



February 19, 2026

To,

BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400001 Scrip Code- 532365	National Stock Exchange of India Limited Exchange Plaza, C— 1, Block G, BandraKurla Complex, Bandra (East), Mumbai — 400051 Symbol - DSSL
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Sub: Transcript of the Earnings call on the Unaudited Financial Results (Consolidated and Standalone) for the quarter and nine months ended December 31, 2025 held on February 16, 2026

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the enclosed transcript of the Earnings Call held on February 16, 2026, at 04.30 pm on the Unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter and nine months ended December 31, 2025.

The transcript is available on the website of the Company at <https://www.dynacons.com/investors/others/analyst-investor-meet/>

This is for information and record.

Thanking you,

For **Dynacons Systems & Solutions Limited**

Pooja Patwa
Company Secretary &
Compliance Officer
Mem No. – 60986
Encl: -As above

Dynacons Systems & Solutions Limited

CIN NO : L72200MH1995PLC093130

Certified ISO 9001:2015, ISO 20000 – 1:2018, ISO – 27001:2022 , CMMI Maturity Level 5

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“Dynacons Systems & Solutions Limited
Q3 FY26 Earnings Conference Call”

February 16, 2026



MANAGEMENT: **MR. PARAG J. DALAL – EXECUTIVE DIRECTOR –
DYNACONS SYSTEMS & SOLUTIONS LIMITED
MR. DHARMESH S ANJARIA – EXECUTIVE DIRECTOR
AND CHIEF FINANCIAL OFFICER – DYNACONS
SYSTEMS & SOLUTIONS LIMITED**

MODERATOR: **MS. KHUSHBU SINGHANIA – GO INDIA ADVISORS LLP**

Moderator: Ladies and gentlemen, good day and welcome to Dynacons Systems & Solutions Q3 FY26 Mid-end Earnings Conference Call hosted by Go India Advisors LLP. 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 this 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. Khushbu Singhanian from Go India Advisors LLP. Thank you and over to you, ma'am.

Khushbu Singhanian: Thank you, Palak. Good afternoon, everyone and welcome to Dynacons Systems and Solutions Q3 FY26 Earnings Call to discuss Q3 and 9M FY26 Results. We have the senior management of the company on call, Mr. Parag J. Dalal, Executive Director, and Mr. Dharmesh S Anjaria, Executive Director and CFO.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risk that the company faces. May I now request Mr. Parag Dalal to take us through the company's business outlook and financial highlights, subsequent to which we can open the floor for Q&A. Thank you and over to you, sir.

Parag Dalal: Thank you, Khushbu. Good afternoon, everyone and thank you for joining us today. Welcome to our first-ever earnings call. We look forward to engaging with you regularly going forward. Dynacons continues to strengthen its position as a leading India-focused IT system integrator and managed services provider, delivering end-to-end solutions across data center and cloud infrastructure, cybersecurity, networking, digital workplace and managed services.

Our integrated platform and deep vendor partnerships enable us to design, deploy, secure and manage mission-critical IT environments for BFSI, public sector and enterprise clients across India. During the quarter, the company delivered steady execution across infrastructure transformation, managed services and enterprise IT modernization.

We successfully went live with 38 banks under Core Banking as a Service, an initiative of NABARD for associated state and district cooperative banks, reinforcing our execution strength in mission-critical financial structure programs. We secured several high-value projects across BFSI and public sector, including the enterprise application platform deployment for RBI, a INR250 crores order approximately, a digital workplace solution for LIC.

We also won key mandates from J&K Bank, State Bank of India and Bank of Baroda along with additional orders for advanced core banking solutions from various cooperative banks. We continue to strengthen enterprise digital infrastructure capabilities through execution of SD-WAN and advanced network modernization projects for leading financial institutions.

In parallel, we are expanding our Device as a Service DaaS and digital workplace offerings, strengthening annuity-based revenue streams and enhancing long-term client engagements.

From an industry recognition standpoint, Dynacons was awarded by Lenovo a 360 true scale DaaS growth partner of the year for Asia Pacific.

Recognized as HPE solution provider of the year 2025 and HPE partner of the year and honored as system integration partner of the year by Versa Networks. We were also featured among India's leading ESG entities 2025 by Dun & Bradstreet, reflecting our commitment to governance and sustainable growth.

Demand remains strong across our core offerings, led by data center modernization, cloud adoption, cybersecurity initiatives and digital workplace transformations. Data center and cloud solutions continue to be our primary growth engine, supported by AI workloads, automation and data localization requirements, which are accelerating enterprise investment in modern IT infrastructure.

Looking ahead, we expect growth to be supported by increasing enterprise investments in AI-ready data centers and cloud, heightened focus on cybersecurity, compliance and resilience and ongoing digital transformation across BFSI and public sector enterprises. With strong execution capabilities, a nationwide delivery footprint and continued investments in AI-ready infrastructure and cybersecurity capabilities, we believe Dynacons is well positioned to benefit from India's accelerating digital transformation and IT spending growth.

