile

The group's financial risk profile is marked by healthy net worth base and moderate debt level. The net worth of the group increased to Rs. 747.82 Cr. as on March 31, 2025, from Rs. 632.15 Cr. as on March 31, 2024, due to accretion of profits to reserves. The overall gearing increased due to increase in long term loan which the company had taken for acquiring a commercial property, however remained moderate at 0.46 times as on March 31, 2025 (0.37 times as on March 31, 2024). Moreover, the coverage indicators remained moderate with interest coverage ratio and debt service coverage ratio at 5.75 times and 1.39 times for FY2025.

Acuité expects the financial risk profile of the company to remain healthy in the absence of any significant debt funded capex and improving cash accruals.

Weaknesses

Intensive working capital operations

The group's working capital operations remain intensive, as indicated by gross current asset (GCA) days of 530 days as of March 31, 2025 (327 days as of March 31, 2024). The increase is primarily driven by a rise in debtor days, largely due to pending receivables from BSNL which is expected to release post file closure and performance testing which is last mile payment as per the contract. Additionally, the GCA days are impacted by an increase in inventory levels and substantial other current assets consisting of contract assets representing amounts due from customers for completed work that are yet to be invoiced. The contract assets are high due to deferred billing pattern as per the tower contracts. On the other hand, group enjoys a higher credit period from its subcontractors along with the upfront receipts from the IRU business.

Acuité believes that working capital operations of the company may continue to remain intensive considering the nature of business.

Customer concentration risk along with tender based nature of operations

The group primarily serves leading telecom operators in the country, along with select data center companies. As of now, approximately 80% of its revenue is contributed by the top five customers, up from around 65% in FY24. This heightened customer concentration is largely due to the execution of a major order from BSNL in FY24 and FY25. Further the group is mitigating the risk by executing orders for railways, metro and some municipal authorities in the current year.

The group is engaged in bidding various tenders, wherein it faces intense competition from large as well as mid-sized local players in the sector. The risk becomes more pronounced as tendering is based on a minimum amount of bidding for contracts. It acquires tenders at competitive prices, which may affect its profitability. Further, there are uncertainties attached to the allotment of tenders. However, the risk is mitigated, given the group's strong background in the industry and significant presence, which has enabled them to procure tenders on a regular basis.

Rating Sensitivities

- Strong and diversified order book growth & timely completion of existing orders leading to improvement in revenue and stable margins
- Continued maintenance or improvement of the financial risk profile
- Any further stretch in the working capital levels affecting the liquidity profile

Liquidity Position **Adequate**

The liquidity of the group is marked adequate backed by healthy net cash accruals of Rs. 159.61 Cr. in FY25 as against repayment obligations, consisting majorly of working capital loans of Rs. 102.61 Cr. for the same period. Going forward, for FY26, the net cash accruals are expected to remain in the range of Rs. 200-250 Cr. against the repayment obligations of ~Rs. 146 Cr. for the same period. The current ratio stood moderate at 1.4 times as on March 31, 2025. The group has lien marked deposits worth ~Rs. 247 Cr. as on March 31, 2025 which are against the working capital loans and non-fund based limits availed by the group. The average fund based bank limit utilization for the last 9 months ended September 30, 2025 stood low at ~46.31 percent and the group is in the process of enhancing its fund based limits by replacing the existing loans with working capital facilities to meet the business growth. Acuité believes that the liquidity position of the group will continue to remain adequate on account of improving cash accruals and refinancing of high repayment obligation loans.

Outlook : Stable

Other Factors affecting Rating None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	745.10	1112.29
PAT	Rs. Cr.	115.84	184.24
PAT Margin	(%)	15.55	16.56
Total Debt/Tangible Net Worth	Times	0.46	0.37
PBDIT/Interest	Times	5.75	13.80

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

None

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité 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 :

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.12	Simple	ACUITE BBB+ Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.88	Simple	ACUITE BBB+ Stable Assigned

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No.	Company Name
1	Dinesh Engineers Limited
2	DEPL Infra Limited
3	DEPL O&M Limited
4	DEPL Projects Limited

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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