I would like to now hand over the call to Mr. Dharmesh Anjaria to discuss the financial performance and further proceedings.

Dharmesh Anjaria:

Thank you, Parag and good afternoon, everybody. Dynacons delivered a steady performance in Q3 and 9M Financial Year 2026, supported by disciplined execution and an improving solutions mix. For Q3 FY26, revenue from operations stood at INR341 crores, reflecting a 10% year-on-year growth.

EBITDA grew 49% year-on-year to INR41 crores and EBITDA margins improved to 11.9%. Profit after tax for the quarter stood at INR23 crores, up 27% year-on-year. For the nine-month period, revenues reached INR1,022 crores with EBITDA increased to INR110 crores and margins improving to 10.7% EBITDA margins.

Net profit stood at INR66 crores representing a 21% year-on-year growth. Our margin improvement reflects operating leverage, higher contribution from our solutions and services and a growing share of value-added offerings. Data center and cloud infrastructure projects along with recurring managed services and As-a-Service engagements continue to support profitability and improve revenue quality.

As on December 31, 2025, our revenue book stood at approximately INR2,389 crores, providing strong revenue visibility. In addition, we maintain a robust order pipeline of approximately INR3,083 crores, comprising opportunities across data center and cloud, networking, managed services and workplace solutions, thus supporting strong conversion visibility and future growth momentum.

Demand momentum continues across data center infrastructure, cloud, cybersecurity, managed services and AI-ready infrastructure, supported by increasing AI workloads, automation requirements and data localization needs. Overall, our financial performance reflects resilient demand, strong execution, and continued progress towards improving margins and strengthening recurring revenues.

With that, we open the floor for questions. Over to you, Khushbu.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Thank you for the opportunity. Sir, if you could help us understand what is the margin profile of the cloud and data center, the managed services and the digital offerings that we provide for all these segments?

Dharmesh Anjaria: So, the margin profile for the data center and cloud, the network and security and the managed services is higher than the workplace solutions. However, each segment we are not disclosing segment-wise – business segment wise margin profitability because each segment is supporting the other segments. So, for each customer, we are providing multiple levels of services. Each of these segments supports each other and helps us in building the overall margin profile.

Madhur Rathi: Right. Sir, I am trying to understand, there is a competitor Unified Data that has been listed and they mentioned us as their competitors in their RHP and they are doing margins upwards of 15%, 20%. Can Dynacons reach those levels as the mix of data center, cloud, cybersecurity increases in our revenue?

Dharmesh Anjaria: So, with the product mix that we are if you see our product mix. The contribution from data center and cloud has been steadily growing. Over the years, it has moved from 14% to 37% as we are today. With that and with the other annuity-based projects and the As-a-Service business that we are getting, we are looking to improve the profitability as we move along.

Madhur Rathi: Right. Sir, if I look at FY27, what kind of revenue growth can we expect and what kind of EBITDA margins do we expect on a steady state basis?

Dharmesh Anjaria: So, we are not giving any revenue guidance. As per policy, we are not giving revenue guidance there. However, we believe that our continued focus is to ensure that we improve the product mix and have more revenue and annuity-based engagements and service engagements, which will improve the margin profile.

We believe that - you have seen that over a period of time our all the projects that we have taken have been more margin accretive and hence the overall EBITDA margins have been growing consistently and we firmly believe that there is growth momentum and will continue and continuous efforts are being taken towards that.

- Madhur Rathi:** Right. Sir, just a final question from my end and I will get back into the queue. Out of this INR2,400 crores order book that we have, what would be from data center and cloud and network and security and what would be the other from IT managed services? And what is the timeline to execute this INR2,389 crores of order book?
- Dharmesh Anjaria:** We have disclosed the overall order book number. However, we currently do not provide a client segment-wise breakup of the order book by BFSI, public sector or global on this call. What we can say is that we are strongly positioned across all these segments and supported by a nationwide footprint and execution track record. In terms of timeline, the order execution timeline ranges from some immediate orders to be executed and some to be executed over a period of five years, but an average timeline if you would put, it would be around two years.
- Madhur Rathi:** Okay. Sir, thank you so much and all the best.
- Moderator:** Thank you, sir. The next question is from the line of Ankush Agrawal from Surge Capital. Please go ahead.
- Ankush Agrawal:** Hi sir, thank you for taking my question. Firstly, increasingly we have been seeing that we have been signing a lot of contracts on the new opex model versus the traditional EPC work that we used to do. So, the first thing that I want to understand is could you provide a sense of what kind of capex that we are incurring in these deals?
- And going ahead in the long run, how is our balance sheet placed to sort of fund this capex because historically our business has been very asset light and threw a lot of cash flows. But now since we are investing in this capex for the opex type of orders, how do you see that thing in terms of balance sheet and cash flows?
- Dharmesh Anjaria:** What we are doing is we are keeping in mind the prudence and a sustainable growth in the As-a-Service business there. We are funding these through multiple avenues. One is obviously through some of the internal accruals that we have with us. We are also utilizing certain lease options, so we are procuring devices on a long-term lease which collaborates with the revenue which is being generated from these devices. So, we are spreading this mix across both these areas there and raising funds accordingly. Keeping that in mind as business grows from this, we have a very good support from all the financial institutions, banks, and other avenues that we will tap correspondingly.
- Ankush Agrawal:** Right. So, I think from a margin perspective, I think these new orders are clearly accretive, but in terms of ROCEs, do you believe that you can still maintain the same level of ROCEs that we have been doing in the traditional business? Or given the kind of sense that you have given that you would be looking to raise debt and all that, which will obviously blow the balance sheet, do you expect that ROCEs incrementally will take a hit?
- Dharmesh Anjaria:** So, while we see, with our base also growing there and revenues also growing correspondingly, we do see this keeping steady for a period of time there. And then we will definitely look at the

various alternatives and ensure that we don't the return on capital employed continues to be in a steady state and does not drop significantly that. We are evaluating options accordingly only.

Ankush Agrawal: Right. But I would like to get a sense like in the long run, how big can this opex business be of our old revenue mix? Now it would be obviously very small. But in the long run, what number are you sort of thinking that, say 70% of the business will continue to remain on the EPC model and say 20%-30% becomes this opex model?

Dharmesh Anjaria: So, currently if you see our managed services and the annuity-based revenue is around 21% of our overall product mix. We expect this to grow very significantly there over a period of time because as we see, we've already got orders from BHEL, J&K Bank, the NABARD for Core Banking as a Service.

So, as these orders start hitting the revenue numbers there, BHEL has started adding to the revenue, the others too will be adding from this quarter onwards there. You will see a significant up move in the numbers which come across there.

Ankush Agrawal: Okay. Okay. So, in the past, if you see, say a decade or 15 years, we have been able to improve our margins constantly year after year, right? This new opex business obviously the margins are much higher, but can you give a sense of what has led to improved margins in the past? Is it mostly like managed services share increasing? And how do you see that playing out in the future?

Like, at a PAT level, I am trying to understand because obviously at the EBITDA level because of the opex, the margins are obviously higher because the cost of depreciation and amortization hits at the lower end, but at a PAT level do you believe we will continue to be able to scale margins like what we have done in the past?

Dharmesh Anjaria: So, we will definitely, we are seeing a richer solution mix and we believe that this level is not only sustainable, but can be also growing there. Especially once we move to a margin enhancement and value-added services, we are still continuing to focus on high margin solution areas like data center infrastructure, disciplined execution.

So, these - all these will definitely contribute to a higher PAT margin there. So, we definitely are confident that the PAT margins will also reflect the quote, which you can also see that even with a 10% increase in the business, we have been able to raise PAT margins by 27% in this quarter and 21% overall for the 9-month period.

Ankush Agrawal: Right, right. That was helpful, sir. I have a few more questions, I will get back in the queue.

Moderator: Thank you, sir. The next question is from the line of Neeraj Dalal from 3A Capital Advisors. Please go ahead.

Neeraj Dalal: Hi, congratulations on a good set of numbers. I had two questions. The first, sir, is how do you manage the competitive dynamics given that the business is based on orders from a lot of the PSUs and all of that? That is one.

And second, in terms of the rising costs of hardware and all the IT products that we will be using, how does that feed into the margin profile that we have and going forward, how is that impacting? Because in the last 6 months, things have not been the same?

Dharmesh Anjaria: Yes, thank you. I'll take both of these answers. So, we actively manage input costs. This is the answer to your second question. We actively manage input costs and currently do not see material pressures that would impact margins. And this is due to our strong OEM partnerships where we have tied up with them for all these projects there.

So, we have a vendor buy-in to all these projects there and we work very closely with them, which helps us mitigate the price volatility there. Plus, we have a lot of productivity initiatives which help us take care of the manpower costs and mitigate them. So overall we are well placed to mitigate the supply chain issues which are there, which definitely are, you rightly pointed out that. But yes, we are mitigating it through this.

Now coming to the first part of your question which was around competitive bidding from our large BFSI and public sector accounts. So, we Dynacons has a very good track record and good pre-qualifications to bid at significantly large projects there. Now these pre-qualifications enable us to bid against companies which are significantly larger than us.

So hence the competitive landscape, we are able to get an edge in there because we are competing with companies larger than us and we have a proven track record of projects which have been executed across whether it is in SD-WAN, private cloud, core banking. These opportunities and our service delivery infrastructure give us this the lower execution cost because of the experience that we have. These hold us in good stead during the competitive bidding.

Neeraj Dalal: Thank you, sir. I'll get back in the queue.

Moderator: Thank you, sir. The next question is from the line of Urmish Shah from Moneywisers. Please go ahead.

Urmish Shah: Yes, so sir my first question is, I want to know what is the contribution of recurring revenue in our books and what is the strategy going forward? Are we looking to increase wallet share from our existing clients or adding more new clients?

Dharmesh Anjaria: So, if you have seen, our overall managed services revenue is around 21% of our current revenue. Recurring revenues are forming a large and growing part of our business. We have a substantial base of multi-year contracts and ongoing services.

And many of our managed services deals and Device-as-a-Service deals are multi-year contracts which are providing regular recurring revenue streams. So, which is why we are expecting this business to successfully continue over a period of time.

Urmish Shah: Okay, so -- but we will be adding new clients as well as we move forward?

Dharmesh Anjaria: Coming to your question there. So, we Dynacons has a two-pronged strategy around that. We continue to harness our existing large pool of enterprise accounts where we are horizontally doing a lot of cross-selling opportunities.

So, while we may enter in through a workplace solution or a managed services opportunity in one of the accounts, but then we are able to cross-sell and upsell there and offer a lot of other solutions to customers, which gives us a lot of stickiness with the customers because we are able to work across multiple solution profiles with them.

Two, the second strategy is also around customer acquisition where we keep acquiring large enterprise accounts there which give us the kind of revenue visibility, help us in building the pipeline for new customers and new solutions to be worked on with these customers.

Urmish Shah: Okay.

Dharmesh Anjaria: And I'll give you an example like we entered Punjab National Bank with a small order for services and then we went across with an enterprise level security services contract, then we went with asset management. So, this is how we scale across and upscale.

Urmish Shah: Right, sir. Sir and the second question is, do we look for a minimum revenue visibility when we enter in a contract or secure an order? Or if it's range bound, minimum range, do we look on that front?

Dharmesh Anjaria: While we definitely strive to work on large projects there, but we work on something which is more strategic. So it could be strategic in terms of the product mix and the product line that we are doing up. So for example recently for one public sector undertaking we picked up order for an AI implementation there which was a smaller implementation but a significant start there. Or alternatively it could be a small order for a large enterprise. So depending on the product mix there or the customer being a strategic customer, we decide accordingly and we approach that.

Urmish Shah: Okay. Sir and final question, I don't know if because I joined the call a bit late, but the margins look very healthy currently. So what is the sustainable range of margins that you look to maintain going forward?

Dharmesh Anjaria: So, see, our margins have been, the improvement in margins is driven by a solution mix as we mentioned and a good operating leverage. And we do believe that this level is sustainable there because we are clearly focusing on the high margin solution areas like data center, cloud, cybersecurity, and all of these areas. And we are continuing to focus on more As-a-Service

opportunities, especially the Core Banking as a Service what we have seen there. So it's a mix of not only device, but also application as a service there.

Urmish Shah: Okay. Thank you, sir. I'll join back the queue. Thank you.

Moderator: Thank you, sir. The next question is from the line of Bhavya Bansal, an Individual Investor. Please go ahead.

Bhavya Bansal: Yes sir. Good afternoon, sir. Myself Bhavya here. Actually, I have a question that although we have grown year-on-year basis on profit and revenue front but in case of quarter-on-quarter growth, there is a major slump in the progress. It's I think about in case of revenue it's a minus 3.3 and in case of profit it's a 3.6%. So, there is a major slump in the growth we had till now. Could you please inform us about the reason why this has happened?

Dharmesh Anjaria: Yes, good question. So, we would like to highlight that we are in a project nature of business there. So, our execution, the overall revenue numbers will depend on the execution of the projects. So, it could be completed in one quarter or it could be spilled over to the next quarter. We are not into the run rate sales where we are looking at quarter-on-quarter numbers there and quarter-on-year.

Yes, definitely we are seeing a sustained growth as you have seen across the years. But it will, our numbers will definitely reflect on year-on-year growth and not quarter on quarter. Because a lot of factors which, you know, depends on the execution, site readiness, customers internal processes, the acceptance there. So, a lot of these factors contribute to this and which is why you're seeing that while on a year-on-year basis we are seeing consistent growth.

Bhavya Bansal: And sir, it can be anticipated that the growth is not expected to come down. It's only the nature of the business which is causing it to appear to slow down?

Dharmesh Anjaria: So yes, a quarter-on-quarter is not a right matrix to measure our growth by. The better matrix is definitely year-on-year and you are right. We have already announced several orders during the year which are also getting executed as we say there. So, all of these factors we are very confident that the growth momentum that you have seen over the past few years, that growth momentum will continue.

Bhavya Bansal: Okay. And sir, this is one more question that since we see that there is a certain chunk of revenue which Dynacons, gains through and that's SaaS software as a service. And now we can see that Anthropic, as a company has released certain tools which are anticipated to cause a large harm to anybody who provide SaaS services? So what's the outlook of Dynacons, about it and what you think that, how you are thinking, how you will meet this challenge?

Management: So honestly, if you see our revenues, our revenues are not from providing software as a service. So, we are not competing with the likes of Claude by Anthropic. These tools will help us in execution and help us improve our productivity. So, it's a positive impact that we will get because what we are providing is two types of things.

One is we are providing Device as a Service and second, we are providing a complete platform and a solution as a service. So, Core Banking as a Service, when I say specifically involves a lot of things. It involves a DC and a cloud setup, it involves networking and SD-WAN setup, it also involves application, it also involves services, it involves certain devices, infrastructure as a service. So, which is why we are not you know, and also cybersecurity. So, which is why we will be using these tools and these tools will help us improve our productivity in providing these solutions.

Bhavya Bansal: Okay, thank you sir. And I have just some questions. And you told us sir, that there is a order book of about INR2,500 crores which is pending. So how much of it is already completed? Or if this complete figure is pending for execution?

Management: So this is the pending order book as on 31st December.

Bhavya Bansal: Okay. And sir any idea what's the revenue growth anticipated in the next 3 to 5 years?

Management: So, as we mentioned, as a company policy we do not give any guidance on the growth. However, our past track record and the sustained projects that we have given us good momentum and visibility.

Bhavya Bansal: Okay. And sir, and it's anticipated that Dynacons, is majorly into government contracts. So, is there any plan to expand further catering to other segments as well?

Management: Well, actually I would like to correct that. If you see nearly 35% of our revenues, come from global customers. So, we have a suite of all the large global accounts like Facebook, Uber, then Amazon, S&P, Google, all of these are our customers, S&P Gartner. So, all of these are our customers and they are contributing nearly 35% of revenues to us. Number one.

Number two, our biggest segment is BFSI. So BFSI is also one of our bigger segments and so it's not only public sector that we are working on. ICICI Bank is one of our largest customers also.

Bhavya Bansal: Okay sir.

Moderator: Sorry to interrupt, Bhagya sir. May we request that you come back to follow up question in question queue?

Bhavya Bansal: Okay. Sure.

Moderator: Thank you, sir. The next question is on the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, thank you for the opportunity once again. Sir, I wanted to understand in this scenario where laptop prices are increasing, server prices are increasing, and our order book is 2 years out -- that is to be executed over 2 years. Do we have any price pass through clause where this raw material or the equipment prices are passed on to the end consumers?

Management: So, definitely. While I will just put in a small note to correct that. So, a lot of the order book that we have is based on some immediate orders to be executed, some to be executed across over a period of 5 years. Now, most of these period orders which are to be executed over a longer period of time with durations exceeding 1 year are essentially more on the services implementation and as a service contract which are coming in there.

Coming to the orders which we need to execute, yes, definitely, like you rightly mentioned, prices the entire supply chain globally has been very severely hit due to the entire demand which all these AI factories have created. So, definitely, the supply chain has resulted in increasing prices.

But with all our OEMs, we have a constant support available there, where they are part and parcel of the agreements that we are, the orders that we are winning with the customer. And only along with them, partnering with them, we are able to ensure that there is no hit on us due to these factors.

Madhur Rathi: Sir, I am just trying to understand as a layman. So, let's consider the example of the RBI enterprise application deployment order, where I would expect that there would be some requirement of servers and chipsets and all these memory storage servers, all these things, where the prices have increased by maybe 20% over the next 6 months and we have got this order at INR250 crores. So, in this scenario, can we go to RBI and ask for an increase in the order book value or do we need to take the hit and we need to supply them for INR250 crores only?

Management: So, I would like to clarify here. The order from RBI is for setting up an enterprise application platform. It is only application platform setups there along with implementation and services there. So, it is on the entire application software and the services and implementation there. There is no hardware as part of the order.

Madhur Rathi: But any order where hardware is required to be supplied by us, in that scenario, how does this go?

Management: So, we have back-to-back arrangements already with all the IT vendors there, which are supporting this. And these price contracts, what is agreed with the customer is also agreed with the IT vendor or the OEM.

Madhur Rathi: Okay. So, the minute we receive an order, we buy this equipment from Redington or Rashi Peripherals so that our margins don't take a hit?

Management: Correct. We have all these agreements with the IT OEMs like Dell, HP and all there, so these are already, tied in with them so that through them or through the distributors we can buy it at the agreed pricing. The pricing is already agreed.

Madhur Rathi: Got it. Sir, that answers my question. Sir, so on working capital cycle, sir, how should I look at a working capital cycle for Dynacons as the application and software part of the business increases going forward?

- Management:** So, see the as we are increasing our you know the nature of project -- the nature of business is mainly project-based where we are undertaking large-scale projects there, which involve a go-live period across, multiple months there. So because of that, obviously these require a longer implementation cycle, hence the debtor days are increasing there.
- However, we've got very strong support from all the OEMs and the distributors there, which is why if you see the net working capital cycle has actually been we've been able to improve that over the period of time because we've got good support in terms of the credit periods there from our suppliers.
- Bhagya Bansal:** Right. Sir, also if I look at our balance sheet as of September end?
- Dharmesh Anjaria:** This shows the credibility in execution and track record that we have. Sorry go ahead.
- Bhagya Bansal:** Right, right. And sir what is this ROU asset of INR39.4 crores in our balance sheet as of September end?
- Dharmesh Anjaria:** So as we mentioned, we are creating for all these As-a-Service projects. We are obtaining assets on lease. So when we obtain assets on lease, we need to create a RTU, Right to Use asset, which is what it has been created.
- Bhagya Bansal:** Got it. And sir just a final question from my end, sir. What do we specify or what would be called as the USP of Dynacons versus any other player? And sir, we see a lot of capex happening in the data center and cloud side.
- So what exactly do we provide in this ecosystem and suppose for a big data center like Yotta or Nxtra, are we suppliers to them as well or how do we, how Dynacons sits in this ecosystem if you could help us understand?
- Dharmesh Anjaria:** So when I would say why Dynacons, or what is the USP of Dynacons? We have a nationwide presence. We have significant deep technology experience and skill sets to run several mission-critical and nationwide IT deployments there. We have done several private cloud rollouts, we have done several nationwide rollouts, multiple core banking as a service and data center augmentation projects, IT life cycle management projects.
- So we have a very proven track record. We have a nationwide delivery experience. We have strong partnerships with all these majors. And given our experience of 30 years, we have very, very good qualifications. So not only we have good quality qualifications and certifications like CMMI Level 5, ISO 20000, ISO 27000, but along with that, we also are possessing all the necessary credentials for bidding in large contracts, and where we are able to compete with companies larger than us.
- Bhagya Bansal:** And sir, where do we sit in this data center and cloud offering? How does Dynacons provide service to these big data centers like Yotta and Nxtra?

- Dharmesh Anjaria:** So, we are an IT services provider and IT solutions provider. So we provide all kinds of IT infra setups for all the data centers there. And we manage these IT infra which are put at the data center over a period of time. So we really sit in between the traditional data center providers and the customers there.
- So, we have our own -- we are not only providing customers as a service provider, all these solutions there and helping them through this entire journey on cloud there, but we are also providing these services to data centers. Although we provide more to customers there, direct customers. So it is -- and whatever we supply to the customers is for their own consumption.
- Bhagya Bansal:** Right. Sir so, is it fair to understand that?
- Moderator:** Sorry to interrupt Bansal sir.
- Bhagya Bansal:** Right. I will get back in the queue.
- Moderator:** The next question is from the line of Binoy Jariwala from Upachaya Investments. Please go ahead.
- Binoy Jariwala:** Great. Sir, quick question on the order book. Just wanted to understand the order book a bit in more detail. Is there any seasonality in the order book in terms of any particular quarter where you get a lot of orders from the banks etcetera. or clients?
- Dharmesh Anjaria:** So, erstwhile, there used to be something where banks and some public sector companies used to have budgets to finish off in a particular quarter of the year there. But now there is nothing like that. So it is, there is no seasonality or any particular quarter which is heavy.
- Binoy Jariwala:** Understood, understood. And sir, as you said, the certain orders which vary from immediate implementation to as long as five years, and the average order book is roughly for two years. So how do we account for the revenue because we will have a go-live period and then an O&M period. So how do we typically account for revenue in such multi-year contracts?
- Dharmesh Anjaria:** So all revenues till go-live are accounted immediately because they pass along with the product there which is as per the requirements of the customer there. Any implementation and services till go-live are billed at the time of the service there. So usually the go-live period varies from six months to 12 months, which is what is the period. And then post that is the O&M phase, the operations and maintenance phase, which gets billed over a period of time, like it could be a quarterly billing over the next five years.
- Binoy Jariwala:** Understood. And what would be the O&M component within this INR2,400 crores order book?
- Dharmesh Anjaria:** So it varies from project to project. So for example, this order book contains the DaaS project for J&K Bank which is typically billed over a period of five years. So it will be billed over a period of five years every year quarter-on-quarter. And there are some project-based businesses where typically, it is around 60% of the project value is usually billed till go-live and the balance is usually O&M. So, 60:70, 60:40, 70:30 depends on that. Depends on project to project.

- Binoy Jariwala:** Sure. I'm saying between FY'21 to FY'25, you've mentioned that your top 10 clients, they've accounted typically for 60% of revenue. So, by the very nature of this business, does it mean that this business is very sticky in nature and it's, on the flip side, it also means that it's very difficult to onboard new clients.
- Dharmesh Anjaria:** So, here I would like to state that for us, while the top 10 customers give us around 60% of the revenues as mentioned, however, the top 10, the names in the top 10 keep changing. So, it could be one particular BFSI customer who's in our top 10 for, say, 3 out of 5 years there. And then it would be in another year, it could be another one. So, we have a set of large enterprise accounts across all these three segments that is there BFSI, global and public sector.
- So, we have a set of large enterprise accounts through whom we so, while we have stickiness on one hand, we don't have too much of dependency there because we have a larger pool of accounts to work on. And having worked on multiple projects with these customers, that gives us that stickiness also.
- Moderator:** Thank you, sir. The next question is from the line of Bhavana Jain from Avagrah Capital Advisors LLP. Please go ahead.
- Bhavana Jain:** Yes, thank you for the opportunity. Sir, my question is on the order book bifurcation. Like, can you provide the sector-wise bifurcation, at least the major part, like, how much does it come from the BFSI, and how much is from the government, and how much is from the enterprise?
- Dharmesh Anjaria:** Well, we are currently not providing a business mix or customer vertical mix numbers there, due to confidentiality and other reasons with the customers there. That is why we are not providing these numbers. However, what we can state is that the revenue numbers that you are seeing, the revenue mix that you see among our customer verticals, similar mix you will see among our order book also.
- Bhavana Jain:** Okay, okay. So for this, fine. No problem. Again, on order book itself, do we have this bifurcation, as to how much order book consists of service contracts, and how much is like a one of IT project or anything like that? Anything like that if you can provide?
- Dharmesh Anjaria:** So honestly, all our IT projects have a component of services. They are both embedded and ongoing implementation services. So that way it is difficult to give you this, because we don't have any one of contracts. All our contracts have a services time.
- Bhavana Jain:** So how do we see the completion time of this order book if you can provide that?
- Dharmesh Anjaria:** So we've already mentioned the timeline of the execution of the order book would start from some immediate orders, to some which are over a period of time over a period of five years. With an average, because we have some which are like three years, five years projects also. But on an average, we see that the timeline is around two years there. So you can then accordingly calculate, if you are looking at some revenue numbers, you can make a calculation from that.

- Bhavana Jain:** Then in that case again on the order book side, what kind of growth should I anticipate at least for the next two to three years at least?
- Dharmesh Anjaria:** So as we've mentioned earlier in this call, we are not -- as a company policy, we do not give any forward-looking numbers there. However, what we can say is that, we are making continuous efforts to ensure that the growth momentum, and we have a fairly good track record as you can see over the last seven years, and we see this growth momentum continuing. And we have already released all these orders which are there which also support our statement.
- Bhavana Jain:** Okay, no worries. We'll look for that another call. Okay, I just have one question again on the asset side. So sir, as I can see that from 2025 onwards, we have a bigger fixed asset number because of the data center business or whatever. So if I want to calculate the ROA on these assets because earlier we used to be in the services or IT manage sector.
- So can I have any number on that as to what is the expected ROA that can I expect going ahead? And are we planning to do more capex, again on that lines because of this data center or cloud infrastructure business?
- Dharmesh Anjaria:** So the recent capex that you've seen is all on account of our As-a-Service business. So we've got a lot of As-a-Service contracts there, which is where you're seeing the capex build up there. And the margin profitability on these is in the same lines there, as all these annuity-based contracts or services contracts that we see there.
- So we definitely see a good margin profile on these customers. And as far as return on the capital or return on assets, you will see continue to see a similar growth or stability around those numbers as well.
- Bhavana Jain:** Okay, will look forward to the next call for that. No worries. Thank you so much sir. Thank you.
- Moderator:** The next question is from the line of Ankush Agrawal from Surge Capital. Please go ahead.
- Ankush Agrawal:** Yes, hi sir. Thanks for the opportunity again. So firstly on, I think, from FY'25 balance sheet has started showing large lease liabilities, receivables and payables. The payable part is understandable that you are buying certain devices on lease. But the receivable part would be broadly the revenue that is committed, annual revenue that is committed in this opex deals, right?
- Dharmesh Anjaria:** Yes.
- Ankush Agrawal:** Okay, okay. And secondly sir, in the most of the contracts that we win, are these mostly like L1 tenders? Like on the PSU side, it would be L1 tender, but the global customer and private customers, are those also like L1 type of tenders or how does it work?
- Dharmesh Anjaria:** No, no. These are not L1 tenders. In fact, some of these customers we have multi-year contracts with them also. So it's not L1 bid always. In fact, even in most BFSI bids, we are seeing a lot of QCBS based bids where there is marks given to technical bid as well as the commercial bid. So it's not always just a L1 bid.

- Ankush Agrawal:** Got it. That was helpful. Thank you.
- Moderator:** Thank you, sir. The next question is from the line of Abhishek Benkar from Genuity Capital. Please go ahead.
- Abhishek Benkar:** Yes, hello. Thank you for the opportunity. So what is the pipeline from PSU and government digital transformation initiatives? And how much we are dependent, how much our growth is dependent on government spending cycle? That is my first question.
- And another one is, what is the roadmap for geographic expansion? As you mentioned around 35% our revenue is from, I guess, overseas clients. So do we have any target for further geographic expansion?
- Dharmesh Anjaria:** Coming to your first question, we see a very strong and growing pipeline from public sector due to the entire digital transformation programs. And our pan-India presence and execution capabilities is positioning us well to serve these customers. While government spending can be cyclical, but we usually mitigate this, because we have a very diversified customer base, as well as a large solution base, where we can work across a lot of solutions with these customers.
- And also we have a lot of managed services and device as a service solutions with these customers which enable us to work across there over the period of time. And see the entire digital transformation is just a journey that they have begun. There is a long way to go even for public sector units there. They have a long way to go there, and we are very confident that this will open a good pipeline for us.
- As far as geographic expansion goes, we have a phased geographic expansion strategy. In the near term, we are focusing on India, because the India growth story is not only intact but is very, very strong there. So definitely that's our primary goal. Having said that, we also are looking, we will look at APAC, particularly Southeast Asia as our next growth there, where because we see a strong demand for IT infrastructure and managed services there.
- And after that, we also see Middle East and Europe there. Currently, we are also addressing these opportunities through our partners because we have a lot of international partnerships with global IT majors there. We also partner with GITA, we are a GITA member, which is a global IT alliance there. So with these partnerships, we are able to leverage these and execute projects there.
- Abhishek Benkar:** Okay. And I have a follow up question that, could you provide from our order book pipeline, what is percentage of government or PSU business?
- Dharmesh Anjaria:** So in our order pipeline we have given business segment breakup there in the presentation there on the various business segments. We've not given a customer breakup there. As we mentioned, the customer breakup would be similar to what ultimately, similar to what we are executing currently there where BFSI will be leading the space.

- Abhishek Benkar:** Okay. And also are you exploring any inorganic opportunities or acquisition aside from current partnership?
- Dharmesh Anjaria:** So we continue to evaluate these opportunities as and when they come across there. Currently, the order book and the projects under pipeline are also pretty robust and heavy there, but we are constantly on the lookout there, and will act as and when we see the right opportunity.
- Abhishek Benkar:** Okay. Yes, that's it from my side. I'll get back in the queue. Thank you sir.
- Moderator:** The next question is from the line of Bhagya Bansal, an Individual Investor. Please go ahead. Mr. Bhagya, your line has been unmuted. Please go ahead.
- Bhagya Bansal:** So, I was saying that, just today, I saw that the company has partnered with Cygeniq. So how, what kind of impact you see on your revenues or on the profit growth? I mean what kind of role this company will play?
- Dharmesh Anjaria:** So this partnership that we have done is going to help us enhance our cybersecurity solution portfolio and build specific AI-ready cybersecurity services there, and offer the same to our customers there. So we definitely see a very strong, because you know today AI is not only playing a role in helping customers
- But it is also helping growing concerns there, because there are a lot of security attacks which are AI driven now. So AI for security and security for AI, those are really both opportunities. We definitely need AI for security. And definitely we need to secure the AI.
- Bhagya Bansal:** Okay. And sir it's a follow up question. Actually in that statement it's mentioned that we are planning to go to certain other countries as well. So how this company will help Dynacons to venture out into these countries like Middle East or these such countries?
- Dharmesh Anjaria:** So Dynacons will leverage its own presence -- its own presence as well as its presence through partners as we have recently mentioned on the call there, to address the opportunities there. What this company will do is help us in providing the platform for providing AI solutions on cybersecurity.
- Bhagya Bansal:** And is there any plan to venture out into other government contracts in the near future? Maybe in six months or one year down the line?
- Dharmesh Anjaria:** So it will go across variety of contracts. It will not for any one contract or two contracts, but it will go as it will be a holistic addition to the entire cybersecurity portfolio.
- Bhagya Bansal:** Sir, what's the meaning of Dynacons? How it's derived?
- Dharmesh Anjaria:** Well, it's derived from being dynamic. So Dynamic Consulting is the ethos or origin of the word Dynacons.
- Bhagya Bansal:** Okay, okay. Thank you sir. I hand over it to you.

- Moderator:** Thank you, sir. Ladies and gentlemen, in the interest of time that was the last question for today. I would now like to hand the conference over to management for closing comments. Thank you and over to you, sir.
- Dharmesh Anjaria:** Thank you everybody there. It was really nice to have you all at our first earnings call and we will be undertaking these regularly there. If there are any further questions or something like that, you can reach out to our IR team, and we will strive to see how these can be taken up. Thank you for all the interest that you have taken in our company. Wish you all a good evening.
- Parag Dalal:** Thank you. Thank you very much everyone. We really appreciate your time and presence. Thank you.
- Moderator:** Thank you, sir. On behalf of Go India Advisors LLP, that concludes this conference call. Thank you for joining us and you may now disconnect your lines. Thank you.